

# ISI Total Return U.S. Treasury Fund

Data as of 06/30/10

## About the Fund

### Investing in U.S. Treasuries

Wise investors know the value of placing a portion of their financial assets in a safe haven. Widely considered one of the safest investments available, U.S. Treasury securities are backed by the "full faith and credit" of the U.S. Government. International Strategy & Investment (ISI) Total Return U.S. Treasury Fund invests in U.S. Treasury securities and repurchase agreements that use Treasuries as collateral. Treasuries offer the advantage of income protection and credit quality. The Fund provides a convenient, expertly managed vehicle for investors seeking to obtain a high level of current income and total return (income + capital appreciation).

### Top Rated Forecasting

As with other debt securities, the value of U.S. Treasury securities changes as interest rates fluctuate. In today's interest rate environment, rates can change unexpectedly in response to a wide variety of factors, including political events and general economic conditions. Since these changes create opportunities for capital appreciation as well as loss, the ability of the Fund's advisor to correctly anticipate changes in economic trends is critical to the Fund's success.

The Fund's Senior Economic Advisor is Edward S. Hyman, Chairman of ISI. Mr. Hyman's exceptional record of accurate forecasts in economic trends and interest rates has earned him "First Team" honors for 30 consecutive years in the Institutional Investor magazine survey.

### State Tax Advantage

With the exception of its cash reserves, the Fund's portfolio is invested exclusively in U.S. Treasuries; therefore, most states treat the income attributable to these securities as state tax-exempt. Consult your tax advisor for information as it relates to your state and specific tax situation.

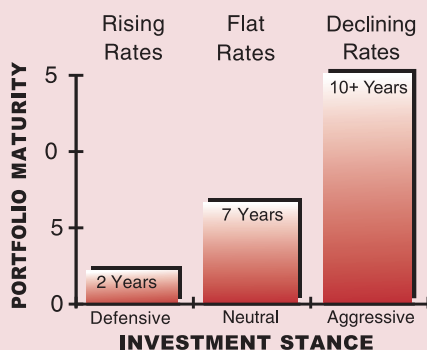
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## Highlights

### Maturity Management

The key element of the Fund's investment program is the degree of flexibility the Fund's advisor has to adjust the average maturity of the portfolio. This flexibility allows the Fund's advisor to position the portfolio in an attempt to benefit from the trends in interest rates. As illustrated in the chart below, the Fund's portfolio manager seeks to position the Fund to capture capital appreciation when lower rates are expected and to preserve capital when higher rates are expected. *Currently, the Fund has an average maturity of 6.9 years with 33% due in two years or less.*

### Advisor's Strategy During Various Interest Rate Forecasts



## Portfolio Data

### Fund Facts

Inception Date ..... 8/10/88  
Fund Symbol..... TRUSX  
Dividend Frequency Declared Daily,  
Paid Monthly  
Gross Expense Ratio ..... 0.80%

### 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	5.43%	7.52%	4.92%	5.83%	6.97%
W/Sales Charge	2.29%	6.45%	4.28%	5.51%	6.82%

\* 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. 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. 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.