



## Reallocation Commentary July 13, 2007

With valuation as our guide, we have implemented some minor reallocations to better align three ICON Allocation Portfolios with our current measurements.

After several recent adjustments, we have once again increased Tactical Portfolio's exposure to the Industrials sector, which continues to display leadership. A number of industries within the sector continue to offer what we believe are attractive combinations of value and relative strength.

We have also increased positions in the Energy sector in the Tactical Portfolio, with our calculations indicating that the sector is currently the most undervalued of the nine economic sectors we track. The Energy sector is now trading at about a 15% discount to our calculation of fair value and continues to lead the market.

Conversely, the Telecommunication & Utilities sector has posted strong gains during the past year and is now trading at a slight premium to our calculation of fair value. Accordingly, we have pared the Tactical and Balanced Portfolios' exposure to this sector. Similarly, the Leisure & Consumer Staples sector is trading at about fair value, in our estimation, and has been weak relative to the broader market over the past six months. As value has thinned, we have reduced the Leisure & Consumer Staples weighting in the Tactical Portfolio.

In the Frontier Growth Portfolio, holdings in Europe, which has been a strong-performing region throughout this bull market, have been trimmed. As a region, Europe is now trading at only a slight discount to our calculation of fair value.

Within Europe, our methodology continues to identify attractive combinations of value and relative strength at the industry level. However, the Asia-Pacific region is even more attractive than Europe based on our metrics. We used proceeds from the reduction in the Europe weighting to increase the Portfolio's position in the ICON International Equity Fund, which adds more exposure to the Asia-Pacific region and select Western Hemisphere countries, excluding the United States.

***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. 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.*

#### **Fee Schedule**

<b>Account Value</b>	<b>Sector Allocation Series (Tactical &amp; Balanced)</b>	<b>Frontier Allocation Series (Frontier Growth)</b>
<i>First \$250,000</i>	<i>0.25%/month (3.0%/year)</i>	<i>0.25%/month (3.0%/year)</i>
<i>Next \$500,000</i>	<i>0.21%/month (2.5%/year)</i>	<i>0.21%/month (2.5%/year)</i>
<i>Next \$250,000</i>	<i>0.17%/month (2.0%/year)</i>	<i>0.17%/month (2.0%/year)</i>
<i>More than \$1 million</i>	<i>Negotiable</i>	<i>Negotiable</i>

*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. To analyze intrinsic value, the ICON valuation methodology relies on the integrity of publicly released financial statements.*

*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.*

*Consider the investment objectives, risks, charges, expenses, and share classes of each ICON Fund carefully before investing. The prospectus and the statement of additional information contain this and other information about the Funds; please read carefully before investing. ICON Distributors<sup>SM</sup>, Distributor.*