



# Reallocation Commentary

April 4, 2007

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We monitor industry valuations and relative strength readings to determine optimal positioning for the ICON Portfolios. Recent measurements have led us to make several sector reallocations.

Our analysis of relative strength indicates that the Financials sector has fallen sharply. It is now the worst performing sector on a relative strength basis, so we are trimming holdings. Similarly, we have discerned weakness in the systems software industry and will be paring the Information Technology sector position due to these relative strength considerations. Even with this reduction, we remain slightly overweight on a sector basis relative to the Standard & Poor's Composite 1500 Index. Finally, we find very few combinations of value and relative strength in the Leisure & Consumer Staples sector and have, therefore, decided to reduce those holdings.

Conversely, our research indicates that the Energy sector has gained relative strength over the past couple of months and our system tells us that it now presents some compelling industry opportunities. Both the oil & gas drilling and oil & gas equipment & services industries are trading at steep discounts to what we believe to be their intrinsic worth, and they have outperformed the broad market over the past six months. The Industrials sector also has become increasingly attractive over the past couple of months, particularly the construction & farm machinery and railroad industries. Our increase in the Industrials sector, the second in just over a month, now makes the sector slightly overweight relative to our benchmark.

*Past performance does not guarantee future results. Opinions and forecasts regarding industries, companies, countries, and/or themes, and portfolio composition and holdings, are all subject to change at any time, based on market and other conditions, and should not be construed as a recommendation of any specific security.*

*Management of the Portfolios involves sector allocation overlays using sector and diversified mutual funds as the investment vehicle. ICON is the investment adviser to mutual funds in which the Portfolios invest and receives a management fee from the funds for its advisory services. An investment in a sector fund may involve greater risk and volatility than a diversified fund, and the technology sector has been among the most volatile sectors in the market.*

*ICON's value-to-price ratio is a ratio of the intrinsic value, as calculated using ICON's proprietary valuation methodology, of a broad range of global securities within ICON's system as compared to the current market price of those securities. ICON's relative strength ratio is a ratio of the performance for the preceding six months of a group of securities within ICON's universe as compared to the preceding six-month performance of the broad market.*

*There is no assurance that the investment process will consistently lead to successful results. Investing in securities involves inherent risks, including the risk that you can lose the value of your investment. Investments in international securities may entail unique risks, including political, market, regulatory and currency risks.*

*The unmanaged Standard & Poor's Composite 1500 (S&P Composite 1500) Index is a broad-based capitalization-weighted index comprising 1,500 stocks of large-cap, mid-cap, and small-cap U.S. companies.*

*If you would like to receive, at no charge, the most recent copy of ICON's disclosure document, Form ADV Part II, please send your request in writing to: Attention: Compliance, ICON Advisers, Inc., 5299 DTC Boulevard, 12th Floor, Greenwood Village, CO 80111.*

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