

# ISI North American Government Bond Fund

Data as of 06/30/10

## Fund Objective

ISI North American Government Bond Fund seeks to provide a high level of current income by investing in bonds issued by the governments of the U.S., Canada and Mexico. The Fund is managed based on the economic forecast and market analysis developed by Ed Hyman and Al Medaugh. ISI actively manages the Fund's portfolio to produce the highest possible current yield consistent with prudent investment risk. The investment strategy seeks to reduce the risks normally associated with international investing which include currency and interest rate fluctuation.

The Fund's features include:

- High current monthly income.
- A portfolio of government issued securities.
- Participation in investment opportunities created in the North American trading block.

## Why Invest In North American Government Bonds?

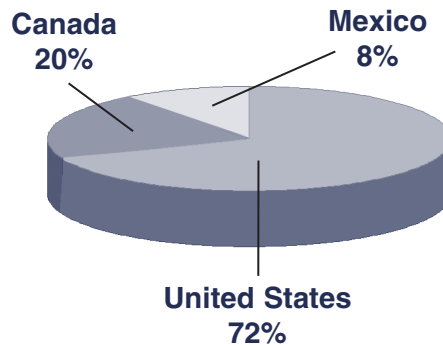
The three North American economies (U.S., Canada & Mexico) are growing closer together because of the trade links established by the North American Free Trade Agreement (NAFTA). The developing similarities in business practices, financial reporting, government regulation and communications are fostering convergence. As a result, the investing environment is likely to look very similar in the next ten years.

Today, higher government interest rates outside the U.S., especially in Mexico, present an investment opportunity because of the convergence concept discussed above. The three North American currencies, because of a growing trade relationship, are also becoming more stable. The eventual interest rate blending, accompanied by currency stability, presents a good total return opportunity for the North American Fund. For this reason, we expect the North American Fund will outperform a U.S. only portfolio.

## The Management

### Overview

International Strategy & Investment Inc. (ISI) is a registered investment advisor based in New York City. The Senior Economic Advisor for the Fund and Chairman of ISI, Ed Hyman, has been rated Institutional Investor's "First Team" economist for 30 consecutive years. The Fund manager, Al Medaugh, has over 30 years experience in managing domestic and international fixed income portfolios. From 1981 to 1987, Al was Senior Vice President at Fiduciary Trust International leading their Fixed Income division. ISI is a well-known provider of in-depth economic research reports. The "Economy, Money and Markets" report is received by hundreds of institutions and used to help determine the direction of interest rates.



## Portfolio Data

### Fund Facts

#### A Shares

Inception Date.....1/15/93  
 Fund Symbol.....NOAMX  
 Dividend Frequency.....Monthly  
 Gross Expense Ratio .....1.15%

#### C Shares

Inception Date.....5/16/03  
 Fund Symbol.....NORCX  
 Dividend Frequency.....Monthly  
 Gross Expense Ratio .....1.78%

### Fund Management

Edward S. Hyman - Senior Economic Advisor  
 R. Alan Medaugh - Portfolio Manager

## Performance

	Average Annual Total Returns*				
	1 Year	3 Year	5 Year	10 Year	Fund Lifetime
<b>Class A</b>					
NAV	8.06%	7.03%	5.28%	6.24%	5.97%
W/Sales Charge	4.83%	5.96%	4.65%	5.91%	5.79%
<b>Class C</b>					
NAV	7.37%	6.35%	4.61%	-	4.02%
W/CDCS	6.37%	6.35%	4.61%	-	4.02%

\* Please call us at 800-955-7175 or visit our website at [www.isifunds.com](http://www.isifunds.com) to obtain the most recent month-end performance figures.

## Returns & Expenses

Figures shown are past results and are not predictive of results in future periods. Current and future results may be lower or higher than those shown. Results shown at net asset value (NAV) have all distributions reinvested. If a sales charge had been deducted, the results would have been lower. Returns with sales charge for Class A shares reflect payment of the 3.00% maximum sales charge at the beginning for the stated periods. Returns with sales charge for Class C shares reflect the deduction of a contingent deferred sales charge (1%) on shares sold within the first year of purchase. The investment return and principal value of an investment will fluctuate and an investor's shares, when redeemed, may be worth more or less than their original cost. Investments are not FDIC-insured, nor are they deposits of or guaranteed by a bank or any other entity.

## A Word About Risk

Bond prices fluctuate based on changes in interest rates and bond prices can decline due to general market, political, regulatory and economic conditions. Investing in foreign denominated and/or domiciled securities may involve heightened risk due to currency fluctuations, and economic and political risks. Fund shares are not guaranteed by the U.S. Government. The material must be preceded or accompanied by a fund prospectus. An investor should consider the investment objectives, risk and charges and expenses of the fund carefully before investing. The Fund's prospectus contains this and other information about the fund and should be read before investing.

Date of first use: 6/28/96

For additional information, ask your Investment Representative or call the Fund directly at 800-955-7175.