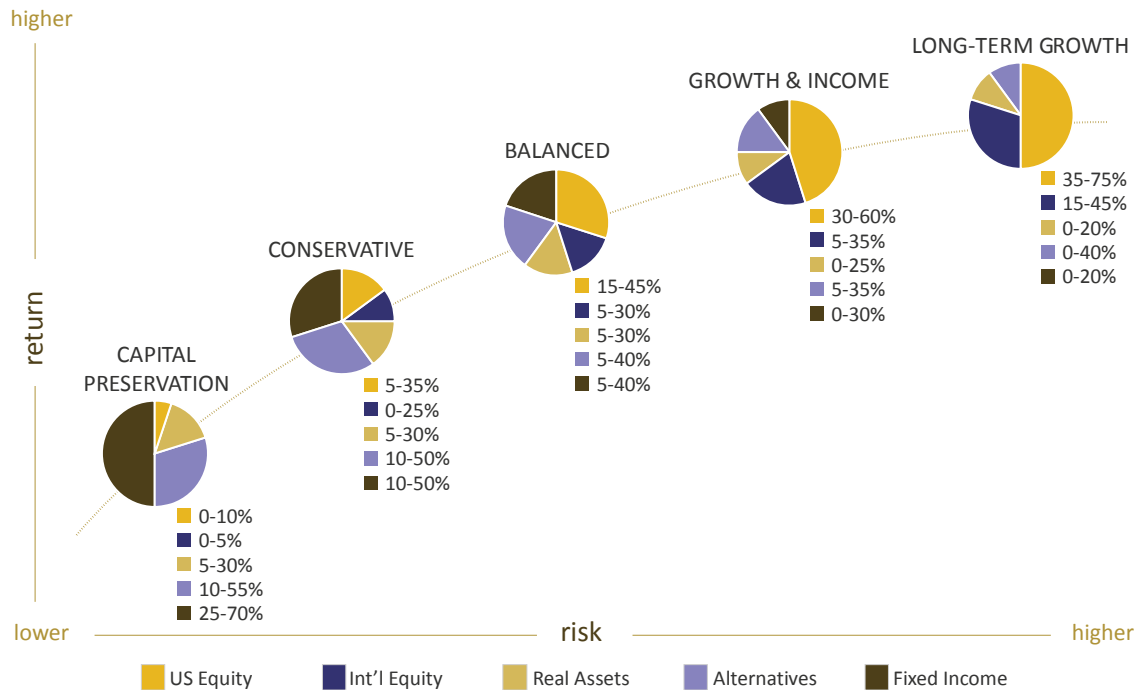




GLOBALLY DIVERSIFIED PORTFOLIOS

Our Globally Diversified portfolios satisfy the “core portfolio” needs of investors at defined risk levels. Frontier attempts to achieve each portfolio’s objectives through (1) portfolio diversification, (2) selection of mutual funds that will perform well in the future, (3) skillful combination of those funds and (4) ongoing portfolio management.



PERFORMANCE OBJECTIVES

Portfolio	Long-Term Return Objective	Expected Range of Annual Returns	Benchmark	Expected Risk Level
Capital Preservation	6%	-2% to +14%	25% S&P 500 + 75% T-Bills	25% of S&P 500
Conservative	7%	-5% to +19%	40% S&P 500 + 60% T-Bills	40% of S&P 500
Balanced	8%	-10% to +26%	60% S&P 500 + 40% T-Bills	60% of S&P 500
Growth & Income	9%	-15% to +33%	80% S&P 500 + 20% T-Bills	80% of S&P 500
Long-Term Growth	10%	-20% to +40%	S&P 500	S&P 500

INVESTMENT OBJECTIVES

CAPITAL PRESERVATION

The objective of this portfolio is to meet or exceed its Long-Term Return Objective over long periods and its Benchmark over shorter time periods, while remaining within the limits on risk set forth in its Performance Objectives. This is a very conservative portfolio that is heavily weighted toward absolute return and fixed income strategies.

CONSERVATIVE

The objective of this portfolio is to meet or exceed its Long-Term Return Objective over the long-term and its Benchmark over shorter time periods, while remaining within the limits on risk set forth in its Performance Objectives. This is a conservative portfolio that is weighted toward absolute return and fixed income strategies, but has modest exposure to equities.

BALANCED

The objective of this portfolio is to meet or exceed its Long-Term Return Objective over the long-term and its Benchmark over shorter time periods, while remaining within the limits on risk set forth in its Performance Objectives. This is a moderate portfolio that is broadly diversified among different types of investments and has significant exposure to equities.

GROWTH & INCOME

The objective of this portfolio is to meet or exceed its Long-Term Return Objective over the long-term and its Benchmark over shorter time periods, while remaining within the limits on risk set forth in its Performance Objectives. This is a growth-oriented portfolio that is broadly diversified among different types of investments and has a high level of exposure to equities.

LONG-TERM GROWTH

The objective of this portfolio is to meet or exceed its Long-Term Return Objective over the long-term and its Benchmark over shorter time periods, while remaining within the limits on risk set forth in its Performance Objectives. This is an aggressive portfolio that is broadly diversified among different types of investments and has a high level of exposure to equities.

NOTES

Performance Objectives. Frontier portfolios are managed within a specific framework of risk and return objectives. These are summarized under the heading “**Performance Objectives.**” The Performance Objectives represent our targets and expectations for non-taxable, discretionary portfolios over long time periods. They are based, in part, on our analysis of historical performance and volatility patterns of various asset classes and on the assumption that such patterns will continue in the future. They are not intended as representations about how the portfolio will perform in the future. Future performance will be highly dependent on market conditions that prevail at the time. There is no guarantee we will achieve our targets or that our expectations will be realized and deviations may be significant, particularly over short time periods. Frontier may modify the Performance Objectives, the asset allocation targets or parameters or the portfolio Benchmark at any time if it believes such modification is advisable for the prudent and/or efficient management of the portfolio.

The “**Long-Term Return Objective**” is our long-term return target for the portfolio. Our goal is to achieve this target after deduction of all Frontier fees, but this target does not take into account any applicable financial advisor fees. Portfolios are managed on a “real return” basis. The Long-Term Return Objective assumes inflation (as measured by the Consumer Price Index) will average 3%.

The “**Expected Range of Annual Returns**” shows the range of *annual* returns we expect for the portfolio under most conditions. We expect the portfolio’s annual returns to fall within the Expected Range of Annual Returns approximately 90% of the time. Historically, there have been occasions when the returns of our portfolios fell outside of these ranges and this may occur again in the future.

The “**Benchmark**” is provided so you can compare the performance of a portfolio to an index or combination of indices with approximately the same expected volatility level. The Benchmark is not actively managed and contains a limited number of asset classes. Each Frontier portfolio consists of actively managed mutual funds, contains more asset classes than the Benchmark and its asset allocation is adjusted periodically. The Benchmark may help you assess the value of Frontier’s mutual fund selection, asset allocation and other portfolio management decisions.

The “**Expected Risk Level**” shows the level of volatility that we expect for the portfolio over the long-term. For example, a portfolio with an Expected Risk Level of “60% of S&P” should have volatility roughly equal to 60% of the volatility of the S&P 500 Index.

Portfolio Management Process. Each Frontier portfolio consists of a number of carefully selected mutual funds that are combined in an effort to achieve the Performance Objectives of the portfolio. Portfolios are managed using a four-step process. First, we establish a basic, long-term asset allocation strategy that we call the “Long-Term Allocation”. Periodically we adjust the Long-Term Allocation based on our changing expectations about the future risk and return characteristics of each asset class to create the “Current Allocation Target”. Next, we develop an “approved list” of mutual funds that we believe can add value over time through their unique investment processes. Finally, we test thousands of combinations of mutual funds from our approved list to find the combination that we believe is most likely to perform better than the Current Allocation Target, particularly in poor markets. Over time the mutual funds in the portfolio may change.

Adjustments to the Long-Term Allocation will typically be made within “**Asset Allocation Ranges**” that are established for the following asset class groups: US Equity, International Equity, Alternatives, Real Assets and Fixed Income. The asset classes that fall within these groups are shown below.

US Equity	International Equity	Fixed Income	Alternatives	Real Assets
US Large Stocks	Int’l Small Stocks	High Quality US Bonds	Absolute Return	REITs
US Small Stocks	Int’l Large Stocks	High Yield Bonds	Managed Futures	Commodities
	Emerging Markets	International Bonds		TIPs
		Floating Rate Securities		
		T-Bills		

Not all asset classes are utilized in the construction of all portfolios. Asset classes may be added to or removed from the above list at any time. The Current Allocation Target for a portfolio may include asset classes that are not included in the Long-Term Allocation for that portfolio. When determining the asset allocation for a portfolio each mutual fund is assigned to a single asset class, even though most funds invest in more than one asset class. Funds that are counted as an investment in an asset class group like Real Assets or Absolute Return may hold US or international equities or fixed income securities, but will not be counted as investments in those asset classes.

An investment in any of the portfolios involves the risk of loss as well as the potential for gain.