

Reallocation Commentary
June 6, 2005

For the second time in 2005, we are reducing our exposure to the Materials sector. While the sector remains undervalued, its relative strength has deteriorated. We currently see more value and stronger leadership in several industries within the Financials sector. Accordingly, we are paring back our exposure in the Materials sector to take an increased position in insurance-related industries. This sector shift will be implemented in both the Tactical and Balanced Portfolios.

In the Frontier Moderate Growth Portfolio, which does not have a position in the Materials sector, exposure to the Energy sector is being completely eliminated. Proceeds are being used to allocate assets to the Financials sector. While the Energy sector has been a leader for quite some time, valuations within the Financials sector have become significantly more compelling on a relative basis. Once again, proceeds will be used to add to insurance-related industries as they offer stronger combinations of value and market leadership.

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.