



Reallocation Commentary October 3, 2006

ICON believes that advances in financial markets are defined by themes that typically last one to two years and that certain industries lead the market during any particular theme. ICON buys industries with stocks priced below our estimation of intrinsic value and sells industries whose stocks have become overpriced relative to intrinsic value.

In mid-September, we announced that we believe that we had identified a new, broad theme in the equity market and that the cyclical theme that has been dominant during the bull market was fading. Since then, we have seen the "late cycle" industry leaders from the Energy, Materials, and Industrials sectors continue to weaken.

When the ICON system identified this shift, we began to reduce or eliminate our exposure to industries such as oil & gas drilling and steel, and build positions in industries such as pharmaceuticals and integrated telecommunications.

We continue to rotate out of cyclically oriented issues and move into less economically sensitive industries. In our opinion, the new leadership that has emerged is primarily in more mature, stable companies that are less tied to the vagaries of the economy, so we are increasing our positions in industries from the Leisure & Consumer Staples, Healthcare, Telecommunications, and Financials sectors. The industry leaders we are targeting with this latest reallocation include household products, pharmaceuticals, integrated telecommunications, and diversified banks.

We currently measure the domestic equity market as about 22% below our estimate of fair value, indicating continued upside potential. Based on our quantitative value and relative strength metrics, however, we believe this latest leg in the bull market will be led by sectors whose earnings are not as tied to the ebb and flow of the economy, as was the cyclical leadership during the first three and half years of this global bull market.

Past performance does not guarantee future results. Opinions and forecasts regarding industries, companies, 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. Portfolio composition and holdings are subject to change at any time and should not be construed as a recommendation of any 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 concentrated in sectors and industries may involve greater risk and volatility than a more diversified investment, and the technology sector has been among the most volatile sectors in the market. To analyze intrinsic value, the ICON valuation methodology relies on the integrity of publicly released financial statements.

5299 DTC Boulevard, 12th Floor Greenwood Village, CO 80111
800.828.4881 phone _ 303.790.1600 local
www.iconadvisers.com

Consider the investment objectives, risks, charges, expenses, and share classes of each ICON Fund carefully before investing. The prospectus contains this and other information about the Funds and is available by visiting www.iconadvisers.com or by calling 1-800-828-4881; please read it carefully before investing.

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.