ICON FUNDS
STATEMENT OF ADDITIONAL INFORMATION

JANUARY 22, 2019

This Statement of Additional Information ("SAI") relates to the following investment portfolios of ICON Funds (the "Trust"):

	Class S	Class C	Class A	Single Class
ICON EQUITY INCOME FUND	IOEZX	IOECX	IEQAX	
ICON FLEXIBLE BOND FUND	IOBZX	IOBCX	IOBAX	
ICON FUND	ICNZX	ICNCX	ICNAX	
ICON LONG/SHORT FUND	IOLZX	IOLCX	ISTAX	
ICON OPPORTUNITIES FUND				ICONX
ICON RISK-MANAGED BALANCED FUND	IOCZX	IOCCX	IOCAX	

This SAI is not a prospectus. It supplements and should be read in conjunction with the prospectuses for the ICON Funds listed above dated January 22, 2019, as amended or supplemented from time to time. To obtain a copy of the Trust's prospectuses and shareholder reports, please call us at 1-800-764-0442, visit www.iconfunds.com or write to ICON Funds, P.O. Box 1920, Denver, CO 80201.

FINANCIAL STATEMENTS

The Trust's audited financial statements and accompanying notes for the fiscal year ended September 30, 2018, and the reports of Cohen & Company, Ltd., the Funds' independent registered public accounting firm, with respect to such financial statements, appear in the Trust's 2018 annual reports and are incorporated by reference in this SAI. The Trust's shareholder reports contain additional performance information and are available at www.iconfunds.com or without charge by contacting the Trust's shareholder servicing agent at the telephone number or address listed above.

ICON FUNDS

ICON Funds (the "Trust") is registered with the Securities and Exchange Commission ("SEC") as an open-end, management investment company, known as a mutual fund. The Trust was organized as a Massachusetts business trust on September 19, 1996. The ICON Equity Income Fund, ICON Flexible Bond Fund, ICON Fund, ICON Long/Short Fund, ICON Opportunities Fund and the ICON Risk-Managed Balanced Fund (each a "Fund" and collectively the "Funds") are series of the Trust. There are 11 other series funds in the Trust. Those funds are covered by separate prospectuses and statements of additional information.

The Funds are each diversified portfolios. This means that, with respect to at least 75% of a Fund's total assets, a Fund will not invest more than 5% of its total assets in the securities of any single issuer (other than obligations issued or guaranteed by the U.S. government, its agencies or instrumentalities), and will not purchase more than 10% of the outstanding voting securities of any single issuer. A Fund may not change its status from a diversified portfolio to a non-diversified portfolio without approval by the holders of a majority of the outstanding voting securities of a Fund ("Majority"), as defined in the Investment Company Act of 1940, as amended (the "1940 Act"). Majority means the lesser of (i) 67% of the Fund's outstanding shares present at a meeting at which more than 50% of the outstanding shares of the Fund are represented either in person or by proxy, or (ii) more than 50% of the Fund's outstanding shares.

ICON Advisers, Inc. ("ICON" or "Adviser") serves as each Fund's investment adviser. ICON Distributors, Inc. ("IDI" or "Distributor") is the distributor of each Fund's shares.

INVESTMENT OBJECTIVES, POLICIES AND RESTRICTIONS

The investment objective of each Fund is fundamental and may not be changed, as to a Fund, without approval by the holders of a Majority of such Fund's outstanding voting shares. The investment objective of each Fund is set forth below:

Fund	Investment Objective
ICON Equity Income Fund	Modest capital appreciation and income.
ICON Flexible Bond Fund	Maximum total return.
ICON Fund	Capital appreciation with a secondary objective of capital preservation.
ICON Long/Short Fund	Capital appreciation.
ICON Opportunities Fund	Capital appreciation.
ICON Risk-Managed Balanced Fund	Modest capital appreciation and income.

The ICON Equity Income Fund will not change its strategy of normally investing at least 80% of its net assets, plus any borrowings for investment purposes, in equity securities without providing Equity Income shareholders at least 60 days' advance notice. The ICON Fund will not change its strategy of normally investing at least 80% of its net assets, plus any borrowings for investment purposes, in domestic equity securities without providing ICON Fund shareholders at least 60 days' advance notice. The ICON Long/Short Fund will not change its strategy of taking long positions in equity securities identified as undervalued and taking short positions in equity securities identified as overvalued without providing Long/Short shareholders at least 60 days' advance notice. The ICON Opportunities Fund will not change its strategy of normally investing at least 80% of its net assets, plus any borrowings for investment purposes, in companies with a market capitalization that is within or below the range of companies in the S&P SmallCap 600 Index without providing Fund shareholders at least 60 days' advance notice. The ICON Risk-Managed Balanced Fund strategy is to normally invest no less than 25%, and up to 75%, of the market value of its assets, plus any borrowings for investment purposes, in debt securities traded in U.S. markets. To maintain a balance in debt and equity the Risk-Managed Balanced Fund will correspondingly invest no less than 25% and no more than 75% in equity securities traded in U.S. markets, including common stocks and preferred stocks of any market capitalization. To manage the risk of holding equity securities the Risk-Managed Balanced Fund may write call options or purchase put options on the securities or securities indexes. The Risk-Managed Balanced Fund may also purchase exchange traded funds and other derivatives. The Risk-Managed Balanced Fund may invest up to 10% of its net assets in non-investment grade U.S. dollar denominated Bonds. The Risk-Managed Balanced Fund will not change its strategy without providing Fund shareholders at least 60 days' advance notice.

In addition, each Fund has adopted certain investment restrictions as fundamental policies. These restrictions cannot be changed without approval by holders of a Majority of the outstanding voting securities of a Fund.

FUNDAMENTAL INVESTMENT RESTRICTIONS

1. A Fund may not invest 25% or more of the value of its total assets in the securities of issuers having their principal business activities in the same industry, provided that there shall be no limitation on the purchase of obligations issued or guaranteed by the U.S. Government, its agencies or instrumentalities.

2. A Fund may not invest in physical commodities, except that a Fund may purchase and sell options, forward contracts, futures contracts (including those relating to indices), options on futures contracts or indices, and other financial instruments, and may invest in securities of issuers which invest in physical commodities or such instruments.

3. A Fund may not invest in real estate, real estate mortgage loans or other illiquid interests in real estate, including limited partnership interests therein, except that a Fund may invest in securities of issuers which invest in real estate, real estate mortgage loans, or other illiquid interests in real estate. A Fund may also invest in readily marketable interests in real estate investment trusts.

4. A Fund may not borrow money, except to the extent permitted under the 1940 Act, which currently limits borrowing to no more than 33 1/3% of the value of a Fund's total assets. For purposes of this investment restriction, investments in options, forward contracts, futures contracts (including those relating to indices), options on futures contracts or indices, and other financial instruments or transactions for which assets are required to be segregated including, without limitation, short sales and reverse repurchase agreements, shall not constitute borrowing.

5. A Fund may not lend any security or make any loan if, as a result, more than 33 1/3% of its total assets would be loaned to other parties, but this limitation does not apply to the purchase of debt securities or to repurchase agreements.

6. A Fund may not act as an underwriter of securities of other issuers, except to the extent a Fund may be deemed an underwriter under the Securities Act of 1933, as amended, in connection with disposing of portfolio securities.

7. A Fund may not issue any senior security, except as permitted under the 1940 Act and except to the extent that the activities permitted by the Fund's other investment restrictions may be deemed to give rise to a senior security.

In applying the limitations on investments in any one industry set forth in restriction 1. above, the Funds use industry classifications based, where applicable, on information published by Standard & Poor's, FactSet, Bloomberg L.P., Value Line, and/or the prospectus of the issuing company. Selection of an appropriate industry classification resource will be made by ICON in the exercise of its reasonable discretion.

NON-FUNDAMENTAL INVESTMENT RESTRICTIONS

The following instructions are non-fundamental and may be changed by the Board of Trustees ("Board") at any time without shareholder approval.

1. A Fund may not, with the exception of investments in obligations issued or guaranteed by the U.S. Government, its agencies or instrumentalities, purchase the securities of any issuer if, as a result, more than 5% of its total assets, with respect to 75% of a Fund, would be invested in the securities of that issuer.

2. A Fund may not purchase the securities of any issuer if such purchase would cause the Fund to hold more than 10% of the outstanding voting securities of such issuer.

3. A Fund may not invest in a company for the purpose of exercising control or management of the company.

4. A Fund may not purchase securities on margin, except to obtain such short-term credits as may be necessary for the clearance of transactions, and except that a Fund may make margin deposits in connection with transactions in short sales, forward contracts, futures contracts (including those relating to indices), options on futures contracts or indices, and other financial instruments, and to the extent necessary to effect transactions in foreign jurisdictions.

5. A Fund may not pledge, mortgage or hypothecate its assets, except to the extent necessary to secure permitted borrowings and to the extent related to the purchase of securities on a when-issued or forward commitment basis and the deposit of assets in escrow in connection with writing covered put and call options and collateral and initial or variation margin arrangements with respect to options, forward contracts, futures contracts (including those relating to indices) and options on futures contracts or indices.

6. A Fund may not enter into repurchase agreements providing for settlement in more than seven days or purchase securities which are not readily marketable if, in the aggregate, more than 15% of the value of its net assets would be so invested.

7. Except for the Long/Short Fund, a Fund may not sell securities short, unless it owns or has the right to obtain securities equivalent in kind and amount to the securities sold short; provided, however, that this restriction shall not prevent a Fund from entering into short positions in options, futures contracts, forward contracts, and other financial instruments.

In addition, in order to qualify as a "regulated investment company" under Subchapter M of the Internal Revenue Code of 1986, as amended, the Funds intend to comply with certain diversification limits imposed by Subchapter M.

If a percentage restriction is adhered to at the time of investment, a later increase or decrease in percentage, resulting from a change in values of portfolio securities or amount of net assets, will not be considered a violation of any of these fundamental or non-fundamental restrictions.

ADDITIONAL INFORMATION ABOUT FUND INVESTMENTS AND RISK CONSIDERATIONS

The prospectus discusses the principal investment strategies and risks of the Funds. This section of the SAI explains certain of these strategies and their associated risks in more detail. This section also explains other strategies used in managing the Funds that may not be considered principal investment strategies and discusses the risks associated with these strategies.

PORTFOLIO TURNOVER

During the fiscal years ended September 30, 2018 and 2017, respectively, the portfolio turnover rate for each of the Funds was as follows:

Fund	2018	2017
ICON Equity Income Fund	171%	206%
ICON Flexible Bond Fund	153%	169%
ICON Fund	25%	15%
ICON Long/Short Fund	36%	24%
ICON Opportunities Fund	87%	26%
ICON Risk-Managed Balanced Fund	87%	83%

A 100% portfolio turnover rate would occur if all of the securities in the portfolio were replaced during the period. Portfolio turnover rates for certain of the Funds may be higher than those of other mutual funds. Although each Fund purchases and holds securities with the goal of meeting its investment objectives, portfolio changes are made whenever ICON believes they are advisable, usually without reference to the length of time that a security has been held. Portfolio turnover rates may also increase as a result of the need for a Fund to effect purchases or redemptions of portfolio securities due to economic, market or other factors that are not within ICON's control and because of sector or theme rotations in and out of various Funds by ICON and shareholders.

Higher portfolio turnover rates increase the brokerage costs a Fund pays and may adversely affect its performance. If a Fund realizes capital gains when it sells portfolio investments, it generally must pay those gains out to shareholders, increasing their taxable distributions. This may adversely affect the after-tax performance of the Funds for shareholders with taxable accounts. In addition, sector or theme rotations in and out of various Funds by ICON and other advisers may increase brokerage costs.

EQUITY SECURITIES

Each Fund may invest in equity securities, including common, preferred and convertible preferred stocks, and securities whose values are tied to the price of stocks, such as rights, warrants and convertible debt securities. Common stocks and preferred stocks represent equity ownership in a corporation. Equity securities may be issued by either established, well-capitalized companies or newly formed, small-cap companies, and may trade on regional or national stock exchanges or in the over-the-counter market.

Preferred Stock. Owners of preferred stocks are entitled to dividends payable from the corporation's earnings, which in some cases may be "cumulative" if prior dividends on the preferred stock have not been paid. Dividends payable on preferred stock have priority over distributions to holders of common stock, and preferred stocks generally have a priority on the distribution of assets in the event of the corporation's liquidation. Preferred stocks may be "participating," which means that they may be entitled to dividends in excess of the stated dividend in certain cases. The holders of a company's debt securities generally are entitled to be paid by the company before it pays anything to its stockholders.

Rights and Warrants. Rights and warrants are securities which entitle the holder to purchase the securities of a company (usually, its common stock) at a specified price during a specified time period. The value of a right or warrant is affected by many of the same factors that determine the prices of common stocks. Rights and warrants may be purchased directly or acquired in connection with a corporate reorganization or exchange offer. A right is an instrument granting rights to existing shareholders of a corporation to subscribe to shares of a new issue of common stock at below the public offering price before the stock is offered to the public. A warrant is an instrument issued by a corporation that gives the holder the right to subscribe to a specific amount of the corporation's capital stock at a set price for a specified period of time. Rights and warrants do not represent ownership of the securities, but only the right to buy the securities. The prices of rights and warrants do not necessarily move parallel to the prices of underlying securities. Rights and warrants may be considered speculative in that they have no voting rights, pay no dividends, and have no rights with respect to the assets of a corporation issuing them. Right and warrant positions will not be used to increase the leverage of a Fund; consequently, right and warrant positions are generally accompanied by cash positions equivalent to the required exercise amount.

Convertible Securities. The Funds may purchase convertible securities including convertible debt obligations and convertible preferred stock. A convertible security entitles the holder to exchange it for a fixed number of shares of common stock (or other equity security), usually at a fixed price within a specified period of time. Until conversion, the owner of convertible securities usually receives the interest paid on a convertible bond or the dividend preference of a preferred stock.

A convertible security has an "investment value" which is a theoretical value determined by the yield it provides in comparison with similar securities without the conversion feature. Investment value changes are based upon prevailing interest rates and other factors. It also has a "conversion value," which is the market value the convertible security would have if it were exchanged for the underlying equity security. Convertible securities may be purchased at varying price levels above or below their investment values or conversion values. Conversion value is a simple mathematical calculation that fluctuates directly with the price of the underlying security. However, if the conversion value is substantially below the investment value, the market value of the convertible security is governed principally by its investment value. If the conversion value is near or above the investment value, the market value of the convertible security generally will rise above the investment value. In such cases, the market value of the convertible security may be higher than its conversion value, due to the combination of the convertible security's right to interest (or dividend preference) and the possibility of capital appreciation from the conversion feature. However, there is no assurance that any premium above investment value or conversion value will be recovered because prices change and, as a result, the ability to achieve capital appreciation through conversion may be eliminated.

The Funds may purchase investment grade, non investment grade, speculative and highly speculative convertible securities and preferred stocks rated by a nationally recognized statistical rating organization such as Moody's Investor Services, Inc. ("Moody's") or Standard & Poor's ("S&P"). The Funds also may invest in unrated convertible securities and preferred stocks if ICON believes they are equivalent in quality to the rated securities that the Funds may buy. (Appendix A to this SAI provides a description of such security ratings.)

The Funds may also create a "synthetic" convertible security by combining separate securities that possess the two principal characteristics of a true convertible security, i.e., fixed-income securities ("fixed-income component") and the right to acquire equity securities ("convertible component"). The fixed-income component is achieved by investing in non-convertible, fixed-income securities such as bonds, preferred stocks and money market instruments. The convertible component is achieved by investing in warrants or options to buy common stock at a certain exercise price, or options on a stock index. The Funds may also purchase synthetic securities created by other parties, typically investment banks, including convertible structured notes. Convertible structured notes are fixed-income debentures linked to equity. Convertible structured notes have the attributes of a convertible security; however, the investment bank that issued the convertible note assumes the credit risk associated with the investment, rather than the issuer of the underlying common stock into which the note is convertible. Purchasing synthetic convertible securities may offer more flexibility than a purchase of a convertible security. Different companies may issue the fixed-income and convertible components, which may be purchased separately and at different times. Synthetic convertible securities are considered convertible securities for purposes of the Funds' investment policies.

The Funds' investments in convertible securities or other securities may generate taxable income which may be treated differently for income tax and book income purposes. These differences in timing may result in the acceleration of income for income tax purposes, and may result in the recharacterization of capital gains and losses as ordinary income, thereby affecting the amount of required fund distributions.

DEBT SECURITIES

Debt securities include bonds, notes and, effective March 30, 2018, closed-end funds that invest at least 80% of their assets in fixed income products, in addition to other securities that give the holder the right to receive fixed amounts of principal, interest, or both on a date in the future or on demand. Debt securities also are often referred to as fixed-income securities, even if the rate of interest varies over the life of the security.

Debt securities are generally subject to credit risk and market risk. Credit risk is the risk that the issuer of the security may be unable to meet interest or principal payments or both as they come due. Market risk is the risk that the market value of the security may decline for a variety of reasons, including changes in interest rates. An increase in interest rates tends to reduce the market values of debt securities in which the Fund has invested. A decline in interest rates tends to increase the market values of debt securities in which the Fund has invested.

Moody's and S&P ratings provide a useful guide to the credit risk of many debt securities. (Appendix A to this SAI provides a description of such debt security ratings.) The lower the rating of a debt security, the greater the credit risk the rating service assigns to the security. To compensate investors for accepting that greater risk, lower-rated debt securities tend to offer higher interest rates. Of course, relying in part on ratings assigned by credit agencies in making investments will not protect the Funds from the risk that the securities in which they invest will decline in value, since credit ratings represent evaluations of the safety of principal, dividend, and interest payments on preferred stocks and debt securities, and not the market values of such securities, and such ratings may not be changed on a timely basis to reflect subsequent events.

The ICON Fund, ICON Long/Short Fund and ICON Opportunities Fund will invest in debt securities only if they are rated investment grade at the time of purchase. The ICON Equity Income Fund, ICON Flexible Bond Fund, and ICON Risk-Managed Balanced Fund may invest up to 25%, 35%, and 10% respectively, of the total assets in their respective portfolios at the time of purchase in lower-rated debt securities, which are often referred to as "junk bonds" or "high yield" bonds. See Appendix A to this SAI for a description of debt security ratings and investment grade.

Increasing the amount of Fund assets invested in unrated or lower-grade debt securities may increase the yield produced by a Fund's debt securities but will also increase the credit risk of those securities. A debt security is considered lower-grade if it is categorized as non-investment grade or lower. Lower-rated and non-rated debt securities of comparable quality are subject to wider fluctuations in yields and market values than higher-rated debt securities and may be considered speculative. Although the ICON Equity Income Fund, ICON Flexible Bond Fund and ICON Risk-Managed Balanced Fund may invest in debt securities assigned lower grade ratings at the time of purchase, these Funds are not permitted to invest in debt securities that are in default or are categorized below highly speculative or, if unrated, are judged by ICON to be of equivalent quality.

A significant economic downturn or major increase in interest rates may result in issuers of lower rated securities experiencing increased financial stress, that would adversely affect their ability to service their principal, dividend, and interest obligations, meet projected business goals, and obtain additional financing. In this regard, it should be noted that while the market for high yield debt securities has been in existence for many years and from time to time has experienced economic downturns, this market has experienced an increase in the use of high yield debt securities to fund highly leveraged corporate acquisitions and restructurings. Past experience may not, therefore, provide an accurate indication of future performance of the high yield debt securities market, particularly during periods of economic recession. Furthermore, expenses incurred in recovering an investment in a defaulted security may adversely affect a Fund's net asset value. Finally, while ICON attempts to limit purchases of medium and lower rated securities to securities having an established secondary market, the secondary market for such securities may be less liquid than the market for higher quality securities. The reduced liquidity of the secondary market for such securities may adversely affect the market price of, and ability of a Fund to value, particular securities at certain times, thereby making it difficult to make specific valuation determinations.

ICON seeks to reduce the overall risks associated with the Funds' investments through diversification and consideration of factors affecting the value of securities it considers relevant. No assurance can be given, however, regarding the degree of success that will be achieved in this regard or that the Funds will achieve their investment objectives.

Zero Coupon Bonds. The Funds may invest in zero coupon bonds. Zero coupon bonds do not make regular interest payments. Zero coupon bonds are sold at a discount from face value. Principal and accrued discount (representing interest earned but not paid) are paid at maturity in the amount of the face value. The market values of zero coupon bonds generally fluctuate more in response to changes in interest rates than interest-paying securities of comparable term and quality. A Fund may be required to distribute income recognized on these bonds, even though no cash may be paid to the Fund until their maturity or call date, in order for the Fund to maintain its qualification for treatment as a regulated investment company. These required distributions could reduce the amount of cash available for investment by the Funds.

Mortgage-Related Securities. The ICON Equity Income Fund, ICON Flexible Bond Fund and ICON Risk-Managed Balanced Fund may invest in mortgage-related securities, which are interests in pools of mortgage loans made to residential home buyers, including mortgage loans made by savings and loan institutions, mortgage bankers, commercial banks and others. Pools of mortgage loans are assembled as securities for sale to investors by various governmental and government-related organizations (see "Mortgage Pass-Through Securities"). The ICON Equity Income Fund, ICON Flexible Bond Fund and ICON Risk-Managed Balanced Fund also may invest in debt securities that are secured with collateral consisting of mortgage-related securities (see "Collateralized Mortgage Obligations"), and in other types of mortgage-related securities.

Mortgage Pass-Through Securities. Interests in pools of mortgage-related securities differ from other forms of debt securities that normally provide for periodic payment of interest in fixed amounts with principal payments at maturity or at specified call dates. Instead, these securities provide a monthly payment that consists of both interest and principal payments. In effect, these payments are a "pass-through" of the monthly payments made by the individual borrowers on their residential or commercial mortgage loans, net of any fees paid to the issuer or guarantor of such securities. Additional payments are caused by repayments of principal resulting from the sale of the underlying property, refinancing or foreclosure, net of fees or costs that may be incurred. Some mortgage-related securities, such as securities issued by Government National Mortgage Association ("Ginnie Mae"), are described as "modified pass-through." These securities entitle the holder to receive all interest and principal payments owed on the mortgage pool, net of certain fees, at the scheduled payment dates regardless of whether or not the mortgagor actually makes the payment.

Ginnie Mae is the principal governmental guarantor of mortgage-related securities. Ginnie Mae is a wholly owned U.S. government corporation within the Department of Housing and Urban Development. Ginnie Mae is authorized to guarantee, with the full faith and credit of the U.S. government, the timely payment of principal and interest on securities issued by institutions approved by Ginnie Mae (such as savings and loan institutions, commercial banks and mortgage bankers) and backed by pools of Federal Housing Administration ("FHA") insured or the Department of Veterans Affairs ("VA") guaranteed mortgages.

Government-related guarantors (i.e., not backed by the full faith and credit of the U.S. government) include Federal National Mortgage Association ("Fannie Mae") and Federal Home Loan Mortgage Corporation ("Freddie Mac"). Fannie Mae is a government-sponsored corporation owned entirely by private stockholders. It is subject to general regulation by the Secretary of Housing and Urban Development. Fannie Mae purchases conventional (i.e., not insured or guaranteed by any government agency) residential mortgages from a list of approved seller/servicers that include state and federally chartered savings and loan associations, mutual savings banks, commercial banks and credit unions and mortgage bankers. Pass-through securities issued by Fannie Mae are guaranteed as to timely payment of principal and interest by Fannie Mae but are not backed by the full faith and credit of the U.S. government.

Freddie Mac was created by Congress in 1970 for the purpose of increasing the availability of mortgage credit for residential housing. It is a government-sponsored corporation formerly owned by the twelve Federal Home Loan Banks and now owned entirely by private stockholders. Freddie Mac issues participation certificates ("PCs") that represent interests in conventional mortgages from Freddie Mac's national portfolio. Freddie Mac guarantees the timely payment of interest and ultimate collection of principal, but PCs are not backed by the full faith and credit of the U.S. government.

Mortgage-backed securities that are issued or guaranteed by the U.S. government, its agencies or instrumentalities, are not subject to a Fund's industry concentration restrictions, by virtue of the exclusion from that test available to all U.S. government securities. The assets underlying such securities may be represented by a portfolio of first lien residential mortgages (including both whole mortgage loans and mortgage participation interests) or portfolios of mortgage pass-through securities issued or guaranteed by Ginnie Mae, Fannie Mae or Freddie Mac. Mortgage loans underlying a mortgage-related security may in turn be insured or guaranteed by the FHA or the VA.

Collateralized Mortgage Obligations ("CMO"). A CMO is a hybrid between a mortgage-backed bond and a mortgage pass-through security. Interest and prepaid principal is paid, in most cases, monthly. CMOs may be collateralized by whole mortgage loans, but are more typically collateralized by portfolios of mortgage pass-through securities guaranteed by Ginnie Mae, Fannie Mae, or Freddie Mac, and their income streams.

CMOs are structured into multiple classes, each bearing a different stated maturity. Actual maturity and average life will depend upon the prepayment experience of the collateral. CMOs provide for a modified form of call protection through a de facto breakdown of the underlying pool of mortgages according to how quickly the loans are repaid. Monthly payment of principal received from the pool of underlying mortgages, including prepayments, is first returned to investors holding the shortest maturity class. Investors holding the longer maturity classes receive principal only after the first class has been retired. An investor is partially guarded against a sooner than desired return of principal because of the sequential payments.

In a typical CMO transaction, a corporation ("issuer") issues multiple series (e.g., A, B, C, Z) of CMO bonds ("Bonds"). Proceeds of the Bond offering are used to purchase mortgages or mortgage pass-through certificates ("Collateral"). The Collateral is pledged to a third party trustee as security for the Bonds. Principal and interest payments from the Collateral are used to pay principal on the Bonds in the order A, B, C, Z. The Series A, B, and C Bonds all bear current interest. Interest on the Series Z Bond is accrued and added to principal and a like amount is paid as principal on the Series A, B, or C Bond currently being paid off. When the Series A, B, and C Bonds are paid in full, interest and principal on the Series Z Bond begin to be paid currently. With some CMOs, the issuer serves as a conduit to allow loan originators (primarily builders or savings and loan associations) to borrow against their loan portfolios.

Risks of Mortgage-Related Securities. Investment in mortgage-backed securities poses several risks, including prepayment, market, and credit risk. Prepayment risk reflects the risk that borrowers may prepay their mortgages faster than expected, which may adversely affect the investment's average life and yield. Whether or not a mortgage loan is prepaid is almost entirely controlled by the borrower. Borrowers are most likely to exercise prepayment options at the time when it is least advantageous to investors, generally prepaying mortgages as interest rates fall, and slowing prepayments as interest rates rise. Accordingly, amounts available for reinvestment by a Fund are likely to be greater during a period of declining interest rates and, as a result, likely to be reinvested at lower interest rates than during a period of rising interest rates.

Besides the effect of prevailing interest rates, the rate of prepayment and refinancing of mortgages may also be affected by home value appreciation, ease of the refinancing process and local economic conditions. Market risk reflects the risk that the price of the security may fluctuate over time. The price of mortgage-backed securities may be particularly sensitive to prevailing interest rates, the length of time the security is expected to be outstanding, and the liquidity of the issue. In a period of unstable interest rates, there may be decreased demand for certain types of mortgage-backed securities, and a fund invested in such securities wishing to sell them may find it difficult to find a buyer, which may in turn decrease the price at which they may be sold. In addition, as a result of the uncertainty of cash flows of lower tranche CMOs, the market prices of and yield on those tranches generally are more volatile.

Credit risk reflects the risk that a Fund may not receive all or part of its principal because the issuer or credit enhancer has defaulted on its obligations. Obligations issued by U.S. government-related entities are guaranteed as to the payment of principal and interest, but are not backed by the full faith and credit of the U.S. government. With respect to Ginnie Mae certificates, although Ginnie Mae guarantees timely payment even if homeowners delay or default, tracking the "pass-through" payments may, at times, be difficult.

The average life of CMOs is determined using mathematical models that incorporate prepayment assumptions and other factors that involve estimates of future economic and market conditions. These estimates may vary from actual future results, particularly during periods of extreme market volatility. In addition, under certain market conditions, such as those that developed in 1994, the average weighted life of mortgage derivative securities may not accurately reflect the price volatility of such securities. For example, in periods of supply and demand imbalances in the market for such securities and/or in periods of sharp interest rate movements, the prices of mortgage derivative securities may fluctuate to a greater extent than would be expected from interest rate movements alone.

A Fund's investments in CMOs also are subject to extension risk. Extension risk is the possibility that rising interest rates may cause prepayments to occur at a slower than expected rate. This particular risk may effectively change a security that was considered short or intermediate-term at the time of purchase into a long-term security. Long-term securities generally fluctuate more widely in response to changes in interest rates than short or intermediate-term securities.

COMMERCIAL PAPER AND OTHER CASH EQUIVALENTS

Commercial paper is the term for short-term promissory notes issued by domestic corporations to meet current working capital needs. Commercial paper may be unsecured by the corporation's assets but may be backed by a letter of credit from a bank or other financial institution. The letter of credit enhances the paper's creditworthiness. The issuer is directly responsible for payment but the bank "guarantees" that if the note is not paid at maturity by the issuer, the bank will pay the principal and interest to the buyer. ICON will consider the creditworthiness of the institution issuing the letter of credit, as well as the creditworthiness of the issuer of the commercial paper, when purchasing paper enhanced by a letter of credit. Commercial paper is sold either in an interest-bearing form or on a discounted basis, with maturities not exceeding 270 days.

A Fund may also acquire certificates of deposit and bankers' acceptances. A certificate of deposit is a short-term obligation of a bank. A banker's acceptance is a time draft drawn by a borrower on a bank, usually relating to an international commercial transaction.

DERIVATIVE INSTRUMENTS

The Funds may use certain derivatives – instruments whose value is derived from an underlying security, index or other instrument.

Options on Securities. The ICON Risk-Managed Balanced Fund's investment strategy involves the use of options. Each of the other Funds may also purchase and/or write (sell) call and put options on any security in which it may invest.

An option gives its purchaser the right to buy or sell a security or securities index at a specified price within a limited period of time. For the right to buy or sell the underlying instrument (e.g., individual securities or securities indexes), the buyer pays a premium to the seller (the "writer" of the option). Options generally have standardized terms, including the exercise price and expiration time. Option contracts are valued at their closing mid-price on the principal exchange on which they are traded. The mid-price is the average of the sum of the closing bid and closing asking prices.

The options bought or sold by the Fund will primarily be listed on a securities exchange. Exchange-traded options in the United States are issued by the Options Clearing Corporation (the "OCC"), a clearing organization affiliated with the exchanges on which options are listed. The OCC, in effect, gives its guarantee to every exchange-traded option transaction.

Writing (Selling) Options. A Fund receives a premium for each option it writes. The premium received will reflect, among other things, the current market price of the underlying security, the relationship of the exercise price to the market price, the historical price volatility of the underlying security, the option period, supply and demand, and interest rates. When the market value of an option appreciates, the purchaser may realize a gain by exercising the option, or by selling the option on an exchange (provided that a liquid secondary market is available). If the underlying security or index does not reach a price level that would make exercise profitable, the option generally will expire without being exercised and the writer will realize a gain in the amount of the premium. If a call option on a security is exercised, the proceeds of the sale of the underlying security by the writer are increased by the amount of the premium and the writer realizes a gain or loss from the sale of the security.

When writing a covered call option, a Fund, in return for the premium, gives up the opportunity for profit from a price increase in the underlying security above the exercise price, but conversely retains the risk of loss should the price of the security decline. If a call option that a Fund has written expires unexercised, the Fund will realize a gain in the amount of the premium; however, that gain may be offset by a decline in the market value of the underlying security during the option period. If the call option is exercised, the Fund will realize a gain or loss from the sale of the underlying security.

When writing a put option, the Fund, in return for the premium, takes the risk that it must purchase the underlying security at a price that may be higher than the current market price of the security. If a put option that the Fund has written expires unexercised, the Fund will realize a gain in the amount of the premium.

So long as a secondary market remains available on an exchange, the writer of an option traded on that exchange ordinarily may terminate his obligation prior to the assignment of an exercise notice by entering into a closing purchase transaction. The cost of a closing purchase transaction, plus transaction costs, may be greater than the premium received upon writing the original option, in which event the writer will incur a loss on the transaction. However, because an increase in the market price of a call option on a security generally reflects an increase in the market price of the underlying security, any loss resulting from a closing purchase transaction is likely to be offset in whole or in part by appreciation in the value of the underlying security that the writer continues to own.

The obligation of an option writer is terminated upon the exercise of the option, the option's expiration or by effecting a closing purchase transaction.

Purchasing Put Options. Each Fund may purchase put options on portfolio securities. A put option gives the buyer of the option, upon payment of a premium, the right to sell a security to the writer of the option on or before a fixed date at a predetermined price. A Fund will realize a gain from the exercise of a put option if, during the option period, the price of the security declines by an amount in excess of the premium paid. A Fund will realize a loss equal to all or a portion of the premium paid for the option if the price of the security increases or does not decrease by more than the premium.

By purchasing a put option, a Fund obtains the right (but not the obligation) to sell the option's underlying instrument at a fixed "strike" price. In return for this right, the Fund pays the current market price for the option (known as the option premium). Options have various types of underlying instruments, including specific securities, indices of securities prices, and futures contracts. A Fund may terminate its position in a put option it has purchased by allowing it to expire or by exercising the option. If the option is allowed to expire, the Fund will lose the entire premium it paid. If the Fund exercises the option, it completes the sale of the underlying instrument at the "strike" price. A Fund also may terminate a put option position by closing it out in the secondary market at its current price, if a liquid secondary market exists.

The buyer of a typical put option can expect to realize a gain if security prices fall substantially. However, if the underlying instrument's price does not fall enough to offset the cost of purchasing the option, a put buyer can expect to suffer a loss (limited to the amount of the premium paid, plus related transaction costs).

Purchasing Call Options. Each Fund may purchase call options on securities that each Fund intends to purchase to take advantage of anticipated positive movements in the prices of these securities. The Fund will realize a gain from the exercise of a call option if, during the option period, the price of the underlying security to be purchased increases by more than the amount of the premium paid. A Fund will realize a loss equal to all or a portion of the premium paid for the option if the price of the underlying security decreases or does not increase by more than the premium.

The features of call options are essentially the same as those of put options, except that the purchaser of a call option obtains the right to purchase, rather than sell, the underlying instrument at the option's "strike" price. A call buyer typically attempts to participate in potential price increases of the underlying instrument with risk limited to the cost of the option if security prices fall. At the same time, the buyer can expect to suffer a loss if the underlying prices do not rise sufficiently to offset the cost of the option.

Combined Positions. A Fund may purchase and write options in combination with each other, or in combination with futures or forward contracts, to adjust the risk and return characteristics of the overall position. For example, a Fund may purchase a put option and write a call option on the same underlying instrument, in order to construct a combined position whose risk and return characteristics are similar to selling a futures contract. Another possible combined position would involve writing a call option at one "strike" price and buying a call option at a lower price, in order to reduce the risk of the written call option in the event of a substantial price increase. Because combined options positions involve multiple trades, they result in higher transaction costs and may be more difficult to open and close out.

Other Information Related to Options Trading. There is no assurance a liquid secondary market will exist for any particular option or at any particular time. If a Fund is unable to effect a closing purchase transaction with respect to options it has written, the Fund will not be able to sell the underlying securities or dispose of assets held in a segregated account until the options expire or are exercised. Reasons for the absence of a liquid secondary market may include the following: (i) there may be insufficient trading interest in certain options; (ii) restrictions may be imposed by an exchange on opening transactions or closing transactions or both; (iii) trading halts, suspensions or other restrictions may be imposed with respect to particular classes or series of options; (iv) unusual or unforeseen circumstances may interrupt normal operations on an exchange; (v) the facilities of an exchange or the OCC may not at all times be adequate to handle current trading volume; or (vi) one or more exchanges could, for economic or other reasons, decide or be compelled at some future date to discontinue the trading of options (or a particular class or series of options). If trading were discontinued, the secondary market on that exchange (or in that class or series of options) would cease to exist. However, outstanding options on that exchange that had been issued by the OCC as a result of trades on that exchange would normally continue to be exercisable or expire in accordance with their terms.

There can be no assurance that higher trading activity, order flow or other unforeseen events might not, at times, render certain of the facilities of the OCC or various exchanges inadequate. Such events have, in the past, resulted in the institution by an exchange of special procedures, such as trading rotations, restrictions on certain types of orders or trading halts or suspensions with respect to one or more options.

The Risk-Managed Balanced Fund may generate premiums from its sale of call options. These premiums typically will result in short-term capital gains to the Fund for federal and state income tax purposes. Transactions involving the disposition of the Fund's underlying securities (whether pursuant to the exercise of a call option or otherwise) will give rise to capital gains or losses. Due to the tax treatment of securities on which call options have been written, the majority, if not all, of the gains from the sale of the underlying security will be short-term capital gains. Short term capital gains are usually taxable as ordinary income when distributed to shareholders. Because the Fund does not have control over the exercise of the call options it writes, shareholder redemptions or corporate events involving its equity securities investments (such as mergers, acquisitions or reorganizations), it may be forced to realize capital gains or losses at inopportune times.

Although the Funds may write options whose expiration dates are between one and ten months from the date the option is written, it is not possible for the Funds to time the receipt of exercise notices. This prevents the Funds from receiving income on a scheduled basis and may inhibit the Funds from fully utilizing other investment opportunities.

The OCC sets option expiration dates and exercise prices, which depend on the range of prices in the underlying stock's recent trading history. Written options have predetermined exercise prices set below, equal to or above the current market price of the underlying stock. Each Fund's overall return will, in part, depend on the ability of the Adviser to accurately predict price fluctuations in underlying securities in addition to the effectiveness of the Adviser's strategy in terms of stock selection.

The size of the premiums each Fund receives for writing options may be adversely affected as new or existing institutions, including other investment companies, engage in or increase their option writing activities.

Each securities exchange on which options trade has established limitations governing the maximum number of puts and calls in each class (whether or not covered or secured) that may be written by a single investor, or group of investors, acting in concert (regardless of whether the options are written on the same or different exchanges or are held or written in one or more accounts or through one or more brokers). It is possible that the Funds and other clients advised by the Adviser may constitute such a group. These position limits may restrict the number of options the Funds may write on a particular security. An exchange may order the liquidation of positions found to be above such limits or impose other sanctions.

The hours of trading for options may not conform to the hours during which the underlying securities are traded. To the extent that the options markets close before the markets for the underlying securities, significant price and rate movements can take place in the underlying markets that cannot be reflected in the options markets.

Options on Securities Indexes. All of the Funds may purchase and write options on securities indexes. A securities index measures the movement of a certain group of securities by assigning relative values to the stocks included in the index. Options on securities indexes are similar to options on securities. However, because options on securities indexes do not involve the delivery of an underlying security, the option represents the holder's right to obtain from the writer in cash a fixed multiple (the "Multiple") of the amount by which the exercise price exceeds (in the case of a put) or is less than (in the case of a call) the closing value of the underlying index on the exercise date. A Fund may purchase put options on stock indexes to protect its portfolio against declines in value. A Fund may purchase call options, or write put options, on stock indexes to establish a position in equities as a temporary substitute for purchasing individual stocks that then may be acquired over the option period in a manner designed to minimize adverse price movements. Purchasing put and call options on securities indexes may also permit greater time for evaluation of investment alternatives. When ICON believes that the trend of stock prices may be downward, the purchase of put options on securities indexes may eliminate the need to sell less liquid securities and possibly repurchase them later. If such transactions are used as a hedging activity, they may not produce a net gain to a Fund. Any gain in the price of a call option a Fund has bought is likely to be offset by higher prices the Fund must pay in rising markets, as cash reserves are invested. In declining markets, any increase in the price of a put option a Fund has bought is likely to be offset by lower prices of stocks owned by the Fund.

When a Fund purchases a call on a securities index, the Fund pays a premium and has the right during the call period to require the seller of such a call, upon exercise of the call, to deliver to the Fund an amount of cash if the closing level of the securities index upon which the call is based is above the exercise price of the call. This amount of cash is equal to the difference between the closing price of the index and the lesser exercise price of the call, in each case multiplied by the Multiple. When a Fund purchases a put on a securities index, the Fund pays a premium and has the right during the put period to require the seller of such a put, upon exercise of the put, to deliver to the Fund an amount of cash if the closing level of the securities index upon which the put is based is below the exercise price of the put. This amount of cash is equal to the difference between the exercise price of the put and the lesser closing level of the securities index, in each case multiplied by the Multiple. Buying securities index options permits a Fund, if cash is deliverable to it during the option period, either to sell the option or to require delivery of the cash. If such cash is not so deliverable, and as a result the option is not exercised or sold, the option becomes worthless at its expiration date.

The value of a securities index option depends upon movements in the level of the securities index rather than the price of particular securities. Whether a Fund will realize a gain or a loss from its option activities depends upon movements in the level of securities prices generally or in an industry or market segment, rather than movements in the price of a particular security. Purchasing or writing call and put options on securities indexes involves the risk that ICON may be incorrect in its expectations as to the extent of the various securities market movements or the time within which the options are based. To compensate for this imperfect correlation, a Fund may enter into options transactions in a greater dollar amount than the securities being hedged if the historical volatility of the prices of the securities being hedged is different from the historical volatility of the securities index.

Over-the-Counter ("OTC") Options. Unlike exchange-traded options, which are standardized with respect to the underlying instrument, expiration date, contract size, and strike price, the terms of OTC options (options not traded on exchanges) generally are established through negotiation with the other party to the option contract. While this type of arrangement allows a Fund greater flexibility to tailor the option to its needs, OTC options generally involve greater risk than exchange-traded options, which are guaranteed by the clearing organization of the exchanges where they are traded. OTC options are guaranteed by the issuer of the option.

Futures Contracts. All of the Funds may purchase and sell futures contracts. U.S. futures contracts are traded on exchanges that have been designated "contract markets" by the Commodity Futures Trading Commission ("CFTC") and must be executed through a futures commission merchant (an "FCM") or brokerage firm that is a member of the relevant contract market. The CFTC recently rescinded their exemption to regulated entities, including registered investment companies, allowing regulated entities to engage in unlimited futures transactions and options thereon without registration as a commodity pool operator. The CFTC has implemented de minimis levels allowing regulated entities to engage in limited futures transactions and options thereon without registration as a commodity pool operator. ICON Advisers, the adviser to the Funds, does not intend to operate the Funds as commodity pools and has therefore filed an exemption with the National Futures Association. In doing so ICON has agreed to operate the Funds in such a manner to warrant exclusion from the registration as a commodity pool operator.

Futures contracts by their terms call for the delivery or acquisition of the underlying commodities or a cash payment based on the value of the underlying commodities, in most cases the contractual obligation is offset before the delivery date of the contract by buying, in the case of a contractual obligation to sell, or selling, in the case of a contractual obligation to buy, an identical futures contract on a commodities exchange. Such a transaction cancels the obligation to make or take delivery of the commodities.

The acquisition or sale of a futures contract could occur, for example, if a Fund held or considered purchasing equity securities and sought to protect itself from fluctuations in prices without buying or selling those securities. For example, if prices were expected to decrease, a Fund could sell equity index futures contracts, thereby hoping to offset a potential decline in the value of equity securities in the portfolio by a corresponding increase in the value of the futures contract position held by the Fund and thereby prevent the Fund's net asset value from declining as much as it otherwise would have. A Fund also could protect against potential price declines by selling portfolio securities and investing in money market instruments. However, since the futures market is more liquid than the cash market, the use of futures contracts would allow the Fund to maintain a defensive position without having to sell portfolio securities.

Similarly, when prices of equity securities are expected to increase, futures contracts could be bought to attempt to hedge against the possibility of having to buy equity securities at higher prices. This technique is sometimes known as an anticipatory hedge. If the fluctuations in the value of the equity index futures contracts used is similar to those of equity securities, a Fund could take advantage of the potential rise in the value of equity securities without buying them until the market had stabilized. At that time, the futures contracts could be liquidated and the Fund could buy equity securities in the market.

The Funds also may purchase and sell interest rate futures contracts. Interest rate futures contracts currently are traded on a variety of fixed-income securities, including long-term U.S. Treasury bonds, Treasury notes, Ginnie Mae modified pass-through mortgage-backed securities, U.S. Treasury bills, bank certificates of deposit and commercial paper.

The purchase and sale of futures contracts entail risks. Although ICON believes that use of such contracts could benefit the Funds, if ICON's investment judgment were incorrect, a Fund's overall performance could be worse than if the Fund had not entered into futures contracts. For example, if a Fund hedged against the effects of a possible decrease in prices of securities held in the Fund's portfolio and prices increased instead, the Fund would lose part or all of the benefit of the increased value of these securities because of offsetting losses in the Fund's futures positions. In addition, if the Fund had insufficient cash, it might have to sell securities from its portfolio to meet margin requirements.

The ordinary spreads between prices in the cash and futures markets, due to differences in the nature of those markets, are subject to distortions. First, the ability of investors to close out futures contracts through offsetting transactions could distort the normal price relationship between the cash and futures markets. Second, to the extent participants decide to make or take delivery, liquidity in the futures markets could be reduced and prices in the futures markets distorted. Third, from the point of view of speculators, the margin deposit requirements in the futures markets are less onerous than margin requirements in the securities market. Therefore, increased participation by speculators in the futures markets may cause temporary price distortions. Due to the possibility of the foregoing distortions, a correct forecast of general price trends still may not result in a successful use of futures.

The prices of futures contracts depend primarily on the value of their underlying instruments. Because there are a limited number of types of futures contracts, it is possible that the standardized futures contracts available to the Funds would not match exactly a Fund's current or potential investments. A Fund might buy or sell futures contracts based on underlying instruments with different characteristics from the securities in which it would typically invest, for example, by hedging investments in portfolio securities with a futures contract based on a broad index of securities which involves a risk that the futures position might not correlate precisely with the performance of the Fund's investments.

Futures prices can also diverge from the prices of their underlying instruments, even if the underlying instruments closely correlate with a Fund's investments. Futures prices are affected by such factors as current and anticipated short-term interest rates, changes in volatility of the underlying instruments, and the time remaining until expiration of the contract. Those factors may affect securities prices differently from futures prices. Imperfect correlations between a Fund's investments and its futures positions could also result from differing levels of demand in the futures markets and the securities markets, from structural differences in how futures and securities are traded, and from imposition of daily price fluctuation limits for futures contracts. A Fund could buy or sell futures contracts with a greater or lesser value than the securities it wished to hedge or was considering purchasing in order to attempt to compensate for differences in historical volatility between the futures contract and the securities, although this might not be successful in all cases. If price changes in a Fund's futures positions were poorly correlated with its other investments, its futures positions could fail to produce desired gains or result in losses that would not be offset by the gains in the Fund's other investments.

To the extent that a Fund enters into futures contracts, and options on futures contracts traded on a CFTC-regulated exchange, in each case that are not for bona fide hedging purposes (as defined by the CFTC), the aggregate initial margin and premiums required to establish these positions (excluding the amount by which options are "in-the-money" at the time of purchase) may not exceed 5% of the liquidation value of the Fund's portfolio, after taking into account unrealized profits and unrealized losses on any contracts the Fund has entered into. (In general, a call option on a futures contract is "in-the-money" if the value of the underlying futures contract exceeds the strike price, i.e., exercise, price of the call. A put option on a futures contract is "in-the-money" if the value of the underlying futures contract is exceeded by the strike price of that put.) This policy does not limit to 5% the percentage of a Fund's assets that are at risk in options or futures contracts.

Unlike the situation in which a Fund purchases or sells a security, no price is paid or received by a Fund upon the purchase or sale of a futures contract or when a Fund writes an option on a futures contract. Instead, a purchaser of a futures contract is required to deposit an amount of cash or qualifying securities with the FCM. This is called "initial margin." Such initial margin is in the nature of a performance bond or good faith deposit on the contract. However, since losses on open contracts are required to be reflected in cash in the form of variation margin payments, a Fund may be required to make additional payments during the term of a contract to its broker.

Such payments would be required, for example, when, during the term of an interest rate futures contract purchased or a put option on an interest rate futures contract sold by a Fund, there was a general increase in interest rates, thereby making the Fund's position less valuable. At any time prior to the expiration of a futures contract or written option on a futures contract, the Fund may elect to close its position by taking an opposite position that will operate to terminate the Fund's position in the futures contract or option.

Because futures contracts are generally settled within a day from the date they are closed out, compared with a settlement period of three business days for most types of securities, the futures markets can provide superior liquidity to the securities markets. Nevertheless, there is no assurance a liquid secondary market will exist for any particular futures contract at any particular time. In addition, futures exchanges may establish daily price fluctuation limits for futures contracts and options on futures contracts and may halt trading if a contract's price moves upward or downward more than the limit in a given day. On volatile trading days when the price fluctuation limit is reached, it would be impossible for a Fund to enter into new positions or close out existing positions. If the secondary market for a futures contract or an option on a futures contract were not liquid because of price fluctuation limits or otherwise, a Fund would not promptly be able to liquidate unfavorable futures or options positions and potentially could be required to continue to hold a futures or options position until the delivery date, regardless of changes in its value. As a result, a Fund's access to other assets held to cover its futures or options positions also could be impaired.

Options on Futures Contracts. All of the Funds may purchase and write put and call options on futures contracts. An option on a futures contract provides the holder with the right to enter into a "long" position in the underlying futures contract, in the case of a call option, or a "short" position in the underlying futures contract, in the case of a put option, at a fixed exercise price on or before a stated expiration date. Upon exercise of the option by the holder, a contract market clearinghouse establishes a corresponding short position for the writer of the option, in the case of a call option, or a corresponding long position, in the case of a put option. If an option is exercised, the parties will be subject to all the risks associated with the trading of futures contracts, such as payment of variation margin deposits.

A position in an option on a futures contract may be terminated by the purchaser or seller prior to expiration by effecting a closing sale or purchase transaction, subject to the availability of a liquid secondary market, which is the sale or purchase of an option of the same series (i.e., the same exercise price and expiration date) as the option previously purchased or sold. The difference between the premiums paid and received represents the trader's profit or loss on the transaction.

An option, whether based on a futures contract, or a security, becomes worthless to the holder when it expires. Upon exercise of an option, the exchange or contract market clearinghouse assigns exercise notices on a random basis to those of its members that have written options of the same series and with the same expiration date. A brokerage firm receiving such notices then assigns them on a random basis to those of its customers that have written options of the same series and expiration date. A writer therefore has no control over whether an option will be exercised against it, or over the time of such exercise.

The purchase of a call option on a futures contract is similar in some respects to the purchase of a call option on an individual security. See "Options on Securities" above. Depending on the pricing of the option compared to either the price of the futures contract upon which it is based or the price of the underlying instrument, ownership of the option may or may not be less risky than ownership of the futures contract or the underlying instrument. As with the purchase of futures contracts, when a Fund is not fully invested it could buy a call option (or write a put option) on a futures contract to hedge against a market advance.

The purchase of a put option on a futures contract is similar in some respects to the purchase of protective put options on portfolio securities. For example, a Fund would be able to buy a put option (or write a call option) on a futures contract to hedge the Fund's portfolio against the risk of falling prices. The amount of risk a Fund would assume, if it bought an option on a futures contract, would be the premium paid for the option plus related transaction costs. In addition to the correlation risks discussed above, the purchase of an option also entails the risk that changes in the value of the underlying futures contract will not fully be reflected in the value of the options bought.

Risk Factors of Investing in Futures and Options. The writing and purchasing of options and the use of futures is a highly specialized activity that involves investment techniques and risks different from those associated with ordinary portfolio securities transactions. The successful use of options and futures depends in part on the ability of the Adviser to predict future price fluctuations. All such practices entail risks and can be highly volatile. Should interest rates or the prices of securities or financial indexes move in an unexpected manner, the Funds may not achieve the desired benefits of options and futures or may realize losses and thus be in a worse position than if such strategies had not been used. Unlike many exchange-traded futures contracts and options on futures contracts, there are no daily price fluctuation limits with respect to options negotiated on OTC instruments, and adverse market movements could therefore continue to an unlimited extent over a period of time. In addition, the correlation between movements in the price of the securities hedged or used for cover will not be perfect and could produce unanticipated losses.

A Fund's ability to dispose of its positions in the foregoing instruments will depend on the availability of liquid markets in the instruments. Particular risks exist with respect to the use of each of the foregoing instruments and could result in such adverse consequences to a Fund as the possible loss of the entire premium paid for an option bought by a Fund, the inability of a Fund, as the writer of a covered call option, to benefit from the appreciation of the underlying securities above the exercise price of the option, and the possible need to defer closing out positions in certain instruments to avoid adverse tax consequences. As a result, no assurance can be given that the Funds will be able to use those instruments effectively for the purposes set forth above.

Cover. Transactions using options and futures contracts ("Financial Instruments"), other than purchased options, expose a Fund to an obligation to another party. Each Fund will not enter into any such transaction unless it owns either (1) an offsetting ("covered") position in securities, or other options, futures contracts, or (2) cash and liquid assets with a value, marked-to-market daily, sufficient to cover its potential obligations to the extent not covered as provided in (1) above. Each Fund will comply with SEC guidelines regarding cover for these instruments and will, if the guidelines so require, set aside cash or liquid assets in an account with its custodian in the prescribed amount as determined daily.

Assets used as cover or held in an account cannot be sold while the position in the corresponding Financial Instrument is open, unless they are replaced with other appropriate assets. As a result, the commitment of a large portion of a Fund's assets to cover in accounts could impede portfolio management or the Fund's ability to meet redemption requests or other obligations.

Leveraging. Leveraging a Fund creates an opportunity for increased net income but, at the same time, creates special risk considerations. For example, leveraging may exaggerate changes in the net asset value of Fund shares and in the yield on the Fund's portfolio. Although the principal of such borrowings will be fixed, the Fund's assets may change in value during the time the borrowing is outstanding. Leveraging will create interest expenses for the Fund which can exceed the income from the assets retained. To the extent the income derived from securities purchased with borrowed funds exceeds the interest the Fund will have to pay, the Fund's net income will be greater than if leveraging were not used. Conversely, if the income from the assets retained with borrowed funds is not sufficient to cover the cost of leveraging, the net income of the Fund will be less than if leveraging were not used, and therefore the amount available for distribution to shareholders will be reduced.

Correlation of Price Changes. There are a limited number of types of options and futures contracts. It is therefore likely that the standardized contracts available will not match a Fund's current or anticipated investments exactly. The Fund may invest in options and futures contracts based on securities with different issuers, maturities, or other characteristics from the securities in which it typically invests.

SHORT SALES

A security is sold short when a Fund sells a security it does not own. To sell a security short, a Fund must borrow the security from someone else to deliver it to the buyer. That Fund then replaces the borrowed security by purchasing it at the market price at or before the time of replacement. Until it replaces the security, the Fund repays the person that lent it the security for any interest or dividends that may have accrued during the period of the loan.

The ICON Equity Income Fund, ICON Fund, ICON Long/Short Fund, ICON Opportunities Fund and the ICON Risk-Managed Balanced Fund are "Diversified Equity Funds." Each Diversified Equity Fund may engage in short sales "against the box." In a short sale against the box, a Fund agrees to sell at a future date a security that it either currently owns or has the right to acquire and must maintain these securities in a segregated account. A Fund will incur transaction costs to open, maintain and close short sales against the box.

In addition, the use of short sales is a primary investment strategy of the ICON Long/Short Fund. A Fund is required to maintain a segregated account of cash or highly liquid securities with a broker or custodian in at least an amount equal to the current market value of the securities sold short until the Fund replaces a borrowed security. A Fund expects to receive interest on the collateral it deposits. The use of short sales may result in a Fund realizing more short-term capital gains than it would if the Fund did not engage in short sales.

There is no guarantee that a Fund will be able to close out a short position at any particular time or at an acceptable price. During the time that a Fund is short a security, it is subject to the risk that the lender of the security will terminate the loan at a time when the Fund is unable to borrow the same security from another lender. If that occurs, the Fund may be "bought in" at the price required to purchase the security needed to close out the short position, which may be a disadvantageous price.

In short sale transactions, a Fund's gain is limited to the price at which it sold the security short; its loss is limited only by the maximum price it must pay to acquire the security less the price at which the security was sold. In theory, losses from short sales may be unlimited. Until a security that is sold short is acquired by a Fund, the Fund must pay the lender any dividends that accrue during the loan period. In order to borrow the security, the Fund usually is required to pay compensation to the lender. Short sales also cause a Fund to incur brokerage fees and other transaction costs. Therefore, the amount of any gain a Fund may receive from a short sale transaction is decreased and the amount of any loss increased by the amount of compensation to the lender, dividends and expenses the Fund may be required to pay.

FOREIGN SECURITIES AND DEPOSITARY RECEIPTS

The Funds may invest up to 20% of their net assets in foreign securities traded in foreign markets. The term "foreign securities" refers to securities of issuers, wherever organized, whose securities are listed or traded principally on a recognized stock exchange or over-the-counter market outside of the United States.

Investments in foreign securities involve certain risks that are not typically associated with U.S. investments. There may be less publicly available information about foreign companies comparable to reports and ratings published about U.S. companies. Foreign companies are not generally subject to uniform accounting, auditing, and financial reporting standards and requirements comparable to those applicable to U.S. companies. Some foreign companies may exclude U.S. investors such as the Funds from participating in beneficial corporate actions, such as rights offerings. As a result, the Funds may not realize the same value from a foreign investment as a shareholder residing in that country. There also may be less government supervision and regulation of foreign stock exchanges, brokers and listed companies than in the United States.

Foreign stock markets may have substantially less trading volume than U.S. stock markets, and securities of some foreign companies may be less liquid and may be more volatile than securities of comparable U.S. companies. Brokerage commissions and other transaction costs on foreign securities exchanges generally are higher than in the United States.

Dividends and interest paid by foreign issuers may be subject to withholding and other foreign taxes, thus reducing the net return on such investments compared with U.S. investments. The operating expense ratio of a Fund that invests in foreign securities can be expected to be higher than that of a Fund which invests exclusively in domestic securities, since the expenses of the Fund, such as foreign custodial costs, are higher. In addition, the Fund incurs costs in converting assets from one currency to another.

<u>Foreign Currency Transactions</u>

Investment in foreign companies will usually involve currencies of foreign countries, and because a Fund may temporarily hold funds in bank deposits in foreign currencies during the course of investment programs, the value of the assets of the Fund as measured in U.S. dollars may be affected favorably or unfavorably by changes in foreign currency exchange rates and exchange control regulations, and the Fund may incur costs in connection with conversion between various currencies. A change in the value of any foreign currency relative to the U.S. dollar, when the Fund holds that foreign currency or a security denominated in that foreign currency, will cause a corresponding change in the dollar value of the Fund assets denominated in that currency or traded in that country. Moreover, there is the possibility of expropriation or confiscatory taxation, limitations on the removal of funds or other assets of the Fund, political, economic or social instability or diplomatic developments that could affect U.S. investments in foreign countries.

A Fund may, as appropriate markets are developed, but is not required to, engage in currency transactions including cash market purchases at the spot rates, forward currency contracts, exchange listed currency futures, exchange listed and over-the-counter options on currencies, and currency swaps for two purposes. One purpose is to settle investment transactions. The other purpose is to try to minimize currency risks.

All currency transactions involve a cost. Although foreign exchange dealers generally do not charge a fee, they do realize a profit based on the difference (spread) between the prices at which they are buying and selling various currencies. Commissions are paid on futures options and swaps transactions, and options require the payment of a premium to the seller.

A forward contract involves a privately negotiated obligation to purchase or sell at a price set at the time of the contract with delivery of the currency generally required at an established future date. A futures contract is a standardized contract for delivery of foreign currency traded on an organized exchange that is generally settled in cash. An option gives the right to enter into a contract. A swap is an agreement based on a nominal amount of money to exchange the differences between currencies.

A Fund may use spot rates or forward contracts to settle a security transaction or handle dividend and interest collection. When a Fund enters into a contract for the purchase or sale of a security denominated in a foreign currency or has been notified of a dividend or interest payment, it may desire to lock in the price of the security or the amount of the payment in dollars. By entering into a spot rate or forward contract, the Fund will be able to protect itself against a possible loss resulting from an adverse change in the relationship between different currencies from the date the security is purchased or sold to the date on which payment is made or received or when the dividend or interest is actually received.

A Fund may use forward or futures contracts, options, or swaps when the investment manager believes the currency of a particular foreign country may suffer a substantial decline against another currency. For example, it may enter into a currency transaction to sell, for a fixed amount of dollars, the amount of foreign currency approximating the value of some or all of the Fund's portfolio securities denominated in such foreign currency. The precise matching of the securities transactions and the value of securities involved generally will not be possible. The projection of short-term currency market movements is extremely difficult and successful execution of a short-term strategy is highly uncertain.

A Fund will not enter into a foreign forward contract for a term of more than one year or for purposes of speculation. Investors should be aware that hedging against a decline in the value of a currency in this manner does not eliminate fluctuations in the prices of portfolio securities or prevent losses if the prices of those securities decline. Furthermore, hedging transactions preclude the opportunity for gain if the value of the hedging currency should rise. Foreign forward contracts may, from time to time, be considered illiquid, in which case they would be subject to a Fund's limitation on investing in illiquid securities.

A Fund may cross-hedge currencies by entering into transactions to purchase or sell one or more currencies that are expected to decline in value relative to other currencies in which a Fund has (or expects to have) portfolio exposure. A Fund may engage in proxy hedging. Proxy hedging is often used when the currency to which a fund's portfolio is exposed is difficult to hedge. Proxy hedging entails entering into a forward contract to sell a currency whose changes in value are generally considered to be linked to a currency or currencies in which some or all of the Fund's portfolio securities are or are expected to be denominated, and simultaneously buy U.S. dollars. The amount of the contract would not exceed the value of the Fund's securities denominated in linked securities.

A Fund will not enter into a currency transaction or maintain an exposure as a result of the transaction when it would obligate a Fund to deliver an amount of foreign currency in excess of the value of the Fund's portfolio securities or other assets denominated in that currency. The Fund will designate cash or securities in an amount equal to the value of the Fund's total assets committed to consummating the transaction. If the value of the securities declines, additional cash or securities will be designated on a daily basis so that the value of the cash or securities will equal the amount of the Fund's commitment.

On the settlement date of the currency transaction, a Fund may either sell portfolio securities and make delivery of the foreign currency or retain the securities and terminate its contractual obligation to deliver the foreign currency by purchasing an offsetting position. It is impossible to forecast what the market value of portfolio securities will be on the settlement date of a currency transaction. Accordingly, it may be necessary for the Fund to buy additional foreign currency on the spot market (and bear the expense of such purchase) if the market value of the securities are less than the amount of foreign currency the Fund is obligated to deliver and a decision is made to sell the securities and make delivery of the foreign currency. Conversely, it may be necessary to sell on the spot market some of the foreign currency received on the sale of the portfolio securities if its market value exceeds the amount of foreign currency the Fund is obligated to deliver. The Fund will realize gains or losses on currency transactions.

Depositary Receipts

The Funds may invest in American Depositary Receipts ("ADRs", which are securities typically issued by a U.S. financial institution (a "depositary"), that evidence ownership interests in a security or pool of securities issued by a foreign issuer and deposited with the financial institution. European Depositary Receipts ("EDRs") are receipts issued by non-U.S. banks or trust companies and foreign branches of U.S. banks that evidence ownership of the underlying foreign securities. Global Depositary Receipts ("GDRs"), which are sometimes referred to as Continental Depositary Receipts ("CDRs"), are securities, typically issued by non-U.S. financial institutions, that evidence ownership interests in a security or a pool of securities issued by either a U.S. or foreign issuer. ADRs, EDRs, GDRs and CDRs may be available for investment through "sponsored" or "unsponsored" facilities. A "sponsored" facility is established jointly by the issuer of the security underlying the receipt and a depositary. An "unsponsored" facility may be established by a depositary without participation by the issuer of the receipt's underlying security. Holders of an unsponsored depositary receipt generally bear all of the costs of the unsponsored facility. The depositary of an unsponsored facility frequently is under no obligation to distribute shareholder communications received from the issuer of the deposited security, or to pass through to the holders of the receipts voting rights with respect to the deposited securities.

Since depositary receipts mirror their underlying foreign securities, they generally have the same risks as investing directly in the securities, including the risk that material information about the issuer may not be disclosed in the United States, and the risk that currency fluctuations may adversely affect the value of the depositary receipt.

SECURITIES THAT ARE NOT READILY MARKETABLE

As discussed in the prospectus, the Funds may invest up to 15% of the value of their net assets, measured at the time of investment, in investments that are not readily marketable. A security which is not "readily marketable" is generally considered to be a security that cannot be disposed of within seven days in the ordinary course of business at approximately the amount at which it is valued.

Subject to the foregoing 15% limitation, the Funds may invest in restricted securities. "Restricted" securities generally include securities that are not registered under the Securities Act of 1933, as amended (the "1933 Act"), and are subject to legal or contractual restrictions upon resale. Restricted securities nevertheless may be "readily marketable" and can often be sold in privately negotiated transactions or in a registered public offering. There are an increasing number of securities being issued without registration under the 1933 Act for which a liquid secondary market exists among institutional investors such as the Funds. These securities are often called "Rule 144A" securities (see discussion below).

A Fund may not be able to dispose of a security that is not "readily marketable" at the time desired or at a reasonable price. In addition, in order to resell such a security, a Fund might have to bear the expense and incur the delays associated with effecting registration. In purchasing such securities, no Fund intends to engage in underwriting activities, except to the extent a Fund may be deemed to be a statutory underwriter under the 1933 Act in disposing of such securities.

The assets used as cover for OTC options written by a Fund will be considered illiquid unless the OTC options are sold to qualified dealers who agree that the Fund may repurchase any OTC option it writes at a maximum price to be calculated by a formula set forth in the option agreement. The cover for an OTC option written subject to this procedure would be considered illiquid only to the extent that the maximum repurchase price under the formula exceeds the intrinsic value of the option.

Rule 144A Securities. A large institutional market has developed for certain securities that are not registered under the 1933 Act. Institutional investors generally will not seek to sell these instruments to the general public, but instead will often depend on an efficient institutional market in which such unregistered securities can readily be resold or on an issuer's ability to honor a demand for repayment. Therefore, the fact that there are contractual or legal restrictions on resale to the general public or certain institutions is not dispositive of the liquidity of such investments.

Rule 144A under the 1933 Act establishes a "safe harbor" from the registration requirements of the 1933 Act for resales of certain securities to qualified institutional buyers. The Funds may invest in Rule 144A securities that may or may not be readily marketable. Rule 144A securities are readily marketable if institutional markets for the securities develop that provide both readily ascertainable values for the securities and the ability to liquidate the securities when liquidation is deemed necessary or advisable. However, an insufficient number of qualified institutional buyers interested in purchasing a Rule 144A security held by a Fund, which could change over the time period a fund holds such securities, could affect adversely the marketability of the security. In such an instance, the Fund might be unable to dispose of the security promptly or at reasonable prices.

The Trust's Board of Trustees ("Board") has delegated to ICON the authority to determine whether a liquid market exists for securities eligible for resale pursuant to Rule 144A under the 1933 Act, or any successor to such rule, and whether such securities are not subject to the Funds' limitations on investing in securities that are not readily marketable. Under guidelines established by the Trustees, ICON will consider the following factors, among others, in making this determination: (1) the unregistered nature of a Rule 144A security; (2) the frequency of trades and quotes for the security; (3) the number of dealers willing to purchase or sell the security and the number of additional potential purchasers; (4) dealer undertakings to make a market in the security; and (5) the nature of the security and the nature of market place trades (e.g., the time needed to dispose of the security, the method of soliciting offers and the mechanics of transfers). ICON is required to monitor the readily marketable nature of each Rule 144A security on a basis no less frequently than quarterly. The Board monitors the determinations of ICON's quarterly review.

WHEN-ISSUED OR DELAYED-DELIVERY SECURITIES

The Funds may purchase securities on a when-issued or delayed-delivery basis; i.e., the securities are purchased with settlement taking place at some point in the future beyond a customary settlement date. The payment obligation and, in the case of debt securities, the interest rate that will be received on the securities are generally fixed at the time a Fund enters into the purchase commitment. During the period between purchase and settlement, no payment is made by the Fund and, in the case of debt securities, no interest accrues to the Fund. At the time of settlement, the market value of the security may be more or less than the purchase price, and the Fund bears the risk of such market value fluctuations. The Fund will maintain liquid assets, such as cash, U.S. government securities or other liquid equity or debt securities, having an aggregate value equal to the purchase price, segregated on the records of either the custodian or a broker until payment is made. A Fund also will segregate assets in this manner in situations where additional installments of the original issue price are payable in the future.

BORROWING/OVERDRAFTS

A Fund may borrow money from time to time due to timing differences in the settlement of money from security and shareholder transactions. Interest on borrowings will reduce a Fund's income. See "Investment Restrictions" above for each Fund's limitation on borrowing.

SECURITIES OF OTHER INVESTMENT COMPANIES

Each Fund may acquire securities of other investment companies, subject to the limitations of the 1940 Act. Except as provided below, no Fund intends to purchase such securities during the coming year in excess of the following limitations: (a) no more than 3% of the voting securities of any one investment company may be owned in the aggregate by the Fund and all other ICON Funds, (b) no more than 5% of the value of the total assets of the Fund may be invested in any one investment company, and (c) no more than 10% of the value of the total assets of the Fund and all other ICON Funds may be invested in the securities of all such investment companies. Should a Fund purchase securities of other investment companies, shareholders may incur additional management, advisory, and distribution fees.

Securities of other investment companies that may be purchased by the Funds include Exchange-traded funds ("ETFs"). An ETF is a type of index fund that trades like a common stock and represent a fixed portfolio of securities designed to track a particular market index. A Fund may purchase an ETF to temporarily gain exposure to a portion of the U.S. or a foreign market pending the purchase of individual securities. The risks of owning an ETF generally reflect the risks of owning the underlying securities it is designed to track, although the potential lack of liquidity of an ETF could result in it being more volatile. Additionally, ETFs have management fees which increase their costs. All Funds may invest in ETFs, with the same percentage limitations as investments in other registered investment companies.

REPURCHASE AGREEMENTS

A repurchase agreement is a transaction under which a Fund acquires a security and simultaneously promises to sell that same security back to the seller at a higher price, usually within a seven-day period. The Funds may enter into repurchase agreements with banks or well-established securities dealers. A repurchase agreement may be considered a loan collateralized by securities. The resale price reflects an agreed upon interest rate effective for the period the instrument is held by a Fund and is unrelated to the interest rate on the underlying instrument. In these transactions, the collateral securities acquired by a Fund (including accrued interest earned thereon) must have a total value at least equal to the value of the repurchase agreement, and are held as collateral by an authorized custodian bank until the repurchase agreement is completed. All repurchase agreements entered into by the Funds are marked to market daily. In the event of default by the seller under a repurchase agreement, the Fund may experience difficulties in exercising its rights to the underlying security and may incur costs in connection with the disposition of that security.

Repurchase agreements maturing in more than seven days are considered illiquid and will be subject to each Fund's limitation with respect to illiquid securities. For a further explanation, see "Investment Strategies and Risks—Securities That Are Not Readily Marketable."

None of the Funds has adopted any limits on the amounts of its total assets that may be invested in repurchase agreements that mature in less than seven days. Each Fund may invest up to 15% of the market value of its net assets, measured at the time of purchase, in securities that are not readily marketable, including repurchase agreements maturing in more than seven days.

CASH SWEEP PROGRAM

Each Fund may participate in a Cash Sweep Program offered by the Custodian. In the Cash Sweep Program, a Fund's uninvested cash balances are used to invest in U.S. dollar and foreign currency denominated foreign time deposits. The Cash Sweep Program provides competitive money market rates of return, ready liquidity and increased diversity of holdings.

SECURITIES LENDING

Under procedures adopted by the Board, the Funds may lend securities to certain approved brokers, dealers and other financial institutions to earn additional income. Collateral is received in exchange for securities on loan in the amount of at least 102% of the value of U.S. securities loaned or at least 105% of the value of non-U.S. securities loaned, marked to market daily. The Funds retain certain benefits of owning the securities, including receipt of dividends or interest generated by the security, but give up other rights including the right to vote proxies. The Funds retain the ability to recall the loans at any time and could do so in order to vote proxies or to sell the loaned securities. Each loan is collateralized by assets that generally exceed the value of the securities on loan. Collateral may consist of cash or securities issued or guaranteed by the United States government or its agencies or instrumentalities. The fair value of the loaned securities is determined daily at the close of business of the Funds and any additional required collateral is delivered to each Fund on the next business day. There is the risk of delay in recovering a loaned security. There is risk that the value of the collateral could decrease below the value of the replacement security by the time the replacement investment is made. There is the risk that the value of the collateral investment may lose money.

OTHER INVESTMENTS

Subject to prior disclosure to shareholders, the Board may, in the future, authorize the Funds to invest in securities other than those listed here and in the prospectuses, provided that such investment would be consistent with the respective Fund's investment objective and that it would not violate any fundamental investment policies or restrictions applicable to the Fund.

TRUSTEES AND OFFICERS

BOARD OF TRUSTEES

Each Fund is overseen by a Board of Trustees ("Board" or "Trustees") that meets regularly to review a wide variety of matters affecting the Funds, including performance, investment programs, compliance matters, advisory fees and expenses, service providers, and other business affairs. The Trustees elect the Funds' officers and are responsible for performing various duties imposed on them by the 1940 Act, the laws of Massachusetts, and other laws. Only one trustee, Craig T. Callahan, is an "interested person" (within the meaning of Section 2(a)(19) of the 1940 Act) of ICON Funds on the basis of his ownership of the parent company of the Adviser, and on the basis of his employment with the Funds' Adviser and Distributor. At least 75% of the Trustees are independent of ICON. The Board oversees all 17 ICON Funds, including the Funds described in this SAI. The Board currently has three standing committees, an Audit Committee, a Valuation Committee, and a Nominating Committee, each as described below, under the subheading "Committees."

Craig T. Callahan is the Chairman of the Board of Trustees. Glen F. Bergert is the Lead Independent Trustee and functions as a liaison between the Chairman of the Board and the other independent Trustees. The Lead Independent Trustee presides at all executive sessions of the Independent Trustees, reviews and provides input on Board meeting agendas and materials, and typically represents the Independent Trustees in discussions with ICON management.

COMMITTEES

The Board has three committees: the Audit Committee, the Valuation Committee and the Nominating Committee.

<u>Audit Committee</u>. The Audit Committee is responsible for overseeing the Trusts' accounting and financial reporting policies and practices, reviews the scope and adequacy of internal controls, reviews the accounting principles being applied by the Trust in financial reporting, reviews the responsibilities and fees of the Trust's independent registered public accountants; and acts as a liaison between the Trust's independent registered public accountants and the full Board. The Audit Committee is composed entirely of non-interested Trustees as defined by Section 2(a)(19) of the 1940 Act ("Independent Trustees"). Audit Committee members are Glen F. Bergert, Chairman; Mark Manassee, John Pomeroy and Michael Sentel. During the fiscal year ended September 30, 2018, the Audit Committee met two times.

<u>Valuation Committee</u>. The Valuation Committee is responsible for determining the methods used to value Fund securities for which market quotations are not readily available, subject to the approval of the full Board. The Valuation Committee is composed of Independent Trustees and Adviser representatives. Michael Sentel is the Primary Board Representative on the Valuation Committee, and John Pomeroy is the Secondary Board Representative. During the fiscal year ended September 30, 2018, the Valuation Committee met and its members acted on various valuation matters in excess of 10 times.

<u>Nominating Committee</u>. The Nominating Committee is responsible for the nomination of candidates for election to the Board. It is the policy of ICON Funds that the Independent Trustees then serving on the Board of Trustees shall act as a Nominating Committee when and if needed to select and nominate other independent trustees if additional or replacement trustees are required. ICON may, however, suggest independent trustee candidates if the Independent Trustees invite such suggestions. ICON may also provide administrative assistance in the selection and nomination process. If a vacancy on the Board does occur, the Nominating Committee would consider nominees recommended by Fund shareholders. Shareholders desiring to recommend a nominee should send a written recommendation, together with the nominee's resume, to: ICON Funds, 5299 DTC Blvd., Suite 1200, Greenwood Village, Colorado 80111. During the fiscal year ended September 30, 2018, the Nominating Committee did not meet.

BOARD ASSESSMENT OF LEADERSHIP STRUCTURE

The Board of Trustees completes an annual self-assessment during which it reviews its leadership and committee structure and considers whether its structure remains appropriate in light of the Funds' current operations. The Board of Trustees believes that its leadership structure is appropriate given its specific characteristics. The Board based its conclusion on a number of factors, including the role of the Lead Independent Trustee, the committee structure, the supermajority of its independent trustees, the independence of many of the Funds' service providers, including its custodian, transfer agent, fund accountant and the sub-administrator to the investment adviser.

ASSESSMENT OF RISK

Like all mutual funds, the Funds are subject to risks, including investment, compliance, operational, and valuation risks, among others. The Board oversees risk as part of its oversight of the Funds. In the course of providing that oversight, the Board of Trustees receives a wide range of reports on the Funds' activities from the investment adviser, including reports regarding each Fund's investment performance, the compliance of the Funds with applicable laws, and the Funds' financial accounting and reporting. The Board of Trustees also meets periodically with the Funds' Chief Compliance Officer ("CCO") to receive reports regarding the compliance of each Fund with the federal securities laws and the Funds' internal compliance policies and procedures. The Board of Trustees also meets with the Funds' CCO annually to review the CCO's annual report, including the CCO's risk-based analysis for the Funds. Risk oversight is also addressed as part of various committee activities. The Board, directly, or through its committees, interacts with and reviews periodic reports from, among others, the investment adviser or its affiliates, the Funds' independent registered public accounting firm, the Funds' independent legal counsel, and the Funds' independent service providers, regarding risks faced by the Funds and the outside service providers assessment of risk management programs of the investment adviser. The actual day-to-day risk management functions with respect to the Funds are encompassed within the responsibilities of the investment adviser, the administrator and its sub-administrator and other service providers, who carry out the Funds' investment management and business affairs. Although the risk management policies of the investment adviser, its affiliates, and other service providers are reasonably designed to be effective, those policies and their implementation vary among service providers, and there is no guarantee that they will be effective. It is important to note that, despite the efforts of the Board and of the various parties that play a role in the oversight of risk, it is likely that not all risks will be identified and mitigated and some risks may be simply beyond any control of the Funds, ICON, its affiliates, or other service providers.

BOARD ASSESSMENT OF INDIVIDUALS SERVING AS TRUSTEES

The following provides an overview of the considerations that led the Board of Trustees to conclude that each individual serving as a Trustee of the Fund should so serve.

The current members of the Board of Trustees have joined the Board of Trustees at different points in time since the formation of the ICON Funds in 1996. Generally, no one factor was decisive in the original selection of an individual to join the Board of Trustees or the selection of an individual to be nominated to join the Board of Trustees. Among the factors the Board of Trustees considered when concluding that an individual should serve (or be nominated to serve) on the Board of Trustees were the following: (i) the individual's business and professional experience and accomplishments, including, in some instances, prior experience in the financial services and securities law fields; (ii) the individual's ability to work effectively with the other members of the Board of Trustees; and (iii) how the individual's skills, experiences and attributes would contribute to an appropriate mix of relevant skills, experiences and attributes on the Board of Trustees. The specific experience, qualifications, attributes, or skills that led to the conclusion that the individual Board members should serve as a Trustees of the Fund are as follows:

Glen Bergert is the Lead Independent Trustee and has been on the ICON Board since 1999. Mr. Bergert is a financial and Fund expert. He is a Certified Public Accountant. He was a partner in the accounting firm of KPMG Peat Marwick, LLP where he worked from 1972 until 1997 as an auditor/consultant. He became a partner in KPMG Peat Marwick in 1979 and a retired partner in 1997. Mr. Bergert is also actively involved in investing. He serves on the board of directors for several large highly regulated operating companies and has been a general partner in a venture capital firm, Chamois Partners, LP, since 2004. He has also been the President of Venture Capital Management, LLC since 1997 and General Partner of Bergert Properties, LLP (1997 to present) and Pyramid Real Estate Partnership (1998 to present).

Mark Manassee joined the ICON Board on January 1, 2017. Mr. Manassee's primary area of expertise is in the distribution of financial products. Mr. Manassee retired in 2016 from his position as President of Market Metrics, a provider of complex business intelligence data for advisor-sold investment and insurance products. He has over 20 years of experience providing strategic advice and practical solutions to C-suite executives at the leading mutual fund companies, annuity providers and life insurers. Mr. Manassee is a Senior Advisor to McKinsey's Wealth and Asset Management Practice, and Chairman of the Board of FundRock Partners, Ltd (UK).

John C. Pomeroy, Jr. has been on the ICON Board since 2002. Mr. Pomeroy is an expert in institutional Investment advice and is knowledgeable in accounting. He is a Certified Financial Analyst. Mr. Pomeroy was the Chief Investment Officer and Director of Investments at Pennsylvania State University until December 31, 2018. He was a portfolio manager at Trinity Investment Management Corporation from 1989 to 2001.

R. Michael Sentel has been on the ICON Board since 1996. Mr. Sentel's primary area of expertise is law. He was a branch chief with the United States Securities and Exchange Commission from 1980 until 1981. From 1991 until 1994 he was the Section Chief for Professional Liability with the FDIC. Mr. Sentel was a Senior Attorney for the U.S. Department of Education until September 30, 2018. Mr. Sentel also has an undergraduate degree in accounting.

Craig Callahan is the Founder of ICON Advisers, Inc., and has been on the ICON Board since 1996. He has been the Chairman of ICON Advisers, Inc. Investment committee from 2005 until the present. He developed the ICON methodology employed by the Adviser while he was a professor of Finance at the University of Denver.

With respect to each current Trustee, the individual's substantial professional accomplishments and prior experience, including, in some cases, experience in fields related to the operations of the ICON Funds, were a significant factor in the determination that the individual should serve as a Trustee of the ICON Funds or be nominated to serve as a Trustee of the ICON Funds. Each current Trustee's recent and relevant prior professional experience is set forth in the following table.

				During Past Five Years	
Name and Age	**Positions Held with Trust**	**Year Joined Board**	**Number of Funds Overseen**	**Principal Occupation(s) During Past Five Years**	**Other Directorships**
INDEPENDENT TRUSTEES					
Glen F. Bergert Age: 68	Lead Independent Trustee; Chairman of Audit Committee; Nominating Committee Member.	1999	All 17 ICON Funds.	President, Venture Capital Management LLC (1997 to present); General Partner, SOGNO Partners LP, a venture capital company (2001 to 2015); General Partner of Bergert Properties, LLP, a real estate holding company (1997 to present); General Partner of Pyramid Real Estate Partnership, a real estate developing company (1998 to present); General Partner of Chamois Partners, LP, a venture capital company (2004 to present); and General Partner KPMG Peat Marwick, LLP (1979 to 1997).	Director, Delta Dental of California, an insurance company (2006 to 2012 and 2013 to present); Director, Delta Dental of Pennsylvania, an insurance company (1998 to 2009 and 2010 to present); Director, Delta Reinsurance Corporation (2000 to 2009, 2010 to 2014 and 2015 to present); and Director, Dentegra Group, Inc, an insurance holding company (2010 to 2014 and 2017 to present).
Mark Manassee Age: 53	Trustee; Audit Committee Member; Nominating Committee Member	2017	All 17 ICON Funds.	Senior Avisor to McKinsey's Wealth and Asset Management Practice (2017 to present); Principal and President of Market Metrics, LLC, a subsidiary of FactSet Research Systems, Inc. (1998 to 2016).	Chairman of the Board of FundRock Partners, Ltd (UK) (2017 to present); Director of Matrix-Data, Ltd (UK) (2013 to 2016); Director of Rhetorik, Ltd (UK) (2013 to 2016).
John C. Pomeroy, Jr. Age: 71	Trustee; Audit Committee Member; Secondary Board Representative of Valuation Committee; Nominating Committee Member.	2002	All 17 ICON Funds.	Chief Investment Officer and Director of Investments, Pennsylvania State University (2001 to 2018); Portfolio Manager and Product Manager, Trinity Investment Management Corporation (1989 to 2001).	None.

Name and Age	Positions Held with Trust	Year Joined Board	Number of Funds Overseen	During Past Five Years: Principal Occupation(s) During Past Five Years	During Past Five Years: Other Directorships
R. Michael Sentel Age: 70	Trustee; Audit Committee Member; Primary Board Representative of Valuation Committee; Nominating Committee Member.	1996	All 17 ICON Funds.	Senior Attorney for U.S. Department of Education (1996 to 2018); Section Chief for the Professional Liability Section of Federal Deposit Insurance Corp., with responsibility for the Rocky Mountain Region (1991 – 1994); SEC Division of Enforcement Branch Chief (1980 – 1981).	None.
INTERESTED TRUSTEE					
Craig T. Callahan Age: 67	Chairman of the Board and Trustee.	1996	All 17 ICON Funds.	Chief Executive Officer (2013 to present), President (1998 to 2013 and October 2014 to present), Chairman of the Investment Committee (2005 to present), and Chief Investment Officer (1991 to 2004) of ICON Advisers, Inc.; President (1998 to 2005), Executive Vice President (2005 to present), Director (1991 to present) and Chief Compliance Officer (2005) of ICON Distributors, Inc. (IDI); President (1998 to present) and Chairman of the Board (1994 to present) of ICON Management & Research Corporation (IM&R); President and Director (2004 to 2009) of ICON Insurance Agency, Inc.	None.

The address of the Trustees is 5299 DTC Blvd., Suite 1200, Greenwood Village, CO 80111. Trustees have no official term of office and generally serve until they resign, or are not reelected.

Beneficial Ownership of Securities

The following table gives the dollar range of shares of each Fund, as well as the aggregate dollar range of all Funds advised by ICON, owned by each Trustee as of December 31, 2018:

	Name of Trustee				
	Independent Trustees				*Interested Trustee*
Name of Fund	**Glen F. Bergert**	**John C. Pomeroy, Jr.**	**Mark Manassee**	**R. Michael Sentel**	**Craig T. Callahan**
Equity Income Fund	B	A	A	D	B
Flexible Bond Fund	A	A	A	A	D
ICON Fund	B	B	A	A	E
Long/Short Fund	B	C	A	A	E
Opportunities Fund	A	A	A	A	E
Risk-Managed Balanced Fund	B	A	A	A	A
All Registered Investment Companies overseen by the trustee	C	C	A	D	E

Dollar Range of Equity Securities in the Funds.

A= none
B= $1-$10,000
C= $10,001-$50,000
D= $50,001-$100,000
E= over $100,000

None of the Trustees, other than Dr. Callahan, owned securities of the Adviser, the Distributor or their affiliates as of December 31, 2018. As of December 31, 2018, the Trustees and Officers of the Trust, as a group, beneficially or of record owned approximately 1.35%, 2.20% and 3.57% of the outstanding shares of the ICON Fund, ICON Long/Short and ICON Opportunities Fund, respectively. As of December 31, 2018, the Trustees and Officers of the Trust, as a group, beneficially or of record owned less than 1% of the outstanding shares of the ICON Equity Income Fund, ICON Flexible Bond Fund and ICON Risk-Managed Balanced Fund.

TRUSTEE COMPENSATION

Each Independent Trustee receives a retainer and a per meeting fee. As determined by the Trustees, ICON Funds pay each independent Trustee a $38,000 per year retainer fee, a full Board meeting fee of $5,000 and an Audit Committee meeting fee of $1,000 per Audit Committee meeting. Additionally, each Independent Trustee will receive a fee for special meetings determined on an ad hoc basis, plus travel and out-of-pocket expenses incurred by the Trustees in attending Board meetings. The Chairman of the Audit Committee and Lead Independent Trustee receives an additional total fee of $10,000 per year and the Chairman of the Valuation Committee receives $4,000 per year. Annual Board fees may be reviewed periodically and changed by the Board. Dr. Callahan, as an "interested person" of the Trust, receives no salary or fees from the Funds. The Trust has no plan or other arrangements pursuant to which any of the Trustees receive pension or retirement benefits. Therefore, none of the Trustees has estimated annual benefits to be paid by the Trust upon retirement.

The table below includes certain information relating to the compensation of ICON Funds' Trustees for the fiscal year ended September 30, 2018.

Compensation Table

Name of Person and Position	**Aggregate Compensation From the ICON Diversified Funds**	**Total Compensation From the Diversified Funds and Fund Complex Paid to Directors* (17 Funds Total)**
Interested Trustee:		
Craig T. Callahan, Chairman	None	None
Independent Trustees:		
Glen F. Bergert	$ 20,839	$ 68,250
John C. Pomeroy, Jr.	$ 17,814	$ 58,250
R. Michael Sentel	$ 19,024	$ 62,250
Mark Manassee	$ 17,863	$ 58,250
TOTAL	$ 75,540	$ 247,000

* The Trustees are also Trustees of the 11 other ICON Funds.

TRUST OFFICERS

The Board of Trustees elects the Officers of the Trust to supervise actively its day-to-day operations. The Officers of the Trust, all of whom are officers and employees of the Adviser, are responsible for the day-to-day administration of the Trust and the Funds. The Officers of the Trust (other than the Chief Compliance Officer) receive no direct compensation from the Trust or the Funds for their services as Officers.

The Officers of the Trust, their ages, positions with the Trust, length of time served, and their principal occupations for the last five years appear below. Trust Officers are elected annually by the Board and continue to hold office until they resign or are removed, or until their successors are elected.

Name and Age	Position Held with Fund and Length of Time Served	Principal Occupation During Past Five Years
Craig T. Callahan Age: 67	President and Chairman of the Trust since its inception in 1996.	Chief Executive Officer (2013 to present), President (1998 to 2013 and October 2014 to present), Chairman of the Investment Committee (2005 to present), and Chief investment Officer (1991 to 2004) of ICON Advisers, Inc.; President (1998 to present), Executive Vice President (2005 to present), Director (1991 to present) and Chief Compliance Officer (2005) of ICON Distributors, Inc. (IDI); President (1998 to present) and Chairman of the Board (1994 to present) of ICON Management & Research Corporation (IM&R); President and Director (2004 to 2009) of ICON Insurance Agency, Inc.
Brian Harding Age: 40	Principal Financial Officer and Treasurer of the Trust (2017 to present).	Chief Financial Officer (2013 to present), Chief Compliance Officer (2011 to 2013) of ICON Advisers, Inc.; Director (2013 to present) of IM&R; Chief Compliance Officer and Anti-Money Laundering Officer of the Trust (2008 to 2013).
Christopher Ambruso Age: 38	Chief Compliance Officer and Anti-Money Laundering Officer of the Trust (2017 to present).	Chief Compliance Officer (2017 to present), Associate Counsel (2013 to 2017), Associate Attorney (2008 to 2013), and Staff Attorney (2007 to 2008) of ICON Advisers, Inc.; Assistant Secretary of the Trust (2016 to 2017 and 2008 to 2012).
Jack Quillin Age: 47	Assistant Treasurer of the Trust (2017 to present).	Compliance and Fund Accounting Associate (2016 to Present) of ICON Advisers, Inc.; Compliance Analyst (2011 to 2015) at Marisco Capital Management, LLC.
Stephen Abrams Age: 55	Secretary of the Trust (2018 to 2019*); Assistant Secretary of the Trust (2017 to 2018).	Associate General Counsel (2005 to 2019*) of ICON Advisers, Inc.; Chief Compliance Officer (2007 to 2019*) of ICON Distributors, Inc.

* Mr. Abrams resigned from the Trust and all ICON affiliated entities on January 11, 2019.

The Trust's Trustees and Officers may be contacted at the Funds' address: 5299 DTC Blvd., Suite 1200, Greenwood Village, Colorado 80111.

PORTFOLIO MANAGER ACCOUNTS AND OTHER INFORMATION

Set forth below is information regarding the individuals identified in the prospectuses as primarily responsible for the day-to-day management of the Funds ("Portfolio Managers"). All asset information is as of September 30, 2018.

Management of Other Accounts. The number of **other** accounts managed by each Portfolio Manager and the total assets in the accounts in each of the following categories: registered investment companies, other pooled investment vehicles and other accounts. There are no accounts with performance-based fees.

	Other Accounts Managed		
Name of Portfolio Manager	**Other Registered Investment Companies ("RICs") and assets**	**Other Pooled Investment Vehicles ("PIVs") and assets**	**Other Accounts and assets**
Derek Rollingson	4; $326,004,873	None	None
Craig Callahan	None	1; $557,073,986	1,412; $241,175,759
Scott Callahan	1; $81,789,006	1; $557,073,986	None
Jerry Paul	None	1; $557,073,986	None
Scott Snyder	4; $132,091,299	None	None
Rob Young	4; $195922144	None	None

Compensation. Each Portfolio Manager receives compensation in connection with his management of the Fund and other accounts identified above which includes: (1) base salary and (2) a bonus. All forms of compensation for each Portfolio Manager are paid in cash. There are no accounts for which the Adviser receives an advisory fee based on the performance of the account. The investment strategy employed to manage the equity Funds is the same as that employed to manage the other accounts; and all accounts, whether equity or fixed-income, are treated equally when trades are allocated.

The compensation is a fixed salary established by the Adviser's executive committee. The executive committee also grants bonuses based on the profitability of the adviser.

Potential Conflicts of Interest. As reflected above, many of the Portfolio Managers manage accounts in addition to the Funds. A Portfolio Manager's management of these other accounts may give rise to potential conflicts of interest. The Adviser has adopted policies and procedures that are designed to identify and minimize the effects of these potential conflicts, however there can be no guarantee that these policies and procedures will be effective in detecting potential conflicts or in eliminating the effects of any such conflicts.

Certain components of the Portfolio Managers' compensation structure may also give rise to potential conflicts of interest to the extent that a Portfolio Manager may have an incentive to favor or devote more effort in managing accounts that impact, or impact to a larger degree, their overall compensation.

Because Portfolio Managers manage multiple accounts with similar objectives, and thus frequently purchase and sell the same securities for such accounts, certain allocation issues may arise. In particular, if a Portfolio Manager identifies a limited investment opportunity which may be suitable for more than one Fund or account, the Fund may not be able to take full advantage of that opportunity due to an allocation of filled purchase or sale orders across all eligible Funds and other accounts. In addition, in the event a Portfolio Manager determines to purchase a security for more than one account in an aggregate amount that may influence the market price of the security, accounts that purchase or sell the security in subsequent transactions may receive a less favorable price. The Adviser has adopted policies and procedures that are designed to manage the risk that an account could be systematically advantaged or disadvantaged in connection with the allocation of investment opportunities and aggregation of trade orders. These policies and procedures may include, where consistent with the Adviser's duty to seek best execution on behalf of its clients, aggregation of orders from multiple accounts for execution. Orders will be allocated to the Funds and the various other accounts based on the security's ending target percentage as determined by the Portfolio Manager at the time of purchase.

Listed below for each Portfolio Manager is a dollar range of securities beneficially owned in the Funds managed by the Portfolio Manager, together with the aggregate dollar range of equity securities in all registered investment companies in the ICON Funds family of investment companies as of September 30, 2018 or as otherwise noted.

Name of Portfolio Manager	Dollar Range of Equity Securities in the Funds Managed by the Portfolio Manager	Aggregate Dollar Range of Equity Securities in All Registered Investment Companies in the ICON Fund Family
Derek Rollingson	E	E
Scott Snyder	E	E
Scott Callahan	B	C
Jerry Paul	D	D
Craig Callahan	G	G
Rob Young	E	E

Key to dollar ranges

A. None
B. $1 - $10,000
C. $10,001 - $50,000
D. $50,001 - $100,000
E. $100,001 - $500,000
F. $500,001 - $1,000,000
G. Over $1,000,000

CERTAIN POLICIES OF THE FUNDS

CODE OF CONDUCT

The Trust, the Adviser, and the Distributor have adopted a Code of Conduct under Rule 17j-1 of the Investment Company Act of 1940 (the "Code"). The Code permits personnel subject to the Code to invest in securities, including securities that may be purchased or held by the Funds. The Code requires all access persons as defined in the Code to conduct their personal securities transactions in a manner which does not operate adversely to the interests of the Funds or the Adviser's other clients. The Code requires pre-clearance of personal securities transactions and imposes restrictions and reporting requirements upon such transactions by access persons.

PROXY VOTING

The Trust's Board of Trustees (the "Board") has adopted policies and procedures with respect to voting proxies relating to portfolio securities of the ICON Funds, pursuant to which the Board has delegated responsibility for voting such proxies to the Adviser subject to the Board's continuing oversight.

Policies and Procedures

The Adviser's proxy voting policies and procedures (the "Guidelines") are designed to maximize shareholder value and protect shareowner interests when voting proxies. The Adviser exercises and documents the Adviser's responsibility with regard to voting of client proxies. The Adviser's Chief Compliance Officer reviews and monitors the effectiveness of the Guidelines.

To assist the Adviser in its responsibility for voting proxies and the overall proxy voting process, the Adviser has retained Glass, Lewis & Co., LLC ("Glass Lewis") as an expert in the proxy voting and corporate governance area. Glass Lewis is an independent company that specializes in providing a variety of proxy-related services to institutional investment managers, plan sponsors, custodians, consultants, and other institutional investors. The services provided by Glass Lewis include in-depth research, global issuer analysis, and voting recommendations as well as vote execution, reporting and record keeping. Glass Lewis issues quarterly reports for the Adviser to review to assure proxies are being voted properly. The Adviser and Glass Lewis also perform spot checks periodically to match the voting activity with available shareholder meeting information. Glass Lewis' management meets on a regular basis to discuss its approach to new developments and amendments to existing policies. Information on such developments or amendments in turn is provided to the Adviser. The Adviser reviews and, as necessary, may amend periodically the Guidelines to address new or revised proxy voting policies or procedures.

The Guidelines are maintained and implemented by Glass Lewis and are an extensive list of common proxy voting issues with recommended voting actions based on the overall goal of achieving maximum shareholder value and protection of shareholder interests. Generally, proxies are voted in accordance with the voting recommendations contained in the Guidelines. If necessary, the Adviser will be consulted by Glass Lewis on non-routine issues. Proxy issues identified in the Guidelines include but are not limited to:

- Separation of the roles of Chairman and CEO - considering factors such as meeting attendance, independence of board, and independence of key committees.
- Mergers and Acquisitions - considering factors such as valuation, market reaction, strategic rationale, negotiations and process, governance and conflicts of interest.
- Asset Purchases - considering factors such as purchase price, fairness opinion, financial and strategic benefits, and conflicts of interest.
- Asset Sales - considering factors such as impact on balance sheet, anticipated financial and operating benefits, conflicts of interest, and value received for assets.
- Conversion of Securities - considering factors such as dilution to existing shareholders, conversion price, financial issues, conflicts of interest and control issues.
- Corporate Reorganization - considering factors dilution to existing shareholders, term of the offer, financial issues, control issues, management's efforts to pursue other alternatives and conflicts of interest.
- Formation of Holding Company - considering factors such as the reason for the change, financial and tax benefits, regulatory benefits, and changes in shareholder rights and capital structure.
- Going Private Transactions - considering factors such as offer price/premium, fairness opinion, how the deal was negotiated and conflicts of interest.
- Joint Ventures - considering factors such as percentage of assets/business contributed, financial and strategic benefits, governance structure, percentage ownership and conflicts of interest.
- Liquidation - considering factors such as management's effort to pursue other alternative, appraisal value of assets, and compensation plan for executives.
- Spinoffs - considering factors such as tax and regulatory advantages, planned use of proceeds, valuation of spinoff, managerial conflicts, and changes in capital structure.

A full description of each guideline and voting policy is maintained by the Adviser, and a complete copy of the Guidelines is available upon request or at www.iconfunds.com.

Conflicts of Interest

From time to time, proxy issues may pose a material conflict of interest between the ICON Funds' shareholders and the Adviser, underwriter or any affiliates thereof. Due to the limited nature of the Adviser's activities (e.g., no underwriting business, no publicly traded affiliates, no investment banking activities, or research recommendations), conflicts of interest are likely to be infrequent. Nevertheless, it shall be the duty of the Adviser to monitor for potential conflicts of interest. In the event a conflict of interest arises, the Adviser will direct Glass Lewis to use its independent judgment to vote affected proxies in accordance with approved guidelines. The Adviser will disclose to the Board the voting issues that created the conflict of interest and the manner in which Glass Lewis voted such proxies.

Record of Proxy Voting

The Adviser, with the assistance of Glass Lewis, shall maintain for a period of at least five years a record of each proxy statement received and materials that were considered when the proxy was voted during the calendar year. Information on how the ICON Funds voted proxies relating to portfolio securities for the most recent 12-month period ending June 30 is available (1) without charge, upon request, by calling the Adviser at 1-800-764-0442, (2) on the ICON Funds' web site at www.iconfunds.com, and (3) on the Securities and Exchange Commission's website at http://www.sec.gov.

PORTFOLIO HOLDINGS DISCLOSURE POLICY

The Trust has adopted a Portfolio Holdings Disclosure Policy to provide shareholders and others with timely information about the Funds while helping ensure that any disclosure of holdings information is also in the Funds' best interests. Information related to the 10 largest portfolio holdings of each ICON Fund ("Fund") may be posted to the Trust's website (www.iconfunds.com) within approximately 10 business days after month-end. The portfolio holdings information will remain available on the website until the holdings for the next month are posted.

A complete list of portfolio holdings for each Fund is made available to the general public within approximately 30 calendar days of each month-end.

Complete portfolio holdings are provided to the Trust's service providers, which have contracted to provide services to the Trust (including custodian, sub-administrator, and certain others) and which require portfolio holdings information in order to perform those services. These service providers receive Fund holdings information prior to and more frequently than the public disclosure of such information ("non-standard disclosure"). Non-standard disclosure of portfolio holdings information may also be provided to entities that provide a service to ICON, such as stock quote and performance measurement services, provided that the service is related to the investment advisory or administrative services that ICON provides to the Trust. Non-standard disclosure of portfolio holdings also is provided to third-party ratings agencies. In addition, ICON may occasionally discuss certain portfolio holdings with the media, subject to ICON's internal media policy. Non-standard information is disclosed subject to duties of confidentiality, including a duty not to trade on nonpublic information imposed by law and/or contract.

Other non-standard disclosure of portfolio holdings may only be made subject to the following conditions:

- a written request for non-standard disclosure must be submitted to and approved in writing by either ICON's General Counsel or Chief Compliance Officer who considers any conflicts of interest between the Funds and ICON that may result from disclosing such information;
- The request must relate to an appropriate business purpose; and
- The holdings information is disclosed pursuant to the terms of a written confidentiality agreement between ICON and the recipient of the holdings information which requires the recipient to have safeguards in place limiting the use of the information and restricts the recipient from trading based on the information, unless such party is a regulatory or other governmental entity.

The Board has approved this portfolio holdings disclosure policy and must approve any material change to the policy. Listed below are the entities that currently receive non-standard disclosure of Fund portfolio holdings information. Neither the Trust, ICON, nor any ICON-affiliated entity receives any compensation or other consideration in connection with such arrangement. There is no assurance that the Trust's policies on holdings information will protect a Fund from the potential misuse of holdings by individuals or firms in possession of that information.

Entity Name	Frequency of Holdings Disclosure
Lipper, Inc.	Monthly, within approximately 30 calendar days after month-end.
Morningstar	Monthly, within approximately 30 calendar days after month-end.
Bloomberg	Monthly, within approximately 30 calendar days after month-end.
Thompson	Monthly, within approximately 30 calendar days after month-end.

The Funds' Board of Directors reviews this portfolio holdings disclosure Policy at least annually.

THE INVESTMENT ADVISER, DISTRIBUTOR AND OTHER SERVICE PROVIDERS

INVESTMENT ADVISER

The Trust retains ICON Advisers, Inc. 5299 DTC Boulevard, Suite 1200, Greenwood Village, Colorado 80111 to manage each Fund's investments. ICON is a wholly owned subsidiary of ICON Management & Research Corporation ("IM&R"). Dr. Callahan controls ICON due to his controlling ownership of IM&R shares and his position as an officer and director of ICON as shown in the table under the "Trust Officers" section above.

ICON retains the right to use the name "ICON" in connection with another investment company or business enterprise with which ICON is or may become associated. The Trust's right to use the name "ICON" automatically ceases ninety days after termination of any of the Investment Advisory Agreements with the Trust and may be withdrawn by the ICON on ninety days written notice.

ICON and its predecessor company have been providing investment management services since 1986. In addition to serving as adviser to the Funds, ICON serves as investment adviser to various separate accounts and mutual fund tactical allocation portfolios. ICON's executive officers include Craig T. Callahan, Chief Executive Officer and President; Brian Callahan, Chief Marketing Officer; and Brian Harding, Chief Financial Officer. The affiliations of Messrs. Callahan and Harding with the Trust are shown under the "Trustees and Officers" section of this SAI.

AGREEMENTS WITH THE TRUST

Investment Advisory Agreement. The Investment Advisory Agreement ("Advisory Agreement") between ICON and the Trust on behalf of each of the Funds provide that they may be continued from year to year after the initial term either by a vote of a majority of the Board or by a vote of a majority of the outstanding voting securities of each Fund, and in either case, after review, by a vote of a majority of the Independent Trustees, cast in person at a meeting called for the purpose of voting on such approval. The Advisory Agreement may be terminated on 60 days' written notice by either party and will terminate automatically if assigned.

As compensation for its management services, the Funds are obligated to pay ICON a management fee computed and accrued daily and paid monthly at an annual rate as follows:

Fund	Annual Management Fee
ICON Equity Income Fund	0.75%
ICON Flexible Bond Fund	0.60%
ICON Fund	0.75%
ICON Long/Short Fund	0.85%
ICON Opportunities Fund	0.75%
ICON Risk-Managed Balanced Fund	0.75%

The investment advisory fees are calculated based on a Fund's net assets as a whole and are then allocated among the Funds' respective classes based on each class's relative net assets.

The Funds pay all of their expenses not assumed by ICON, including fees and expenses of all members of the Board, compensation of the Trust's custodian, transfer agents and other agents; an allocated portion of premiums for insurance required or permitted to be maintained under the 1940 Act; expenses of computing the Funds' daily per share net asset value; legal and accounting expenses; brokerage commissions and other transaction costs; interest; all federal, state and local taxes; fees payable under federal and state law to register or qualify the Funds' shares for sale; an allocated portion of fees and expenses incurred in connection with membership in investment company organizations and trade associations; preparation of prospectuses and printing and distribution to existing shareholders; expenses of shareholder and Trustees meetings and of preparing, printing and distributing reports to shareholders. The Trust also has the obligation for expenses, if any, incurred by it in connection with litigation, proceedings or claims, and the legal obligation it may have to indemnify its Officers and Trustees.

For the fiscal years ended September 30, 2018, 2017 and 2016, the management fees paid by each Fund were as follows:

	Management Fee		
Fund	2018	2017	2016
ICON Equity Income Fund	$ 622,381	$ 597,129	$ 378,644
ICON Flexible Bond Fund	$ 558,166	$ 494,966	$ 511,458
ICON Fund	$ 391,034	$ 364,161	$ 373,960
ICON Long/Short Fund	$ 229,620	$ 168,681	$ 183,086
ICON Opportunities Fund	$ 166,464	$ 129,328	$ 83,499
ICON Risk-Managed Balanced Fund	$ 255,354	$ 287,763	$ 380,666

Expense Limitation Agreement. ICON has contractually entered into an Expense Limitation Agreement related to the ICON ICON Equity Income Fund, Flexible Bond Fund, ICON Fund, ICON Long/Short Fund, ICON Opportunities Fund and ICON Risk-Managed Balanced Fund) ("Diversified Funds"), pursuant to which it has agreed to reimburse or limit the Diversified Funds' fees. In connection with this Agreement and certain U.S. tax requirements, ICON will assume other expenses so that total annual ordinary operating expenses of the Diversified Funds (which excludes interest, dividends on short positions, taxes, brokerage commissions, extraordinary expenses such as litigation, and other expenses not incurred in the ordinary course of each Diversified Fund's business) do not exceed the following percentages:

Fund	Class A Expense Limitation	Class C Expense Limitation	Class S Expense Limitation	Single Class Expense Limitation
ICON Equity Income Fund*	1.24%	1.99%	0.99%	
ICON Flexible Bond Fund	1.00%	1.60%	0.75%	
ICON Fund	1.50%	2.25%	1.25%	
ICON Long/Short Fund	1.55%	2.30%	1.25%	
ICON Opportunities Fund				1.30%
ICON Risk-Managed Balanced Fund	1.45%	2.20%	1.20%	

* The total expenses of the ICON Equity Income Fund (excluding interest, taxes, brokerage, acquired fund fees and expenses and extraordinary expenses) are contractually limited to an annual rate for Class A of 1.24%, an annual rate for Class C of 1.99%, and an annual rate of 0.99% for Class S through January 31, 2020, after which time this limitation may be terminated. ICON Advisers is entitled to reimbursement from the Fund of any fees waived pursuant to this arrangement if such reimbursement does not cause the Fund to exceed existing expense limitations and the reimbursement is made within three years after the expenses were reimbursed or absorbed.

Each Diversified Fund may at a later date reimburse ICON for fees waived and other expenses assumed by ICON during the previous 36 months, but only if, after such reimbursement, the Diversified Fund's expense ratio does not exceed the existing expense limitations. ICON will only be reimbursed for fees waived or expenses assumed after the effective date of the Expense Limitation Agreement. The expense limitations for the ICON Flexible Bond Fund Class C and Class S, and all classes of the ICON Long/Short Fund and ICON Risk-Managed Balanced Fund will continue until January 31, 2021. The additional expense limitation for all classes of the ICON Equity Income Fund will continue until January 31, 2020. The expense limitation for the ICON Flexible Bond Fund Class A, the ICON Opportunities Fund and all classes of the ICON Fund and ICON Equity Income Fund will continue until January 31, 2020. Thereafter, the Expense Limitation Agreement will automatically renew for one-year terms unless ICON provides written notice of termination of the Agreement to the Board at least 30 days prior to the end of the then-current term. In addition, the Expense Limitation Agreement will terminate upon the termination of the Investment Advisory Agreement, or it may be terminated by a Diversified Fund, without payment of any penalty, upon 90 days' prior written notice to ICON.

ICON has reimbursed the Funds and/or recouped from the Funds the following expenses pursuant to the Expense Limitation Agreement:

	Net (Reimbursement)/Recoupment		
Fund	2018	2017	2016
ICON Equity Income Fund	($ 146,948)	($ 80,971)	($ 18,795)
ICON Flexible Bond Fund	($ 184,480)	($ 162,616)	($ 180,193)
ICON Fund	($ 7,606)	($ 13,579)	($ 25,547)
ICON Long/Short Fund	($ 54,396)	($ 65,473)	($ 70,464)
ICON Opportunities Fund	($ 2,339)	($ 15,243)	$ 8,367
ICON Risk-Managed Balanced Fund	($ 44,650)	($ 53,575)	($ 39,307)

As of September 30, 2018, the following amounts were still available for recoupment by ICON based on their potential expiration dates:

Fund	2019	2020	2021
ICON Equity Income Fund	$ 35,317	$ 92,199	$ 146,948
ICON Flexible Bond Fund	$ 180,193	$ 162,616	$ 184,480
ICON Fund	$ 27,339	$ 16,031	$ 9,658
ICON Long/Short Fund	$ 80,331	$ 66,063	$ 54,396
ICON Opportunities Fund	$ 2,957	$ 3,673	$ 11,238
ICON Risk-Managed Balanced Fund	$ 44,072	$ 53,919	$ 45,213

ADMINISTRATIVE SERVICES

Under a separate written agreement, ICON (as "Administrator") provides day-to-day administrative services to the Trust including monitoring portfolio compliance, determining compliance with provisions of the Internal Revenue Code, and preparing the Funds' financial statements. ICON receives an administrative fee from the Funds for these services that is calculated at an average annual rate of 0.05% on the first $1.5 billion of ICON Funds average daily net assets, 0.045% on the next $1.5 billion of such assets, 0.040% on the next $2 billion of such assets and 0.030% on such assets over $5 billion. ICON provides the Trust with office space, facilities and business equipment, and generally administers the Trust's business affairs and provides the services of executive and clerical personnel for administering the affairs of the Trust. ICON compensates all personnel, Officers and Trustees of the Trust if such persons are employees of the Administrator or its affiliates.

Below is a table which shows the administrative fees paid by the Trust for the last three fiscal years:

Fiscal Year Ended	Administrative Fees
9/30/18	$ 495,750
9/30/17	$ 546,470
9/30/16	$ 507,856

ICON has entered into a sub-administrative agreement with ALPS Funds Services, Inc. (“ALPS”) to serve as sub-administrator to the Trust. For its services as sub-administrator, ICON pays ALPS the greater of $504,000 or an annual rate 0.0336% on the first $1 billion of all ICON Fund net assets, 0.0224% on such net assets between $1 billion and $3 billion, and 0.0084% on such net assets in excess of $3 billion.

FUND ACCOUNTING AGENT

ICON has engaged ALPS as Fund Accounting Agent for the Trust. For its services as Fund Accounting Agent, the Trust pays ALPS the greater of $396,000 or an annual rate of 0.0264% on the first $1 billion of all ICON Fund net assets, 0.0176% on such net assets between $1 billion and $3 billion and 0.0066% on such net assets in excess of $3 billion.

DISTRIBUTOR

ICON Distributors, Inc. (“IDI” or “Distributor”), 5299 DTC Boulevard, Suite 1200, Greenwood Village, Colorado 80111, an affiliate of the Adviser, serves as the Funds’ distributor on a best efforts basis. Shares of the Funds are offered on a continuous basis.

The Trust has adopted a plan of distribution pursuant to Rule 12b-1 of the 1940 Act (the “12b-1 Plan”) for each Fund’s Class A and Class C shares. Pursuant to the 12b-1 Plan, the ICON Flexible Bond Fund pays for distribution and related services at an annual rate that may not exceed 0.25% of the average daily net assets of its Class A shares and 0.85% of the average daily net assets of its Class C shares. The ICON Fund, ICON Equity Income Fund, ICON Long/Short Fund, and ICON Risk-Managed Balanced Fund each pays for distribution and related services at an annual rate that may not exceed 0.25% of the average daily net assets of Class A shares of each Fund and 1.00% of the average daily net assets of each Fund’s Class C shares. Class S shares and the ICON Opportunities Fund do not charge a 12b-1 fee.

The 12b-1 fees may be used to pay directly, or to reimburse IDI for paying expenses in connection with the distribution of the Funds’ shares and related activities including providing payments to any financial intermediary for shareholder support, administrative, and accounting services; compensation of sales personnel, brokers, financial planners or others for their assistance with respect to the distribution of the Funds’ shares; preparation, printing and mailing of prospectuses, reports to shareholders and prospective investors (such as semiannual and annual reports, performance reports and newsletters), sales literature and other promotional materials to prospective investors; direct mail solicitations; advertising; public relations; and such other expenses as may be approved from time to time by the Trust’s Board of Trustees and as may be permitted by applicable statute, rule or regulation. The Rule 12b-1 plan adopted by the Trust compensates the Distributor regardless of expenses incurred by the Distributor.

Class C shares for each Fund the Distributor retains the first year’s distribution and related service fee of 1.00% assessed against such shares (0.85% in the case of the ICON Flexible Bond Fund). In addition, with respect to purchases of $1 million or more for Class A shares, the Distributor retains the distribution fee relating to such shares for the first year. Except as set forth in previous sentences, for Class A, and after the first year for Class C shares, the Distributor may pay up to the entire amount of this fee to securities dealers who are dealers of record with respect to the Fund’s shares, on a quarterly basis, unless other arrangements are made between the Distributor and the securities dealer for providing personal services to investors in shares of the Fund and/or the maintenance of shareholder accounts. This fee will accrue to securities dealers of record immediately with respect to reinvested income dividends and capital gain distributions of the Fund’s Class A shares.

The Board reviews expenditures made by the Distributor related to distribution of the Funds’ shares on a quarterly basis.

During the fiscal years ended September 30, 2018, 2017 and 2016, the Distributor was compensated in conjunction with the sale and distribution of the Funds' Class A and Class C shares as follows:

Fund	12b-1 Fees for Fiscal Year ended 9/30/18	12b-1 Fees for Fiscal Year ended 9/30/17	12b-1 Fees for Fiscal Year ended 9/30/16
ICON Equity Income Fund – Class C	$ 166,583	$ 134,434	$ 76,325
ICON Equity Income Fund – Class A	$ 34,329	$ 36,540	$ 36,994
ICON Flexible Bond Fund – Class C	$ 28,939	$ 35,054	$ 39,066
ICON Flexible Bond Fund – Class A	$ 8,997	$ 12,842	$ 16,084
ICON Fund – Class C	$ 126,309	$ 122,410	$ 124,186
ICON Fund – Class A	$ 13,516	$ 13,194	$ 15,833
ICON Long/Short Fund – Class C	$ 50,833	$ 44,619	$ 50,066
ICON Long/Short Fund – Class A	$ 17,977	$ 15,540	$ 17,453
ICON Risk-Managed Balanced Fund – Class C	$ 163,545	$ 153,277	$ 151,556
ICON Risk-Managed Balanced Fund – Class A	$ 16,110	$ 19,316	$ 22,909

During the fiscal year ended September 30, 2018, the Distributor expended the following amounts in marketing the Trust's shares:

Type of Expenses	Amount of Expense
Printing and mailing of prospectuses to persons other than current shareholders	$ 0
Payment of compensation to third parties for distribution and shareholders support services	$ 771,082
Advertising materials and fees	$ 7,305
Total:	$ 778,387

The payments to third parties for distribution and shareholder support services indirectly included payments to American Portfolios Financial, Ameriprise Financial Services, Charles Schwab & Co., Inc., Foliofn Investments, FSC Securities Corporation, LPL Financial Corporation, Merrill Lynch Pierce Fenner, National Financial Services Corp., Oppenheimer & Co. Inc., Pershing LLC, Raymond James & Associates, RBC Wealth Management, Securities America, Inc., Stifel Nicolaus & Company, Inc., TD Ameritrade, Inc., Trust Company of America, UBS Financial Services, Inc., Vanguard Marketing Corporation, Wells Fargo Clearing Services, LLC, which, to the knowledge of the Trust, were the record owners of 5% or more of the outstanding shares of one or more of the Funds at the time such payments were made.

The benefits the Board believes are reasonably likely to flow to the Funds and their shareholders under the 12b-1 Plan include, but are not limited to: (1) enhanced marketing effort, which, if successful, may result in an increase in net assets through the sale of additional shares; (2) increased name recognition for the Funds within the mutual fund industry, which may help instill and maintain investor confidence; (3) positive cash flow into the Funds; and (4) increased Fund assets which may result in reducing each shareholder's share of certain expenses through economies of scale such as allocating fixed expenses over a larger asset base.

Payments made by a particular Fund class under the 12b-1 Plan may not be used to finance the distribution of the other share classes. In the event an expenditure may benefit all Fund classes, it is allocated among the Fund classes on an equitable basis, pursuant to written policies and procedures.

The 12b-1 Plan is subject to annual approval by the Board, by such vote cast in person at a meeting called for the purpose of voting on the 12b-1 Plan. The 12b-1 Plan for the ICON Funds was approved by the Board, including all the independent Trustees, on August 25, 2017 As to each class of the Fund's shares, the 12b-1 Plan may be terminated at any time by a vote of a majority of the Independent Trustees of the Board and who have no direct or indirect financial interest in the operation of the 12b-1 Plan or in any agreements entered into in connection with the 12b-1 Plan or by vote of the holders of a majority of such class of shares.

CUSTODIAN

ICON has engaged State Street to serve as the Funds' custodian. The custodian acts as the Funds' depository, safe keeps its portfolio securities, collects all income and other payments with respect thereto, disburses funds at the Funds' request and maintains records in connection with its duties.

TRANSFER AGENT

ALPS Fund Services, Inc. 1290 Broadway, Suite 1100, Denver, CO 80203, acts as the Funds' transfer agent and, in such capacity, maintains the records of each shareholder's account, answers shareholder inquiries concerning their accounts, processes purchases and redemptions of Fund shares, acts as dividend and distribution disbursing agent and performs other accounting and shareholder service functions.

INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

Cohen & Company, Ltd. ("Cohen"), has been selected as independent registered public accounting firm for the Trust. Cohen is responsible for auditing the financial statements of each Fund and meeting with the Audit Committee.

COUNSEL

Theresa Mehringer, Burns Figa & Will, P.C., 6400 S. Fiddlers Green Circle, Ste. 1000, Greenwood Village, CO 80111, is counsel to the Trust and independent legal counsel to the Independent Trustees.

SECURITIES LENDING

	Gross income from securities lending	Fees paid to securities lending agent from a revenue split	Fees paid for any cash collateral management services that are not included in revenue split	Administrative fees not included in revenue split	Fees for Indemnification that are not included in the revenue split	Rebates paid to borrowers	Other fees that are not included in a revenue split	Aggregate fees/ compensation for securities lending activities	Net income from securities lending activities
ICON Equity Income Fund	$66,705	$ 8,829	$ 1,122	$ 0	$ 0	$21,014	$ 0	$ 30,965	$ 35,740
ICON Flexible Bond Fund	$34,359	$ 4,331	$ 653	$ 0	$ 0	$12,119	$ 0	$ 17,103	$ 17,256
ICON Fund	$ 412	$ 24	$ 6	$ 0	$ 0	$ 202	$ 0	$ 232	$ 180
ICON Long/Short Fund	$ 152	$ 15	$ 3	$ 0	$ 0	$ 73	$ 0	$ 91	$ 61
ICON Opportunities Fund	$19,060	$ 1,818	$ 400	$ 0	$ 0	$ 9,940	$ 0	$ 12,158	$ 6,902
ICON Risk-Managed Balanced Fund	$ 8,083	$ 901	$ 163	$ 0	$ 0	$ 3,518	$ 0	$ 4,582	$ 3,501

The Trust has engaged State Street Bank and Trust Company to act as its agent (the "Lending Agent") with respect to the lending of the securities of the Funds. During the fiscal year ended September 30, 2018, the Lending Agent managed the operation of the Trust's securities lending activities including: (1) locating borrowers from a list of approved borrowers, (2) monitoring the creditworthiness of each borrower, the lending limits, the value of the loaned securities and the value of the collateral received in accordance with the capitalization requirements set forth in the Securities Lending Agreement (the "SLA") between the Trust and the Lending Agent (3) negotiating the terms and conditions of each loan agreement consistent with the terms of the SLA (including the authority to terminate any loan at any time) (4) entering into loan agreements with borrowers (5) selecting the securities to be loaned by the Funds (6) crediting any substitute interest, dividends and/or other distributions paid with respect to the loaned securities to each Fund's account (7) receiving and holding collateral from borrowers and investing the collateral in an investment vehicle consistent with the terms of the SLA (8) obtaining additional collateral from borrowers as necessary (9) providing recordkeeping and accounting services (10) monitoring proxy votes relating to loaned securities (and recalling securities on loan for the Fund to vote proxies) (11) arranging for return of loaned securities to the Fund at loan termination (12) returning collateral to the borrowers (13) providing monthly reports to the Trust relating to loans made and income derived from such loans for each Fund (14) agreeing to indemnify the Trust for any borrower's failure to deliver securities loaned.

PURCHASE AND REDEMPTION OF SHARES

The ICON Equity Income Fund, ICON Flexible Bond Fund, ICON Fund, ICON Long/Short Fund and the ICON Risk-Managed Balanced Fund each offer three classes of shares: Class A, Class C, and Class S. When purchasing Fund shares, you must specify which Class is being purchased. Class A shares are subject to an initial sales charge and the public offering price of Class A shares equals net asset value plus the applicable sales charge. A contingent deferred sales charge of 1% (0.85% in the case of ICON Flexible Bond Fund) applies to certain redemptions of Class A shares made within one year following purchase of $1 million or more made without an initial sales charge. A 1% contingent deferred sales charge (0.85% in the case of ICON Flexible Bond Fund) also applies to redemptions of Class C shares made within one year of purchase. See "Sales Charges" below. There is no sales charge on the purchase of Class S shares and the public offering price for the shares of such classes is the net asset value per share of that Class. Class A shares have a 0.25% 12b-1 fee and Class C shares (other than the ICON Flexible Bond Fund) have a 1.00% 12b-1 fee. Class C shares of the ICON Flexible Bond Fund have a 0.85% 12b-1 fee. Class S shares do not have a 12b-1 fee. Shares may be purchased by contacting the Transfer Agent at 1-800-764-0442 or by going to www.iconfunds.com and by completing the application. Shares of any Fund may be purchased at the net asset value per share next determined after receipt and acceptance of the purchase order. Investors may invest any amount as often as they wish subject to the minimum investment and eligibility requirements and subject to the restrictions on excessive trading discussed below.

The minimum investment in Class A and Class C shares for any one Fund is $1,000, unless you invest using an Automatic Investment Plan. See the prospectuses for more information. Subject to the minimum investment amount, shares may also be purchased by exchange.

There is no sales charge on the purchase of the ICON Opportunities Fund shares and the public offering price for the shares is the net asset value per share. ICON Opportunities Fund shares do not have a 12b-1 fee. Shares may be purchased by contacting the Transfer Agent at 1-800-764-0442 and by completing the application. Shares of the Fund may be purchased at the net asset value per share next determined after receipt and acceptance of the purchase order. Investors may invest any amount as often as they wish subject to any minimum investment and eligibility requirements and subject to the restrictions on excessive trading discussed below. See the prospectus for more information.

Shares of a Fund may be purchased by clients of certain financial institutions (which may include banks), securities dealers and other industry professionals (collectively, “Agents”). These Agents may receive different levels of compensation from IDI for selling different classes of Fund shares. ICON may pay additional compensation to Agents and may provide additional promotional incentives to Agents that sell shares of the Funds. Agents may impose certain conditions on their clients which are different from those described in the Trust’s prospectuses and SAI, and, to the extent permitted by applicable regulatory authority, may charge their clients direct fees. You should consult your broker or financial adviser in this regard.

The Distributor may, from time to time, enter into agreements with one or more brokers or other intermediaries to accept purchase and redemption orders for Fund shares until the close of regular trading on the Exchange (normally, 4:00 p.m. Eastern time on each day that the Exchange is open for trading); such purchase and redemption orders will be deemed to have been received by the Fund when the authorized broker or intermediary accepts such orders; and such orders will be priced using that Fund’s net asset value next computed after the orders are placed with and accepted by such brokers or intermediaries. Any purchase and redemption orders received by a broker or intermediary under these agreements will be transmitted daily to the Fund no later than the time specified in such agreement; but, in any event, generally no later than 9:00 a.m. Eastern Time following the day that such purchase or redemption orders are received by the broker or intermediary.

<u>Class S Shares</u>

Class S shares of the Funds are available to all eligible investors including, without limitation, individual investors, institutional investors, a 401(k), 403(b) or 457(b) plan or the custodian for such a plan and investment representatives or their clients purchasing shares through fee-based investment products or accounts.

The Fund reserves the right to change the criteria for investors eligible for Class S shares.

Large Shareholder Redemptions

Certain large shareholders, such as other registered investment advisers, funds, institutional investors, financial intermediaries, individuals, accounts, and ICON affiliates, may from time to time own (beneficially or of record) or control a significant percentage of a Fund’s shares. Redemptions by these large shareholders of their holdings in a Fund may cause the Fund to sell portfolio securities at times when it would not otherwise do so, which may negatively impact the Fund’s NAV and liquidity. Similarly, large Fund share purchases may adversely affect a Fund’s performance to the extent that the Fund is delayed in investing new cash and is required to maintain a larger cash position than it ordinarily would. These transactions may also accelerate the realization of taxable income to shareholders if such sales of investments result in gains, and may also increase transaction costs. In addition, a large redemption could result in a Fund’s current expenses being allocated over a smaller asset base, which could lead to an increase in the Fund’s expense ratio.

Redemptions In-Kind

Shares normally will be redeemed for cash, although each Fund retains the right to redeem some or all of its shares in-kind under unusual circumstances, in order to protect the interests of remaining shareholders, to accommodate a request by a particular shareholder that does not adversely affect the interests of the remaining shareholders, or in connection with the liquidation of a fund, by delivery of securities selected from its assets at its discretion. However, each Fund is required to redeem shares solely for cash up to the lesser of $250,000 or 1% of the NAV of that Fund during any 90-day period for any one shareholder. Should redemptions by any shareholder exceed such limitation, a Fund will have the option of redeeming the excess in cash or in-kind. In-kind payment means payment will be made in portfolio securities rather than cash, and may potentially include illiquid securities. Illiquid securities may not be able to be sold quickly or at a price that reflects full value, or there may not be a market for such securities, which could cause the redeeming shareholder to realize losses on the security if the security is sold at a price lower than that at which it had been valued. If a Fund makes an in-kind payment, the redeeming shareholder might incur brokerage or other transaction costs to convert the securities to cash, whereas such costs are borne by the Fund for cash redemptions. While a Fund may pay redemptions in-kind, a Fund may instead choose to raise cash to meet redemption requests through the sale of fund securities or permissible borrowings. If a Fund is forced to sell securities at an unfavorable time and/or under unfavorable conditions, such sales may adversely affect the Fund’s NAV and may increase brokerage costs.

Other procedures for purchasing, selling (redeeming) and exchanging shares of the Funds are described in the prospectuses.

SALES CHARGE

SALES CHARGE – Class A Shares

The public offering price of Class A shares of the Funds equals net asset value plus the applicable sales charge. The Distributor receives a portion of this sales charge and may reallow it as dealer discounts and brokerage commissions as set out below.

ICON Equity Income Fund, ICON Fund, ICON Long/Short Fund, and ICON Risk-Managed Balanced Fund:

Size of Transaction at Offering Price	Sales Charges as a % of Offering Price	Sales Charge as a % of Your Investment	Dealer Commission as a % of Offering Price
Less than $25,000	5.75%	6.10%	5.00%
$25,000 but less than $50,000	5.00%	5.26%	4.25%
$50,000 but less than $100,000	4.50%	4.71%	3.75%
$100,000 but less than $250,000	3.50%	3.63%	2.75%
$250,000 but less than $500,000	2.50%	2.56%	2.00%
$500,000 but less than $750,000	2.00%	2.04%	1.60%
$750,000 but less than $1,000,000	1.50%	1.52%	1.20%
$1,000,000 and over	0.00%	0.00%	1.00%

ICON Flexible Bond Fund:

Size of Transaction at Offering Price	Sales Charge as a % of Offering Price	Sales Charge as a % of Your Investment	Dealer Commission as a % of Offering Price
Less than $25,000	4.75%	4.99%	4.00%
$25,000 but less than $50,000	4.50%	4.71%	3.75%
$50,000 but less than $100,000	4.25%	4.44%	3.50%
$100,000 but less than $250,000	3.75%	3.90%	3.00%
$250,000 but less than $500,000	3.25%	3.36%	2.50%
$500,000 but less than $750,000	2.75%	2.83%	2.00%
$750,000 but less than $1million	2.25%	2.30%	1.50%
$1million to $4million	0.00%	0.00%	0.85%
$4million to $10million	0.00%	0.00%	0.50%
$10million and above	0.00%	0.00%	0.25%

There is no initial sales charge on purchases of $1 million or more. However, a 1% contingent deferred sales charge may apply to certain redemptions of Class A shares made within one year following the purchase of such amounts. The contingent deferred sales charge is based on the original purchase cost.

Commissions (up to 1.00% (0.85% in the case of ICON Flexible Bond Fund) are paid to dealers who initiate and are responsible for certain Class A share purchases not subject to sales charges. These purchases not subject to sales charges consist of purchases of $1 million or more. Commissions on such investments may be paid to dealers at the following rates: 1.00% (0.85% in the case of ICON Flexible Bond Fund) on amounts to $4 million, 0.50% on amounts over $4 million to $10 million and 0.25% on amounts over $10 million. Commissions are based on cumulative investments and are not annually reset.

A dealer concession of up to 1% (0.85% in the case of ICON Flexible Bond Fund) may be paid by a Fund under its Class A shares 12b-1 Plan of distribution to reimburse the Distributor in connection with dealer and wholesaler compensation paid by it with respect to investments made with no initial sales charge.

SALES CHARGE WAIVERS

The Distributor may waive sales charges for the purchase of Class A and Class C shares made within 1 year of purchase of the Funds by or on behalf of (1) employees and retired employees (including the spouse, children under the age of 21 and grandchildren under the age of 21 ("Family Members") of employees and retired employees) of ICON and its affiliates, (2) brokers, dealers and agents who have a sales agreement with the Distributor, and their employees (and the Family Members of such individuals), (3) investment advisers or financial planners that are authorized to sell shares of the Funds, and their employees, (and the Family Members of such individuals), (4) companies exchanging securities with a Fund through a merger, acquisition or exchange offer, (5) accounts managed by ICON and its affiliates, (6) ICON and its affiliates, (7) an individual or entity with a substantial business relationship with ICON or its affiliates, (8) shareholders of Class I shares prior to January 23, 2012 who continue to purchase Class A shares of that particular Fund at NAV directly with ICON. The investor will be required to provide current broker/dealer information upon purchase, (9) shares purchased by investment representatives through fee-based investment products or accounts or by investors through an Eligible Benefit Plan, (10) investments made by endowments or foundations, (11) other qualified or non-qualified employee benefit plans, including pension, defined contribution, profit-sharing, health and welfare or other employee benefit plans. To receive a sales charge waiver in conjunction with any of the above categories, investors must, at the time of purchase, give the Distributor sufficient information to permit confirmation of qualification. Once an account is established under this net asset value privilege, additional investments can be made at net asset value for the life of the account.

Whether a sales charge waiver is available for your retirement plan or charitable account depends upon the policies and procedures of your intermediary. Please consult your financial adviser for further information.

SALES CHARGE REDUCTIONS

An investor may qualify for reduced initial sales charges under the privileges as set forth below. An investor may include the investments of Family Members to qualify for a reduced sales charge pursuant to such privileges. Upon the request to include a Family Member's investments for the purpose of qualifying for a reduced sales charge, the investor will be asked for information regarding the Family Member (including the Family Member's Social Security number).

Concurrent Purchases. For purposes of qualifying for a lower sales charge, investors have the privilege of combining "concurrent purchases" of Class A shares of two or more ICON Funds. For example, if an investor concurrently purchases Class A shares in one of the Funds at the total public offering price of $75,000 and Class A shares in another Fund at the total public offering price of $25,000, the sales charge would be that applicable to a $100,000 purchase as shown in the appropriate table above. The investor's "concurrent purchases" described above shall include the combined purchases of the investor, the investor's Family Members and the purchaser's retirement plan accounts. To receive the applicable public offering price pursuant to this privilege, investors must, at the time of purchase, give the Transfer Agent or the Distributor sufficient information to permit confirmation of qualification. This privilege, however, may be modified or eliminated at any time or from time to time by the Trust without notice.

Letter of Intent. An investor may obtain a reduced sales charge by means of a written Letter of Intent which expresses the intention of such investor to purchase Class A shares of the Funds at a designated total public offering price within a designated 13-month period. Each purchase of Class A shares under a Letter of Intent will be made at the net asset value plus the sales charge applicable at the time of such purchase to a single transaction of the total dollar amount indicated in the Letter of Intent (the "Applicable Sales Charge"). At your request, purchases of Class A shares made during the previous 90 days may be included in calculating the Letter of Intent amount. A Letter of Intent may include the purchases of the investor's Family Members.

A Letter of Intent is not a binding obligation upon the investor to purchase the full amount indicated. Generally, Class A shares purchased with the first 5% of such amount will be held in escrow (while remaining registered in the name of the investor) to secure payment of the higher sales charge applicable to the Class A shares actually purchased if the full amount indicated is not purchased, and such escrowed Class A shares will be involuntarily redeemed to pay the additional sales charge, if necessary. If the proceeds from this redemption are inadequate, the investor will be liable to the Distributor for the balance still outstanding. Dividends on escrowed Class A shares, whether paid in cash or reinvested in additional Class A shares, are not subject to escrow. The escrowed Class A shares will not be available for disposal by the investor until all purchases pursuant to the Letter of Intent have been made or the higher sales charge has been paid. When the full amount indicated has been purchased, the escrow will be released. The dealer assigned to an account at the time of each purchase made during the 13-month period will receive an appropriate commission adjustment. To the extent that an investor purchases more than the dollar amount indicated in the Letter of Intent and qualifies for a further reduced sales charge, the sales charge will be adjusted for the entire amount purchased at the end of the 13-month period. The difference in sales charge will be used to purchase additional Class A shares of the Fund at the then current public offering price subject to the rate of sales charge applicable to the actual amount of the aggregate purchases.

The Letter of Intent may be revised upward at any time during the 13-month period, and such a revision will be treated as a new Letter of Intent, except that the 13-month period during which purchases must be made will remain the same. Accordingly, the sales charge paid on investments made 90 days prior to the revised Letter of Intent will be adjusted to reflect the revised Letter of Intent.

The Letter of Intent will be considered completed if the investor dies within the 13-month period. Commissions to dealers will not be adjusted or paid on the difference between the Letter of Intent amount and the amount actually invested before the investor's death.

For further information about Letters of Intent, interested investors should contact the Trust at 1-800-764-0442. This program, however, may be modified or eliminated at any time or from time to time by the Trust without notice.

Rights of Accumulation. Pursuant to the right of accumulation, investors are permitted to purchase Class A shares of the Funds at the public offering price applicable to the total of (a) the total public offering price of the Class A shares of the Funds then being purchased plus (b) an amount equal to the greater of the then current net asset value of the "purchaser's combined holdings" of all Class A shares of the Funds or the amount of the original investment less any withdrawals. The "purchaser's combined holdings" described above shall include the combined Class A share holdings of the purchaser, the purchaser's Family Members and the purchaser's retirement plan accounts. If you make a gift of shares, upon your request, you may purchase the shares at the sales charge discount allowed under rights of accumulation. To receive the applicable public offering price pursuant to the right of accumulation, shareholders must, at the time of purchase, give the Transfer Agent or the Distributor sufficient information to permit confirmation of qualification. This right of accumulation, however, may be modified or eliminated at any time or from time to time by the Trust without notice.

Aggregating Accounts. Class A share investments which qualify for aggregation include those made by an investor and such investor's Family Members, if all parties are purchasing shares for their own accounts and/or the following other accounts:

- individual-type employee benefit plan(s), such as an IRA, individual 403(b) plan or single-participant Keogh-type plan;
- business accounts solely controlled by the investor or the investor's Family Members;
- trust accounts established by the investor or the investor's Family Members (however, if the person(s) who established the trust is deceased, the trust account may be aggregated with accounts of the person who is the primary beneficiary of the trust);
- endowments or foundations established and controlled by the investor or the investor's Family Members; or

Individual Class A purchases by a trustee(s) or other fiduciary(ies) may also be aggregated if the investments are:

- for a single trust estate or fiduciary account, including employee benefit plans other than the individual-type employee benefit plans described above;
- made for two or more employee benefit plans of a single employer or of affiliated employers as defined in the 1940 Act, excluding the individual-type employee benefit plans described above;
- for a diversified common trust fund or other diversified pooled account not specifically formed for the purpose of accumulating fund shares;
- for nonprofit, charitable or educational organizations, or any endowments or foundations established and controlled by such organizations, or any employer-sponsored retirement plans established for the benefit of the employees of such organizations, their endowments, or their foundations.

Class A purchases made for nominee or street name accounts (securities held in the name of an investment dealer or another nominee such as a bank trust department instead of the customer) may not be aggregated with those made for other accounts and may not be aggregated with other nominee or street name accounts unless otherwise qualified as described above.

Reinstatement Privilege (Class A only)

The Prospectus for Class A shares describes redeeming shareholders' reinstatement privileges. Written notice and the investment check from persons wishing to exercise this reinstatement privilege must be received by your investment dealer or the Funds within 90 days after the redemption. The reinstatement or exchange will be made at the net asset value next determined after receipt of the notice and the investment check and will be limited to the amount of the redemption proceeds or the nearest full share if fractional shares are not purchased.

Even though an account is reinstated, the redemption will constitute a sale for federal tax purposes. Investors who reinstate their accounts by purchasing shares of the funds should consult their tax advisers with respect to the effect of the "wash sale" rule if a loss is realized at the time of redemption.

Waiver of Contingent Deferred Sales Charge. The contingent deferred sales charge (CDSC) of 1% (0.85% in the case of ICON Flexible Bond Fund) applicable to redemptions of Class A shares made within one year following purchases of $1 million or more without an initial sales charge and the 1% CDSC (0.85% in the case of ICON Flexible Bond Fund) applicable to redemptions of Class C shares made within one year of purchase may be waived in the following circumstances:

- Redemptions due to death or post purchase disability of a shareholder (accounts registered in the names of trusts and other entities are generally excluded). With respect to joint tenant accounts, if one joint tenant dies, a surviving joint tenant, at the time he or she notifies the Transfer Agent of the other joint tenant's death and removes the decedent's name from the account, may redeem shares from the account without incurring a contingent deferred sales charge. Redemptions made after the Transfer Agent is notified of the death of a joint tenant will be subject to a contingent deferred sales charge;
- Permitted exchanges of shares, except if shares acquired by exchange are then redeemed within the period during which the contingent deferred sales charge would apply to the initial shares purchased;

- Redemptions due to the complete termination of a trust upon the death of the trustor/grantor or beneficiary, but only if such termination is specifically provided for in the trust documents.

Class A shares only

- Required minimum distributions taken from retirement accounts upon the shareholder's attainment of age 70-1/2 (required minimum distributions that continue to be taken by the beneficiary(ies) after the account owner is deceased also qualify for a waiver);
- Redemptions in Class A shares that are subject to a contingent deferred sales charge and are withdrawn through a systematic withdrawal plan will not be subject to a contingent deferred sales charge, provided that such redemptions do not exceed 10% of the value of an account (including Class A shares in all ICON Funds) annually (the "10% limit"). Assets that are not subject to a contingent deferred sales charge, such as appreciation on shares and shares acquired through reinvestment of dividends and/or capital gain distributions, will be redeemed first and will count toward the 10% limit, as applicable. Any dividends and/or capital gain distributions taken in cash by a shareholder who receives payments through a systematic withdrawal plan will also count toward the 10% limit, as applicable. In the case of a systematic withdrawal plan, the 10% limit is calculated at the time a systematic redemption is first made, and is recalculated at the time each additional systematic redemption is made. Shareholders who establish a systematic withdrawal plan should be aware that the amount of a payment not subject to a contingent deferred sales charge may vary over time depending on fluctuations in the value of their accounts. This privilege may be revised or terminated at any time.

In the case of Class C shares only

The following types of transactions, if together they do not exceed 12% in the case of Class C shares of the value of the account annually:

- Required minimum distributions taken from retirement accounts upon the shareholder's attainment of age 70-1/2 (required minimum distributions that continue to be taken by the beneficiary(ies) after the account owner is deceased also qualify for a waiver);
- Redemptions through a systematic withdrawal plan will not be subject to a contingent deferred sales charge, provided that such redemptions do not exceed 12% of the value of an account annually (the "12% limit"). Assets that are not subject to a contingent deferred sales charge, such as appreciation on shares and shares acquired through reinvestment of dividends and/or capital gain distributions, will be redeemed first and will count toward the 12% limit. Any dividends and/or capital gain distributions taken in cash by a shareholder who receives payments through a systematic withdrawal plan will also count toward the 12% limit. In the case of a systematic withdrawal plan, the 12% limit is calculated at the time a systematic redemption is first made, and is recalculated at the time each additional systematic redemption is made. Shareholders who establish a systematic withdrawal plan should be aware that the amount of a payment not subject to a contingent deferred sales charge may vary over time depending on fluctuations in the value of their accounts. This privilege may be revised or terminated at any time.

When an exchange is made from Class A or Class C shares of one Fund to the same class of shares of another Fund, the shares received by the shareholder in the exchange will have the same age characteristics as the shares exchanged. The age of the shares determines the expiration of the CDSC. In addition, if a Class C shareholder of another ICON Fund exchanges into the Class C shares of the ICON Flexible Bond Fund and subsequently redeems within one-year of the initial purchase, they will be subject to the 1% CDSC applicable to the initial fund in which they purchased. Conversely, if a Class C shareholder of the ICON Flexible Bond Fund exchanges into Class C shares of another ICON Fund and subsequently redeems within the first year of their initial purchase, the shareholder will be assessed a CDSC of 0.85%.

AUTOMATIC CONVERSION OF CLASS C SHARES INTO CLASS A SHARES

Effective on or about June 1, 2019 (the "Class C Conversion Date"), all Class C shares of a Fund that were purchased ten years or more prior to the Class C Conversion Date will automatically convert to Class A shares of the same Fund (the "Class C to A Conversion"). After the Class C Conversion Date, all Class C shares of a Fund held in accounts directly with the Trust's transfer agent will automatically convert to Class A shares of the same Fund on or about the first business day of the month following the ten-year anniversary of purchase. After the Class C Conversion Date, all Class C shares of a Fund held through a financial intermediary (subject to the exceptions noted within the Prospectus or Statement of Additional Information) will automatically convert to Class A shares of the same Fund following the ten-year anniversary of purchase. Although the timing of this conversion may differ from the timing stated above, it is expected to occur during the month following the ten-year anniversary of purchase. Such conversions will be effected on the basis of the relative net asset values of the Class C and Class A shares involved in the conversion. When Class C shares convert, any other Class C shares that were acquired by the shareholder by the reinvestment of dividends or distributions will also convert to Class A shares on a pro rata basis. The Class C to A Conversion is subject to the limitation that if, after the Class C Conversion Date, the Class A shareholders of a Fund approve any material increase in expenses allocated to that class (including 12b-1 Fees) without the approval of the then-existing Class C shareholders, Class C shares will cease automatically converting into Class A shares.

Class C shares held through a financial intermediary in an omnibus account will be converted into Class A shares only if the intermediary can document that the shareholder has met the required holding period. It is the financial intermediary's (and not the applicable Fund's) responsibility to keep records and to ensure that the shareholder is credited with the proper holding period. Not all financial intermediaries track purchases to credit individual shareholders' holding periods. In particular, group retirement plans held through third party intermediaries that hold Class C shares in an omnibus account in certain instances do not track participant level share lot aging. Please consult with your financial intermediary about your eligibility to exercise this conversion privilege.

PORTFOLIO TRANSACTIONS – BROKERAGE ALLOCATION

SALE OF FUND SHARES AS FACTOR IN EXECUTING PORTFOLIO TRANSACTIONS

ICON does not consider sale of Fund shares as a factor in the selection of broker/dealers to execute portfolio transactions. ICON does not compensate broker/dealers for any promotion or sale of Fund shares by directing to a broker/dealer Fund portfolio securities transactions or any remuneration, including but not limited to any commission, mark-up, mark-down, or other fee (or portion thereof) received or to be received from a Fund's portfolio transactions effected through another broker/dealer (i.e. by using "step-outs"), including a government securities broker, municipal securities dealer or a government securities dealer. In addition, ICON does not enter into any agreement (whether oral or written) or other understanding where ICON directs, or is expected to direct, portfolio securities transactions or any remuneration to a broker/dealer in consideration for the promotion or sale of Fund shares. Notwithstanding the foregoing, ICON may direct portfolio transactions to a broker/dealer that promotes or sells Fund shares if the person(s) responsible for selecting brokers/dealers to effect the Funds' portfolio securities transactions does not consider or take into account information about the broker/dealers' promotion or sale of Fund shares and is not provided data or other information about such promotion or sales.

BEST EXECUTION

It is the policy of the Trust, in effecting transactions in portfolio securities, to seek the best execution of orders at the most favorable prices. The Board reviews Fund portfolio transactions on a regular basis. The determination of what may constitute best execution in a securities transaction involves a number of judgmental considerations, including, without limitation, the overall direct net economic result to a Fund (involving both price paid or received and any commissions and other costs), the efficiency with which the transaction is effected, the ability to effect the transaction at all where a large block is involved, the availability of the broker to stand ready to execute possibly difficult transactions for the Fund in the future, and the financial strength and stability of the broker.

Because selection of executing brokers is not based solely on net commissions, a Fund may pay an executing broker a commission higher than that which might have been charged by another broker for that transaction. While it is not practicable for the Adviser to solicit competitive bids for commissions on each portfolio transaction, consideration is regularly given to available information concerning the level of commissions charged in comparable transactions by various brokers.

SOFT DOLLAR TRANSACTIONS

Subject to the policy of seeking the best execution of orders at the most favorable prices, a Fund may execute transactions with brokerage firms that provide, along with brokerage services, research services and products, as defined in Section 28(e) of the Securities Exchange Act of 1934. Section 28(e) provides a "safe harbor" to investment managers who use commission dollars of their advised accounts to obtain investment research and brokerage services and products. These arrangements are often called soft dollar arrangements, and may involve the payment of commission rates that are higher than the lowest available commission rates. Commissions available for soft dollar arrangements include those on agency transactions as well as markups, markdowns, commission equivalents and other fees paid to dealers on certain principal transactions. As used in this section, the term "broker" includes such a dealer, and the term "brokerage" or "brokerage services" includes the services provided by such a dealer. Research and brokerage services and products that provide lawful and appropriate assistance to the manager in performing investment decision-making responsibilities fall within the safe harbor.

The types of research services and products provided include, without limitation:

- earnings information and estimates
- stock quote systems
- trading systems
- trading measurement services
- data feeds from stock exchanges
- software programs

Some of the research products or services received by ICON may have both a research function and a non-research administrative function (a "mixed use"). If ICON determines that any research product or service has a mixed use, ICON will allocate in good faith the cost of such service or product accordingly. The portion of the product or service that ICON determines will assist it in the investment decision-making process may be paid for in soft dollars. The non-research portion is paid for by ICON in hard dollars. Any such allocation may create a conflict of interest for ICON.

ICON generally considers the execution and other services provided by brokerage firms, as well as the extent to which such services are relied on, and attempts to allocate a portion of the brokerage business of its clients on the basis of that consideration. The amount of brokerage given to a particular brokerage firm is not made pursuant to any agreement or commitment with any of the selected firms that would bind ICON to compensate the selected brokerage firm for research provided.

ICON may receive a benefit from the research services and products that is not passed on to a Fund in the form of a direct monetary benefit. Further, research services and products may be useful to ICON in providing investment advice to any of the clients it advises. Thus, there may be no correlation between the amount of brokerage commissions generated by a particular Fund or client and the indirect benefits received by that Fund or client.

As described in greater detail below, a portion of the total commissions paid by the Funds for portfolio transactions during the fiscal year ended September 30, 2018 was paid to brokers that provided research products or services to ICON, and it is expected that ICON will continue to place portfolio transactions with firms that provide such products or services.

TRADE ALLOCATION

A Fund and one or more of the other Funds or clients to which ICON serves as investment adviser may own the same securities from time to time. If purchases or sales of securities for a Fund and other Funds or clients arise for consideration at or about the same time, transactions in such securities will be made, insofar as feasible, for the respective Funds and clients in a manner deemed equitable to all by the investment adviser. To the extent that transactions on behalf of more than one client during the same period may increase the demand for securities being purchased or the supply of securities being sold, there may be an adverse effect on the price and amount of the security being purchased or sold for the Fund. However, the ability of the Fund to participate in volume transactions may possibly produce better executions for the Fund in some cases.

BROKERAGE COMMISSIONS

Decisions relating to purchases and sales of securities for a Fund, selection of broker-dealers to execute transactions, and negotiation of commission rates are made by ICON, subject to the general supervision of the Board.

The Funds purchase portfolio securities from broker-dealers in both principal and agency transactions. When a dealer sells a security on a principal basis it is compensated by the "markup" it includes in the price of the security. Listed securities and NASDAQ traded securities are generally traded on an agency basis and the broker receives a commission for acting as agent. The following table lists the total amount of brokerage commissions paid on agency transactions for the fiscal years ended September 30, 2018, 2017 and 2016.

Fund	2018	2017	2016
ICON Equity Income Fund	$ 226,336	$ 233,274	$ 135,510
ICON Flexible Bond Fund	$ 24,214	$ 20,238	$ 23,881
ICON Fund	$ 20,198	$ 13,658	$ 22,677
ICON Long/Short Fund	$ 12,909	$ 7,432	$ 17,247
ICON Opportunities Fund	$ 44,716	$ 12,870	$ 28,878
ICON Risk-Managed Balanced Fund	$ 19,821	$ 20,749	$ 46,926

The aggregate amount of transactions during the fiscal year ended September 30, 2018 in securities effected on an agency basis through a broker for research products and services, and the commissions related to such transactions, were as follows:

Brokerage Commissions on Agency Transactions

Fund	Total Agency Transactions	Commissions Paid on Transactions
ICON Equity Income Fund	$132,469,900	$ 163,640
ICON Flexible Bond Fund	$ 0	$ 0
ICON Fund	$ 18,610,947	$ 18,540
ICON Long/Short Fund	$ 13,206,452	$ 10,999
ICON Opportunities Fund	$ 20,731,937	$ 35,166
ICON Risk-Managed Balanced Fund	$ 16,741,515	$ 13,135

During the last three years no officer, director or affiliated person of the Trust or ICON traded with a Fund or received any commission arising out of such portfolio transactions.

During the fiscal year ended September 30, 2018, certain of the Funds held securities of their regular brokers or dealers as follows:

Fund	Broker	Value as of 9/30/18
ICON Equity Income Fund	Morgan Stanley	$ 1,695,148
ICON Risk-Managed Balanced Fund	RBC Capital Markets, LLC	$ 391,123

CAPITAL STOCK

The Trustees have exclusive power, without the requirement of shareholder approval, to issue series of shares without par value, each series representing interests in a separate portfolio, or divide the shares of any portfolio into classes, each class having such different dividend, liquidation, voting and other rights as the Trustees may determine, and may establish and designate the specific classes of shares of each portfolio. Before establishing a new class of shares in an existing portfolio, the Trustees must determine that the establishment and designation of separate classes would not adversely affect the rights of the holders of the initial or previously established and designated class or classes.

The following sets forth as of December 31, 2018 the share ownership of those shareholders who owned of record 5% or more of a Fund or a class of a Fund's issued and outstanding shares:

Name and Address of Record Owner	Fund Name	Percentage of Fund Owned
AMERICAN INVESTORS CO 2682 BISHOP DR STE 123 PO BOX 1307 SAN RAMON, CA 94583		
	ICON INTERNATIONAL EQUITY FUND CLASS A	8.32%
AMERICAN PORTFOLIOS FINANCIAL 4250 VETERANS MEMORIAL HWY FL 4 HOLBROOK, NY 11741		
	ICON FUND CLASS C	10.78%
	ICON INTERNATIONAL EQUITY FUND CLASS C	18.75%
AMERIPRISE FINANCIAL SERVICES 50081 AMERIPRISE FINANCIAL CTR MINNEAPOLIS, MN 55474		
	ICON CONSUMER STAPLES FD CL A	5.20%
	ICON EMERGING MARKETS FUND CLASS A	66.17%
	ICON ENERGY FUND CLASS C	7.01%
	ICON EQUITY INCOME FUND CLASS A	12.46%
	ICON RISK-MANAGED BAL FD CL A	9.97%
CHARLES SCHWAB & CO., INC. 211 MAIN ST SAN FRANCISCO, CA 94105		
	ICON CONSUMER DISCRETIONARY FD CLASS S	24.58%
	ICON CONSUMER STAPLES FD CL S	11.00%
	ICON EMERGING MARKETS FUND CLASS S	21.86%
	ICON ENERGY FUND CLASS S	47.19%
	ICON EQUITY INCOME FUND CLASS A	9.28%
	ICON EQUITY INCOME FUND CLASS S	30.54%
	ICON FINANCIAL FUND CLASS S	19.14%
	ICON FLEXIBLE BOND FUND CLASS C	12.39%
	ICON FLEXIBLE BOND FUND CLASS S	21.38%
	ICON FUND CLASS A	16.44%
	ICON FUND CLASS C	21.08%
	ICON FUND CLASS S	19.40%
	ICON HEALTHCARE FUND CLASS S	26.84%
	ICON INDUSTRIALS FUND CLASS S	22.71%

Name and Address of Record Owner	Fund Name	Percentage of Fund Owned
	ICON INFORMATION TECHNOLOGY FD CLASS S	22.70%
	ICON INTERNATIONAL EQUITY FUND CLASS A	23.43%
	ICON INTERNATIONAL EQUITY FUND CLASS C	9.53%
	ICON INTERNATIONAL EQUITY FUND CLASS S	22.56%
	ICON LONG/SHORT FUND CLASS A	29.76%
	ICON LONG/SHORT FUND CLASS C	17.21%
	ICON LONG/SHORT FUND CLASS S	14.75%
	ICON NATURAL RESOURCES FUND CLASS S	38.57%
	ICON OPPORTUNITIES FUND	14.05%
	ICON RISK-MANAGED BAL FD CL A	6.20%
	ICON RISK-MANAGED BAL FD CL S	10.60%
	ICON UTILITIES FUND CLASS S	31.63%
CRAIG THOMAS CALLAHAN 5299 DTC BLVD STE 1200 GREENWOOD VLG CO 80111-3333		
	ICON LONG/SHORT FUND CLASS A	5.54%
FOLIOFN INVESTMENTS 8000 TOWERS CRESCENT DR STE 1500 VIENNA, VA 22182		
	ICON INTERNATIONAL EQUITY FUND CLASS A	5.28%
FRONTIER TRUST COMPANY PO BOX 10758 FARGO, ND 58106		
	ICON NATURAL RESOURCES FUND CLASS A	7.79%
FSC SECURITIES CORPORATION 2300 WINDY RIDGE PKWY STE 1100 ATLANTA, GA 30339		
	ICON INTERNATIONAL EQUITY FUND CLASS C	9.57%
	ICON LONG/SHORT FUND CLASS C	5.61%
LPL FINANCIAL CORPORATION ATTN:CLIENT COMPENSATION DEPARTMENT 4707 EXECUTIVE DR SAN DIEGO, CA 92121		
	ICON CONSUMER DISCRETIONARY FD CL A	12.78%
	ICON CONSUMER STAPLES FD CL A	23.68%
	ICON CONSUMER STAPLES FD CL S	40.54%
	ICON EMERGING MARKETS FUND CLASS S	9.96%
	ICON ENERGY FUND CLASS A	6.95%
	ICON ENERGY FUND CLASS C	11.29%
	ICON FINANCIAL FUND CLASS A	29.01%
	ICON FINANCIAL FUND CLASS S	5.40%
	ICON FLEXIBLE BOND FUND CLASS C	22.26%
	ICON FLEXIBLE BOND FUND CLASS S	15.80%
	ICON HEALTHCARE FUND CLASS A	22.11%
	ICON HEALTHCARE FUND CLASS S	5.55%
	ICON INDUSTRIALS FUND CLASS S	5.97%
	ICON INFORMATION TECHNOLOGY FD CLASS A	31.42%
	ICON LONG/SHORT FUND CLASS S	7.72%
	ICON NATURAL RESOURCES FUND CLASS C	11.18%
	ICON RISK-MANAGED BAL FD CL A	16.48%
	ICON RISK-MANAGED BAL FD CL C	6.59%
	ICON RISK-MANAGED BAL FD CL S	17.78%
	ICON UTILITIES FUND CLASS A	5.93%

Name and Address of Record Owner	Fund Name	Percentage of Fund Owned
MERRILL LYNCH PIERCE FENNER 4800 DEER LAKE DR E FL 1 JACKSONVILLE, FL 32246		
	ICON ENERGY FUND CLASS A	18.66%
	ICON ENERGY FUND CLASS C	6.42%
	ICON FLEXIBLE BOND FUND CLASS C	5.04%
	ICON HEALTHCARE FUND CLASS A	8.63%
	ICON UTILITIES FUND CLASS A	47.56%
MID ATLANTIC CAPITAL CORP 336 4TH AVE PITTSBURGH, PA 15222		
	ICON INTERNATIONAL EQUITY FUND CLASS A	7.95%
NATIONAL FINANCIAL SVCS CORP ONE WORLD FINANCIAL CENTER 200 LIBERTY STREET NEW YORK, NY 10281		
	ICON CONSUMER DISCRETIONARY FD CLASS S	9.37%
	ICON CONSUMER STAPLES FD CL S	18.81%
	ICON EMERGING MARKETS FUND CLASS S	14.11%
	ICON ENERGY FUND CLASS A	7.78%
	ICON ENERGY FUND CLASS C	12.39%
	ICON ENERGY FUND CLASS S	27.96%
	ICON EQUITY INCOME FUND CLASS A	10.75%
	ICON EQUITY INCOME FUND CLASS S	16.22%
	ICON FINANCIAL FUND CLASS S	13.94%
	ICON FLEXIBLE BOND FUND CLASS A	14.99%
	ICON FLEXIBLE BOND FUND CLASS S	10.01%
	ICON FUND CLASS A	8.09%
	ICON FUND CLASS C	13.41%
	ICON FUND CLASS S	9.96%
	ICON HEALTHCARE FUND CLASS S	21.56%
	ICON INDUSTRIALS FUND CLASS S	9.51%
	ICON INFORMATION TECHNOLOGY FD CLASS S	21.54%
	ICON INTERNATIONAL EQUITY FUND CLASS S	7.50%
	ICON LONG/SHORT FUND CLASS A	19.51%
	ICON LONG/SHORT FUND CLASS C	7.66%
	ICON LONG/SHORT FUND CLASS S	27.28%
	ICON NATURAL RESOURCES FUND CLASS A	52.98%
	ICON NATURAL RESOURCES FUND CLASS S	17.91%
	ICON OPPORTUNITIES FUND	10.62%
	ICON RISK-MANAGED BAL FD CL A	5.24%
	ICON RISK-MANAGED BAL FD CL C	5.99%
	ICON RISK-MANAGED BAL FD CL S	11.74%
	ICON UTILITIES FUND CLASS A	12.56%
	ICON UTILITIES FUND CLASS S	26.43%
OPPENHEIMER & CO INC 125 BROAD ST NEW YORK, NY 10004		
	ICON CONSUMER STAPLES FD CL A	7.16%
	ICON INTERNATIONAL EQUITY FUND CLASS A	9.94%
	ICON LONG/SHORT FUND CLASS C	7.84%

Name and Address of Record Owner	Fund Name	Percentage of Fund Owned
PERSHING LLC PO BOX 2052 JERSEY CITY, NJ 07303		
	ICON CONSUMER DISCRETIONARY FD CL A	26.71%
	ICON CONSUMER STAPLES FD CL A	11.83%
	ICON EMERGING MARKETS FUND CLASS A	8.16%
	ICON EMERGING MARKETS FUND CLASS S	6.81%
	ICON ENERGY FUND CLASS A	23.02%
	ICON ENERGY FUND CLASS C	6.36%
	ICON EQUITY INCOME FUND CLASS A	17.95%
	ICON EQUITY INCOME FUND CLASS C	5.05%
	ICON EQUITY INCOME FUND CLASS S	15.89%
	ICON FINANCIAL FUND CLASS A	24.70%
	ICON FINANCIAL FUND CLASS S	5.09%
	ICON FLEXIBLE BOND FUND CLASS A	24.55%
	ICON FLEXIBLE BOND FUND CLASS S	8.01%
	ICON FUND CLASS A	14.86%
	ICON FUND CLASS C	14.67%
	ICON FUND CLASS S	6.77%
	ICON HEALTHCARE FUND CLASS A	30.78%
	ICON INDUSTRIALS FUND CLASS A	62.16%
	ICON INFORMATION TECHNOLOGY FD CLASS A	42.60%
	ICON INTERNATIONAL EQUITY FUND CLASS A	8.12%
	ICON INTERNATIONAL EQUITY FUND CLASS C	22.71%
	ICON LONG/SHORT FUND CLASS A	12.72%
	ICON LONG/SHORT FUND CLASS C	9.28%
	ICON LONG/SHORT FUND CLASS S	16.31%
	ICON NATURAL RESOURCES FUND CLASS A	9.57%
	ICON NATURAL RESOURCES FUND CLASS C	8.93%
	ICON OPPORTUNITIES FUND	15.53%
	ICON RISK-MANAGED BAL FD CL A	41.57%
	ICON RISK-MANAGED BAL FD CL S	16.74%
	ICON UTILITIES FUND CLASS A	5.45%
	ICON UTILITIES FUND CLASS S	14.67%
RAYMOND JAMES & ASSOCIATES 880 CARILLON PARKWAY ST PETERSBURG, FL 33716		
	ICON FINANCIAL FUND CLASS A	7.39%
	ICON INFORMATION TECHNOLOGY FD CLASS A	8.83%
	ICON EQUITY INCOME FUND CLASS C	60.70%
	ICON EQUITY INCOME FUND CLASS S	6.15%
	ICON HEALTHCARE FUND CLASS A	5.88%
	ICON NATURAL RESOURCES FUND CLASS C	18.30%
	ICON RISK-MANAGED BAL FD CL C	51.20%
	ICON RISK-MANAGED BAL FD CL S	10.23%
RBC WEALTH MANAGEMENT 510 MARQUETTE AVE ATTN MUTUAL FUNDS MINNEAPOLIS, MN 55402		
	ICON CONSUMER DISCRETIONARY FD CL A	10.17%
	ICON ENERGY FUND CLASS A	8.67%
	ICON FINANCIAL FUND CLASS A	13.42%
	ICON HEALTHCARE FUND CLASS A	5.36%

Name and Address of Record Owner	Fund Name	Percentage of Fund Owned
SECURITIES AMERICA, INC 7100 WEST CENTER ROAD OMAHA, NE 68106		
	ICON FLEXIBLE BOND FUND CLASS C	6.72%
	ICON INTERNATIONAL EQUITY FUND CLASS C	6.28%
STIFEL NICOLAUS & COMPANY, INC. ONE FINANCIAL PLAZA 501 N BROADWAY SAINT LOUIS, MO 63102		
	ICON ENERGY FUND CLASS C	15.36%
	ICON NATURAL RESOURCES FUND CLASS C	35.78%
TD AMERITRADE, INC 200 S 108TH AVE OMAHA, NE 68154		
	ICON CONSUMER STAPLES FD CL A	28.55%
	ICON CONSUMER STAPLES FD CL S	8.24%
	ICON ENERGY FUND CLASS S	6.37%
	ICON EQUITY INCOME FUND CLASS S	5.01%
	ICON FUND CLASS A	8.00%
	ICON HEALTHCARE FUND CLASS S	9.58%
	ICON INTERNATIONAL EQUITY FUND CLASS A	5.63%
	ICON LONG/SHORT FUND CLASS A	5.55%
	ICON NATURAL RESOURCES FUND CLASS A	9.47%
	ICON NATURAL RESOURCES FUND CLASS S	5.87%
TRUST COMPANY OF AMERICA PO BOX 3857 ENGLEWOOD, CO 80155		
	ICON CONSUMER DISCRETIONARY FD CLASS S	49.41%
	ICON CONSUMER STAPLES FD CL S	9.04%
	ICON EMERGING MARKETS FUND CLASS S	17.19%
	ICON EQUITY INCOME FUND CLASS S	10.15%
	ICON FINANCIAL FUND CLASS S	48.34%
	ICON FLEXIBLE BOND FUND CLASS S	18.76%
	ICON FUND CLASS S	51.52%
	ICON HEALTHCARE FUND CLASS S	8.59%
	ICON INDUSTRIALS FUND CLASS S	47.05%
	ICON INFORMATION TECHNOLOGY FD CLASS S	34.47%
	ICON INTERNATIONAL EQUITY FUND CLASS S	59.90%
	ICON LONG/SHORT FUND CLASS S	7.41%
	ICON NATURAL RESOURCES FUND CLASS S	10.95%
	ICON OPPORTUNITIES FUND	47.60%
	ICON UTILITIES FUND CLASS S	8.18%
UBS FINANCIAL SERVICES, INC. 1000 HARBOR BLVD WEEHAWKEN, NJ 07086		
	ICON EMERGING MARKETS FUND CLASS A	6.73%
	ICON EMERGING MARKETS FUND CLASS S	7.98%
	ICON ENERGY FUND CLASS A	7.44%
	ICON FLEXIBLE BOND FUND CLASS C	12.96%
	ICON INDUSTRIALS FUND CLASS A	27.62%
	ICON INFORMATION TECHNOLOGY FD CLASS A	5.96%
	ICON LONG/SHORT FUND CLASS S	5.72%

Name and Address of Record Owner	Fund Name	Percentage of Fund Owned
VANGUARD MARKETING CORPORATION 100 VANGUARD BLVD MALVERN, PA 19355		
	ICON HEALTHCARE FUND CLASS S	7.24%
WELLS FARGO CLEARING SERVICES, LLC 10700 WHEAT FIRST DR GLEN ALLEN, VA 23060		
	ICON CONSUMER DISCRETIONARY FD CL A	44.75%
	ICON CONSUMER STAPLES FD CL A	14.32%
	ICON CONSUMER STAPLES FD CL S	5.28%
	ICON EMERGING MARKETS FUND CLASS S	12.64%
	ICON ENERGY FUND CLASS A	13.79%
	ICON ENERGY FUND CLASS C	29.58%
	ICON EQUITY INCOME FUND CLASS A	27.50%
	ICON EQUITY INCOME FUND CLASS C	9.44%
	ICON EQUITY INCOME FUND CLASS S	6.62%
	ICON FINANCIAL FUND CLASS A	17.03%
	ICON FLEXIBLE BOND FUND CLASS A	40.15%
	ICON FLEXIBLE BOND FUND CLASS C	24.80%
	ICON FLEXIBLE BOND FUND CLASS S	9.16%
	ICON FUND CLASS A	10.00%
	ICON INTERNATIONAL EQUITY FUND CLASS A	5.04%
	ICON LONG/SHORT FUND CLASS A	5.35%
	ICON LONG/SHORT FUND CLASS C	26.68%
	ICON LONG/SHORT FUND CLASS S	12.66%
	ICON NATURAL RESOURCES FUND CLASS A	6.41%
	ICON NATURAL RESOURCES FUND CLASS C	12.87%
	ICON NATURAL RESOURCES FUND CLASS S	9.97%
	ICON RISK-MANAGED BAL FD CL A	6.09%
	ICON RISK-MANAGED BAL FD CL C	14.04%
	ICON RISK-MANAGED BAL FD CL S	16.12%
	ICON UTILITIES FUND CLASS A	16.43%

The broker-dealers and/or trust company custodians indicated hold the shares for the benefit of their customers.

There are ICON clients that are invested in the Funds through ICON's Tactical Allocation Portfolios ("ITAPs"). As a result, ICON may be considered a control person of each of the Funds. ICON has been granted discretion to vote proxies by the majority of its ITAP clients. The voting of any proxies related to the Funds' shares is governed by the conflict of interest provisions in ICON's Proxy Voting Policy Statement and Guidelines.

Each full share of the Trust has one vote and fractional shares have proportional fractional votes. Shares of the Funds are generally voted in the aggregate except where voting by each Fund and/or class is required by law. The Trust is not required to hold regular annual meetings of shareholders and does not intend to do so. The Board will call special meetings of shareholders if requested in writing generally by the holders of 10% or more of the outstanding shares of each Fund or as may be required by applicable law. Each Fund will assist shareholders in communicating with other shareholders as required by federal and state securities laws. Trustees may be removed by actions of the holders of a majority or more of the outstanding shares of all of the Funds. Shares of the Trust have non-cumulative voting rights, which means that the holders of more than 50% of the shares voting for the election of Trustees can elect 100% of the Trustees and, in such an event, the holders of the remaining less than 50% of the shares voting for the election of Trustees will not be able to elect any person or persons to the Board.

PRICING OF SHARES

The Trust calculates net asset value per share, and therefore effects sales, redemptions, and repurchases of its shares, once daily as of the close of regular trading on the New York Stock Exchange (the "NYSE") (generally 4 p.m. EST) (the "Valuation Time") on each day the NYSE is open for trading, except that securities traded primarily on the NASDAQ are normally valued by a Fund at the NASDAQ Official Closing Price provided by NASDAQ each business day. Options on securities indexes are generally values at 4:15 p.m. EST. The NYSE is not open for trading on the following holidays: New Year's Day, Martin Luther King Jr. Day, Presidents' Day, Good Friday, Memorial Day, Independence Day, Labor Day, Thanksgiving Day and Christmas Day. Foreign securities may trade in their local markets on days a Fund is closed. Those transactions and changes in the value of the Funds' foreign securities holdings on such days may affect the value of the Funds' shares on days when shareholders will not be able to purchase, exchange or redeem shares.

The net asset value per class of a Fund is calculated by dividing the value of all securities held by that Fund and its other assets (including dividends and interest accrued but not collected) attributable to that class, less the Fund's liabilities (including accrued expenses) attributable to that class, by the number of outstanding shares of that class. Expenses and fees, including the advisory fees and fees pursuant to the 12b-1 Plan are accrued daily and taken into account for the purpose of determining the net asset value of each Fund or class of Fund. Because of the differences in the operating expenses incurred by each class of shares, the per share net asset value of each class will differ.

<u>Domestic Equities</u>. A security listed or traded on a securities exchange or in the over-the-counter market is valued at its last sale price on the exchange or market where it is principally traded at the Valuation Time except that securities primarily traded on the NASDAQ Stock Market ("NASDAQ") are normally valued by a Fund at the NASDAQ Official Closing Price provided by NASDAQ each business day. Lacking any sales on that day, the security is valued at the current closing bid price. If there are no sales and no published bid quotations for a security on the valuation date, or the security is not traded on an exchange, the pricing service may obtain bid prices directly from broker/dealers.

<u>Foreign Securities</u>. Foreign securities traded on foreign exchanges in countries in the Western Hemisphere (Canada, Mexico, Central and Latin America) ordinarily are valued at the last quoted sale price available from the principal exchange where the security is traded before the Valuation Time. Lacking any sales on that day, the security is valued at the current closing bid price, or by quotes from dealers making a market in the security if the closing bid price is not available. In some cases, particularly with respect to certain Latin American countries, prices may not be available in a timely manner. Such prices will be obtained from a Board-authorized pricing service which will be reflective of current day trading activity, and will be secured at a consistent time each day.

Foreign securities traded in countries outside of the Western Hemisphere are ordinarily fair valued daily by utilizing quotations of an independent pricing service, unless ICON determines that the use of another valuation methodology is appropriate. The pricing service uses statistical analyses and quantitative models to adjust local market prices using factors such as subsequent movement and changes in the prices of indexes, securities and exchange rates in other markets in determining fair value as of the time a Fund calculates its net asset value. Daily fair value of these securities is used to avoid stale prices and to take into account, among other things, any significant events occurring after the close of a foreign market in these regions. Foreign securities not traded on foreign exchanges, including 144As, are valued on the basis of the average of at least two market maker quotes and/or the portal system. Currency rates as of the close of the NYSE are used to determine exchange rates to convert foreign currencies to U.S. dollars.

<u>Debt Instruments</u>. Debt securities with remaining maturities greater than 60 days are valued at the evaluated bid prices as determined on each valuation day by a portfolio pricing service approved by the Trustees. If a pricing service is not able to provide a price for a debt security, the value is determined as follows: (a) if prices are available from two or more dealers, brokers or market makers in the security, the value is the mean between the highest bid and the lowest ask obtained from at least two dealers, brokers or market makers; and (b) if prices are available from only one broker, dealer or market maker, the value is the mean between the bid and the ask quotation, provided, unless the broker, dealer or market maker can provide only a bid quotation, in which case the value is such bid quotation. Short-term securities are valued at amortized cost if their remaining maturity at the time of purchase is 60 days or less.

<u>Securities for Which Market Quotations are not Available</u>. Securities for which quotations are not readily available, or other assets, are valued at fair value as determined in good faith by the Board or pursuant to procedures approved by the Board.

<u>Pricing Services</u>. The Board periodically reviews and approves the pricing services used to value the Funds' securities. All pricing services may employ electronic data processing techniques and/or computerized matrix systems to determine valuations. Normal institutional-size trading units are normally selected in valuing debt securities.

<u>Options</u>. Option contracts are valued at their closing mid-price on the exchange with the last bid and ask price. The mid-price is the average of the sum of the closing bid and closing asking prices.

TAX STATUS

TAXATION OF THE FUNDS - IN GENERAL

Each Fund is treated as a separate corporation for federal income tax purposes, has elected to be, and intends to continue to qualify for treatment, as a "regulated investment company" under Subchapter M of the Internal Revenue Code of 1986, as amended (the "Code"). As such, a Fund generally will not be subject to federal income tax on its ordinary income and net realized capital gains it distributes to its shareholders, provided that the Fund distributes at least 90% of its net investment income, net short-term capital gain, and net gains from certain foreign currency transactions for the taxable year ("investment company taxable income"). The Funds intend to distribute substantially all of such income.

To qualify as a regulated investment company, each Fund must, among other things, (1) derive at least 90% of its gross income in each taxable year from dividends, interest, payments with respect to securities loans, gains from the sale or other disposition of stock, securities or foreign currencies, or other income derived with respect to its business of investing in such stock, securities or currencies, and net income derived from qualified publicly traded partnerships (the "90% test"), and (2) satisfy certain tax diversification requirements at the close of each quarter of the Fund's taxable year.

If a Fund failed to qualify for treatment as a regulated investment company for any taxable year, (1) it would be taxed as an ordinary corporation on the full amount of its taxable income for that year without being able to deduct the distributions it makes to its shareholders, and (2) the shareholders would treat all those distributions, including distributions of net capital gain (the excess of net long-term capital gain over net short-term capital loss), as dividends (that is, ordinary income) to the extent of the Fund's earnings and profits, which dividends would be eligible for the dividends-received deduction available to corporations under certain circumstances. In addition, the Fund could be required to recognize unrealized gains, pay substantial taxes and interest and make substantial distributions before requalifying for regulated investment company treatment.

The Code imposes a non-deductible 4% excise tax on a regulated investment company that fails to distribute during each calendar year an amount equal to the sum of (1) at least 98% of its ordinary income for the calendar year, (2) at least 98.2% of its net capital gains for the twelve-month period ending on October 31 of that year and (3) any portion (not taxable to the Fund) of the respective undistributed balance from the preceding calendar year. The Funds intend to make distributions necessary to avoid imposition of this excise tax.

The Funds intend to accrue dividend income for federal income tax purposes in accordance with Code rules applicable to regulated investment companies. These rules may have the effect of accelerating (in comparison to other recipients of the dividend) the time at which the dividend is taken into income by a Fund.

TAXATION OF THE FUNDS' INVESTMENTS

A Fund's ability to make certain investments may be limited by provisions of the Code that require inclusion of certain unrealized gains or losses in their income for purposes of the 90% test, the distribution requirements described above, and provisions of the Code that characterize certain income or loss as ordinary income or loss rather than capital gain or loss. Such recognition, characterization and timing rules generally apply to investments in certain options, futures, forward currency contracts, foreign currencies and debt securities denominated in foreign currencies.

When a covered call option written (sold) by a Fund expires, it will realize a short-term capital gain equal to the amount of the premium it received for writing the option. When a Fund terminates its obligations under such an option by entering into a closing transaction, it will realize a short-term capital gain (or loss), depending on whether the cost of the closing transaction is less (or more) than the premium it received when it wrote the option. When a covered call option written by a Fund is exercised, it will be treated as having sold the underlying security, producing long-term or short-term capital gain or loss, depending on the holding period of the underlying security and whether the sum of the option price received on the exercise plus the premium received when it wrote the option is more or less than the underlying security's basis.

Some futures and "nonequity" options (*i.e.*, certain listed options, such as those on a "broad-based" securities index) in which a Fund may invest will be subject to section 1256 of the Code ("section 1256 contracts"). Any section 1256 contracts a Fund holds at the end of its taxable year generally must be "marked-to-market" (that is, treated as having been sold at that time for their fair market value) for federal income tax purposes, with the result that unrealized gains or losses will be treated as though they were realized. Sixty percent of any net gain or loss recognized on these deemed sales, and 60% of any net realized gain or loss from any actual sales of section 1256 contracts, will be treated as long-term capital gain or loss, and the balance will be treated as short-term capital gain or loss. These rules may operate to increase the amount that a Fund must distribute to satisfy the distribution requirements described above (*i.e.*, with respect to the portion treated as short-term capital gain), which will be taxable to its shareholders as ordinary income, and to increase the net capital gain a Fund recognizes, without in either case increasing the cash available to it.

If a Fund has an "appreciated financial position" - generally, an interest (including an interest through an option, futures or forward contract or short sale) with respect to any stock, debt instrument (other than "straight debt") or partnership interest the fair market value of which exceeds its adjusted basis — and enters into a "constructive sale" of the position, the Fund will be treated as having made an actual sale thereof, with the result that it will recognize gain at that time. A constructive sale generally consists of a short sale, an offsetting notional principal contract or a futures or forward contract a Fund or a related person enters into with respect to the same or substantially identical property. In addition, if the appreciated financial position is itself a short sale or such a contract, acquisition of the underlying property or substantially identical property will be deemed a constructive sale. The foregoing will not apply, however, to any Fund's transaction during any taxable year that otherwise would be treated as a constructive sale if the transaction is closed within 30 days after the end of that year and the Fund holds the appreciated financial position unhedged for 60 days after that closing (*i.e.*, at no time during that 60-day period is the Fund's risk of loss regarding that position reduced by reason of certain specified transactions with respect to substantially identical or related property, such as having an option to sell, being contractually obligated to sell, making a short sale or granting an option to buy substantially identical stock or securities).

With the passage of the Tax Cuts and Jobs Act ("TCJA"), signed into law on December 22, 2017, a 20% deduction for qualified pass-through business income was created. By definition, qualified business income includes dividends from Real Estate Investment Trust's ("REITs"), income from qualified publicly traded partnerships, including Master Limited Partnerships ("MLPs"), and ordinary gains on the sale of partnerships under Section 751 of the Code. The TCJA is currently drafted, at the date of this filing, in a manner which makes corporations, including regulated investment companies, ineligible for this pass-through deduction. As such, a regulated investment company is unable to pass-through this deduction to investors. An investor in a Fund investing in REITs, MLPs, or other Funds would pay higher taxes on income from these investments than an investor investing in these securities individually. As such, a regulated investment company is unable to pass-through this deduction to investors. An investor in a Fund investing in REITs, MLPs, or other Funds would pay higher taxes on income from these investments than an investor investing in these securities individually.

TAXATION OF SHAREHOLDERS

Taxable distributions generally are included in a shareholder's gross income for the taxable year in which they are received. However, dividends and other distributions declared by a Fund in October, November or December and made payable to shareholders of record in such a month will be deemed to have been received on December 31, if the Fund pays the distributions during the following January.

Fund dividends and capital gain distributions are taxable to most investors (unless your investment is an IRA or other tax-advantaged account). The tax status of any distribution is generally the same regardless of how long you have been a shareholder and whether you reinvest your distributions or receive them in cash.

All distributions of net investment income from the Funds, such as dividends and interest on investments, are taxable to you as ordinary income. Certain ordinary income distributions made to you may be from qualified dividend income and may qualify for a lower tax rate. The Funds' distributions of net long-term capital gains are taxable to you at the rates applicable to those gains. All distributions of net short-term capital gains are taxable to you as ordinary income and included in your dividends.

Distributions by a Fund will result in a reduction in the net asset value of its shares. If a distribution reduces the fair market value of a shareholder's shares below their cost basis, the distribution nevertheless would be taxable to the shareholder as ordinary income or long-term capital gain, even though, from an investment standpoint, it may constitute a partial return of capital. In particular, investors should be careful to consider the tax implications of buying shares of a Fund just prior to a distribution. The price of the shares purchased at that time will include the amount of the forthcoming distribution. Those investors purchasing a Fund's shares just prior to a distribution thus may receive a return of capital upon distribution that will nevertheless be taxable to them.

A shareholder of a Fund should be aware that a redemption of shares (including any exchange into another Fund) is a taxable event and, accordingly, a capital gain or loss may be recognized. If a shareholder of a Fund receives a distribution taxable as long-term capital gain with respect to shares of the Fund and redeems or exchanges shares of the Fund before he has held them for more than six months, any loss on the redemption or exchange will be treated as long-term capital loss to the extent of the long-term capital gain distribution.

A Fund may be required to withhold federal income tax at the rate of 24% (1) on all taxable distributions and gross proceeds from the redemption of Fund shares payable to shareholders who fail to provide the Fund with correct taxpayer identification number or to make required certifications, or (2) on all taxable distributions where a Fund or a shareholder has been notified by the Internal Revenue Service (the "IRS") that the shareholder is subject to backup withholding. Corporate shareholders and certain other shareholders specified in the Code generally are exempt from such backup withholding. Backup withholding is not an additional tax. Any amounts withheld may be credited against the shareholder's federal income tax liability.

Individuals who have no more than $300 ($600 for married persons filing jointly) of creditable foreign taxes included on Forms 1099 and all of whose foreign source income is "qualified passive income" may elect each year to be exempt from the extremely complicated foreign tax credit limitation, in which event they would be able to claim a foreign tax credit without having to file the detailed Form 1116 that otherwise is required.

OTHER TAX CONSIDERATIONS

Distributions to shareholders may be subject to additional state, local and non-U.S. taxes, depending on each shareholder's particular tax situation. Shareholders subject to tax in certain states may be exempt from state income tax on distributions made by a Fund to the extent such distributions are derived from interest on direct obligations of the U.S. Government. Shareholders are advised to consult their own tax advisers with respect to the particular tax consequences to them of an investment in shares of a Fund.

If a Fund owns shares in a foreign corporation that constitutes a "passive foreign investment company" for federal income tax purposes ("PFIC") and the Fund does not elect to treat the PFIC as a "qualified electing fund" within the meaning of the Code or mark the shares to market, the Fund would be subject to federal income tax on a portion of any "excess distribution" it receives from the PFIC or any gain it derives from the disposition of those shares, even if it distributes that income as a taxable dividend to its shareholders. The Fund may also be subject to additional tax in the nature of an interest charge with respect to deferred taxes arising from those distributions or gains. Any tax paid by the Fund as a result of its ownership of shares in a PFIC will not give rise to any deduction or credit to the Fund or any shareholder. If a Fund owns shares in a PFIC and does elect to treat the PFIC as a "qualified electing fund" under the Code, the Fund would be required to include in its income each taxable year a portion of the ordinary income and net capital gains of the PFIC, even if this income and gains are not distributed to the Fund. This income and gains would be subject to the distribution requirements described above even if the Fund did not receive any distribution from the PFIC.

The use of hedging strategies, such as writing (selling) and purchasing options and futures contracts and entering into forward contracts, excluding investments in commodities, involves complex rules that will determine for income tax purposes the amount, character and timing of recognition of the gains and losses a Fund realizes in connection therewith. Gain from the disposition of foreign currencies (except certain gains that may be excluded by future regulations), and gains from options, futures and forward contracts a Fund derives with respect to its business of investing in stock, securities or foreign currencies, will be treated as qualifying income under the 90% test.

Generally, the hedging transactions undertaken by the Funds may result in "straddles" for federal income tax purposes. The straddle rules may affect the character of gains (or losses) realized by the Funds. In addition, losses realized by the Funds on positions that are part of a straddle may be deferred under the straddle rules, rather than being taken into account in calculating the taxable income for the taxable year in which the losses are realized. Because only a few regulations implementing the straddle rules have been promulgated, the tax consequences to the Funds of hedging transactions are not entirely clear. The hedging transactions may increase the amount of short-term capital gain realized by the Funds, which is taxed as ordinary income when distributed to shareholders.

The Funds may make one or more of the elections available under the Code that are applicable to straddles. If any of the elections are made, the amount, character and timing of the recognition of gains or losses from the affected straddle positions will be determined under rules that vary according to the election(s) made. The rules applicable under certain of the elections may operate to accelerate the recognition of gains or losses from the affected straddle positions.

Because application of the straddle rules may affect the character of gains or losses by deferring losses and/or accelerating the recognition of gains from the affected straddle positions, the amount that must be distributed to shareholders and that will be taxed to them as ordinary income or long-term capital gain may be increased or decreased as compared to a fund that did not engage in such hedging transactions.

Requirements related to a Fund's status as a regulated investment company may limit the extent to which it will be able to engage in transactions in options and forward contracts.

Gains or losses (1) from the disposition of foreign currencies, including forward contracts, (2) except in certain circumstances, from options and forward contracts on foreign currencies (and on financial instruments involving foreign currencies) and from notional principal contracts (*e.g.*, swaps, caps, floors and collars) involving payments denominated in foreign currencies, (3) on the disposition of each foreign-currency-denominated debt security that are attributable to fluctuations in the value of the foreign currency between the dates of acquisition and disposition of the security and (4) that are attributable to fluctuations in foreign currency exchange rates that occur between the time a Fund accrues interest, dividends, or other receivables or accrues expenses or other liabilities denominated in a foreign currency and the time the Fund actually collects the receivables or pays the liabilities are generally treated as ordinary income or ordinary loss. These gains and losses, referred to under the Code as "section 988" gains or losses, will increase or decrease the amount of a Fund's investment company taxable income available to be distributed to its shareholders as ordinary income, rather than increasing or decreasing the amount of the Fund's net capital gain. If section 988 losses exceed other investment company taxable income during a taxable year, a Fund generally would not be able to distribute dividends, and any distributions made during that year before the losses were realized generally could be recharacterized as a return of capital to shareholders, rather than as an ordinary dividend, reducing each shareholder's basis in his or her Fund shares.

Income a Fund receives and gains it realizes from sources within foreign countries and U.S. possessions may be subject to withholding and other taxes imposed by them (collectively, "foreign taxes"). Tax conventions between certain countries and the United States may reduce or eliminate such taxes. It can be difficult to determine in advance the amount of foreign taxes that will be imposed on a Fund. If more than 50% of the value of a Fund's total assets at the close of any taxable year consists of securities of foreign corporations, the Fund will be eligible to, and may, file an election with the IRS that will enable its shareholders, in effect, to receive the benefit of the foreign tax credit with respect to any foreign taxes paid by it. If this election is made, the Fund will report to its shareholders shortly after each taxable year their respective shares of its income from sources within, and taxes paid to, foreign countries and U.S. possessions if it makes this election.

ADDITIONAL INFORMATION

TRUST SHARES

The assets received by the Trust from the issue or sale of shares of each of the Funds, and all income, earnings, profits and proceeds thereof, subject only to the rights of creditors, are separately allocated to such Fund. They constitute the underlying assets of each Fund, are required to be segregated on the books of accounts, and are to be charged with the expenses with respect to such Fund. Any general expenses of the Trust, not readily identifiable as belonging to a particular Fund, shall be allocated by or under the direction of the Board of Trustees in such manner as the Board determines to be fair and equitable.

Each share of each of the Funds represents an equal proportionate interest in that Fund with each other share and is entitled to such dividends and distributions, out of the income belonging to that Fund, as are declared by the Board. Upon liquidation of the Trust, shareholders of each Fund are entitled to share pro rata in the net assets belonging to the Fund available for distribution.

The Trustees have exclusive power, without the requirement of shareholder approval, to issue series of shares without par value, each series representing interests in a separate portfolio, or divide the shares of any portfolio into classes, each class having such different dividend, liquidation, voting and other rights as the Trustees may determine, and may establish and designate the specific classes of shares of each portfolio. Before establishing a new class of shares in an existing portfolio, the Trustees must determine that the establishment and designation of separate classes would not adversely affect the rights of the holders of the initial or previously established and designated class or classes.

Under the Trust's Master Trust Agreement, no annual or regular meeting of shareholders is required. In addition, after the Trustees were initially elected by the shareholders, the Trustees became a self-perpetuating body. Thus, there will ordinarily be no shareholder meetings unless otherwise required by the Investment Company Act of 1940.

On any matter submitted to shareholders, the holder of each share is entitled to one vote per share (with proportionate voting for fractional shares). On matters affecting any individual Fund, a separate vote of that Fund would be required. Shareholders of any Fund are not entitled to vote on any matter which does not affect their Fund but which requires a separate vote of another Fund.

Shares do not have cumulative voting rights, which means that in situations in which shareholders elect Trustees, holders of more than 50% of the shares voting for the election of Trustees can elect 100% of the Trust's Trustees, and the holders of less than 50% of the shares voting for the election of Trustees will not be able to elect any person as a Trustee.

Shares have no preemptive or subscription rights and are fully transferable. There are no conversion rights. Under Massachusetts law, the shareholders of the Trust could, under certain circumstances, be held personally liable for the obligations of the Trust. However, the Master Trust Agreement disclaims shareholder liability for acts or obligations of the Trust and requires that notice of such disclaimer be given in each agreement, obligation or instrument entered into or executed by the Trust or the Trustees. The Master Trust Agreement provides for indemnification out of the Trust's property for all losses and expenses of any shareholder held personally liable for the obligations of the Trust. Thus, the risk of a shareholder incurring financial loss on account of shareholder liability is limited to circumstances in which the Trust itself would be unable to meet its obligations. All shares when so issued in accordance with the terms of the Master Trust Agreement, the prospectuses, and this Statement of Additional Information shall be fully paid and non-assessable.

REGISTRATION STATEMENT

A Registration Statement (Form N-1A) under the 1933 Act has been filed with the Securities and Exchange Commission, Washington, D.C., with respect to the securities to which this Statement of Additional Information relates. If further information is desired with respect to the Company or such securities, reference should be made to the Registration Statement and the exhibits filed as a part thereof.

APPENDIX

Ratings of Corporate Bonds

Guidelines for Moody's Investors Service, Inc. ("Moody's") and Standard & Poor's Ratings Services ("S&P"), ratings are described below. For corporate bonds, a security must be rated in the appropriate category by at least one of these agencies to be considered a suitable investment.

The four highest ratings of Moody's and S&P for corporate bonds are Aaa, Aa, A and Baa and AAA, AA, A and BBB, respectively. Moody's applies the numerical modifiers 1, 2 and 3 to the rating classification. The modifier 1 indicates a ranking for the security in the higher end of this rating category; the modifier 2 indicates a mid- range ranking; and the modifier 3 indicates a ranking in the lower end of this rating category. S&P modifies the ratings with the addition of a plus (+) or minus (-) sign to show relation standing within the major ratings category. A bond is considered investment grade if its credit rating is Baa3 or higher by Moody's or BBB- or higher by S&P.

Moody's. The characteristics of these debt obligations rated by Moody's are generally as follows:

Aaa — Bonds that are rated Aaa are judged to be of the best quality. They carry the smallest degree of investment risk and are generally referred to as "gilt edge." Interest payments are protected by a large or by an exceptionally stable margin and principal is secure. While the various protective elements are likely to change, such changes as can be visualized are most unlikely to impair the fundamentally strong position of such issues.

Aa — Bonds that are rated Aa are judged to be of high quality by all standards. Together with the Aaa group they comprise what are generally known as high grade bonds. They are rated lower than the best bonds because margins of protection may not be as large as in Aaa securities or fluctuation of protective elements may be of greater amplitude or there may be other elements present that make the long-term risks appear somewhat larger than in Aaa securities.

A — Bonds that are rated A possess many favorable investment attributes and are to be considered as upper medium grade obligations. Factors giving security to principal and interest are considered adequate but elements may be present which suggest a susceptibility to impairment sometime in the future.

Baa — Bonds that are rated Baa are considered as medium grade obligations, i.e., they are neither highly protected nor poorly secured. Interest payments and principal security appear adequate for the present but certain protective elements may be lacking or may be characteristically unreliable over any great length of time. Such bonds lack outstanding investment characteristics and in fact have speculative characteristics as well.

Ba — Bonds that are rated Ba are judged to have speculative elements; their future cannot be considered as well assured. Often the protection of interest and principal payments may be very moderate, and thereby not well safeguarded during both good and bad times over the future. Uncertainty of position characterizes bonds in this class.

B — Bonds that are rated B generally lack characteristics of the desirable investment. Assurance of interest and principal payments or maintenance of other terms of the contract over any long period of time may be small.

Standard & Poor's. The characteristics of these debt obligations rated by S&P are generally as follows:

AAA — This is the highest rating assigned by Standard & Poor's to a debt obligation and indicates an extremely strong capacity to pay principal and interest.

AA — Bonds rated AA also qualify as high quality debt obligations. Capacity to pay principal and interest is very strong, and in the majority of instances they differ from AAA issues only in small degree.

A — Bonds rated A have a strong capacity to pay principal and interest, although they are somewhat more susceptible to the adverse effects of changes in circumstances and economic conditions than bonds in higher rated categories.

BBB — Bonds rated BBB are regarded as having an adequate capacity to pay principal and interest. Whereas they normally exhibit adequate protection parameters, adverse economic conditions or changing circumstances are more likely to lead to a weakened capacity to pay principal and interest for bonds in this category than for bonds in higher rated categories.

BB — Bonds rated BB have less near-term vulnerability to default than other speculative issues. However, they face major ongoing uncertainties or exposure to adverse business, financial, or economic conditions which could lead to inadequate capacity to meet timely interest and principal payments.

B — Bonds rated B have a greater vulnerability to default but currently have the capacity to meet interest payments and principal repayments. Adverse business, financial, and economic conditions will likely impair capacity or willingness to pay interest and repay principal.

Ratings of Preferred Stock

Moody's. The characteristics of these securities rated by Moody's are generally as follows:

"aaa" — An issue that is rated "aaa" is considered to be a top-quality preferred stock. This rating indicates good asset protection and the least risk of dividend impairment within the universe of preferred stocks.

"aa" — An issue that is rated "aa" is considered a high-grade preferred stock. This rating indicates that there is a reasonable assurance that earnings and asset protection will remain relatively well maintained in the foreseeable future.

"a" — An issue that is rated "a" is considered to be an upper-medium grade preferred stock. While risks are judged to be somewhat greater than in the "aaa" and "aa" classification, earnings and asset protection are, nevertheless, expected to be maintained at adequate levels.

"baa" — An issue that is rated "baa" is considered to be a medium-grade preferred stock, neither highly protected nor poorly secured. Earnings and asset protection appear adequate at present but may be questionable over any great length of time.

"ba" — An issue that is rated "ba" is considered to have speculative elements and its future cannot be considered well assured. Earnings and asset protection may be very moderate and not well safeguarded during adverse periods. Uncertainty of position characterizes preferred stocks in this class.

"b" — An issue that is rated "b" generally lacks the characteristics of a desirable investment. Assurance of dividend payments and maintenance of other terms of the issue over any long period of time may be small.

Note: Moody's applies numerical modifiers 1, 2 and 3 in each rating classification: the modifier 1 indicates that the security ranks in the higher end of its generic rating category; the modifier 2 indicates a mid-range ranking and the modifier 3 indicates that the issue ranks in the lower end of its generic rating category.

Standard & Poor's. The characteristics of these securities rated by S&P are generally as follows:

AAA — This is the highest rating that may be assigned by S&P to a preferred stock issue and indicates an extremely strong capacity to pay the preferred stock obligations.

AA — A preferred stock issue rated AA also qualifies as a high-quality fixed-income security. The capacity to pay preferred stock obligations is very strong, although not as overwhelming as for issues rated AAA.

A — An issue rated A is backed by a sound capacity to pay the preferred stock obligations, although it is somewhat more susceptible to the adverse effects of changes in circumstances and economic conditions.

BBB — An issue rated BBB is regarded as backed by an adequate capacity to pay the preferred stock obligations. Whereas it normally exhibits adequate protection parameters, adverse economic conditions or changing circumstances are more likely to lead to a weakened capacity to make payments for a preferred stock in this category than for issues in the A category.

BB, B — Preferred stocks rated BB and B are regarded, on balance, as predominantly speculative with respect to the issuer's capacity to pay preferred stock obligations. BB indicates the lowest degree of speculation and B a higher degree of speculation. While such issues will likely have some quality and protective characteristics, these are outweighed by large uncertainties or major risk exposures to adverse conditions.

Plus (+) or Minus (-): To provide more detailed indications of preferred stock quality, the ratings from AA to B may be modified by the addition of a plus or minus sign to show relative standing within the major rating categories.

Ratings of Commercial Paper

The same nationally recognized statistical rating organizations (NRSROs) are used for commercial paper as for corporate bonds: Fitch, Moody's, S&P, and TBW. The ratings that would constitute the highest short-term rating category are F-1 (Fitch), P-1 (Moody's), A-1 or A-1+ (S&P), and TBW-1 (TBW).

Description of Moody's commercial paper ratings. Among the factors considered by Moody's in assigning commercial paper ratings are the following: (1) evaluation of the management of the issuer; (2) economic evaluation of the issuer's industry or industries and an appraisal of the risks which may be inherent in certain areas; (3) evaluation of the issuer's products in relation to competition and customer acceptance; (4) liquidity; (5) amount and quality of long-term debt; (6) trend of earnings over a period of ten years; (7) financial strength of a parent company and the relationships which exist with the issuer; and (8) recognition by the management of obligations which may be present or may arise as a result of public interest questions and preparations to meet such obligations. Relative differences in strength and weakness in respect to these criteria would establish a rating of one of three classifications; P-1 (Highest Quality), P-2 (Higher Quality) or P-3 (High Quality).

Description of S&P's commercial paper ratings. An S&P commercial paper rating is a current assessment of the likelihood of timely payment of debt having an original maturity of no more than 365 days. Ratings are graded into four categories, ranging from "A" for the highest quality obligations to "D" for the lowest. The "A" categories are as follows:

A — Issues assigned this highest rating are regarded as having the greatest capacity for timely payment. Issues in this category are delineated with the numbers 1, 2, and 3 to indicate the relative degree of safety.

A-1 — This designation indicates that the degree of safety regarding timely payment is either overwhelming or very strong.

A-2 — Capacity for timely payment on issues with this designation is strong. However, the relative degree of safety is not as high as for issues designated A-1.

A-3 — Issues carrying this designation have a satisfactory capacity for timely payment. They are, however, somewhat more vulnerable to the adverse effects of changes in circumstances than obligations carrying the higher designations.