



FRONTIER ASSET MANAGEMENT'S INVESTMENT PROCESS

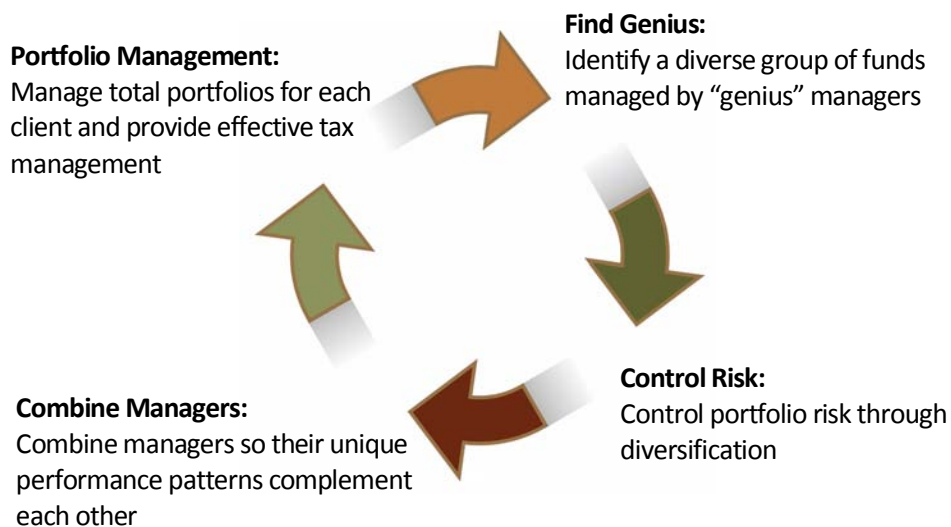
WE CALL OUR INVESTMENT PROCESS "COMPLEMENTARY GENIUS"

Managing portfolios of "genius" investment managers to protect and grow wealth.

The goal of Complementary Genius is to provide consistent performance over time, while minimizing losses in poor market environments. We believe that this approach to investing helps clients stay with their investment strategy for the long term.

Complementary Genius starts with our belief that, as in any area of endeavor, some investment managers are better than others. The mutual funds managed by these "genius" managers have unique performance patterns that can be discerned through careful analysis. By understanding these patterns and skillfully combining these funds, we can build portfolios with the desired performance characteristics. Then, through diligent monitoring and ongoing management, we can achieve more consistent returns, while providing a significant level of downside protection.

Complementary Genius is a four-step process:



Step 1. Finding Genius. There are more than 10,000 mutual funds available to investors today. Some of the individuals who manage these funds are better at what they do than others. It's easy to find managers who have performed well in the past. The difficulty lies in determining which ones will continue to perform well in the future. The key is distinguishing managers who are truly good from those that have been lucky.

Our investment team has years of experience identifying funds managed by managers who can add value through their investment processes and perform well after we invest with them. Gary A. Miller, CFA, our Chief Investment Officer, has over 20 years of experience doing just that. He and the other members of the team have worked together for years developing and applying both quantitative and qualitative processes for finding "genius."

Finding “Genius”—a process based on 20 years of research



Genius Comes in Many Forms

Some “genius” managers manage mutual funds, some manage separate accounts and some do both. No matter where we find them, our focus is on identifying managers who will perform well in the future.

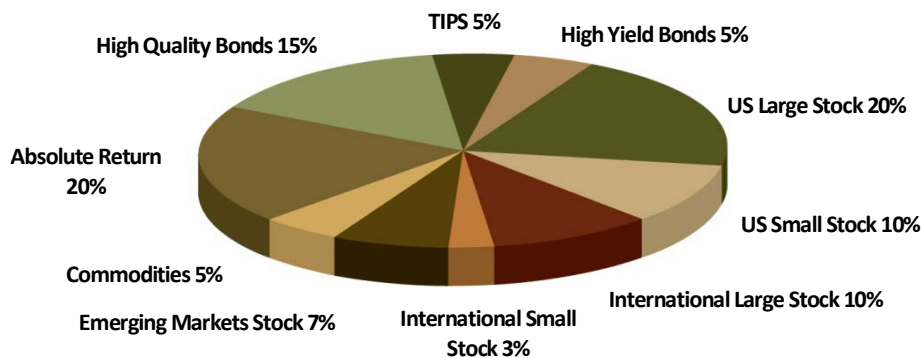
Every Manager is Unique

Every manager has a unique approach to investing. Understanding how each manager invests enables us to better select the ones that will perform well in the future and effectively combine them into portfolios.

Step 2. Controlling Risk. We believe strongly in the power of diversification to reduce portfolio risk. For each portfolio we develop a long-term allocation using a wide range of investments. By diversifying across many asset classes and styles of investing we can reduce the risk of large losses associated with more concentrated investment strategies.

The asset allocation strategies that we use to establish our long-term allocations are grounded in reasonable expectations about the future--not backward-looking historical averages--since the past may or may not repeat itself. As markets move up and down, expectations about future returns change. We make adjustments to our long-term allocations to reflect these changes. The research underlying our asset allocation strategies is based on Gary A. Miller, CFA’s pioneering work in the field.

Sample Long-Term Allocation:

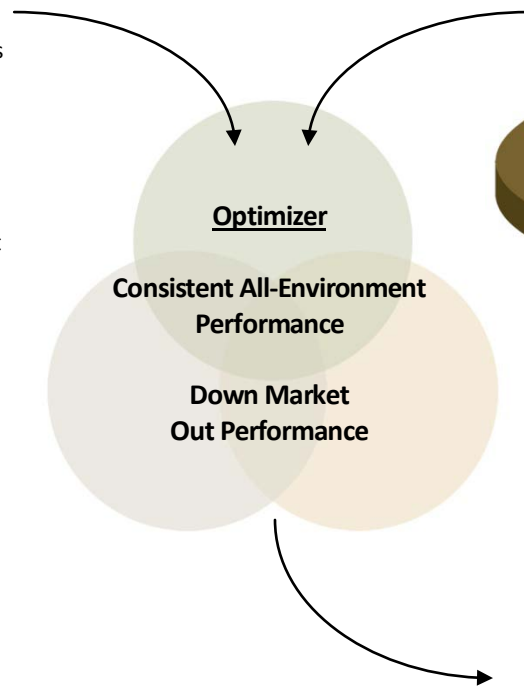


Step 3. Combining Managers. The next step is to combine our “genius” managers in a way that allows their unique performance patterns to complement one another. We believe that how you combine managers in a portfolio is as important as finding good ones in the first place. So we have developed a process for testing different combinations of managers to find the one that we think will provide the best likelihood of producing the desired investment results. By understanding and taking advantage of the unique performance patterns of each manager we produce better results for our clients.

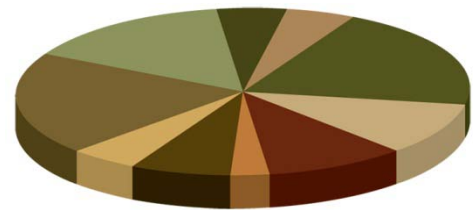
Complementary Combinations

“Genius” Managers

- Arnhold and S. Bleichroeder Advisers
- Fairholme Capital Management
- Keeley Asset Management Corp.
- Caldwell & Orkin, Inc.
- Pacific Investment Management Co.
- Third Avenue Management
- Julius Baer Investment Management
- Capital Research & Management
- Calamos Asset Management
- Hussman Econometric Advisors
- Cambiar Investors
- Northern Cross Investments, LTD.
- T. Rowe Price Associates
- Matthews International Capital
- PRIMECAP
- Aster Capital Management
- Loomis Sayles & Co.
- U.S. Trust N.Y.
- Marsico Capital Management
- Intrepid Capital Funds
- Gateway Investment Advisors
- Turner Investment Management
- Leuthold Weedon
- Wallace R. Weitz & Co.
- Royce & Associates
- Horizon Asset Management
- Westport Advisors, LLC
- Westchester Capital Management



Target Allocation



Total Portfolio

- 9% PRIMECAP Odyssey Growth
- 10% Fairholme Fund
- 7% Meridian Value
- 5% Keeley Small Cap
- 6% Julius Baer International
- 8% Harbor International
- 6% Third Ave RE Value
- 6% PIMCO Commodity RR
- 9% First Eagle Global
- 7% Caldwell & Orkin Mrkt Opp
- 7% PIMCO Real Return
- 20% PIMCO Total Return

*All “Genius” Hire List managers are considered. This is a sample portfolio, actual client portfolios will vary.

Step 4: Ongoing Monitoring and Management. Once a portfolio is constructed, our job has just begun. We continuously monitor the markets, our managers and our portfolios. As return expectations of the asset classes change, we make needed adjustments to each portfolio. As we find new managers or better combinations of managers, we make the changes. As our research uncovers new information or provides fresh perspectives, we refine our investment processes. We are always watching; always vigilant; always looking out for the interests of our clients.

Tax Aware Investing. We believe that managing portfolios in a tax-aware manner can provide a significant benefit to clients with taxable accounts. So our investment process incorporates an additional layer of review and management for those accounts. We look at our taxable accounts every day for loss-harvesting opportunities. We seek to minimize the generation of short-term gains. We use tax-free municipal funds and more tax efficient funds in appropriate situations. We monitor when funds are about to pay shareholder distributions and avoid them when advisable. In these and other ways we use our judgment and best efforts to look out for the interests of taxable clients.

Of course, generating gains in a portfolio is important. But minimizing losses in poor markets and reducing taxes is just as important. Every dollar we save for a client is worth just as much as every dollar we earn.

-Jeremy van Arkel, CFA, Principal