



WHAT MAKES FRONTIER DIFFERENT?

REASON #1: OUR INVESTMENT PROCESS

Asset Allocation

Our asset allocation process is the result of over 20 years of research, analysis and experience. It has been tested through good markets and bad and has produced solid results for our clients. We have every confidence that it will continue to serve our clients well in the future.

We have models that identify long-term return, risk and correlation expectations for each asset class. As markets fluctuate, the *future* prospects for each asset class change too. We make adjustments to our portfolios based on these changes. By adjusting our portfolios as markets change, we avoid the pitfalls of strategies based on long-term historical averages, which tend to be more static in nature.

We also have a model that assesses the possibility of near-term market volatility. When the financial markets are in turmoil, emotions can run high and when they do, market volatility can run high too. At such times, it may be advisable to take a more defensive position even if long-term investment prospects are good. When we identify such periods, we invest more conservatively to reduce risk.

As the investment environment changes, we believe it is important to make changes to our portfolios. It is also important to have a sound basis for doing so. We don't make changes based on gut feelings or guesses about the future. We always have a quantitative justification for our allocation adjustments.

We believe that diversification is a powerful tool for controlling risk and improving long-term portfolio performance. We use a wide range of asset classes or sub-groups in building our portfolios. By skillfully allocating assets based on our expectations about their future performance patterns we manage our portfolios in light of changing circumstances and try to benefit from those changes as they occur.

Manager Selection

As in any area of endeavor, some investment managers are better than others. It is easy to find managers that have performed well in the past. The difficulty lies in determining which ones will continue to perform well in the future. This requires the ability to distinguish between luck and talent. Doing so is one of our core competencies.

We use a proprietary screening process to look for "genius" investment managers that draws on both qualitative and quantitative methods. The heart of our quantitative process is our use of returns based style analysis. Style analysis allows us to create a custom benchmark for each manager that allows us to better assess their true ability. Gary Miller, CFA, our Chief Investment Officer, was an early developer of style analysis and has been using it to manage portfolios longer than anyone.

Combining Managers

How you combine managers is as important as finding good managers in the first place. A portfolio is a team of managers that needs to perform well together as conditions change. Building a great team of managers is far more complicated than simply putting together a collection of star performers. We test thousands of combinations of managers to find the one we think will perform best going forward.

REASON #2: OUR INDEPENDENCE AND OBJECTIVITY

Our firm is majority owned and controlled by its management. We do not answer to corporate parents, shareholders or outside interests. We are free to do what is best for our clients.

Our advice is objective. We do not offer proprietary products or derive any revenue from sources that would create a conflict between our interests and the best interests of our clients. We invest our money using the same strategies we offer our clients.

We serve as fiduciaries to all of our clients. That means we put their interests before our own. We take that responsibility seriously and assume it gladly.

REASON #3: OUR TRACK RECORD IS LONG AND STRONG.

Our Chief Investment Officer, Gary Miller, CFA, has been managing portfolios since 1987. Frontier's track record goes back to 1999. All four members of our Investment Committee have earned the prestigious Chartered Financial Analyst (CFA) designation and our management team has well over 100 years of collective industry experience. We are proud of the track record our team has achieved during one of the most challenging periods in the history of the financial markets.

All our performance presentations are prepared in accordance with the Global Investment Performance Standards (GIPS). We never show hypothetical, back-tested or "manufactured" performance. All our performance is real.