

Item 1 – Cover Page

**Part 2A of Form ADV
Brochure for:**

FRONTIER MARKET ASSET MANAGEMENT, LLC

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March 19, 2014

This brochure provides information about the qualifications and business practices of Frontier Market Asset Management, LLC. If you have any questions about the contents of this brochure, please contact us at (858) 456-1440 or sunshine@frontiermkt.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (“SEC”) or by any state securities authority.

Frontier Market Asset Management, LLC is a registered investment adviser with the SEC. Registration of an Investment Adviser does not imply any certain level of skill or training.

Additional information about Frontier Market Asset Management, LLC also is available on the SEC’s website at www.adviserinfo.sec.gov.

Item 2 – Material Changes

There have been no material changes to our advisory business since March 28, 2013, the date of our last brochure. This brochure only updates Regulatory Assets Under Management in “Item 4 – Assets Under Management” and clarifies Frontier Market Asset Management, LLC’s state of organization as a California LLC in “Item 4 – Description of Advisory Firm.”

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Item 4 – Advisory Business**A. Description of Advisory Firm**

Frontier Market Asset Management, LLC (the “Manager” or “Frontier Market”) is a California limited liability company organized in September 2007. Prior to January 1, 2008, Frontier Market was known as Ondine Asset Management, LLC. Lawrence S. Speidell, CFA is the Managing Member of Frontier Market.

B. Description of Advisory Services

Frontier Market provides investment advice and management to privately placed investment funds, including limited partnerships of which Frontier Market is either the general partner or investment manager (“Partnerships”) and non-U.S. companies and partnerships (“Offshore Funds,” jointly with the Partnerships, the “Funds”), as well as separately managed accounts, primarily for institutions (“Separate Accounts”). Partnerships, Offshore Funds and Separate Accounts are collectively referred to herein as “Clients.” Investment advisory services are provided to each Client pursuant to separate investment management agreements between each Client and Frontier Market.

Frontier Market’s investment objective is to achieve significant long-term capital appreciation and investment income through selective investments in securities traded on various frontier market stock exchanges. Frontier Market invests primarily in frontier market securities, which are publicly-traded equity securities from approximately 60 countries that have smaller economies or less developed capital markets than traditional emerging markets, including the 36 countries in the S&P Frontier BMI (Broad Market Index), and certain other markets selected by Frontier Market. Frontier Market’s strategies and the risks involved are described in response to Item 8, below.

The Funds conduct a private offering of their interests (“Interests”) to certain qualified investors as described in response to Item 7, below; Separate Accounts may be offered on a similar basis (in all cases, such investors and perspective investors are referred herein as “Investors”).

C. Client Tailored Services and Client Imposed Restrictions

Advisory services are tailored to achieve the Clients’ investment objectives. Generally, Frontier Market has the authority to select which and how many securities and other instruments to buy or sell without consultation with the Clients or their Investors.

D. Wrap Fee Programs

Frontier Market does not participate or offer wrap fee programs

E. Assets Under Management

As of January 31, 2014 Frontier Market had assets under management on a discretionary basis of \$225,110,286.

Item 5 – Fees and Compensation

A. Management Fee

The fees payable to Frontier Market are negotiable and vary among the Clients. However, the range of compensation for investment advisory services is generally as follows:

- *Partnerships.* From each Partnership, Frontier Market typically receives a management fee, as a percentage of each Investor's capital account, on the first business day of each quarter, payable in advance. The management fee for Partnerships varies from 0.625% per quarter (approximately 2.50% per annum) to 0.25% per quarter (approximately 1.00% per quarter).
- *Offshore Funds.* From each Offshore Fund, Frontier Market typically receives a management fee, as a percentage of the net asset value of each Investor's interest in the Fund, on the first business day of each quarter, payable in advance. The management fee for Partnerships varies from 0.625% per quarter (approximately 2.50% per annum) to 0.25% per quarter (approximately 1.00% per annum).
- *Separate Accounts.* From each Separate Account Frontier Market typically receives a separately negotiated management fee, equal to 1.20% per annum of the net asset value of the Separate Account, on the first business day of each quarter, in arrears.

Frontier Market will pro rate the management fee for Interests held for less than a full quarter, however, Investors will not receive a refund of the management fee if they withdraw capital prior to the end of a quarter. Frontier Market may pay or redirect a portion of the management fee it receives to persons (whether or not affiliated with Frontier Market) who are instrumental in the sale of interests in the Clients. Any such fees will in no event payable by or chargeable to the Clients or any Investor.

Please consult individual Funds' or Separate Account documents for complete information regarding calculation and payment of Frontier Market compensation arrangements.

B. Expenses

Generally, the Clients are responsible for their own operating expenses, including any fees, costs or expense each such Client, Frontier Market or its affiliates reasonably incur in connection with the operation of the business and maintenance of such Client. Frontier Market treats master-feeder fund structures as a common business enterprise for expense allocation and all organizational and operational expenses of the feeder funds are generally charged to the master funds. In such event, Frontier Market will allocate the expenses to the Funds in the manner it determines to be fair and equitable in its sole discretion, which will generally be in proportion to the net assets of each feeder fund in a master fund. Expenses include but are not limited to:

- all costs and expenses of offering or selling interests in the Client (including, without limitation, legal and accounting fees);
- all costs and expenses associated with negotiating and entering into contracts and arrangements in the ordinary course of the Client's activities;
- all trading costs and expenses (such as, for example, but without limitation, brokerage commissions, expenses relating to short sales, clearing and settlement charges, option premiums and custodial and service fees) (collectively, the "Trading Expenses");

- all legal, accounting, bookkeeping, professional, expert and consulting fees and expenses arising in connection with the Client's activities (including the fees and expenses of counsel for Frontier Market or one or more officers or managers of Frontier Market, service contracts related to research, travel, portfolio management and quotation services and equipment (including, computer hardware and software related thereto));
- all expenses of any accounting companies or bookkeeping services retained by Frontier Market to assist it in performing these services for the Client (including, the accounting, bookkeeping and other administrative services of any fund administrator);
- U.S. federal, state and local taxes, filing and registration fees of the Client, Frontier Market and its affiliates (other than taxes on the income of Frontier Market and its affiliates);
- proxy voting services;
- all costs and expenses incurred for the purpose of protecting or enhancing the value of the Client's assets (including the costs of instituting or defending lawsuits);
- costs of communication with the investors and prospective investors (including travel expenses, such as air fare, hotel accommodations and meals);
- costs associated with registering the Client's restricted securities; and
- all interest on borrowings (on margin or otherwise).

Frontier Market has contractually agreed to limit certain costs and expenses associated with the operation of the Funds to no more than 2.50% of the corresponding master fund's assets (i.e., an "expense cap"). Please consult each individual Fund's offering documents for complete information regarding expenses covered by the expense cap. Expenses covered by the expense cap are expected to include the management fee, all legal, accounting, administration and bookkeeping fees of the Funds and the Trading Expenses (other than brokerage commissions); but will not include taxes, interest, brokerage commissions, costs and expenses of offering or selling interests in the Funds, or any extraordinary expenses as determined by Frontier Market in (including, for example, costs incurred in instituting and defending litigation or in connection with any merger or reorganization).

Frontier Market's fees are exclusive of brokerage commissions, transaction fees, and other related costs and expenses which shall be incurred by the Client. Such charges, fees and commissions are exclusive of and in addition to Frontier Market's fee, and Frontier Market shall not receive any portion of these commissions, fees, and costs.

The management fees and performance allocation (see Item 6, below) and expenses are deducted from Client assets.

Item 12 further describes the factors that Frontier Market considers in selecting or recommending broker-dealers for Client transactions and determining the reasonableness of their compensation (e.g., commissions).

Item 6 - Performance-Based Fees and Side-By-Side Management

In addition to the management fees described in response to Item 5, Frontier Market also receives a performance-based allocation from some of its Clients. The performance allocation, if any, is negotiable and varies among Clients. However, if Frontier Market receives a performance based allocation, the range of compensation is generally as follows:

- *Partnerships.* Frontier Market generally receives a performance-based allocation on December 31 of each year, equal to 20% of the net profits allocated to each Investor, but only to the extent net profits allocated to that Investor exceed any cumulative losses that were allocated to that Investor for earlier periods and that have not been recovered (a “high water mark”). If an Investor withdraws all or a portion of its capital account on a date other than December 31, a performance allocation will be made on the amount withdrawn for the period from the prior January 1 to the date of withdrawal.
- *Offshore Funds.* Frontier Market generally receives an incentive fee equal to 20% of the increase in the net asset value of each Investor’s interest in the Fund, calculated and paid annually in a manner similar to the performance-based allocation described above in the “Partnership” section.
- *Separate Accounts.* Frontier Market does not currently receive a performance allocation from Separate Accounts but may do so in the future.

The performance-based allocation creates an incentive for Frontier Market to make investments that are riskier or more speculative than would be the case in the absence of a performance-based allocation to Frontier Market based on performance of the Clients.

The performance-based allocation may create an incentive for Frontier Market to make investments on behalf of the Clients paying such performance-based allocation that are riskier or more speculative than would otherwise be the case. Furthermore, differences in Frontier Market’s compensation arrangements with its Clients, particularly since only some of the Clients pay a performance allocation to Frontier Market, could create incentives for Frontier Market to manage Clients so as to favor those Clients paying the performance-based compensation. Notwithstanding these conflicts, Frontier Market will allocate transactions and opportunities among the various Clients it manages in a manner it believes to be as equitable as possible, considering each Client’s objectives, programs, limitations and capital available for investment.

The foregoing responses to Items 5 and 6 represent Frontier Market’s basic compensation arrangements. The management fees and performance-based allocations described above are structured to comply with Rule 205-3 under the Investment Advisers Act of 1940. Fees and other compensation are negotiable in certain circumstances and arrangements with any particular Investor may vary. Although Frontier Market believes its fees are competitive, lower fees for comparable services may be available from other investment advisers.

Item 7 – Types of Clients

Frontier Market provides investment advice and management to the Partnerships, Offshore Funds and Separate Accounts as described above. Separate Account Investors may include banks or thrift institutions, trusts, estates or charitable organizations, corporations or other business entities and high net worth individuals.

Frontier Market may in the future provide the same or similar services to other privately placed investment funds and/or separately managed accounts.

Prospective Investors in the Funds must meet eligibility criteria and are subject to certain withdrawal requirements and limitations as set forth in the Fund's offering documents. Prospective Investors are encouraged to thoroughly review the Funds' offering documents and any other materials provided by Frontier Market, which set forth all of the terms in detail. Though the Clients generally pursue the same strategy, offering terms may differ. Terms for Separate Accounts are generally similar to the Funds, but can be negotiated on a case by case basis and may differ from those of the Funds. Frontier Market may waive, reduce, increase, or alter requirements in particular cases and may change them as to new investors in the future.

- *Partnerships.* Depending on the Fund, Interests are offered to "accredited investors" (as defined in Regulation D under the Securities Act of 1933) and to "qualified purchasers" (as defined in the Investment Company Act of 1940, as amended (the "1940 Act")). The minimum initial investment is either \$100,000 or \$5,000,000, depending on the Investor sophistication requirement.
- *Offshore Funds.* Interests are offered to non-U.S. persons and U.S. tax-exempt persons. The minimum initial subscription is similar to the minimum initial investment described above in the "Partnership" section. Frontier Market reserves the right to waive or to increase or decrease these minimum subscription amounts in its discretion, subject to a minimum investment of \$100,000 or \$5,000,000, depending on the Investor sophistication requirement, or such other minimum as may be required by regulation in their country of domicile.
- *Separate Accounts.* Generally, similar terms will apply to Separate Accounts, though investors in such separate accounts may negotiate terms that differ or are more favorable than those for the Partnerships and Offshore Funds.

Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss

Investment Strategy

The overall investment objective of Frontier Market is to achieve above-average absolute returns in frontier markets. Companies exhibiting one or more of the following characteristics will be targeted: a positive change in fundamentals, the beneficiary of macro and country trends, earnings and cash flow momentum and attractive valuations. The quality of companies, their managements and their accounting practices will be important elements in Frontier Market's investment decisions. High quality companies and market leaders will be emphasized in order to capture upside rewards, while minimizing downside movements. Clients' assets will be partially protected by a system that (a) focuses on investments which offer a margin of safety at the time of purchase; (b) focuses on a few great investments instead of many mediocre ones; (c) does not invest when the Frontier Market is unable to find opportunities with an outstanding risk/reward potential; and (d) will place investments in more than one country. Frontier Market will seek to avoid losses by focusing on companies that (a) have demonstrated a consistent track record of profit increases and (b) have a very high probability of profit increases over a five-to-ten year time span.

Frontier Market will invest Client assets in instruments deemed appropriate by the Frontier Market. These include securities and other financial instruments of primarily frontier market entities, including, without limitation, bonds, notes, debentures (whether subordinated, convertible or otherwise); capital stock; shares of beneficial interest; partnership interests and similar financial instruments; currencies; commodities; interest rate, currency, commodity, equity and other derivative products, including, without limitation: (i) futures contracts (and options thereon) relating to stock indices, currencies and securities of non-U.S. governments, United States Government securities, other financial instruments and all other commodities; (ii) swaps, options, rights, warrants, caps, collars and floors; (iii) spot and forward currency transactions; (iv) contracts for differences; and (v) agreements relating to or securing such transactions; executory contracts; participations; mutual funds; money market funds; obligations of the United States or any state thereof, non-U.S. governments and instrumentalities of any of them; commercial paper; certificates of deposit; bankers' acceptances; trust receipts; letters of credit; money market instruments and other obligations and instruments or evidences of indebtedness of whatever kind or nature; in each case, of any person, corporation, government or other entity whatsoever, whether or not publicly traded or readily marketable. Derivative instruments, such as options and swaps, are used to attempt to hedge existing long and short positions, but may also be used as independent profit opportunities. Although Funds are permitted to invest in both U.S. and foreign securities, they will invest primarily in frontier market securities. The Funds may maintain assets in cash or cash-equivalent instruments, pending investment, for defensive purposes or to fund withdrawals.

Frontier Market will not be limited with respect to the types of investment strategies it may employ or the markets or instruments in which it may invest. However, the focus of Frontier Market will be investments in frontier markets. Over time, markets change, and Frontier Market will seek to capitalize on attractive opportunities within the frontier markets, wherever they might be. Depending on conditions and trends in securities markets and the economy generally, the Frontier Market may pursue other objectives or employ other techniques it considers appropriate and in the best interest of the Clients.

Investment Process

As noted above, the investment strategy will focus on identifying a few great companies with attractive share prices. These companies will ultimately make up the majority of the Clients' holdings and, as such, will require the majority of the day-to-day analysis and review. Frontier Market seeks to accomplish the investment objective by using a focused and disciplined approach.

Frontier Market's core investment process will start with a bottom-up review of frontier market stocks, and companies listed at other exchanges that have at least 50% of their revenue or assets in frontier market countries. Once a group of potential core names has been identified, Frontier Market performs a classic style business valuation. The focus of Frontier Market's analysis will be to identify companies that are able to continue to perform and capture market share for the foreseeable future with a strong management team. Management will frequently be interviewed to get an in-depth understanding of the business. Frontier Market will continue to keep abreast of developments by closely following the events in the press, talking to sources within the countries and communicating with each company's management. Throughout the investment process, Frontier Market will communicate continuously with sources in frontier markets, review the stock lists, screen for other potential investment candidates and compare the risk/reward profiles of potential investments with that of the existing positions to determine whether a new investment provides a better opportunity than those currently held.

While Frontier Market intends to invest Client assets as described above, Frontier Market has wide latitude to act upon any particular strategy or tactic or to change the Fund's emphasis or objective, all without obtaining the consent of the investors. There are no specific quantitative criteria such as the issuer's asset size, earnings, coverage or industry type that would make a security unsuitable for purchase by Frontier Market. Further, the Fund's offering documents and agreements do not impose any limits on the types of positions the Funds may take or the concentration of their investments (by company, asset class, industry, country or market segment), the amount of leverage employed, or the number and size of short positions. These agreements permit a wide range of investments, including equity and debt securities, derivative instruments and cash equivalents.

Please refer to each individual Fund's and Separate Account documents for complete investment objective and strategy information.

Risk of Loss

Investing in securities involves risk of loss that Clients and their Investors should be prepared to bear. Frontier Market cannot assure investors that it can achieve its investment objectives, its investment strategies will prove successful or that Investors will not lose all or part of their investment. The following risks are not a complete explanation of the risks involved in an investment in the Clients. Investors are encouraged to review each individual Fund's offering documents or Separate Account agreements, consult with their own advisers should make such investigation and evaluation of such risks as it concludes is appropriate.

General – The Clients are newly organized and have no operating histories. Frontier Market's investments involve a high degree of risk and may be considered speculative. Investment with the Clients is for sophisticated investors who can accept a high degree of risk in their investment, do not need regular current income and can accept a potential loss of their entire investment and is not intended as a complete investment program.

Non-U.S. Investment Considerations – Special risks associated with Frontier Market's investments in securities of foreign companies add to the usual risks inherent in domestic investments. Such special risks include fluctuations in foreign exchange rates (against which the Clients may not hedge), political or economic instability in the country of issue, and the possible imposition of exchange controls or other laws or restrictions. In addition, securities prices in foreign markets are generally subject to different economic, financial, political and social factors than are the prices of securities in U.S. markets. With respect to some foreign countries there may be the possibility of expropriation or confiscatory taxation, limitations on liquidity of securities or political or economic developments that could affect the foreign investments of the Clients. Moreover, less information may be publicly available concerning certain of the foreign issuers of securities held by the Clients than is available concerning U.S. companies. Foreign companies are also generally not subject to uniform accounting, auditing and financial reporting standards or to practices and requirements comparable to those applicable to U.S. companies.

Non-U.S. Securities Regulation – The securities of non-U.S. issuers held by the Clients generally are not registered under, nor are the issuers thereof subject to the reporting requirements of, U.S. securities laws and regulations. Accordingly, there may be less publicly available information about these securities and about the non-U.S. company or government issuing them or the board of trade clearing them than is available about a U.S. company, government entity or board of trade. Non-U.S. companies and boards of trade generally are not subject to accounting, auditing

and financial reporting standards, practices and requirements comparable to those applicable to U.S. companies. Further, government supervision of stock exchanges, boards of trade, securities brokers and issuers of securities is generally less stringent than supervision in the U.S. These investments also may be subject to withholding taxes imposed by the applicable country's taxing authority.

Frontier Markets – Investments in frontier markets are subject to all of the risks of non-U.S. investing generally, and have additional heightened risks due to a lack of established legal, political, business and social frameworks to support securities markets. Such risks include, without limitation, liquidity risks (sometimes aggravated by rapid and large outflows of “hot money” and capital flight), currency risks and political risks, including potential exchange control regulations and potential restriction on non-U.S. investment and repatriation of capital, social instability and unrest, terrorism, pervasiveness of corruption and crime, delays in settling portfolio transactions, risk of loss arising out of systems of security registration and custody, less effective government regulation and supervision of business and industry and a greater likelihood of disruptions brought about by regional conflicts and war.

Frontier market countries have varying laws and regulations and investment in some frontier markets by non-domestic entities may be controlled or restricted to varying degrees. In some countries where prior government approval is required for non-domestic investments, there may be regulations that limit the size of a non-domestic entity's investment in a particular type of security, issuer or sector of the economy, or there may be certain restrictions on non-domestic capital remittances abroad. The markets in which the Clients will invest can be highly volatile and may decline significantly in response to adverse issuer, political, social, regulatory, market or economic developments. Different parts of the market and different types of securities may react differently to these developments. Frontier market countries are more likely to experience high levels of inflation, deflation or currency devaluation, each of which can harm their economies and securities markets. Political, social or economic developments may affect a single issuer, industry, sector or geographic region or may affect the entire market as a whole.

Equity Investments – Frontier Market will invest in equity securities including common stocks, preferred stocks, convertible securities and warrants. These securities primarily will be traded on various frontier market stock exchanges. Although equity securities have a history of long-term growth in value, their prices fluctuate based on changes in the issuer's financial condition and prospects and on overall market and economic conditions. Frontier Market may invest not only in securities of issuers with large market capitalizations, but also in securities of medium-cap, small-cap and micro-cap companies. Smaller companies often have limited product lines, markets or financial resources, and may depend on one or few key persons for management. The securities of such companies may be subject to more volatile market movements than securities of larger, more established companies, both because the securities typically are traded in lower volume and because the issuers typically are more subject to changes in earnings and prospects.

Concentration of Investments – Frontier Market is not limited as to the types of positions the Clients may take, the size of the companies in which they may invest, or the concentration of its investments (by sector, industry, capitalization, company, country or asset class). At times Clients may hold a relatively small number of securities positions, each representing a relatively large portion of each Client's capital and may hold a large percentage of the capital in cash while awaiting better opportunities. Losses incurred in such positions could have a material adverse effect on the Client's overall financial condition, including opportunity loss.

Small Capitalization Companies – Historically, securities of small capitalization companies (commonly referred to as “micro-cap” and “small-cap” companies) have been more volatile in

price than those of larger capitalized, more established companies. The securities of small capitalization and recently organized companies pose greater investment risks because such companies may have limited product lines, distribution channels and financial and managerial resources. The equity securities of small capitalization companies are often traded over-the-counter or on regional exchanges and may not be traded in the volumes typical on a national securities exchange. Consequently, Frontier Market may be required to dispose of such securities or cover a short position over a longer (and potentially less favorable) period of time than is required to dispose of or cover a short position with respect to the securities of larger, more established companies. Investments in small capitalization companies may also be more difficult to value than other types of securities because of the foregoing considerations as well as lower trading volumes. Investments in companies with limited operating histories are more speculative and entail greater risk than do investments in companies with an established operating record. Additionally, transaction costs for these types of investments are often higher than those of larger capitalization companies.

Foreign Currency Transactions and Exchange Rate Risk – Frontier Market may invest in securities denominated in non-U.S. currencies and in other financial instruments, the price of which is determined with reference to such currencies. Clients may engage in foreign currency transactions for a variety of purposes, including to “lock in” the U.S. dollar price of the security, between the trade and the settlement dates, the value of a security the Client has agreed to buy or sell, or to hedge the U.S. dollar value of securities the Clients already own. Clients may also engage in foreign currency transactions for non-hedging purposes to generate returns. Frontier Market will, however, value its investments and other assets in U.S. dollars. To the extent unhedged, the value of a Client’s net assets will fluctuate with U.S. dollar exchange rates as well as with price changes of the Client’s investments in the various local markets and currencies. Forward currency contracts and options may be utilized by Frontier Market to hedge against currency fluctuations, but Frontier Market is not required to utilize such techniques, and there can be no assurance that such hedging transactions will be available or, even if undertaken, effective.

Illiquid Securities – Frontier Market will invest in illiquid securities, such as securities not listed on an exchange or publicly traded in a securities market, or securities which are offered through private placements. Although these types of transactions may offer the opportunity for significant gains, such investments may involve a high degree of business and financial risk that can result in substantial losses and delays in the ability to withdraw their capital from the Funds. These illiquid securities generally will be difficult or impossible to sell at prices comparable to the market prices of securities that may be similar that are publicly traded. It is highly speculative as to whether and when any illiquid securities will be able to be liquidated. Investments in illiquid securities may be long-term in nature and may require many years from the date of initial investment before disposition. In addition, the value assigned to such securities for purposes of determining the values of the Clients’ assets may differ from the value Frontier Market is ultimately able to realize.

Over-the-Counter Securities – Securities traded over-the-counter include equities, bonds, options, credit default swaps and asset swaps. In trading such securities, broker-dealers negotiate directly with one another since such securities are not considered large or stable enough to trade on a major exchange. Certain over-the-counter securities, such as swaps, are subject to the risk of non-performance by the counterparty to a trade, including risks relating to the financial soundness and credit worthiness of the counterparty. Such securities also tend to trade infrequently, making the bid-ask spread larger. In addition, research regarding such securities is often more difficult to obtain.

Fixed Income Investments – Fixed income securities are subject to the risk of an issuer’s ability to meet principal and interest payments on the obligation (credit risk), and may also be subject to price volatility due to such factors as interest rate sensitivity, market perception of the creditworthiness of the issuer and general market liquidity (market risk). The market values of fixed income securities tend to vary inversely with the level of interest rates. Yields and market values of fixed income securities fluctuate over time, reflecting not only changing interest rates but the market’s perception of credit quality and the outlook for economic growth.

Lower rated or unrated (i.e., high yield) securities are more likely to react to developments affecting market and credit risk than are more highly rated securities, which primarily react to movements in the general level of interest rates. Lower rated securities are defined as securities below the fourth highest rating category by a nationally recognized statistical rating organization. Such obligations are speculative and may be in default. There is no limit on the ratings of high-yield securities that may be purchased or held by Frontier Market and the Clients. In addition, Frontier Market may invest in unrated securities. When economic conditions appear to be deteriorating, medium to lower rated securities may decline in value due to heightened concern over credit quality, regardless of prevailing interest rates.

Securities of Financially Distressed Companies – Investing in assets, liabilities (such as high-yield debt) or equity of companies that are, or appear to be, in financial distress or emerging from financial distress, including companies that have undergone or are undergoing major restructurings or bankruptcy reorganizations and companies that Frontier Market anticipates are likely to undergo such restructurings or reorganizations involves a high degree of risk. At times there is very limited liquidity in such securities. If Frontier Market is required to sell such securities to fund withdrawals, it may incur substantial losses. Frontier Market may require investors to take an illiquid investment in kind to avoid selling such securities at disadvantageous times or for any other reason.

If Frontier Market invests in securities of a company that becomes subject to a bankruptcy proceeding, the investment will be subject to applicable bankruptcy statutes. Realization of capital appreciation may depend on the successful implementation of reorganization plans and such an investment will also involve a high degree of “control risk.” Generally, Frontier Market will not be in a position to control the pace or outcome of the case. Discretionary bankruptcy classifications, limitations on trading in claims, litigation, delays and other unpredictable events may significantly reduce the value of the Funds’ investment regardless of Frontier Market’s accuracy as to the underlying value of the enterprise. In addition, the Clients may be exposed to potential liability as a lender. Litigating any such lawsuit would be costly to the Clients and distract Frontier Market from its other duties to Clients.

The Funds may also from time to time serve on equity or creditors’ committees either formally or informally. These efforts consume significant time and attention and can lead to losses in the portfolio because the Frontier Market’s focus on other portfolio positions may diminish. These activities also can restrict the Funds from trading securities or claims related to the insolvency, which can affect the Funds substantially and adversely. Serving on these committees also may cause Frontier Market to be deemed a fiduciary to either shareholders or creditors of the issuer and thus impose duties on Frontier Market that conflict with its duties to the Clients.

High Yield Debt Securities and Non-Performing Debt - Below investment grade debt securities, commonly referred to as “high yield bonds” or “junk bonds,” are considered to be speculative and involve a greater risk of default or price changes due to changes in the issuer's creditworthiness than higher rated securities. Some Clients may invest in non-performing, “distressed” debt – high yield bonds issued by entities that have already indicated an inability to pay outstanding interest

or principal. The value and liquidity of these instruments may be diminished by adverse publicity and investor perceptions. In addition, the ultimate recovery for holders of such bonds often depends upon the resolution of complex legal questions, determined in the context of a bankruptcy reorganization. These securities often are contractually or structurally subordinated in right of payment to prior claims of banks or other senior lenders, and will typically be unsecured.

Because defaulted high yield securities are frequently traded only in markets where the number of potential purchasers and sellers, if any, is limited, the ability of Frontier Market to sell these securities at their fair value either to meet redemption requests or to respond to changes in the financial markets may be limited. Thinly traded high yield securities may be more difficult to value accurately for the purpose of determining the Client's net asset value.

General Derivative Considerations – Frontier Market's use of derivatives involves risks different from, or possibly greater than, the risks associated with investing directly in securities or more traditional investments, depending upon the characteristics of the particular derivative and the Client's portfolio as a whole. Derivatives permit a Client to increase or decrease the level of risk of its portfolio, or change the character of the risk to which its portfolio is exposed, in much the same way as a Client can increase or decrease the level of risk, or change the character of the risk, of its portfolio by making investments in specific securities.

Derivatives may entail investment exposures that are greater than their cost would suggest, meaning that a small investment in derivatives could have a large potential impact on the Client's performance. If a Client invests in derivatives at inopportune times or judges market conditions incorrectly, such investments may lower the Client's return or result in a loss. The Client also could experience losses if derivatives are poorly correlated with its other investments, or if the Client is unable to liquidate its position because of an illiquid secondary market. The market for many derivatives is, or suddenly can become, illiquid. Changes in liquidity may result in significant, rapid, and unpredictable changes in the prices for derivatives. Engaging in these transactions involves risk of loss to the Client that could materially adversely affect the value of the Client's net assets.

Options and Futures Contracts – Frontier Market may utilize options contracts, futures contracts, and options on futures contracts. It also may use so-called "synthetic" options or other derivative instruments written by broker-dealers or other financial intermediaries. Options transactions may be effected on securities exchanges or in the over-the-counter market. When options are purchased over-the-counter, the Client's portfolio bears the risk that the counterparty that wrote the option will be unable or unwilling to perform its obligations under the option contract. Such options may also be illiquid and, in such cases, the Client may have difficulty closing out its position.

A covered put option is a put option with respect to which the seller has a short position in the underlying security. The seller of a covered put option assumes the risk of an increase in the market price of the underlying security above the sales price (in establishing the short position) of the underlying security plus the premium received, and gives up the opportunity for gain on the underlying security below the exercise price of the option. If the seller of the put option owns a put option covering an equivalent number of shares with an exercise price equal to or greater than the exercise price of the put written, the position is "fully hedged" if the option owned expires at the same time or later than the option written. The seller of an uncovered put option assumes the risk of a decline in the market price of the underlying security below the exercise price of the option. The seller of a put option may also be required to place cash or liquid securities in a segregated account to ensure compliance with its obligation to purchase the underlying security. The sale of such an option exposes the Client during the term of the option to a decline in price of

the underlying security while depriving the Client of the opportunity to invest the segregated assets.

A covered call option is a call option with respect to which the Client owns the underlying security. The sale of such an option exposes the Client, during the term of the option, to possible loss of opportunity to realize appreciation in the market price of the underlying security and to the possibility that it might hold the underlying security in order to protect against depreciation in the market price of the security during a period when it might have otherwise sold the security. The seller of a covered call option assumes the risk of a decline in the market price of the underlying security below the purchase price of the underlying security less the premium received, and gives up the opportunity for gain on the underlying security above the exercise price of the option. The seller of an uncovered call option assumes the risk of a theoretically unlimited increase in the market price of the underlying security above the exercise price of the option.

Trading in futures involves risk of loss to the Client that is theoretically unlimited and could materially adversely affect the value of the Client's net assets. No assurance can be given that a liquid market will exist for any particular futures contract at any particular time. Many futures exchanges and boards of trade limit the amount of fluctuation permitted in futures contract prices during a single trading day by regulations referred to as "daily price fluctuation limits" or "daily limits." Once the daily limit has been reached in a particular contract, no trades may be made that day at a price beyond that limit or trading may be suspended for specified periods during the trading day. Futures contract prices could move to the limit for several consecutive trading days with little or no trading, thereby preventing prompt liquidation of futures positions and potentially subjecting the Client to substantial losses, which may result in losses to the Client. In addition, the CFTC and various exchanges impose speculative position limits on the number of positions that the Client may indirectly hold or control in certain particular futures or options contracts. Many of the major U.S. exchanges have eliminated speculative position limits and have substituted position accountability rules that would permit Frontier Market to trade without restriction as long as Frontier Market can demonstrate the positions acquired were not acquired for the purpose of manipulating the market.

Successful use of futures by Frontier Market depends on its ability to predict correctly movements in the direction of the relevant market, and, to the extent the transaction is entered into for hedging purposes, to ascertain the appropriate correlation between the transaction being hedged and the price movements of the futures contract.

The prices of derivative instruments, including futures and options prices, are highly volatile. Price movements of forward contracts, futures contracts, and other derivative contracts in which Clients may invest are influenced by, among other things: interest rates; changing supply and demand relationships; trade, fiscal, monetary, and exchange control programs and policies of governments; and national and international political and economic events and policies. In addition, governments from time to time intervene, directly and by regulation, in certain markets, particularly those of currencies and interest rate related futures and options. Such intervention often is intended directly to influence prices and may, together with other factors, cause all of such markets to move rapidly in the same direction because of, among other things, interest rate fluctuations. Clients are also subject to the risk of the failure of any of the exchanges on which their positions trade or of their clearinghouses.

Call and Put Options on Securities Indexes – Frontier Market may purchase and sell call and put options on stock indexes listed on national securities exchanges or traded in the over-the-counter market for hedging purposes and non-hedging purposes to pursue its investment objectives. A stock index fluctuates with changes in the market values of the stocks included in the index. Accordingly, successful use by Frontier Market of options on stock indexes will be subject to the

Frontier Market's ability to predict correctly movements in the direction of the stock market generally or of a particular industry or market segment. This requires different skills and techniques than predicting changes in the price of individual stocks.

Derivatives With Respect to High Yield Debt Securities and Other Indebtedness – In addition to the credit risks associated with holding high yield debt securities, with respect to derivatives involving high yield and other debt, a Client will usually have a contractual relationship only with the counterparty of the derivative, and not with the issuer of the indebtedness. A Client generally will have no right to directly enforce compliance by the issuer with the terms of the derivative nor any rights of set-off against the issuer, nor have any voting rights with respect to the indebtedness. A Client will not directly benefit from the collateral supporting the underlying indebtedness and will not have the benefit of the remedies that would normally be available to a holder of the indebtedness. In addition, in the event of the insolvency of the counterparty to the derivative, the Client will be treated as a general creditor of such counterparty, and will not have any claim with respect to the underlying indebtedness. Consequently, the Client will be subject to the credit risk of the counterparty as well as that of the issuer of the indebtedness. As a result, concentrations of such derivatives in any one counterparty subject the Client to an additional degree of risk with respect to defaults by such counterparty as well as by the issuer of the underlying indebtedness.

Special Hedging Considerations – Special risks are associated with the use of options, futures contracts and swaps as hedging techniques. In addition to directional risks of the underlying securities, options, futures contracts, and swaps are subject to fluctuations in the volatility of the underlying security and fluctuations in prevailing interest rates to a lesser extent. For options, futures contracts and swaps used in hedging, there can be no guarantee of a correlation between price movements in the hedging vehicle and in the portfolio securities being hedged. A lack of correlation could result in a loss on both the hedged securities and the hedging vehicle so that the Client's return might have been better had hedging not been attempted. In addition, a decision as to whether, when and how to use options, futures or swaps involves the exercise of skill and judgment which are different from those needed to select portfolio securities, and even a well-conceived transaction may be unsuccessful to some degree because of market behavior, currency fluctuations or interest rate trends. If Frontier Market is incorrect in its forecasts regarding market values, currency fluctuations, interest rate trends, or other relevant factors, the Client may be in a worse position than if the Client had not engaged in options, futures or swap transactions. The potential loss incurred by the Client in swaps, futures and writing options on futures is unlimited. Frontier Market is experienced in the use of options, futures contracts and swaps as an investment technique.

There can be no assurance that a liquid market will exist at a time when the Clients seek to close out an option position or futures or swap contract. Most futures exchanges and boards of trade limit the amount of fluctuation in futures contract prices during a single day; once the daily limit has been reached on a particular contract, no trades may be made that day at a price beyond that limit. In addition, certain of these instruments are relatively new and without a significant trading history. As a result, there is no assurance that an active secondary market will develop or continue to exist. Lack of a liquid market for any reason may prevent the Client from liquidating an unfavorable position and the Client would remain obligated to meet margin requirements until the position is closed.

Convertible Securities, Rights and Warrants – All of the risks of equity and fixed income securities and options are applicable to convertible securities. Investments in warrants involve certain risks, including the possible lack of a liquid market for resale, potential price fluctuations

as a result of speculation or other factors, all of the risks of the underlying security and the failure of the price of the underlying security to reach or have reasonable prospects of reaching a level at which the warrant can be prudently exercised, in which event the warrant may expire without being exercised, resulting in a loss of the Client's entire investment therein.

Like other debt securities, the market value of a convertible debt security tends to vary inversely with the level of interest rates. A convertible security may be subject to redemption at the option of the issuer at a price established in the instrument governing the convertible security. If a convertible security held by the Client is called for redemption, the Client will be required to permit the issuer to redeem the security, convert it into the underlying common stock or sell it to a third party.

In the case of warrants, price movements in the underlying security are generally magnified in the price movements of the warrant. This effect would enable the Client to gain exposure to the underlying security with a relatively low capital investment but increases the Client's risk in the event of a decline in the value of the underlying security and can result in a complete loss of the amount invested in the warrant. In addition, the price of a warrant tends to be more volatile than, and may not correlate exactly to, the price of the underlying security. If the market price of the underlying security is below the exercise price of the warrant on its expiration date, the warrant will generally expire without value. The equity security underlying a warrant is authorized at the time the warrant is issued or is issued together with the warrant, which may result in losses to the Client. Investing in warrants can provide a greater potential for profit or loss than an equivalent investment in the underlying security, and, thus, can be a speculative investment. The value of a warrant may decline because of a decline in the value of the underlying security, the passage of time, changes in interest rates or in the dividend or other policies of the company whose equity underlies the warrant or a change in the perception as to the future price of the underlying security, or any combination thereof.

Short Sales – Frontier Market may make short sales in any type of securities. Short sales that are not made “against the box” and are not part of a hedging transaction create opportunities to increase return but, at the same time, are speculative and involve special risk considerations. Since the seller in effect profits from a decline in the price of the securities sold short without the need to invest the full purchase price of the securities on the date of the short sale, returns will tend to increase more when the securities sold short decrease in value, and to decrease more when the securities sold short increase in value, than would otherwise be the case if the seller had not engaged in such short sales. Short sales theoretically involve unlimited loss potential, as the market price of securities sold short may continuously increase, although Frontier Market may mitigate such losses by replacing the securities sold short before the market price has increased significantly. Under adverse market conditions Frontier Market might have difficulty purchasing securities to meet its short sale delivery obligations, and might have to sell portfolio securities to raise the capital necessary to meet its short sale obligations at a time when fundamental investment considerations would not favor such sales.

Distressed Securities – Frontier Market may invest in distressed securities. Such investments may include the purchase of securities of issuers in bankruptcy, at risk of filing for bankruptcy or otherwise being insolvent. The identification of investment opportunities in distressed securities is a difficult task, and there is no assurance that such opportunities will be successfully recognized or acquired. While investments in distressed securities offer the opportunities for above average returns, these investments involve a high degree of risk and can result in substantial losses. In addition, Clients may be required to hold such securities for a substantial period of time before realizing their anticipated value. During this holding period, a portion of the Client's capital would be committed to the securities purchased, thus possibly preventing the

Client from investing in other opportunities. In addition, Frontier market may finance such purchases with borrowed funds and thus will have to pay interest on such funds during the holding period. Returns generated from such investments may not adequately compensate the Client for the risks involved.

Investments in Underlying Funds – To the extent Frontier Market invests in underlying funds, such funds may provide Frontier Market with very limited information with respect to their operation and performance, thereby severely limiting Frontier Market’s ability to verify initially or on a continuing basis any representation made by the underlying funds or the investment strategies being employed. This may result in significant losses to the Client based on investment strategies and positions employed by the underlying funds or other actions of Frontier Market has limited or no knowledge. Furthermore, when Frontier Market invests in underlying funds, the Clients do not have custody of the assets or control of its investment by the underlying funds. The underlying funds could divert or abscond with the assets, fail to follow agreed upon investment strategies, provide false reports of operations, or engage in other misconduct, resulting in losses to the Client. Such misconduct is very difficult or impossible to detect and may not come to light until substantial losses have been incurred. Lastly, it is anticipated that the underlying funds will impose withdrawal limitations and transfer restrictions. The Clients may not be able to promptly liquidate any or all its investment in the underlying funds if the need should arise, and the Client’s ability to realize gains, or to avoid losses, may therefore be affected.

Forward Contracts – Forward contracts and options thereon, unlike futures contracts, are not traded on exchanges and are not standardized; rather, banks and dealers act as principals in these markets, negotiating each transaction on an individual basis. Forward and “cash” trading is substantially unregulated; there is no limitation on daily price movements and speculative position limits are not applicable. The principals who deal in the forward markets are not required to continue to make markets in the currencies or commodities they trade and these markets can experience periods of illiquidity, sometimes of significant duration. There have been periods during which certain participants in these markets have refused to quote prices for certain currencies or commodities or have quoted prices with an unusually wide spread between the price at which they were prepared to buy and that at which they were prepared to sell. Disruptions can occur in any market traded by Frontier Market due to unusually high trading volume, political intervention or other factors. Arrangements to trade forward contracts may be made with only one or a few counterparties, and liquidity problems therefore might be greater than if such arrangements were made with numerous counterparties. The imposition of controls by governmental authorities might also limit such forward (and futures) trading to less than that which Frontier Market would otherwise recommend, to the possible detriment of the Clients. Market illiquidity or disruption could result in major losses to the Clients. In addition, Clients will be exposed to credit risks with regard to counterparties with whom the Client trades as well as risks relating to settlement default. Such risks could result in substantial losses to the Clients.

Equity and Debt Swaps – In connection with equity and debt swap transactions, Frontier Market relies on the other party to a transaction to perform its obligations pursuant to the underlying agreement. If there were a default by the other party to a transaction, Frontier Market would have contractual remedies pursuant to the agreement, but could incur delays in obtaining the expected benefit of the transaction or loss of such benefit. In the event of the insolvency of the other party, the Client might be unable to obtain its expected benefit. In addition, while Frontier Market will seek to enter into such transactions only with parties which are capable of entering into closing transactions with the Clients, there can be no assurance that the Clients will be able to close out such a transaction with the other party, or obtain an offsetting position with any other party, at

any time prior to the end of the term of the underlying agreement. This may impair the Clients' ability to enter into other transactions at a time when doing so might be advantageous.

Structured Securities – Structured securities are securities whose value is determined by reference to changes in the value of specific currencies, interest rates, commodities, indexes or other financial indicators (the “Reference”) or the relative change in two or more References. The interest rate or the principal amount payable upon maturity or redemption may be increased or decreased depending upon changes in the applicable Reference. Structured securities may be positively or negatively indexed, so that appreciation of the Reference may produce an increase or decrease in the interest rate or value of the security at maturity. In addition, changes in the interest rates or the value of the security at maturity may be a multiple of changes in the value of the Reference. Consequently, structured securities may present a greater degree of market risk than other types of fixed income securities and may be more volatile, less liquid and more difficult to price accurately than less complex securities.

When Issued and Forward Commitment Securities – Frontier Market may purchase securities on a “when-issued” basis and may purchase or sell securities on a “forward commitment” basis in order to hedge against anticipated changes in interest rates and prices or for speculative purposes. These transactions involve a commitment by a Client to purchase or sell securities at a future date (ordinarily at least one or two months later). The price of the underlying securities, which is generally expressed in terms of yield, is fixed at the time the commitment is made, but delivery and payment for the securities takes place at a later date. No income accrues on securities that have been purchased pursuant to a forward commitment or on a when-issued basis prior to delivery to the Client. When-issued securities and forward commitments may be sold prior to the settlement date. If a Client disposes of the right to acquire a when-issued security prior to its acquisition or disposes of its right to deliver or receive against a forward commitment, it may incur a gain or loss. There is a risk that securities purchased on a when-issued basis may not be delivered and that the purchaser of securities sold by Frontier Market on a forward basis will not honor its purchase obligation. In such cases, the Clients may incur a loss.

Exchange-Traded Funds – Frontier Market may invest in exchange-traded funds (“ETFs”), which are a type of index fund bought and sold on a securities exchange. An ETF trades like common stock and represents a fixed portfolio of securities designed to track a particular market index. Frontier Market could purchase an ETF to temporarily gain exposure to a portion of the U.S. or a foreign market while awaiting purchase of underlying securities. The risks of owning an ETF generally reflect the risks of owning the underlying securities they are designed to track, although lack of liquidity in an ETF could result in it being more volatile and ETFs have management fees that increase their costs. ETFs are also subject to other risks, including: (a) the risk that their prices may not correlate perfectly with changes in the underlying index; and (b) the risk of possible trading halts due to market conditions or other reasons that, in the view of the exchange upon which an ETF trades, would make trading in the ETF inadvisable. An exchange-traded sector fund may also be adversely affected by the performance of that specific sector or group of industries on which it is based.

Insolvency Considerations with Respect to Issuers of Indebtedness – Various laws enacted for the protection of creditors may apply to indebtedness in which Frontier Market invests. Insolvency considerations may differ with respect to other issuers. If a court in a lawsuit brought by an unpaid creditor or representative of creditors of an issuer of indebtedness were to find that the issuer did not receive fair consideration or reasonably equivalent value for incurring the indebtedness and that, after giving effect to such indebtedness, the issuer (a) was insolvent, (b) was engaged in a business for which the remaining assets of such issuer constituted

unreasonably small capital or (c) intended to incur, or believed that it would incur, debts beyond its ability to pay such debts as they mature, such court could determine to invalidate, in whole or in part, such indebtedness as a fraudulent conveyance, to subordinate such indebtedness to existing or future creditors of such issuer, or to recover amounts previously paid by such issuer in satisfaction of such indebtedness. The measure of insolvency for purposes of the foregoing will vary. Generally, an issuer would be considered insolvent at a particular time if the sum of its debts was then greater than all of its property at a fair valuation, or if the present fair saleable value of its assets was then less than the amount that would be required to pay its probable liabilities on its existing debts as they became absolute and matured. There can be no assurance as to what standard a court would apply in order to determine whether the issuer was “insolvent” after giving effect to the incurrence of the indebtedness in which Frontier Market invested or that, regardless of the method of valuation, a court would not determine that the issuer was “insolvent” upon giving effect to such incurrence. In addition, in the event of the insolvency of an issuer of indebtedness in which Frontier Market invests, payments made on such indebtedness could be subject to avoidance as a “preference” if made within a certain period of time (which may be as long as one year) before insolvency. In general, if payments on indebtedness are avoidable, whether as fraudulent conveyances or preferences, such payments can be recaptured from the Client to which such payments were made.

Frontier Market does not anticipate conduct that would form the basis for a successful cause of action based upon fraudulent conveyance, preference or equitable subordination. There can be no assurance, however, as to whether any lending institution or other party from which Frontier Market may acquire such indebtedness engaged in any such conduct (or any other conduct that would subject such indebtedness and the Clients to insolvency laws) and, if it did, as to whether such creditor claims could be asserted in court against the Clients.

Highly Volatile Markets – The prices of Frontier Market’s investments can be highly volatile. Price movements of forward contracts, futures contracts and other derivative contracts in which Frontier Market may invest are influenced by, among other things, interest rates, changing supply and demand relationships, trade, fiscal, monetary and exchange control programs and policies of governments, and national and international political and economic events and policies. In addition, governments from time to time intervene, directly and by regulation, in certain markets, particularly those in currencies, financial instruments and interest rate-related futures and options. Such intervention often is intended directly to influence prices and may, together with other factors, cause all of such markets to move rapidly in the same direction because of, among other things, interest rate fluctuations. Moreover, since internationally there may be less government supervision and regulation of worldwide stock exchanges and clearinghouses than in the United States, the Clients are also subject to the risk of the failure of the exchanges on which their positions trade or of their clearinghouses, and there may be a higher risk of financial irregularities and/or lack of appropriate risk monitoring and controls.

Economic Conditions – Changes in economic conditions, including, for example, interest rates, credit availability, inflation rates, industry conditions, government regulation, competition, technological developments, political and diplomatic events and trends, tax and other laws and innumerable other factors, can affect Frontier Market’s investments and prospects materially and adversely. None of these conditions is within Frontier Market’s control and it may not anticipate these developments. These factors may affect the volatility of securities prices and the liquidity of the Clients’ investments. Unexpected volatility or illiquidity could impair the Clients’ profitability or result in losses.

Economic conditions also affect the Clients’ investment in fixed income securities. For example, an increase in overall interest rates will depress the investment value and consequently the price

of any bonds that the Client holds. The value of these securities also may be affected by non-payment of interest due on them, or liquidation or dissolution proceedings with respect to their issuers.

No Control Over Issuers of Portfolio Securities – Frontier Market may acquire substantial positions in the securities of particular companies. Nevertheless, Frontier Market is unlikely to be represented on the board of directors or share any control over the management of any such company. The success of each investment depends on the ability and success of the management of that company in addition to economic and market factors.

Limited Liquidity of Some Investments – Some of the securities in which Frontier Market invests may be relatively illiquid, either because they are thinly traded, because they are traded in the over-the-counter market or on a regional exchange, or because they are subject to transfer restrictions. Frontier Market may not be able to promptly liquidate those investments if the need should arise, and its ability to realize gains, or to avoid losses in periods of rapid market activity, may therefore be affected. In addition, the value assigned to such securities for purposes of valuing Interests and determining net profits and net losses may differ from the value the Client is ultimately able to realize.

PIPEs – Frontier Market may purchase equity securities that are restricted as to resale and issued by issuers which have outstanding, publicly-traded equity securities of the same class (PIPEs). The PIPEs may contain provisions requiring the issuer to pay specified financial penalties to the holder if the issuer does not publicly register the PIPEs within a specified period of time, but there is no assurance that the PIPEs will be publicly registered. Consequently, if the Client owns PIPEs, the Client may not be able promptly to liquidate its PIPEs investments if the need should arise.

Insolvency of Brokers and Others – The Clients are subject to the risk that the brokerage firms that execute Frontier Market's trades, the clearing firms that such brokers use, or the clearing houses of which such clearing firms are members, become insolvent. In such event, the assets in the Clients' account may become subject to the claims of general creditors of any such insolvent brokerage firm.

Dependence on Lawrence S. Speidell – Lawrence S. Speidell is the portfolio manager for the Clients, and manages the Clients' investment portfolios. No assurance exists that a suitable replacement could be found if Mr. Speidell becomes unavailable for any reason.

Effect of Substantial Withdrawals – Substantial withdrawals by Investors within a short period of time could require the Funds to liquidate securities positions more rapidly than would otherwise be desirable, possibly reducing the value of a Funds' assets and disrupting Frontier Market's investment strategy. Reduction in the size of the Funds could make it more difficult to generate a positive return or to recoup losses.

Withdrawal Payments in Kind – Frontier Market has the right to deliver amounts withdrawn in securities and other instruments rather than cash. Such securities or other instruments may be relatively illiquid and the withdrawing Investors would bear the risk of a decline in their value after the effective time of the withdrawal, as well as the transaction costs of selling them. A payment in kind may be comprised of, among other things, interests in trading or other vehicles holding the actual securities or other instruments or participations in the actual securities or other instruments.

Illiquidity of Interests – Because withdrawal rights are limited and Interests are only transferable subject to the discretion of the Frontier Market, an investment in the Funds is relatively illiquid. Such investment should be considered only by persons who do not anticipate any short-term need for their funds.

Limited Regulation – Frontier Market is registered as an investment adviser with the SEC under. However, each of the Funds intends to govern itself so that it will not be required to be registered as an investment company under the 1940 Act. As a result, certain protections of the 1940 Act will not be afforded to the Funds or their Investors. These include matters such as requiring at least 40% of an investment company's directors to be disinterested, regulating the relationship between the investment company and its adviser, requiring investor approval before fundamental investment policies can be changed, limiting concentration in a company's assets and the degree to which a fund can engage in short-term trading or purchase securities on margin, and limiting a fund's investments in certain types of securities and investments.

Reserves – Under certain circumstances, Frontier Market may find it necessary to establish reserves for contingent liabilities or withhold a portion of the Investors' proceeds at the time of withdrawal.

Potential Conflicts of Interest – Frontier Market will endeavor to ensure that any conflicts of interest are resolved fairly.

Because Frontier Market and its officers and employees may engage in other securities investment activities and businesses, including the management of trading accounts on their own behalf, conflicts of interest may arise among the Clients and these persons. Frontier Market's other clients may compete with the Clients for the same investment opportunities, which may be limited. Frontier Market is not obligated by contract to buy, sell or recommend for the Master Clients any security or other investment that may be bought, sold or recommended for other clients or for Frontier Market's own or related persons' account, but Frontier Market will fairly allocate the investment opportunity or ability to dispose of the investment in the event of an actual conflict.

Frontier Market may recommend trades for such other persons that are different from trading decisions made on behalf of the Clients. In addition, Frontier Market and its officers will be free to trade securities for their own accounts, provided that the management of such accounts not interfere with the performance of Frontier Market's obligations and duties to the Clients. The records of such trading will not be made available to the Investors. It is possible that on occasion trades for Frontier Market or its officers or its other clients could be opposite to those in which the Clients are participating, because Frontier Market, its officers or its other clients may be trading more aggressively. Also, securities owned by Frontier Market or its officers or other clients may be bought or sold at different time intervals than the securities owned by the Master Clients due to matters such as capital needs, availability of funds for investment and varying investment objectives.

Investors not subject to U.S. income tax may invest in the Offshore Funds. Frontier Market must balance the best interests of Investors in the Funds that are not exempt from U.S. income tax and investors in the Offshore Fund that are so exempt. Although it would be in the best interests of Investors to make investment decisions solely in light of U.S. income tax consequences, Frontier Market's investment decisions may at times reflect an attempt to maximize the Funds' investments without regard to U.S. income tax consequences to benefit Offshore Fund investors.

Orders on behalf of the Clients may be "bunched" with the orders of Frontier Market, its officers or its other clients. This practice may result in Clients' obtaining a better average trade price and

lower commission charge than might otherwise be available to the Clients without such bunching. This practice may also result in the Clients obtaining a less advantageous trade price and paying a higher commission charge that might otherwise be available to the Clients without such bunching.

Frontier Market is accountable to the Clients as a fiduciary and, consequently, must exercise good faith and integrity in managing the Clients' affairs and in resolving questions involving potential and actual conflicts of interest. This duty exists in addition to the various duties of, and limitations on, Frontier Market. Frontier Market will endeavor to conduct the affairs of the Clients in a manner fully consistent with its fiduciary obligations.

Required Withdrawal of an Investor – Frontier Market in its sole and absolute discretion, may at any time give notice in writing to require an Investor to withdraw all or any portion of its capital account balance in the Funds. An Investor may therefore be required to withdraw all or any portion of its capital account balance at a time when it might not otherwise do so.

Early Termination of the Funds – Upon Frontier Market's bankruptcy, dissolution or voluntary withdrawal from the Funds, the written election of Frontier Market, or the judicial dissolution of the Funds, such Fund will terminate its business and activities and wind up its affairs. There is no minimum term for the Funds' operations. This could result in termination of an Investors' investment in the Funds at a time when it might not otherwise do so.

Tax Treatment – The tax aspects of an investment in the Clients are complicated, and each prospective Investor should have them reviewed by professional advisers familiar with the prospective Investor's personal tax situation and with the tax laws and regulations as applicable to the prospective Investor. The Fund is not intended and should not be expected to provide any tax shelter.

ERISA Considerations – Prospective investors subject to ERISA should consult their own advisers as to the application of ERISA to an investment in the Clients. In order to avoid the Funds' assets being classified as "plan assets" of employee benefit plans subject to Title I of ERISA or Section 4975 of the U.S. Internal Revenue Code of 1986 ("Code"), Frontier Market will use its reasonable efforts to limit investment in a Fund by Benefit Plan Investors to less than 25% of the value of each class of the outstanding interests in the Fund (excluding the interests held by Frontier Market and its affiliates). If the Fund fails to limit investment in the Fund by Benefit Plan Investors to less than 25% of the value of each class of equity interests in the Fund and assets of the Fund were deemed to be "plan assets" of the Investors which are employee benefit plans subject to ERISA ("Plans"), transactions involving the assets of the Fund with "parties in interest" under ERISA or "disqualified persons" under the Code with respect to such Plans might be prohibited under Section 406 of ERISA and Section 4975 of the Code.

Item 9 – Disciplinary Information

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of Frontier Market or the integrity of Frontier Market's management. Frontier Market has no information applicable to this Item.

Item 10 – Other Financial Industry Activities and Affiliations

Frontier Market provides investment advice and management to Clients as described above, including but not limited to Frontier Market Opportunities Fund, L.P., Frontier Market Opportunities Fund, Ltd., Frontier Market Opportunities Master Fund, L.P., Frontier Market Select Fund, L.P. and Frontier Market Select Fund II, L.P.

Item 11 – Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

Frontier Market has adopted a Code of Ethics (“Code”) that describes the standards of business conduct that it requires of employees and accounts owned predominantly by persons associated with Frontier Market, and establishes procedures intended to prevent Frontier Market, and its personnel and certain of their relatives, from inappropriately benefiting from Frontier Market’s relationships with its clients. The Code provides:

- Frontier Market’s clients’ interests come before Frontier Market’s or employees’ interests;
- Frontier Market must disclose to Clients all material facts about conflicts of which it is aware between Frontier Market’s and its employees’ interests on the one hand and Clients’ interests on the other;
- employees must operate on Frontier Market’s and their own behalf consistently with Frontier Market’s disclosures to and arrangements with clients regarding conflicts and its efforts to manage the impacts of those conflicts;
- Frontier Market and its employees must not take inappropriate advantage of Frontier Market’s Clients or their positions of trust with or responsibility to clients; and
- Frontier Market and its employees must comply with all applicable securities laws.

The Code requires employees to report personal securities holdings on a periodic basis.

In addition, Frontier Market monitors all employees’ securities transactions. The Code includes procedures for and restrictions on employee trading intended to prevent employees from benefiting from, or appearing to benefit from, any price movement that may be caused by Client transactions. The Code also contains restrictions on and procedures to prevent inappropriate trading while Frontier Market is in possession of material nonpublic information.

Frontier Market will provide a copy of its Code of Ethics to any Client or prospective Client upon request. A request may be made by submitting a written request to Frontier Market at the address on the cover page to this brochure.

Participation or Interest in Client Transactions.

Neither Frontier Market nor its officers, partners, directors, or employees may recommend to Clients, or buy or sell for Client accounts, securities in which they have a material financial interest (this may include, among other things, buying securities from or selling securities to clients; soliciting client investments in a partnership in which they act as general partner; or acting as an investment adviser to an investment company or other pooled investment vehicle that they recommend to clients). This involves a conflict of interest. As such, Frontier Market prohibits its employees and related persons from engaging in these types of transactions.

Personal Securities Transactions.

Frontier Market, its officers, partners, directors, and employees are prohibited from trading in any equity securities, equity options, warrants or other instruments convertible into equities, however, they are allowed to hold those instruments as long-term investments. This involves a conflict of interest because they will have an incentive to prefer their own interests to those of the Clients'. Frontier Market addresses these conflicts by establishing policies and procedures to monitor and resolve conflicts of interest and will endeavor to resolve conflicts with respect to investment opportunities in a manner it deems equitable to the extent possible under the prevailing facts and circumstances.

Item 12 – Brokerage Practices

Frontier Market will have complete discretion in deciding what brokers and dealers the Funds will use and in negotiating rates of brokerage compensation.

General Selection Criteria

In choosing brokers and dealers, Frontier Market will not be required to consider any particular criteria. For the most part, Frontier Market will seek to obtain the best combination of brokerage expenses and execution quality of the Client transactions, but, as discussed below, Frontier Market is not required to select the broker or dealer that charges the lowest transaction cost, even if that broker provides execution quality comparable to other brokers or dealers. In evaluating "execution quality," historical net prices (after markups, markdowns or other transaction-related compensation) on other transactions will usually be a principal factor, but other factors will also be relevant, including the execution, clearance, and settlement and error correction capabilities of the broker or dealer generally and in connection with securities of the type and in the amounts to be bought or sold; the broker's or dealer's willingness to commit capital; its reliability and financial stability; the size of the transaction; the availability of securities to borrow for short sales; and the market for the security. Frontier Market has no obligation to deal with any broker or dealer in executing transactions in the Clients' portfolio securities. Frontier Market may cause the Clients to pay a brokerage commission in excess of that which another broker might charge for effecting the same transaction in recognition of the value of the brokerage, research and other services.

Soft Dollars

Frontier Market will not enter into "soft dollar" arrangements with brokers or dealers.

Aggregation of Orders

Frontier Market may advise client accounts other than the Clients for which it has trading authority or an economic interest. To the extent Frontier Market advises other accounts, it may make investment decisions for the Clients together with or independently from its other accounts. Investments of the kind made by the Clients may often also be made by such other accounts. Frontier Market may combine orders on behalf of the Clients with orders for other accounts for which Frontier Market has trading authority or in which Frontier Market has an economic interest. In such cases, Frontier Market will use its best efforts to allocate the securities or proceeds arising out of those transactions (and the related transaction expenses) equitably among the various participants. While Frontier Market believes combining orders in this way will, over time, be advantageous to all participants, in particular cases the price could be less advantageous to the Clients than if the Clients been the only account effecting the transaction or had completed its transaction before the other participants.

Cross Trades

Periodically, Frontier Market, in accordance with applicable regulatory requirements (including those relating to Employee Retirement Income Security Act of 1974 (“ERISA”), if applicable), may seek to adjust or rebalance the portfolios of investment accounts and/or private investment clients under management by Frontier Market or an affiliate (“Advisory Clients”) by effecting cross trades between or among such accounts or funds (*i.e.*, causing one or more accounts or funds to sell securities to one or more other accounts or funds). Such transactions may involve the Clients. In effecting such cross trades, the Frontier Market seeks to reduce the transaction costs of such portfolio adjustments to its Advisory Clients. All such cross trades will be consistent with the investment objectives and policies of each Advisory Clients involved in the transaction, and will be effected at a current independent market price of the securities involved in the trades determined by Frontier Market. Advisory Clients involved in any cross trades will not pay any brokerage commissions or mark ups in connection with such trades, but may pay customary transfer fees (*i.e.*, aggregate ticket charges) that are assessed through any unaffiliated broker dealers through which the trades are effected.

Item 13 – Review of Accounts

Frontier Market performs various monthly, quarterly and periodic reviews of the Clients’ portfolios. Such reviews are conducted by Frontier Market’s portfolio managers and research associates.

Frontier Market, on behalf of each Fund, sends investors unaudited quarterly reports of the Clients’ performance, and annual audited financial reports prepared by the Clients’ auditors.

Item 14 – Client Referrals and Other Compensation

Registered investment advisers are required to disclose all material facts regarding any compensation or other benefits it receives, directly or indirectly, for client referrals. Frontier

Market may pay or redirect a portion of its management fee or reallocate a portion of its performance allocation attributable to an Investor's Interest to persons who have introduced such Investor to Frontier Market.

Item 15 – Custody

Custody, Clearing and Settling

Frontier Market obtains custodial, clearing, settlement and related services on behalf of its Clients through what is known as a “custodial” arrangement. Under that arrangement, a brokerage maintains custody of each Client's assets (either directly or through its clearing brokerage firm). The brokerage is a “qualified custodian” and maintains custody of each client's funds and securities in a separate account for that Client. In addition, Frontier Market may have sub-custodial arrangements with certain regional broker-dealers and banks selected by the Frontier Market in frontier markets in which Frontier Market invests. Frontier Market reserves the right to change the custodian or enter into additional custodial arrangements at any time.

At the end of each fiscal year, each of Frontier Market's Clients has its financial statements examined and certified by an independent certified public accountant. Copies of the audited financial statements are furnished to each Investor as soon as practicable after the end of each fiscal year. Unaudited quarterly performance reports also will be provided to each Investor. Quarterly reports may be made available solely in electronic form.

Item 16 – Investment Discretion

Frontier Market has broad discretion, without limitation, to determine the:

- securities to be bought or sold for Clients' accounts;
- amount of securities to be bought or sold for Clients' accounts;
- broker or dealer to be used for a purchase or sale of securities for Clients' accounts; and
- commission rates to be paid to a broker or dealer for Clients' securities transactions.

Pursuant to each Client's governing documents, Investors designate Frontier Market as its attorney-in-fact to execute, certify, acknowledge, file, record and swear to all instruments, agreements and documents necessary or advisable to carrying out the Client's business and affairs. An Investor's execution of a subscription agreement constitutes its execution of a Client's governing documents.

Item 17 – Voting Client Securities

Frontier Market has adopted proxy voting policies and procedures. The policies require Frontier Market to vote proxies received in a manner consistent with the best interests of the Clients.

The policies also require Frontier Market to vote proxies in a prudent and diligent manner intended to enhance the economic value of the assets of the Clients. However, the policies permit Frontier Market to abstain from voting proxies in the event that a Client's economic interest in the matter being voted upon is limited relative to Client's overall portfolio or the impact of the Client's vote will not have an effect on its outcome or on the Client's economic interests.

Certain of Frontier Market's proxy voting guidelines are summarized below:

- Frontier Market votes for: uncontested director nominees recommended by management; the election of auditors recommended by management, unless a dispute exists over policies; limiting directors' liability; and eliminating preemptive rights.
- Frontier Market votes against proposals to: entrench the board or adopt anti-takeover measures; proposals to provide cumulative voting rights; and social issues.

Although many proxy proposals can be voted in accordance with Frontier Market's proxy voting guidelines, some proposals will require special consideration, and Frontier Market will make a decision on a case-by-case basis in these situations, including proposals to: eliminate director mandatory retirement policies; rotate annual meeting locations and dates; grant options and stock to management and directors; and indemnify directors and/or officers.

Where a proxy proposal raises a material conflict between Frontier Market's interests and the interests of the Clients, Frontier Market will seek to resolve the conflict.

Frontier Market will provide, upon request, a copy of those policies and procedures and/or information concerning its voting record on account proxy matters. Such a request may be made by calling Sunshine Alexis Stein at (858) 456-1440 or at sunshine@frontiermkt.com.

Item 18 – Financial Information

Registered investment advisers are required in this Item to provide investors with certain financial information or disclosures about Frontier Market's financial condition. Frontier Market has no financial commitment that is reasonably likely to impair its ability to meet contractual commitments to Clients.

Item 19 – Requirements for State-Registered Advisers

Frontier Market is not registered with any state. Therefore, Frontier Market has no information applicable to this item.