

Reallocation Commentary
February 10, 2005

For the second time in just over two months, we are reducing our weighting in the Materials sector in the Tactical and Frontier Moderate Growth Portfolios. With this reduction, proceeds are being used to increase our position in the Energy sector. Within the Materials sector, the aluminum and specialty chemicals industries are being pared back based on deterioration of relative strength in these two industries. In the Energy sector, we are increasing our positions in the oil & gas refining & marketing, and oil & gas exploration & production industries, both of which offer attractive valuations and above-average relative strength.

Past performance does not guarantee future results. Opinions and forecasts regarding industries, companies, and/or themes, and portfolio composition and holdings, are all subject to change at any time, based on market and other conditions, and should not be construed as a recommendation of any specific security.

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