



frontier|asset|management

**February 25, 2015**

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**This brochure contains information about the investment processes and business practices of Frontier Asset Management, LLC (“Frontier”) as well as information about the backgrounds and qualifications of Frontier’s personnel. If you have any questions about the contents of this brochure, please contact us at (307) 673-5675 or [info@frontierasset.com](mailto:info@frontierasset.com).**

**The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.**

**Additional information about Frontier is also available at [www.advisorinfo.sec.gov](http://www.advisorinfo.sec.gov).**

## Summary of Material Changes

Since the last annual update of this document, which was dated March 20, 2014, there have been the following material changes for the clients of financial advisors:

1. Scott MacKillop, President and Chief Compliance Officer, left Frontier Asset Management January 31, 2015.
2. Robert E. Miller, CFA, Principal, as of February 1, 2015 was appointed as the Chief Compliance Officer.

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## Frontier's Business

**We are portfolio management experts.** Frontier's primary business is managing portfolios for the clients of a select group of independent financial advisors. We also provide investment consulting services to financial advisors and institutional clients. We accept a limited number of direct clients.

**We are highly experienced.** Frontier was founded in 2000 by Gary A. Miller, CFA. Mr. Miller began managing portfolios of mutual funds in 1987. Our firm is managed by a seasoned team of industry veterans. We have managed portfolios through a wide range of market environments.

**We are independent and objective.** Our firm is majority owned and controlled by its management. Together, Gary A. Miller, CFA (Founder and Chief Investment Officer), Jeremy van Arkel, CFA (Principal) and Robert E. Miller, CFA (Principal) own 89% of the firm.

Our advice is objective. We do not offer proprietary products. As fiduciaries, we put the interests of our clients before our own. We invest our money using the same strategies we offer our clients. Frontier is registered as an investment advisor with the Securities and Exchange Commission under the Investment Advisers Act of 1940.

**We offer a variety of investment strategies.** Each portfolio is managed within a specified framework of return objectives and limits on risk. This allows clients, working with their financial advisors, to select a portfolio that is consistent with their goals, preferences and tolerance for risk.

Frontier's portfolios can be divided into two categories. Globally Diversified portfolios are constructed using a wide range of asset classes and are designed to satisfy the "core portfolio" needs of investors at defined risk levels. There are minimum and maximum constraints placed on the percentage of assets that can be allocated to 5 major asset class groups.

Alternative Strategies may be broadly diversified, but since there are no asset class constraints on our Alternative Strategies, they may, at times, be more narrowly concentrated than our Globally Diversified portfolios.

Most of our portfolios consist entirely of open-end mutual funds. Some of our portfolios may contain Exchange Traded Funds (ETFs). On request we may create customized portfolios for clients and/or use other investment vehicles in our portfolios. We offer our portfolios on both a discretionary and a model basis.

***Discretionary Accounts.*** We enter into an investment advisory agreement with the client and the client's financial advisor. Both Frontier and the client's financial advisor serve as fiduciaries to the client under this agreement, which means they are required to put the client's interests before their own.

Frontier's primary responsibility is to manage the client's assets on a discretionary basis. This means that Frontier initiates transactions in the client's account without prior approval. Frontier initiates these transactions directly through the independent custodian that holds the client's assets.

Every quarter we prepare performance reports to help clients assess the value of our services and measure progress toward their goals. These reports show clients where they stand and help them stay on track.

We offer a tax management service. Tax benefits will vary depending upon market conditions and each client's individual tax situation. We believe clients will benefit from this service over most time periods.

Frontier also offers billing services. Through this service Frontier automatically collects its fee and the advisor's fee directly from the client's account and distributes the advisor's portion to the advisor.

To help support the relationship between financial advisors and their clients Frontier provides periodic updates regarding the portfolios it manages, general market commentary and a variety of administrative services.

The client's financial advisor serves as the client's investment advisor and consultant. In that role the advisor provides services such as:

- helping the client identify long-term goals and investment objectives

- developing an investment strategy to achieve those goals and objectives
- determining the ongoing suitability of Frontier's services for the client
- helping the client assess the performance of the client's account
- interacting directly with Frontier on client's behalf

The financial advisor may provide other services to the client as agreed between the advisor and the client.

**Model Portfolios.** Frontier provides model portfolios to investment advisory firms, which, in turn, offer our models to their clients. We do not enter into direct relationships with, or serve as fiduciaries to, these clients. Instead, we serve as a sub-advisor to the firms that offer our models and are paid by them.

As a sub-advisor, Frontier periodically recommends purchase and sale transactions with respect to the management of the model portfolios. The firms that offer our models are solely responsible for implementing all trading activity that Frontier recommends. They are also responsible for providing all administrative and performance reporting services to their clients.

We do not provide tax management services for our model portfolios.

**Consulting Services.** Frontier provides investment consulting services to financial advisors and institutional clients. Our consulting services include advice relating to a broad range of investment issues such as asset allocation, manager selection, portfolio design and construction, performance measurement and development of investment policy statements.

**Direct Accounts.** On occasion, Frontier accepts direct investment advisory clients and manages accounts for those clients on a discretionary basis. These relationships are typically limited to "friends and family" situations, charitable organizations that request Frontier's services or existing Frontier clients whose financial advisor is no longer able or willing to service the client's account.

**Assets Under Management.** As of December 31, 2014, Frontier provided investment advisory services to clients on the following basis (approximate):

**Discretionary Assets**

\$913,986,243

**Non-Discretionary Assets**

\$800,353,451

Discretionary Assets are those accounts where Frontier is authorized to make purchases and sales of securities for the account without obtaining prior approval from the client or the client's financial advisor. This includes accounts referred to as Discretionary Accounts and Direct Accounts above.

Non-Discretionary Assets include Model Portfolio (\$743,518,165) and Consulting Services (\$54,118,470) relationships. Frontier provides advice to these accounts, but does not trade or manage these accounts.

**Fees and Compensation**

*Discretionary Accounts.* Our annual fees for managing mutual fund portfolios on a discretionary basis for the clients of financial advisors are:

<b>Account Size</b>	<b>Investment Management</b>	<b>Account Administration</b>	<b>Maximum</b>
Up to \$1 million	.40%	\$400	\$3,000
\$1 to \$3 million	.30%	None	\$7,500
\$3 to \$10 million	.25%	None	\$20,000
\$10 to \$30 million	.20%	None	\$45,000
\$30 to \$100 million	.15%	None	\$100,000
Over \$100 million	.10%	None	None

The investment management fee for accounts invested in our Short-Term Reserve portfolio is .30%. There is no account administration fee.

We also charge \$200 per year on accounts under \$1 million for our optional tax management services, should clients select our tax-sensitive portfolios.

Frontier offers a Small Account Solution (SAS) for accounts up to \$100,000. The annual Frontier investment management fee under the SAS program is .80%. There is no account administration fee. We do not offer tax management or performance reporting services for SAS accounts.

The financial advisors that provide investment advisory and consulting services to clients charge a fee for their services. That fee is established solely by the financial advisor and usually is set forth separately in the investment advisory agreement among Frontier, the advisor and the client.

Typically, Frontier collects both its fee and the financial advisor's fee from the client's account and distributes the advisor's fee to the advisor. In certain situations where the financial advisor is affiliated with a broker-dealer, Frontier may pay a portion of its fee to the broker-dealer to compensate the broker-dealer for administrative, supervisory and marketing costs it incurs in connection with these relationships.

*Model Portfolios.* The fees charged in connection with model-based relationships vary depending upon the number of models provided, the amount of effort required to create the models, the size and nature of the relationship and the level of service required.

Since the level of investment management effort and day-to-day operational activity is typically less for model-based relationships than for discretionary relationships, the fees for model-based relationships are usually lower than those for discretionary relationships. The annual fees for model-based relationships range from .10% to .40% of assets under management.

*Consulting Services.* Frontier's annual fees for investment consulting relationships are:

<b>Account Size</b>	<b>Annual Fee</b>	<b>Maximum</b>
\$10 to \$30 million	.25%	\$54,000
\$30 to \$100 million	.18%	\$120,000
\$100 to \$300 million	.12%	\$300,000
\$300 million to \$1 billion	.10%	\$800,000
Over \$1 billion	.08%	None

Frontier's fees for consulting services also may be charged on a fixed fee or hourly basis and vary depending upon the nature and scope of the assignment.



*Direct Accounts.* Frontier's annual fees for direct accounts are:

<b>Account Size</b>	<b>Annual Fee</b>
Up to \$500,000	1%
For the next \$500,000	.8%
For the next \$1 million	.6%
Over \$2 million	.5%

Frontier is committed to providing discretionary investment management services only through independent financial advisors and generally does not provide such services directly to members of the public. In very limited circumstances, Frontier provides direct, discretionary services to "friends and family," charitable organizations and existing clients whose financial advisor is no longer willing or able to service their account.

Frontier does not provide many of the valuable consulting and advisory services typically provided by financial advisors. Frontier charges lower fees to clients who access its services through financial advisors.

There is no additional charge for our optional tax-management services for direct accounts. However, the account must be a minimum of \$250,000 in order to select one of our tax-sensitive portfolios. The goal is to reduce the taxes paid on taxable portfolio accounts, any further tax advice should be discussed with a certified public accountant.

For discretionary and direct investment management relationships, Frontier generally requires payment in advance at the beginning of each calendar quarter. We typically debit each account shortly after the beginning of each quarter, based on the value of the account on the last day of the preceding quarter.

In limited circumstances Frontier may honor requests to directly bill a client for Frontier's fees rather than having the fees deducted automatically from the account. There is an annual charge of \$100 for this direct bill service.

For accounts that start during a quarter, Frontier charges a prorated fee for the partial quarter. The prorated fee is based on the value of the account on the

first day when we begin to manage the account. (Occasionally, there is a delay between when an account is opened and when we begin to manage it.)

Discretionary and direct relationships are generally terminable at any time by the client. Prorated fee refunds are given for accounts that are terminated during a quarter. Refunds are automatically made to the client's account (if Frontier still has access to it) or are sent to the client's address of record. Calculation of prorated refunds is based on the last day that Frontier takes any action relating to the management or administration of the account.

For model-based and investment consulting relationships, the timing and procedures for payment and for termination of the relationship vary and are negotiated based on the nature, scope and type of relationship involved.

None of the above fees include brokerage or custodial fees that may be charged by a custodian. Nor do they include transaction fees and redemption charges associated with purchases and sales of mutual funds for the account.

The mutual funds purchased for client accounts charge internal management fees and incur expenses that are deducted from the assets of the fund. These fees and expenses are in addition to Frontier's fees. Refer to the fund prospectus for the amount of these fees and expenses.

Occasionally, upon request, Frontier will maintain an unmanaged account for a client in its portfolio accounting system. Typically, Frontier charges \$500 annually for this service and collects the fee, in advance, on a quarterly basis.

All Frontier fees are subject to negotiation.

### **Performance-Based Fees**

Frontier does not charge any performance-based fees or fees based on a share of capital gains or capital appreciation of the assets in an account.

## Types of Clients

Frontier manages taxable and non-taxable accounts for affluent individuals and retirement accounts such as 401(k) and profit-sharing plans.

Frontier provides investment management and consulting services to financial advisors and institutional clients, including endowments, foundations, corporations and other investment advisory organizations.

Frontier manages accounts that vary greatly in size. As of December 31, 2014 Frontier's largest discretionary client had assets of over \$68 million and its smallest accounts were under \$100,000.

Frontier's minimum account size for discretionary and direct investment management relationships is \$25,000. Minimums for model-based programs are established by the program sponsor. There is a \$10 million minimum account size and a \$25,000 minimum annual fee requirement for investment consulting relationships. These minimums are subject to negotiation.

## Methods of Analysis, Investment Strategies and Risk of Loss

Frontier constructs a wide variety of investment portfolios for its clients. Each portfolio is managed within a specified framework of return objectives and limits on risk. All portfolios that are managed by Frontier on a discretionary basis are available in a tax-sensitive version. Many Frontier portfolios are also offered as Christian World View portfolios, which are managed from a biblically responsible perspective. The portfolios are listed below:

**Globally Diversified:** Global Opportunities; Long-Term Growth; Growth & Income; Balanced; Conservative; Conservative-Income; Capital Preservation.

**Alternative Strategies:** Focused Opportunities; Absolute Return Plus; Absolute Return; Short-Term Reserve.

**Asset Allocation.** Frontier believes strongly in the benefits of portfolio diversification. We attempt, through asset allocation strategies, to achieve the return targets of our portfolios while controlling or limiting portfolio volatility.

The first step in our process is determining which types of investments, or “asset classes,” we will use in constructing our portfolios. Currently (as of February 25, 2015), the list of asset classes we use includes the following:

US Large Stocks	Real Estate Investment Trusts
US Small Stocks	Floating Rate Securities
International Large Stocks	US High Quality Bonds
International Small Stocks	US High Yield Bonds
Emerging Markets Stocks	Long-Term Government Bonds
Managed Futures	International Bonds
Commodities	TIPS
Absolute Return	Treasury Bills

Many asset classes contain sub-groups that we can also use to our advantage in building portfolios. For example, US Large Stocks and US Small Stocks have “growth” and “value” subgroups with different performance characteristics.

We don’t use all asset classes and sub-groups in all portfolios. We use only those we believe are appropriate given the portfolio’s investment objectives.

Next we establish our long-term asset allocation strategy. That strategy is based on our estimates of the future long-term return and risk characteristics of each asset class and the relationships among their performance patterns.

As the investment environment changes, we alter the asset allocation strategy to reflect those changes. We have developed quantitative models that tell us when allocation adjustments may be appropriate. These models focus on long-term future asset class return, risk and correlation expectations.

For our Globally Diversified portfolios we set asset allocation ranges for each of 5 major asset class groups. We take these ranges into account in making allocation adjustments.

**Mutual Fund Selection.** Most of Frontier’s portfolios are constructed using mutual funds. We believe that mutual funds give us access to many of the world’s best money managers at reasonable cost. They are highly liquid and

allow us to achieve broad portfolio diversification in a very efficient manner. We also believe mutual funds are safe relative to many other investments.

Frontier's mutual fund selection process relies on qualitative and quantitative factors. The goal of this process is to identify mutual fund managers who are highly skilled and who can, when combined with other managers in a portfolio, contribute to achieving the investment objectives of that portfolio.

The heart of our quantitative process is our use of returns-based style analysis. Style analysis helps us establish a unique performance benchmark for each manager. We believe these benchmarks help us determine which managers have added value in the past and have the requisite skills to do so in the future.

Our qualitative process helps us identify characteristics that we believe are important in good managers. The goal is to identify managers who:

- have experience managing assets in various market environments
- will act in the best interest of our clients
- are passionate about investing
- manage assets using a unique strategy
- are flexible in their approach
- charge a reasonable fee for their services
- are highly motivated to generate results that will benefit our clients

Of course, not all the managers we select have all of these qualities, but we look for managers with as many of them as possible.

Once we have identified a group of mutual funds that are eligible for inclusion in our portfolios, we use a proprietary process to combine them. This process is designed to create a portfolio of funds whose respective investment styles and approaches will complement each other over time. Frontier believes that properly combining mutual funds in a portfolio is an important factor that can contribute to a portfolio's success in achieving its investment objectives.

Once Frontier has established the asset allocation strategy, selected mutual funds and combined them in a portfolio, it monitors the strategy and the funds

in the portfolio. We may make adjustments to our asset allocation strategy and/or replace funds in a portfolio when we believe adjustments are advisable.

There are always risks when it comes to investing. Securities such as mutual funds rise and fall in value based on many factors. There is no guarantee that Frontier's portfolios will achieve their investment objectives. We attempt to limit declines in our portfolios, but their performance is highly dependent on the performance of the securities markets. Clients should be prepared for the possibility of losses.

### **Disciplinary Information**

Frontier maintains high standards of ethics and integrity for its employees. Neither Frontier, nor any of its employees:

- has ever been the subject of any legal, administrative or disciplinary action by any governmental or regulatory authority
- has ever been the subject of any lawsuit or proceeding brought by a client or financial advisory firm
- has ever been the subject of any criminal proceeding

### **Other Financial Industry Activities and Affiliations**

Frontier's only business is providing investment management and consulting services to its clients. Frontier is majority owned and controlled by its management. Frontier serves as a fiduciary to its clients, which means that it puts its clients' interests before its own.

Frontier does not receive any payments or compensation, either directly or indirectly, from any of the mutual funds that it purchases for its clients. All purchases and sales for client accounts are based solely on Frontier's consideration of the clients' best interests.

Frontier receives payments from the custodian, Fidelity, based on the amount of "no-transaction fee funds" ("NTF funds") held in Frontier client accounts. These "revenue sharing" payments represent a return of a

portion of the fee that the fund company pays Fidelity to participate in its “no-transaction fee” program.

The amount of these payments varies depending on the amount of assets held in custody at Fidelity by Frontier clients. Currently, the amount is calculated and paid quarterly at an annual rate of .10% of all NTF funds held in Frontier client accounts, but the payments could rise to .15% if the assets held at Fidelity by Frontier clients increases.

In some cases, Frontier credits these amounts to its clients as an off-set against its investment management fees. In other cases, Frontier retains these fees. In either case, the manner in which these fees are handled is disclosed in the client agreement. Frontier does not consider these payments when determining which funds to purchase for client accounts.

### **Code of Ethics, Conflicts of Interest and Personal Trading**

All Frontier employees are subject to its Rules of Conduct, which sets standards of behavior that are intended to establish a high level of professionalism, integrity and fair dealing with clients. All Frontier employees are subject to its provisions.

Under its Rules of Conduct, Frontier allows employees to maintain personal securities accounts at any broker-dealer. They are free to initiate trades in those accounts without prior review or approval. They are permitted to purchase mutual funds for their accounts that are purchased by Frontier for client portfolios. All full time employees of Frontier have accounts that are managed by Frontier using the same strategies that we use for our clients. Employees are not allowed to:

- trade on inside information
- “front-run” or trade in anticipation of client transactions
- engage in trading activity prohibited under the federal securities laws
- engage in transactions that conflict with our clients’ best interests

Employees are required to provide reports of their securities holdings and transactions on a periodic basis. These reports are reviewed by the firm's compliance personnel.

A copy of Frontier's Rules of Conduct is available to any client or prospective client upon request. Requests should be directed to Frontier at the address shown on page 1 of this brochure.

## **Brokerage Practices**

Frontier manages accounts on a discretionary basis for many of its clients. That means that Frontier can buy and sell securities for the client without obtaining permission for each transaction prior to initiating it.

Frontier has adopted trading policies and procedures to help ensure that it lives up to its fiduciary duties and duty of fairness to its clients. These policies and procedures serve as guidelines for all Frontier employees in the management and trading of discretionary accounts and model portfolios.

Frontier initiates transactions for discretionary accounts through the broker or custodian selected by the client to maintain that account. Brokers and custodians provide trading and custody services for clients.

Most portfolios managed by Frontier consist of mutual funds. All mutual funds purchased for client accounts will be purchased without any "sales load" or commission. This means neither Frontier nor any of its employees receives any payment from the mutual fund company in connection with the purchase of mutual fund shares.

Some mutual funds purchased for client accounts are available on a "transaction-fee" basis. That means that the broker or custodian through which Frontier purchases or sells the fund charges the client a fee in connection with the transaction. Frontier does not receive any portion of these fees.

Other mutual funds purchased for client accounts are purchased on a "no-transaction fee" basis. That means they can be purchased and sold without the imposition of any transaction fee. We call these "no-transaction fee funds."



Many Frontier clients maintain their accounts at Fidelity. No-transaction fee funds that sell their shares through Fidelity pay Fidelity a fee to participate in Fidelity's "no-transaction fee" program. Fidelity, in turn, pays a portion of that fee to Frontier whenever it buys no-transaction fee funds for client accounts.

In some cases, Frontier credits clients with the fees received from Fidelity. This credit is applied against Frontier's investment management fee. In some cases, Frontier retains these payments and applies them against its operating costs.

The existence and treatment of these payments from Fidelity is disclosed to clients in their investment advisory agreement with Frontier. Frontier is not influenced by, and does not consider, the receipt of these payments in determining which funds to purchase for client accounts.

Frontier does not have the authority to determine which brokers or custodians its clients use or the fees that they charge. Frontier may decline to manage an account that is maintained at any broker or custodian with which it does not have an existing relationship.

Frontier does recommend brokers/custodians to its discretionary account clients. We base our recommendations on a number of factors, including:

- cost to the client
- quality and cost of trade execution
- skill and experience of the broker/custodian
- quality of monthly statements and online access
- ease of use and operational efficiency for Frontier
- availability of mutual funds through the broker/custodian
- level and responsiveness of service to Frontier and our clients
- the value or benefit of other services or support provided to Frontier

Some services provided by brokers/custodians may benefit Frontier, but may not directly benefit clients. These include compliance consulting, research, technology tools and discounts on products and services.

These services are generally offered to investment advisors that manage accounts through these brokers/custodians. The offering of these services to Frontier may present a potential conflict of interest. Frontier believes that its recommendations are always made in the client's best interest.

In the past, Fidelity has provided partial sponsorship of Frontier's annual conference, sent holiday gifts to Frontier's office and purchased meals for Frontier executives in the normal course of business. We believe these expenditures are modest in amount, reasonable given the nature of the relationship between the firms and do not significantly influence our recommendation of Fidelity as a custodian.

Discretionary accounts are traded on an individual account basis and trades are not aggregated. This allows us to trade each account in the manner most appropriate for each client. We believe this is a benefit to our clients.

We do not trade model-based portfolios. Rather, we provide information to the firms that offer our models about how they should be traded. Those firms are then solely responsible for implementation of those instructions. Frontier does not monitor or supervise the trading activity of these firms.

## **Review of Accounts**

Each portfolio managed by Frontier is monitored on a daily basis to determine if it falls within certain asset class and mutual fund tolerance levels established for each portfolio. Portfolios may fall outside established tolerances for reasons such as market movements, client contributions or withdrawals. Adjustments are made to bring portfolios back within established tolerances when they are deemed beneficial.

These reviews are conducted by the portfolio management team, which consists of four people. The team is supervised by Robert E. Miller, CFA, Principal. The team includes two Investment Analysts and three Relationship Managers, who have supervisory responsibility for all accounts (approximately 2,704 accounts, as of December 31, 2014).

The review process is highly automated. Portfolio tolerance levels are monitored by Frontier's proprietary computer systems. All trades are reviewed and approved by members of the portfolio management team.

Frontier's Investment Committee has four voting members: Gary A. Miller, CFA; Jeremy van Arkel, CFA; Robert E. Miller, CFA; and Charles Burgess, CFA. Committee meetings are generally attended by one or more members of the portfolio management team.

The Investment Committee designs and reviews the models for each investment strategy managed by Frontier. We review our model portfolios periodically (at least once a month) to determine whether their allocations to various asset classes and mutual funds should be adjusted.

In these reviews we consider a number of factors. These include the expected risk/return characteristics of an asset class, our assessment of the advisability of investing in a particular mutual fund and our assessment of whether a different combination of managers would provide better performance characteristics for the portfolio in the future.

Once Frontier determines that a client's account should be traded or a request to initiate trading in a client account is received, Frontier executes all trades on a "best efforts" basis. We do not guarantee that trades will be initiated or settled within a particular time period or at a particular price.

Our specialty is trading mutual funds at the custodial firms where our clients maintain their accounts. We do our best trading other types of securities, but we have no special expertise in those areas.

Most of the trades we execute are initiated internally as part of our portfolio management responsibilities. We make no effort to time the market or guess the direction of the market in the short-term in executing trades. When advisors provide specific trading instructions relating to an account, we use reasonable efforts to execute them as directed.

Frontier offers quarterly performance reports for most of the accounts it manages on a discretionary basis. These reports detail transactions in each

account, cash flows into and out of each account, asset allocation information and portfolio holdings. They also report performance over various time periods in absolute terms and relative to appropriate benchmarks.

Frontier also publishes periodic market commentary and performance information relating to its portfolios. These performance updates are not client-specific. They are provided to financial advisors, not clients.

Custodians that hold client assets provide monthly statements to the clients. Their content varies by custodian. The custodians are not affiliated with Frontier and Frontier does not monitor or supervise their activity.

### **Client Referrals and Other Compensation**

Frontier enters into joint advisory agreements with financial advisors and their clients. These joint advisory agreements call for Frontier to manage assets for those clients and call for the financial advisors to perform certain other investment advisory and consulting services for those clients.

Frontier's fees are set forth in the joint advisory agreement. In most cases, the financial advisor's fees are separately stated in that agreement too, although occasionally they are combined with Frontier's fees. Usually, Frontier collects its fees and the advisor's fees from the client's account and then distributes the advisor's fee to the advisor.

Frontier does not pay any portion of its stated fee to the advisor and the advisor does not pay any portion of its stated fee to Frontier. If the financial advisor is affiliated with a broker-dealer, Frontier may pay a portion of its fee to the broker-dealer to cover certain administrative, supervisory and marketing costs incurred by the broker-dealer in connection with the joint advisory relationship.

We believe that our fees are fair and reasonable for the services we provide. Although we have no role in establishing the fees charged by the financial advisors we work with, we believe that these financial advisors set their fees based on the reasonable value of the services they provide.

Under applicable regulatory interpretations, a portion of the financial advisors' fees collected by Frontier and distributed to the financial advisors in connection with these joint advisory relationships may be considered a fee paid to the advisor by Frontier for referring clients to Frontier. Frontier does not believe that it pays referral fees to the financial advisors it works with and believes that all of the fees received by the advisors are for services rendered by the advisors to their clients.

Frontier may pay individuals or organizations for client referrals. In such cases, Frontier will make full disclosure of the payments to the client being referred and the payments will be made in compliance with Rule 206(4)-3 under the Investment Advisers Act of 1940.

## **Custody**

Frontier does not hold client assets in custody. Client assets are held by an independent broker or custodian that is not affiliated with Frontier. Each client determines which broker or custodian will maintain their account.

These brokers and custodians will send monthly or quarterly account statements to their clients. Clients also have access to their accounts online at the broker or custodian. Clients should review their account statements and compare them to information provided by Frontier in its quarterly performance reports.

## **Investment Discretion**

Many Frontier accounts are managed on a discretionary basis. This means that Frontier has the authority to purchase and sell securities for the account without obtaining prior approval.

Discretionary trading authority is granted to Frontier through the investment advisory agreement it enters into with each client. This authority is implemented through a Limited Power of Attorney that is executed by each client and provided to the client's broker or custodian.

Clients may place special restrictions or limitations on Frontier's discretionary authority. To be effective, such restrictions or limitations must be in writing and must be specifically agreed to by Frontier. Frontier may decline to manage an account based on requested restrictions or limitations on its trading authority.

### **Voting Client Securities**

Unless otherwise requested by a client, Frontier votes all proxies for securities over which it has discretion. Frontier attempts to vote proxies in a manner that is in the best interest of the client for whom they are voted.

When Frontier obtains discretion over securities that are transferred into an account with the understanding that Frontier will sell them, it is our policy to abstain from voting them. In the rare case that we receive a proxy for a security over which we do not have discretion, it is our policy to forward the proxy to the investment advisor or other individual who has discretion over that security or use reasonable efforts to seek direction about how to vote the proxy.

In the event that Frontier identifies a potential conflict between its interests and those of a client with respect to the voting of a proxy, Frontier will notify and seek guidance from the client, through that client's investment advisor. In the event Frontier does not receive timely direction or guidance regarding the voting of the proxy, Frontier will abstain from voting the proxy.

Clients may request a copy of Frontier's full Proxy Voting Policy and/or the specific details of any proxy that was voted for their account by contacting us using the information on page 1 of this brochure. A copy of our Proxy Voting Policy is available on our web site at [www.frontierasset.com](http://www.frontierasset.com).

### **Financial Information**

No financial information is provided with this document.

## Investment Committee

The following provides information about the background and qualifications of Frontier's Investment Committee members. Unless otherwise indicated, all individuals may be contacted at the address and telephone number shown on the cover of this brochure.

**GARY A. MILLER, CFA**, born in 1953, is the Founder and Chief Investment Officer of Frontier Asset Management. He also serves as the Chairman of Frontier's Investment Committee.

Mr. Miller has been managing portfolios of mutual funds since 1987. He is recognized as a developer and the first practitioner to use returns-based style analysis to evaluate managers and design diversified portfolios. He has been constructing portfolios utilizing these techniques since 1988.

In 1987, Mr. Miller co-founded Optima Funds Management, an investment advisory firm specializing in managing portfolios of mutual funds. In 1995 ADAM Investment Services purchased Optima and he became Chief Investment Officer of ADAM and LCG Associates, an affiliated pension-consulting firm. Mr. Miller became Chief Investment Officer of Portfolio Management Consultants, ("PMC") a leading provider of investment services to independent financial advisors, when PMC purchased ADAM in 1997. Mr. Miller joined The Private Consulting Group as Chief Investment Officer in 1999. He subsequently founded Frontier in 2000.

Mr. Miller earned his MS in Management, concentrating in Investment Management, from the Georgia Institute of Technology, where he was a Presidential Fellow. He did graduate work in Engineering, Mathematics, and Systems Science at California Polytechnic State University and Portland State University. He earned his BS in Environmental Resources Engineering from Humboldt State University. He is a Chartered Financial Analyst charter holder and a member of the CFA Institute.

**GEREMY VAN ARKEL, CFA**, born in 1969, is a Principal of Frontier Asset Management. He is a member of the firm's Investment Committee. Mr.

van Arkel works in the Atlanta office located at 1355 Peachtree Street, Suite 750, Atlanta, Georgia 30309. He can be contacted at 404-406-4281.

Mr. van Arkel specializes in mutual fund and manager due diligence and portfolio management. He has also worked extensively with portfolio diversification and global asset allocation techniques.

Mr. van Arkel joined Optima Funds Management in 1993 where he worked with Gary Miller doing research and analysis related to the management of mutual fund portfolios. When Optima was purchased by ADAM Investment Services in 1995 he joined ADAM, continuing his work on the management of mutual fund portfolios. When ADAM was purchased by Portfolio Management Consultants (“PMC”) in 1997 he joined PMC and eventually became Manager of Investment Analysis. He joined Frontier in 2002.

Mr. van Arkel earned his BBA in Finance from Stetson University with a concentration in Investments and completed the prestigious Roland George investment program. He is a Chartered Financial Analyst charter holder and a member of the CFA Institute.

**ROBERT E. MILLER, CFA**, born in 1977, is a Principal and the Chief Compliance Officer of Frontier Asset Management. He is a member of the firm’s Investment Committee.

Mr. Miller oversees the day-to-day management of all client accounts and manages Frontier’s back-office operations. He has been involved in the management of mutual fund portfolios since 1999.

In 1998 Mr. Miller began his work in financial services at Portfolio Management Consultants where he worked with Gary Miller as an intern Investment Analyst. In 1999 he joined the Private Consulting Group as an Asset Allocation Analyst. He joined Frontier in 2000 at the time of its founding.

Mr. Miller earned his BA in Economics from Whitman College with a minor in Computer Science. He is a Chartered Financial Analyst charter holder and a member of the CFA Institute and the CFA Society of Colorado.



**CHARLES BURGESS, CFA**, born in 1979, is an Investment Analyst at Frontier Asset Management. He is a member of the firm's Investment Committee.

Mr. Burgess specializes in mutual fund research and due diligence. He initially joined Frontier in 2002 as an intern and then joined Frontier full-time in 2003. Subsequently he joined Oppenheimer Funds in Denver in 2004 as a Senior Fund Analyst. He returned to Frontier in 2005.

Mr. Burgess earned a BS in Finance (emphasis in Banking and Financial Services) from the University of Wyoming. He is a Chartered Financial Analyst charter holder and a member of the CFA Institute and the CFA Society of Colorado.

***The CFA Designation.*** All members of Frontier's Investment Committee are Chartered Financial Analyst charter holders. Attaining this designation involves a rigorous process. A CFA charter candidate must have four years of qualified investment work experience, become a member of the CFA Institute, pledge to adhere to the CFA Institute Code of Ethics and Standards of Professional Conduct on an annual basis and apply for membership to a local CFA member society. In addition, each candidate must pass three, six-hour examinations covering a wide range of investment topics. Completing the program typically takes between two and five years. For more information visit [www.cfainstitute.org](http://www.cfainstitute.org).

***Disciplinary Information.*** Frontier maintains high standards of ethics and integrity for its employees. None of the individuals named above has been the subject of any legal or disciplinary proceedings relating to their activities in the investment management business.

***Other Business Activities and Additional Compensation.*** The individuals named above are full-time employees of Frontier. None are engaged in any ongoing investment-related business activities for which they are compensated or which would otherwise create any conflict of interest. None receive any compensation or material economic benefit from any outside organization and none are compensated by Frontier based on the amount of sales, client referrals or new accounts opened by the firm.

***Supervision.*** Frontier's Investment Committee meets periodically and approves all significant investment-related decisions. Gary Miller serves as Chairman of the Investment Committee. Trading of client accounts is carried out by the portfolio management team managed by Rob Miller.