

**Item 1 – Cover Page**

Part 2A of Form ADV Brochure for:

FRONTIER MARKET ASSET MANAGEMENT, LLC

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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 [patrick@frontiermkt.com](mailto:patrick@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](http://www.adviserinfo.sec.gov).

**Item 2 – Material Changes**

There have been no material changes to our advisory business since our last brochure dated August 7, 2017. This annual updating amendment updates regulatory assets under management.

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## **Item 4 – Advisory Business**

### **Description of Advisory Firm**

Frontier Market Asset Management, LLC (the “Manager” or “Frontier Market”) is a California limited liability company organized in September 2007 and registered with the SEC since April 2010. 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.

### **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 (“Onshore Funds”), non-U.S. companies and partnerships (“Offshore Funds,” jointly with the Onshore Funds, the “Funds”), and pooled investment vehicles advised primarily by other managers (“Subadvised Accounts”). Funds and Subadvised 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 (such investors and prospective investors are referred herein as “Investors”).

### **Client Tailored Services and Client Imposed Restrictions**

Advisory services are tailored to achieve the Clients’ investment objectives, including restrictions on investing in certain securities or types of securities imposed by Clients. 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.

### **Wrap Fee Programs**

Frontier Market does not participate or offer wrap fee programs

### **Assets Under Management**

As of December 31, 2017 Frontier Market had assets under management on a discretionary basis of \$317,959,610.

## Item 5 – Fees and Compensation

### 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:

- *Funds*. Frontier Market typically receives a management fee, as a percentage of each Fund Investor's capital account, on the first business day of each quarter, payable in advance. The management fee varies from 0.4375% per quarter (approximately 1.75% per annum) to 0.25% per quarter (approximately 1.00% per annum).
- *Subadvised Accounts*. From each Subadvised Account Frontier Market typically receives a separately negotiated management fee, equal to 1.20% per annum of the net asset value of the Subadvised Account, on the first business day of each quarter, in arrears.

Frontier Market will pro-rate the management fee for Client or Investor accounts held for less than a full quarter, however, Clients or 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 advisory services to Clients or Investors. Any such fees will in no event payable by or chargeable to the Clients or any Investor.

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

### Expenses

Generally, the Funds are responsible for their own operating expenses, including any fees, costs or expense each such Fund, Frontier Market or its affiliates reasonably incur in connection with the operation of the business and maintenance of such Fund. Frontier Market is responsible for expenses allocated to Subadvised Accounts. 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 Funds at the master level. 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 average net assets (i.e., an "expense cap"). Please consult each 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:

- *Funds.* Frontier Market generally receives a performance-based allocation on December 31 of each year, equal to 20% of the net profits allocated to each Fund Investor invested in either the Frontier Market Select Fund LP or Frontier Market Select Offshore Fund, Ltd., 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. Investors invested in the Frontier Market Opportunities Fund, L.P. and Frontier Market Opportunities Fund, Ltd. do not pay a performance-based allocation.
- *Subadvised Accounts.* Frontier Market does not currently receive a performance allocation from Subadvised 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. 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 Funds and Subadvised Accounts as described above.

Fund Investors may include banks or thrift institutions, trusts, estates or charitable organizations, corporations or other business entities and high net worth individuals.

Subadvised Accounts are pooled investment vehicles and Frontier Market may in the future provide the same or similar services to other privately placed pooled investment vehicles.

Prospective Investors in the Funds must meet eligibility criteria and are subject to certain withdrawal requirements and limitations as set forth in the Fund’ 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 Subadvised 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.

- *Onshore Funds.* 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 “Onshore Funds” section above. 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.
- *Subadvised Accounts.* Generally, similar terms will apply to Subadvised Accounts, though investors in such 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 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 equity 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).

Please refer to each individual Fund's and Subadvised 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 Subadvised Account agreements, consult with their own advisers should make such investigation and evaluation of such risks as it concludes is appropriate.

General – 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. 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 over a longer (and potentially less favorable) period of time than is required to dispose of 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 may 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.

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.

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.

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.

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 Funds 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., Frontier Market Select Offshore Fund, Ltd. 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.

## **Soft Dollars**

Frontier Market does not utilize soft dollar arrangements.

## **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 effects rebalancing or internal cross transactions among two or more client accounts if Frontier Market determines such transactions to be in the best interest of all clients involved, subject to limits imposed by ERISA and the Company Act. Frontier Market recognizes the conflicts of interest that cross trades or principal trades may create. To mitigate the conflicts of interest, Frontier Market will take steps to ensure that the crossing price in any such transaction is fair to both sides of the transactions, does not disadvantage any one client over the other client, and is in compliance with applicable law. Prior to affecting such transaction, approval from the Chief Compliance Officer must be received. To the extent that Frontier Market controlling persons own more than a 25% interest in any one or more of the client accounts, the cross transaction will be deemed to be a principal transaction and will not be effected. Frontier Market does not engage in principal transactions.

All such cross transactions will be consistent with the investment objectives and policies of each Client account involved in the trades and will be effected at a current independent market price. The independent market price is the official closing price or the last sale price at the close of the exchange on which the securities are principally traded on the day prior to the cross transaction. If an official closing price is not issued by the exchange, or if no sale has occurred on the day prior to the cross transaction, publicly traded equity securities will be valued at the last quoted bid price on that exchange. This methodology would not apply where there is no bid for the day or the pricing vendor is not reporting bids for the day. In such case, prior day trade price will be used. Clients involved in any cross trades will pay brokerage commissions or mark ups in connection with such trades, including 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 ongoing 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' auditor.

### **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 bank or 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 within 120 days 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 Funds. Frontier Market does not vote proxies for its Subadvised Account 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 Funds. However, the policies permit Frontier Market to abstain from voting proxies in the event that a Fund's economic interest in the matter being voted upon is limited relative to the Fund's overall portfolio or the impact of the Fund's vote will not have an effect on its outcome or on the Fund'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 on certain 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 Funds, 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 Patrick Dominguez at (415) 762-2853 or at [patrick@frontiermkt.com](mailto:patrick@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.