



ICON

REALLOCATION COMMENTARY

February 27, 2009

Guided by our valuation and relative strength metrics, we have made a rather significant adjustment to our equity versus bond exposure in our moderate and conservative allocation portfolios. We have also made a slight adjustment to sector weightings in the Tactical Portfolio.

For the second time in the past month we are increasing our exposure to bonds in the Balanced, Income/Equity, Frontier Moderate, and Frontier Conservative Portfolios. This increased exposure to bonds in these portfolios is a function of the strong combinations of value and relative strength that we currently see in short-term to intermediate-term high grade corporate bonds.

In the Balanced Portfolio we are increasing our exposure to bonds from 35% to 43%. In the Income/Equity Portfolio bond exposure is being adjusted upward from 55% to 63%. In our Frontier Portfolios, the Moderate Portfolio will have its exposure to bonds increased from 25% to 38%. The Conservative Portfolio will have its weighting in bonds move upward from 45% to 57%.

Also of note, within our Frontier Moderate and Frontier Conservative Portfolios, exposure to the foreign markets will be decreased. Based on our quantitative analysis, foreign markets do not have as much value as we are seeing in the U.S. As a result of this analysis, international exposure in the Moderate Portfolio will be reduced from 28% to 20%. Within the Conservative Portfolio exposure to the foreign markets will be decreased from 13% to 10%.

Within the Tactical Portfolio we are also making a minor position adjustment. In this Portfolio, we are decreasing our exposure to the financials sector while increasing our weighting in the technology sector. As a result of this move, the technology sector will now represent the second highest weighting in the Portfolio. Based on current metrics, the sector is about 33% undervalued and now has a relative strength figure above one.

Past performance does not guarantee future results.

Opinions and forecasts regarding sectors, 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, industry, or sector.

Investing in securities involves inherent risks, including the risk that you can lose the value of your investment. There is no assurance that the investment process will consistently lead to successful results.

Investing in fixed income securities such as bonds involves interest rate risk. When interest rates rise, the value of fixed income securities generally decreases. High-yield bonds involve a greater risk of default and price volatility than U.S. Government and other higher-quality bonds.

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.

Investments in international securities may entail unique risks, including political, market, regulatory and currency risks. Financial statements of foreign companies are governed by different accounting, auditing, and financial standards than U.S. companies and may be less transparent and uniform than in the United States. Many corporate governance standards,



which help ensure the integrity of public information in the United States, do not exist in foreign countries. In general, there is less governmental supervision of foreign stock exchanges and securities brokers and issuers.

ICON's value-based investing model is an analytical, quantitative approach to investing that employs various factors, including projected earnings growth estimates, in an effort to determine whether securities are over- or under priced relative to ICON's estimates of their intrinsic value. ICON's value approach involves forward-looking statements and assumptions based on judgments and projections that are not guarantees of future results. Value investing involves risks and uncertainties and does not guarantee better performance or lower costs than other investment methodologies.

ICON's "relative strength" estimate reflects ICON's calculation of how an individual stock has performed compared to the broad stock market over a six-month period.

Balanced Portfolio seeks a combination of capital appreciation and income through investments in industry-focused sector, bond, and diversified mutual funds. The proportions of equity and fixed-income assets will vary through time, although the Portfolio will generally invest a significant portion of assets in equity investments.

Income/Equity Portfolio seeks total return using a strategic mix of industry-focused U.S. bond, diversified and sector mutual funds, including funds that invest in utility stocks and convertible securities. The Portfolio generally invests a significant portion of assets in fixed-income and dividend-paying investments.

The Frontier Moderate Portfolio seeks total return through investments in select U.S. industry-focused sector mutual funds including funds that invest in real estate, gold and mining securities; and international, bond, and diversified mutual funds. The use of more aggressive asset categories and sectors is constrained to a moderate level.

The Frontier Conservative Portfolio seeks total return through investments in select U.S. industry-focused sector mutual funds including funds that invest in real estate, gold and mining securities; and international, bond, and diversified mutual funds. The use of more aggressive asset categories and sectors is constrained to a conservative level.

The Tactical Portfolio seeks capital appreciation through investments in industry-focused sector and diversified mutual funds.

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 AdvisersSM, 5299 DTC Boulevard, 12th Floor, Greenwood Village, CO 80111.

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