



Reallocation Commentary

February 28, 2007

Despite recent volatility in the world markets, including the local Chinese market, the Shanghai Composite Index, which limits foreign investments, our relative strength metrics still rank the Asian markets as the top-ranking region, outpacing both Europe and the U.S. markets. The Asia-Pacific region is also the most undervalued region in the world, according to our methodology, trading at about a 16% discount to our calculation of fair value.

The strong combinations of value and relative strength in the Asian region motivated us to pare the Europe position in the ICON International and Frontier Portfolios and increase weightings in Asia, where our system is showing particular strength in Japan. Much of the new position in Asia is concentrated in the Industrials sector, which has shown value and strength globally.

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.

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. 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. An investment in a region fund may involve greater risk and volatility than a more diversified fund.

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