



# ICON

## REALLOCATION COMMENTARY

February 1, 2010

Guided by our value and relative strength metrics, the investment team has made a rotation in the Tactical, Balanced, Frontier Growth, and Frontier Moderate Portfolios. We are paring back the Portfolios' exposure to the Information Technology sector to increase their exposure to the Health Care sector. Within the Tactical Portfolio, the position in the Information Technology sector was reduced from 21.0% to 18.0%. Proceeds were used to increase the Tactical Portfolio's exposure to the Health Care sector from 13.0% to 16.0%.

As a result of the rotation, the Information Technology sector will now be about equal to its weighting in the Tactical Portfolio's S&P 1500 Composite Benchmark Index of 18.4%. The Health Care sector will now be overweight relative to the benchmark which is weighted at 13.0%. While we believe valuations within the Information Technology still show upside potential, we currently see greater upside potential in the Health Care sector. According to our calculations, the average stock in the Information Technology sector has a value-to-price (V/P) ratio of 1.10, while our average V/P ratio in the Health Care sector stands at 1.24.

Proceeds that are freed up from the move out of the Information Technology sector will primarily be used to gain greater exposure to industries within the Health Care sector. Exposure to issues within the biotechnology and health care equipment industries will be increased. Both these industries look quite attractive based on our V/P and relative strength rankings.

As always, the investment team will closely monitor market conditions. Should value and relative strength readings warrant a change in Portfolio weightings, we will rotate the Portfolios accordingly.

### ***Past performance does not guarantee future results.***

*Investment return and principal value will fluctuate and shares, when redeemed, may be worth more or less than their original cost. 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. An investment concentrated in sectors and industries may involve greater risk and volatility than a more diversified investment.*

*ICON's value-based investing model is an analytical, quantitative approach to investing that employs various factors, including projected earnings growth estimates and bond yields, in an effort to determine whether securities are over- or underpriced 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 neither predictive nor guarantees of future results. Value readings are contingent on several variables including, without limitation, earnings, growth estimates, interest rates and overall market conditions. Although valuation readings serve as guidelines for our investment decisions, we retain the discretion to buy and sell securities that fall beyond these guidelines as needed. Value investing involves risks and uncertainties and does not guarantee better performance or lower costs than other investment methodologies.*

*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 domestic and international securities within ICON's system as compared to the current market price of those securities. To analyze intrinsic value, the ICON valuation methodology relies on the integrity of publicly released financial statements. 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.*

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

ICON Advisers<sup>SM</sup>  
5299 DTC Boulevard, 12<sup>th</sup> Floor  
Greenwood Village, CO 80111  
1-800-828-4881  
www.iconadvisers.com

© 2010 ICON Advisers<sup>SM</sup>

XREALLCOM (2/1/10)

*The Frontier Growth 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 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.*

**Please visit ICON online at [www.iconadvisers.com](http://www.iconadvisers.com) or call 1-800-828-4881 for the most recent copy of ICON's Form ADV, Part II.**

© 2010 ICON Advisers<sup>SM</sup> All Rights Reserved.

