After the 2004 review of its services by the SEC, and based on their perception that this document, which is disseminated to 10 or more entities, does in their mind constitute <u>advertising</u> material, PENTEQ will henceforth include the following additional disclaimer -

1. Since, based on PENTEQ'S Market Risk Analysis, it is presumed that the client will be in the SP-500 index when 'in the market' and in 90 day T-Bills when 'out of the market' then it stands to reason that those portfolios may experience the effect of material market or economic conditions.

2. Our TAA performance results are typically stated gross of fees and transaction costs as requested by the portion of the consulting community interested in the effects of following our model on specific indexes, ie. SP-500 when 'in the market' and 90 day T-Bills when 'out of the market'. We have included 'net of fee (non-negotiable 50bp/yr.), transaction costs and expense' numbers to show their effects on overall TAA performance. On our performance calculations for LSMN and LSPT we have included a 100bp/yr. fee and no fee but a 50:50 split, respectively.

3. All investment results reflect the reinvestment of dividends and other earnings.

4. As with any 'investment' there is always the possibility of loss as well as the potential for gain.

5. Since PENTEQ uses indexes and T-Bills to execute its TAA strategy, it stands to reason that its TAA results will mirror the SP-500 when it is 'in the market' and T-Bills when it is 'out of the market' and the differences will come primarily from friction and dividend or interest reinvestment costs.

6. PENTEQ used its market risk analysis model to determine both strong and weak market environments based strictly on its evaluation of macroeconomic and monetary factors and did not nor does not factor in natural disaster, war, or other extraneous factors such as market prices relative to book value, earnings, sales, cash flow or the like.

7. Please note that actual results have usually been better than model results because the cash flows in and out of the portfolios have allowed PENTEQ to liquidate portions of the portfolio into rising markets and acquire positions in falling markets.

8. While market conditions are in a continual state of change, our objective of reducing investment risk and preserving client capital, our market risk analysis based tactical asset allocation strategy has not changed and has been applied consistently in all 'in-sample' and 'out-of-sample' back tests as well as all live TAA applications with respect to the model portfolio for all time periods herein represented.

9. The securities contained in these portfolios, and the investment strategies followed with respect to the TAA model portfolio are entirely consistent with relation to the advisory services currently offered by PENTEQ in that PENTEQ buys T-Bills or other equally liquid short term low or no risk (money market funds and or repurchase agreements) securities on the weekly auction and lets them be redeemed or sells them in the open market as appropriate in weak market environments, and uses SPYDR'S (Standard and Poors' depository receipts) in place of SP-500 index or index fund positions in strong market environments.

10. PENTEQ'S clients investment results have differed from the model portfolio results in that the clients suffered the 50 basis point per year fee for services and the transaction costs of .04 (4 cents) per share for the SPYDR'S plus some small friction costs on actual dividend reinvestment or T-Bill transactions, but benefited from the fact that new money coming into the fund lowered their average cost per share in the most recent (2001-2004) 3 year period and removed funds for pension benefits payments, and that the net result was more positive for their individual portfolios than for the model portfolio.

From April 1,1990 to November 30, 2004 PENTEQ managed actual client TAA and or LSMN portfolios and their investment results differed from the model results in the manner stated in item 10 above for the comparable periods. PENTEQ urges all prospective clients to focus on all live and all back tested (in and out of sample) results because the results for the entire period and against all the relevant benchmarks will tend to <u>deemphasize returns and appropriately focus the client or potential clients attention on the relevant risk</u> measures involved.