

**Frontier Wealth Management, LLC**

**4435 Main Street, Suite 650  
Kansas City, MO 64111**

**CRD Number 144344**

**March 2022**

This Brochure provides information about the qualifications and business practices of Frontier Wealth Management, LLC (“**Frontier**”). If you have any questions about the contents of this Brochure, please contact us at 816-753-5100 or email [troy@frontierwealth.com](mailto:troy@frontierwealth.com). You can also visit our website at [www.frontierwealth.com](http://www.frontierwealth.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 is a registered investment adviser with the SEC. Registration of an Investment Adviser does not imply that Frontier or any of its principals or employees possesses a particular level of skill or training in the investment advisory business or any other business. The oral and written communications of an Investment Adviser provide you with information about which you determine to hire or retain an Investment Adviser.

Additional information about Frontier Wealth Management, LLC is also available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

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**Item 2 - Material changes**

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Since the last Annual Updating Amendment to the Form ADV in March 2021, Frontier was the subject of an administrative proceeding which is further discussed in Item 9 of this ADV Part 2A. There are no other material changes to report.

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**Item 4 - Advisory Business**

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Frontier Wealth Management, LLC (“**Frontier**”, “**the Firm**” or “**we**” or “**our**”) is a limited liability company formed under the laws of the State of Missouri in 2007 and located in Kansas City, MO. We also have offices in Wichita, KS, St. Louis, MO, Lone Tree, CO, Glendale, CO, Albany, GA, Omaha, NE and Hutchinson, KS. The Firm is registered as an investment adviser with the SEC pursuant to the Investment Advisers Act of 1940 (the “**Advisers Act**”).

Frontier offers personal financial planning, consulting and investment supervisory services on managed investment accounts to individuals, pension and profit-sharing plans, trusts, estates, charitable organizations, business entities and corporations (the “**client**” or “**client account**”). The investment supervisory services include continuous analysis and review of portfolios and advice concerning acquisition, retention, management, reinvestment and disposition of cash, securities and other assets of the client’s portfolios. Depending on the engagement, Frontier provides advice to clients on matters not pertaining to publicly traded securities, such as real estate, private equity, or venture opportunities.

Frontier has adopted policies and procedures to comply with the ERISA fiduciary standards when advising retirement asset rollovers as set forth in the Department of Labor Fiduciary Rule that went into effect on January 31, 2022.

Frontier or a third-party adviser also manages private investment vehicles and at times recommends that clients invest in such investment vehicles. Collectively, the private investment vehicles are hereinafter referred to as the “**Funds**”.

**Investment and Wealth Management Services**

Frontier offers discretionary and non-discretionary Investment and Wealth Management Services for a fee based on a percentage of assets under management or based on a fixed predetermined fee.

The services for Investment Management include investment analysis, allocation of investments, provision of quarterly portfolio statements and ongoing monitoring services for the portfolio. Wealth Management Services generally incorporate the aforementioned Investment Management Services in addition to a financial planning component (as further described in the “*Financial Planning Services*” section below).

Portfolio composition will be determined based on each client’s needs, portfolio restrictions, if any, and financial goals and risk tolerances. We will offer advice regarding equity securities (including exchange-listed, over the counter and foreign issuers), corporate debt, commercial paper, certificates of deposit, municipal securities, investment company securities, and U.S. government securities, option contracts on securities and real estate funds. Frontier also provides advice or make recommendations for investments into private equity funds, hedge funds, venture funds, structured products and other vehicles that invest in derivatives.

Frontier will work with the client to complete an investor profile questionnaire to obtain necessary information regarding the client’s financial condition, investment objectives, liquidity requirements, risk tolerance, time horizon, and any restrictions on investing. Along with client discussions, this process enables Frontier to determine the portfolio allocation best suited for them based on the client’s investment objective and needs. Once the client’s investment portfolio has been designed and investments have been allocated, we will provide ongoing portfolio review

and management services. This approach requires Frontier to review the client's portfolio at least quarterly and rebalance the portfolio, as we deem appropriate, to meet the client's financial objectives. Frontier, or via delegation to a sub-adviser, trades these portfolios and rebalances them periodically.

### **Financial Planning Services**

Frontier addresses virtually all aspects of personal finance by way of a personally tailored, custom-developed financial plan. A Comprehensive Financial Plan can include the following areas of planning: Balance Sheet Development and Analysis, Income Tax and Cash Flow Planning, Estate Planning, Insurance Planning, Pension Analysis, Investment Planning and special studies such as Retirement Planning, Debt Management, Education Funding and more. These areas of the plan are specifically tailored for each client.

All investment analyses and recommendations will be based upon information provided to Frontier by the client. There will be no independent investigation of client background information, nor update of such information, without the express involvement and consent of the client. It remains the client's responsibility to advise Frontier of any changes in circumstances (e.g. financial needs, objectives, goals and investments held with other firms) or any other changes which would impact the client's financial condition.

In certain cases, clients request that Frontier work with existing third-party professionals, such as accounting firms or law firms, to implement their financial plans. Such relationships are generally joint client service arrangements with such third parties providing their professional services in conjunction with Frontier's financial planning services.

Investment advisory contracts provide termination provisions within given stipulated time periods. Upon termination, the client is responsible for monitoring the securities in his or her account and Frontier, as investment adviser, will have no further obligation to act or advise with respect to those assets.

Frontier does not offer a wrap fee program at this time.

As of December 31, 2021, Frontier managed client assets, on a discretionary basis of \$2,982,875,046 and on a non-discretionary basis of \$1,119,469,882.

### **Item 5 - Fees and Compensation**

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Frontier's fees include compensation for the advisory and planning services, and other account-related services. Frontier does not charge redemption/exit fees or transaction fees; however, the custodian can charge some or all of the following: custodial fees, transaction fees, redemption fees and/or commissions. These fees are independent of Frontier's fees and will be disclosed by the custodian.

All fees paid to Frontier for investment advisory services are separate from any fees and expenses charged to shareholders of mutual fund shares, mutual fund companies, exchange-traded funds or alternative pooled investment vehicles. A complete explanation of the expenses charged by a mutual fund or alternative investment vehicle is contained in each fund's prospectus. Additionally, fees paid to Frontier are separate and distinct from any fees that are charged by a sub-adviser or

a third-party money manager. Such third-party money manager or sub-adviser will be responsible for charging and collecting their respective fees.

Lower fees for comparable services may be available from other sources.

### **Investment and Wealth Management Service Fees**

The fee for **Investment Management Services** is generally a percentage of assets under management. Fees that are based on a percentage of assets under management are applied to the account asset value on a pro-rated basis, charged quarterly in advance.

The initial fee will be based upon the date the account is accepted for management by execution of either the Investment Management Agreement or Wealth Management Agreement by Frontier and the client, or when the assets are transferred to the recommended custodian. Thereafter, the fee will be based on the market value of the account on the last day of the previous calendar quarter and will cover the period from the first day of the following calendar quarter through the last day of such calendar quarter. The market value will be determined as reported by the custodian. Fees are generally assessed on all assets under management, including securities, cash and money market balances. Margin debit balances do not reduce the value of assets under management.

Fees vary based on the size of the account, complexity of the portfolio, extent of activity in the account or other reasons agreed upon by Frontier and the client. Frontier's fees range from 0.25% to 1.50% and will be negotiated between the client and Frontier and agreed upon in the respective Agreement. This fee does not include any third-party money manager or sub-adviser fees or fees or expenses assessed by mutual funds, exchange traded funds or custodians.

The fee for **Wealth Management Services** is generally based on a percentage of assets under management or based on a predetermined fixed fee. The assets under management will be determined and billed as described in the Wealth Management Agreement. If fees are to be charged based on a fixed fee, the specific fee and the form of payment will be outlined and predetermined in the Wealth Management Agreement between the client and Frontier.

For fees that are collected based on a percentage of assets under management, the client generally authorizes Frontier to debit fees quarterly directly from their brokerage account. The custodian will send a statement to the client, at least quarterly, indicating all amounts disbursed from the account, including the amount of advisory fees. Clients are urged to review these statements carefully.

Certain clients, upon request and approval from Frontier, pay the quarterly management fee by submitting a check within 30 days of the invoice. An example would include where the client's account does not have sufficient funds or is restricted from direct withdrawal (e.g., 401(k) plan assets).

Fees for **Corporate Retirement Plan Services** are generally based on plan size and services rendered and will range between 0.20% and 1.00% as agreed upon with the client and Frontier. Fees are generally quoted on a case-by-case basis, and are negotiable in certain circumstances. Fees are generally paid quarterly in arrears and can sometimes be deducted directly from the plan, but the plan sponsor of the company can elect to instead pay fees by check or wire transfer.

All fees for corporate retirement plan services paid to Frontier are separate and unrelated to any fees or expenses assessed by mutual funds, exchange traded funds, outside investment managers, recordkeepers, administrators, or custodians.

### **Financial Planning Services**

Frontier offers Financial Planning Services and generally charges a fixed or hourly fee as agreed upon between the client and Frontier. The specific manner in which the fees are charged is established in the Financial Planning Agreement. Some retainer arrangements are priced based on the complexity of work, especially when investment management is not the most significant part of the relationship.

### **Advisory Services on Matters not Involving Publicly Traded Securities**

On occasion, we provide advice to clients on matters not involving publicly traded securities products or services. As stated previously, such matters include real estate, private equity and venture opportunities. We will not typically charge any advisory fees in relation to advice on these types of matters. However, should a fee be charged, the fee and form of payment will be agreed upon in writing.

### **Fees Charged by the Funds**

#### *Management Fee*

During the commitment period for a Fund, if applicable, a Fund pays Frontier an annual advisory/management fee ("**Management Fee**") equal to a certain percentage of the total capital commitments (regardless of whether such capital has been called) of the investors in the applicable Fund. Following the end of the commitment period, the Management Fee of such Fund is equal to a certain percentage of the net invested capital remaining in the applicable Fund.

Frontier may waive or reduce the Management Fee as to all or certain of the investors in a Fund in our sole discretion. The Management Fee charged by certain of the Funds may be reduced by all or a portion of any origination, transaction, monitoring, break-up or similar fees that we may receive as described in the Confidential Private Placement Memorandum ("**CPPM**") of the applicable Fund.

There can be no assurance as to when capital will be invested or that the entire capital commitment of an investor will be invested by each Fund.

#### *Payment Method*

Depending on the Fund, the Management Fee is generally paid monthly or quarterly in advance by deducting the fee from the Fund's assets, paying Management Fees from investment proceeds or using other cash held by each Fund.

### **Item 6 - Performance-Based Fees**

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We do not charge performance-based fees to Frontier's managed account clients.

We, or an affiliate, is entitled to carried interest distributions from certain Funds (“**Carried Interest**”) based on the net cash proceeds attributable to Fund investments.

Investors should refer to each Fund’s CPPM for additional or supplementary information regarding each Fund as well as the Management Fee and Carried Interest paid by each Fund.

The Firm is committed to fulfilling our fiduciary duty to our advisory clients to act at all times in their best interest. The Firm has implemented internal controls to address the potential conflicts associated with performance-based fees and periodically reassesses these controls. Additionally, the Firm’s allocation policies are designed to ensure investment opportunities are allocated fairly over time and allocations are not determined based on the desire to earn a performance-based fee.

The Management Fee and Carried Interest for a Fund may be higher than other investment vehicles not managed by Frontier or an affiliate.

The Carried Interest for a Fund generally is paid out as a distribution of the net cash proceeds attributable to dispositions of portfolio investments of the Fund.

## **Item 7 - Types of Clients**

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Frontier offers fee-based financial planning and investment supervisory services on managed investment accounts to individuals, pension and profit-sharing plans, trusts, estates, charitable organizations, other business entities and corporations. Frontier’s clients also include the Funds.

In general, we do not require a minimum initial account value. However, generally the Funds require a minimum initial investment of \$100,000 or more depending on the Fund. For more information regarding investor suitability, please refer to the respective Fund’s CPPM.

## **Item 8 - Methods of Analysis, Investment Strategies and Risk of Loss**

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### **Methods of Analysis**

Frontier applies the principles of asset allocation and Modern Portfolio Theory as part of our investment management and supervisory services to the managed accounts. Frontier also uses fundamental analysis, technical analysis, tax implications, and potential tax consequences as inputs, as well as consider a client’s preferences to socially responsible investing factors, to the overall decision-making process. We believe that the key factor to long-term portfolio performance is asset allocation (i.e., the proper allocation and diversification of investments among cash equivalents, fixed income assets, equities, commodities, alternative investments, and other investment strategies where appropriate). In our view, a proper asset allocation strategy entails more than just “diversification”, due to the fact that investors often have broadly diversified portfolios that have very little relevance to their true objectives (i.e., need for investment income, tax efficiency, etc.). We endeavor to tailor Frontier’s clients’ portfolios to meet individual needs and personal goals while utilizing the foundations of modern portfolio theory to appropriately calibrate the perceived risk level of the portfolio.

**Investment Strategies**

Investment strategies that can be utilized include short and long-term purchases, short sales, trading, margin transactions, liquid and illiquid alternatives, private placements, structured products and option writing, including covered options, uncovered options or spread strategies. Generally, the investment strategies consist of the purchase of securities to hold for the long term. As previously indicated, Frontier also recommends that certain clients invest in private investment vehicles such as private equity, venture capital and hedge funds, as appropriate.

In order to analyze different securities and investment strategies, the Firm uses a wide variety of data and information sources, including, but not limited to, Bloomberg, Morningstar, financial periodicals, publicly available economic/financial data provided by the Federal Reserve, Treasury Department, and SEC, as well as investment research provided by other companies.

**Risk of Loss**

All investments involve the risk of loss, including (among other things) loss of principal, a reduction in earnings (including interest, dividends and other distributions), and the loss of future earnings. These risks include, market risk, equity risk, interest rate risk, and general economic risk. Although we manage assets in a manner consistent with client risk tolerances, there can be no guarantee that Frontier's efforts will be successful. The client should be prepared to bear the risk of loss.

The following are certain material risks involved in Frontier's investment strategy. This list does not purport to be a complete enumeration or explanation of the risks associated with Frontier's investment strategies.

General Economic Risk

Either the market as a whole, or the value of a stock, goes down, causing a decrease in the value of client investments.

Equity Risk

The trading prices of equity securities fluctuate in response to a variety of factors. These factors include events impacting a single issuer, as well as market and economic developments that affect specific market segments and the stock market as a whole. The value of client accounts, like stock prices generally, will fluctuate within a wide range in response to these factors. As a result, client accounts can lose value over short or even long periods.

Interest Rate Risk

Changes in interest rates will affect the value of fixed income investments. In general, as interest rates rise, bond prices fall, and conversely, as interest rates fall, bond prices rise. Interest rate risk is generally greater for high yield securities; however, higher-rated fixed income securities are also subject to this risk. Increased interest rate risk is also a factor when investing in fixed income securities paying no current interest (such as zerocoupon securities and principal-only securities), interest-only securities and fixed income securities paying non-cash interest in the form of other securities.



Options Risk

Options on securities can be subject to greater value fluctuations than investing in the underlying security itself. Purchasing and writing put or call options are complex activities and involve greater investment risk.

Fixed Income Risk

The issuer or guarantor of a fixed income security may be unable or unwilling to make timely payments of interest or principal. This risk is magnified for lower-rated debt securities, such as high yield securities. High yield securities are considered predominantly speculative with respect to the ability of the issuer to make timely payments of interest or principal.

ETF and Mutual Fund Risk

ETF and mutual fund investments typically incur additional expenses based on a pro-rata share of operational expenses. The risk of owning an ETF or mutual fund generally reflects the risks of owning the underlying securities held by such vehicle. Clients will typically also incur brokerage costs when investing in ETFs.

Alternative Investment Risk

Alternative investments, such as the Funds, generally involve various risk factors and liquidity constraints, a complete discussion of which is set forth in the Fund's CPPM, which is provided to each prospective investor for review and consideration. Each prospective client or investor will be required to complete a subscription agreement to confirm qualification for investing in the Fund and also to acknowledge understanding and acceptance of the merits and risks of the investment.

Illiquid Investments

Certain investments can be very illiquid, and are not able to be sold at prices that reflect Frontier's assessment of their value. Illiquidity can result from the absence of an established market for the investments as well as legal, contractual or other restrictions on their resale and other factors. Furthermore, the nature of certain investments, especially those in financially distressed companies, could require a long holding period prior to profitability.

Long Term Investments

The Funds will frequently require longer-term holding periods for certain positions in order to be successful and positions can experience considerable price volatility over such holding periods. In particular, an investment in a private investment fund that we or an affiliate advise is not appropriate for certain investors requiring short-term liquidity or stable returns.

Short Sales

We have the ability to enter into transactions known as "short sales," in which we sell a security that a client account does not own in anticipation of a decline in the market value of the security. Short sales can theoretically involve unlimited loss potential since the market price of securities sold short could continually increase. Under adverse market conditions, it can be difficult or

impossible to purchase securities to meet short sale delivery obligations. Furthermore, a client account could have to sell portfolio securities to raise the capital necessary to meet its short sale obligations at a time when fundamental investment considerations would not favor such sales.

#### Use of Leverage

We have the ability to leverage investment positions by borrowing funds from securities broker-dealers, banks or others. While leverage presents opportunities for increasing the total return on an investment, it has the effect of potentially increasing losses as well. Accordingly, any event that adversely affects the value of an investment by a client would likely be magnified to the extent that any of them are leveraged.

#### General Real Estate Considerations

We have made investments in real property via certain Funds that we or a third-party advise. Investments in real property are subject to varying degrees of risk. Real estate values are affected by a number of factors, including changes in the general economic climate, local conditions (such as an oversupply of, or a reduction in demand for, rental properties), the quality and philosophy of management, competition based on rental rates, attractiveness and location of the properties, physical condition of the properties, financial condition of buyers and sellers of properties, quality of maintenance, insurance and management services, and changes in operating costs. If investments do not generate sufficient revenues to meet their operating expenses, including debt service and capital expenditures, the Funds' cash flows and ability to pay distributions to investors will be adversely affected.

Real estate values are also affected by such factors as government regulations (including those governing usage, improvements, zoning, and taxes), interest rate levels, the availability of financing, participation by other investors in the financial markets, and potential liability under changing laws.

#### Cybersecurity and Systems Risks

Frontier relies on computer programs, networks, devices and systems (and may rely on new systems and technology in the future) in connection with client investment activities and Firm operations and the successful operation of such systems is often out of the Firm's control. Any such defect, failure or breach could have a material adverse effect to clients, the Firm and their affiliates. Cybersecurity breaches can cause (i) disruptions that impact business operations, potentially resulting in financial losses to clients; (ii) the inability of the Firm and other service providers to transact business; (iii) violations of applicable privacy and other laws; (iv) regulatory fines, penalties, reputational damage, reimbursement or other compensation costs, or additional compliance costs; as well as (v) the inadvertent release of confidential or sensitive information.

#### Exogenous Risks

Client portfolios may be impacted by exogenous risks that are difficult to model and/or anticipate, including global pandemics, or notable geopolitical events such as military conflicts that have a pronounced effect on global capital markets. This could result in a short-term or long-term impact on client portfolios.

*Force Majeure Risk*

Force majeure is a term generally used to refer to an event beyond the control of the party claiming that the event has occurred, including acts of God, pandemics, fire, flood, weather, earthquakes, war, terrorism, and labor strikes. Some force majeure events could adversely affect a party's ability to perform its obligations, under a contract or otherwise, at least until it is able to remedy the force majeure event. In addition, the cost of repairing or replacing damaged assets could be considerable and could be either uninsurable or insurable at such high rates that to maintain such coverage would cause an adverse impact on the related investments. Repeated or prolonged service interruptions could result in permanent loss of customers, substantial litigation, or penalties for regulatory or contractual non-compliance. Force majeure events that are incapable of, or costly to, cure could also have a permanent adverse effect on client accounts and/or its investments and, potentially, the surrounding community, and could result in losses far in excess of available insurance coverage.

Similar to the recent global outbreak of COVID-19, future pandemics could negatively impact the financial results of the Firm and investments due to, among other things, (a) disruptions to business operations resulting from reduced consumer spending, travel restrictions, shelter-in-place orders from federal, state, local and foreign governments, and quarantines of employees, customers and suppliers in areas affected by the outbreak, (b) closures of manufacturing facilities, warehouses and logistics supply chains and (c) uncertainty about the duration of the virus' impact on financial markets. As experienced with COVID-19, as a pandemic continues to spread, the potential impacts, including a global, regional or other economic recession, as well as the scale of such impacts, are increasingly uncertain and difficult to assess.

*Business Continuity and Disaster Recovery*

As described above, Frontier's business operations could become vulnerable to disruption in the case of catastrophic events such as fires, natural disaster (e.g., tornadoes, floods, hurricanes and earthquakes), epidemics and pandemics, terrorist attacks or other circumstances resulting in property damage, network interruption and / or prolonged power outages. Although Frontier has implemented various measures to manage risks relating to these types of events, there can be no assurances that all contingencies are planned for. If such business operations are disrupted or suspended for extended periods of time, the client accounts may be adversely affected.

Frontier enacted its Business Continuity Plan ("BCP") in March 2020, in response to the COVID-19 pandemic. The BCP was activated to ensure continuation of services to the clients and enhance the safety of its employees. The BCP was developed and tested to provide protocols in an emergency such COVID-19. These procedures are designed to limit disruption in services and maintain efficient and effective operations. Frontier has performed comprehensive Firm-wide business continuity and disaster recovery testing which has proven the Firm has a well-defined plan and its controls and policies are effective.

**Item 9 - Disciplinary Information**

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Frontier has received investor complaints related to one of the funds we offered. These complaints have been settled.

Frontier has received investor complaints related to one of the private funds we offered. These complaints have been settled. Frontier was also subject to an administrative proceeding in which

the Firm was levied a monetary fine and disgorgement of profits as well as was charged with violating Section 206(4) of the Advisers Act and Rule 206(4)-7 thereunder as a result of a failure to supervise a prior employee in connection with a recommended private fund investment. Additional information regarding this administrative proceeding is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

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**Item 10 - Other Financial Industry Activities and Affiliations**

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Frontier is affiliated with an insurance company, Frontier Insurance Strategies, LLC, through common/direct ownership. From time to time as part of Frontier's financial planning services, advisory clients are offered products or services from this company. Clients are in no way required to purchase any services from the affiliated insurance company.

Certain Frontier employees are also registered representatives of Purshe Kaplan Sterling Investments ("PKS"). From time to time, employees that are also registered representatives will offer clients advice or products from such activities. Clients should be aware that these services pay a commission and involve a conflict of interest, as commissionable products can conflict with the fiduciary duties of a registered investment adviser. The receipt of commissions for selling securities products gives the supervised person an incentive to recommend investment products based on the compensation received, rather than on the client's needs. Frontier and Frontier employees always acts in the best interest of the client.

Associated persons of Frontier are general partners or managers to entities that serve as investment manager, general partner or similar roles to the following Funds: Frontier Five Elms II LP, Frontier Five Elms III LP, FWE Equity LLC and Jones Credit Facility Fund, LLC.

General partners or managers to these various entities receive compensation. Each Fund's CPPM discloses any conflict of interest or compensation arrangements. These vehicles are exempt from registration under the federal securities laws and deal with real estate, private equity, and venture capital.

Certain investment adviser representatives of Frontier serve on the Board of certain private companies or private investment funds in which Frontier clients invest. A complete description of any outside business activities for an investment adviser representative can be reviewed on the Form ADV Part 2B of the respective adviser.

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**Item 11 Code of Ethics, Participation/Interest in Client Transactions, Personal Trading**

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**Code of Ethics Pursuant to Rule 204A-1 of the Advisers Act**

Frontier developed and implemented a Code of Ethics that sets forth the standards of conduct expected of Frontier's personnel. The Code of Ethics addresses, among other things, personal trading, gifts, the prohibition against the use of inside information and other situations where there is a possibility for conflicts of interest.

The Code of Ethics is designed to protect Frontier's clients by deterring misconduct, educating personnel regarding the Firm's expectations and laws governing their conduct, reminding

personnel that they are in a position of trust and must act with complete propriety at all times, protecting the reputation of Frontier, guarding against violation of the securities laws, and establishing procedures for personnel to follow so that we can determine whether they are complying with the firm's ethical principles. We will provide a copy of the Code of Ethics to any client or prospective client upon request.

### **Participation or Interest in Client Transactions**

Frontier does not buy securities for itself, or sell securities that it owns, to any client, or as broker or agent effect securities transactions for compensation for any client. Frontier allows employees to invest for their own accounts or have a financial interest in the same securities or other investments that we recommend or acquire for the accounts of Frontier's clients, and are permitted to engage in transactions that are the same as or are different than transactions recommended to or made for client accounts. Please see below for Frontier's policy on personal account trading.

### **Personal Account Trading**

Frontier has adopted a Code of Ethics ("**Code**") governing personal trading by our employees. Among other requirements, the Code requires all employees to report their personal securities transactions and holdings to Frontier. All employees are required to pre-clear certain of their personal trades and employees' brokerage accounts are monitored on an ongoing basis to ensure compliance with the Code through a compliance platform.

Frontier permits its employees to buy, sell and hold the same securities that are also recommended to clients. It is acknowledged and understood that Frontier performs investment management services for various accounts with varying investment goals and risk profiles. As such, the investment advice will differ between clients. We have no obligation to recommend for purchase or sale a security that Frontier, our principals, affiliates or employees purchase, sell or hold. When a decision is made to liquidate a security from all applicable accounts, priority will always be given to the clients' orders before those of related or associated persons. We have procedures in place for dealing with insider trading, employee related accounts, "front running" and other issues that present a potential conflict when such purchase, sales or recommendations are made. In general, these policies and procedures are intended to eliminate, to the extent possible, the adverse effect on clients of any potential conflicts of interest.

Additionally, all employees must disclose their security holdings initially upon hire as well as on an annual basis.

Clients or prospective clients can obtain a copy of the Code by contacting the CCO, Troy Kerr, at +816-753-5100 or by email at [troy@frontierwealth.com](mailto:troy@frontierwealth.com).

### **Item 12 - Brokerage Practices**

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Frontier does not maintain custody of assets on which we advise, although we are deemed to have custody of your assets if you give Frontier authority to withdraw assets from your account. Your assets must be maintained in an account at a "qualified custodian," generally a broker-dealer or bank. We generally recommend that Frontier's clients use Charles Schwab & Co., Inc. ("Schwab"), or TD Ameritrade ("TDA"), FINRA-registered broker-dealers, SIPC members, as the

qualified custodian. We are independently owned and operated and not affiliated with Schwab or TDA. Schwab or TDA will hold your assets in a brokerage account and buy and sell securities when we instruct them to. While we recommend that you use Schwab or TDA as custodian/broker, you will decide whether to do so and open your account with Schwab or TDA by entering into an account agreement directly with them. We do not open the account for you; however we do facilitate on your behalf. Even though certain accounts are maintained at Schwab or TDA, we can still use other brokers to execute trades for your account, as described in the next paragraph. We also use National Financial Services, Inc. and Fidelity Investments (“Fidelity”), and Mainstar Trust as the qualified custodian for certain Funds.

### **How We Select Brokers/Custodians**

We seek to recommend a custodian/broker who will hold your assets and execute transactions on terms that are overall most advantageous when compared to other available providers and their services. We consider a wide range of factors, including, among others:

- combination of transaction execution services along with asset custody services (generally without a separate fee for custody)
- capability to execute, clear and settle trades (buy and sell securities for your account)
- capabilities to facilitate transfers and payments to and from accounts (wire transfers, check requests, bill payment, etc.)
- breadth of investment products made available (stocks, bonds, mutual funds, exchange traded funds (ETFs), etc.)
- availability of investment research and tools that assist Frontier in making investment decisions
- quality of services
- competitiveness of the price of those services (commission rates, margin interest rates, other fees, etc.) and willingness to negotiate them
- reputation, financial strength and stability of the provider
- their prior service to Frontier and Frontier’s clients
- availability of other products and services that benefit Frontier, as discussed below (see *“Products and Services Available to Frontier from Schwab, TDA and Fidelity”*)

### **Your Custody and Brokerage Costs**

For Frontier’s clients’ accounts, Schwab, TDA and Fidelity generally do not charge you separately for custody services but are compensated by charging you certain transaction or settlement fees.

### **Products and Services Available to Frontier from Schwab, TDA and Fidelity**

Frontier and Frontier’s clients receive access to Schwab Advisor Services, TD Ameritrade Institutional, and Fidelity institutional brokerage – trading, custody, reporting and related services – many of which are not typically available to Schwab, TDA and Fidelity retail customers. Schwab, TDA and Fidelity also make available various support services. Some of those services help the Firm manage or administer Frontier’s clients’ accounts while others help the Firm manage and grow Frontier’s business. Schwab’s, TDA’s and Fidelity’s support services are generally available on an unsolicited basis (we don’t have to request them) and at no charge to Frontier.

**Services that Benefit You.**

Schwab's, TDA's and Fidelity's institutional brokerage services include access to a broad range of investment products, execution of securities transactions, and custody of client assets. The investment products available through Schwab, TDA and Fidelity include some to which we might not otherwise have access or that would require a significantly higher minimum initial investment by Frontier's clients. Schwab's, TDA's and Fidelity's services described in this paragraph generally benefit you and your account.

**Services that May Not Directly Benefit You.**

Schwab, TDA and Fidelity also make available to Frontier other products and services that benefit Frontier but do not directly benefit you or your account. These products and services assist Frontier in managing and administering clients' accounts. They include investment research, Schwab's, TDA's or Fidelity's own and that of third parties. We use this research to service all or a substantial number of Frontier's clients' accounts, including accounts not maintained at Schwab, TDA or Fidelity. In addition to investment research, Schwab, TDA and Fidelity also make available software and other technology that:

- provide access to client account data (such as duplicate trade confirmations and account statements);
- facilitate trade execution and allocate aggregated trade orders for multiple client accounts;
- provide pricing and other market data;
- facilitate payment of Frontier's fees from clients' accounts; and
- assist with back-office functions, recordkeeping and client reporting.

**Services that Generally Benefit Only Frontier**

Schwab, TDA and Fidelity also offer other services intended to help Frontier manage and further develop Frontier's business enterprise. These services include:

- educational conferences and events
- technology, compliance, legal, and business consulting;
- publications and conferences on practice management and business succession; and
- access to employee benefits providers, human capital consultants and insurance providers.

From time to time, Schwab, TDA and Fidelity may provide some of these services themselves. In other cases, they will arrange for third-party vendors to provide the services to Frontier. Schwab, TDA and Fidelity may also discount or waive their fees for some of these services or pay all or a part of a third-party's fees. Schwab may also provide Frontier with other benefits such as occasional business entertainment of Frontier's personnel.

Frontier places trades for our clients' accounts subject to our duty to seek best execution and our other fiduciary duties. All trades for client accounts are currently executed with a custodian. For example, all Schwab, TDA and Fidelity accounts are traded through either the custodian's trading platform or via Tamarac with the custodian.



**Frontier's interest in Schwab's, TDA's and Fidelity's services**

The availability of these services from Schwab, TDA and Fidelity benefits Frontier because we do not have to produce or purchase them, nor do we have to pay for the services. This creates an incentive to recommend that you maintain your account with Schwab, TDA or Fidelity, based on Frontier's interest in receiving their services that benefit Frontier's business rather than based on your interest in receiving the best value in custody services and the most favorable execution of your transactions. This is a potential conflict of interest. We believe, however, that Frontier's selection of Schwab, TDA or Fidelity as custodian and broker is in the best interests of Frontier's clients. Frontier's selection is primarily supported by the scope, quality, and price of Schwab's, TDA's and Fidelity's services and not the services that only benefit Frontier.

**Soft Dollar Policy**

Frontier does not utilize research, research-related products or other services obtained from broker-dealers, or third parties, on a soft dollar commission basis.

**Item 13 - Review of Accounts**

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*Investment Management and Supervision* – Generally on a quarterly basis, following the initial investment allocation, we will review the client's investment allocation. Frontier, at our discretion, will rebalance the client's assets according to an appropriate investment allocation.

*Reporting* – At least quarterly, managed account clients will receive statements directly from the custodian. In addition, on a quarterly basis, Frontier sends the client a report summarizing the client's holdings and the performance thereof. Clients are encouraged to carefully review and compare all reports.

*Financial Planning* – From time to time, clients will be contacted concerning a financial plan update. The purpose of this update is to analyze the client's balance sheet, investment assets, investment performance and, if appropriate, to suggest changes in specific portions of the complete financial plan (including estate, retirement and tax planning, and risk management).

In addition, events that trigger further client account reviews include, but would not be limited to: a notable increase in the volume of requests by a client to effect transactions in their accounts, where such transactions appear to be inconsistent with the client's previously stated investment objective; requests by a client to liquidate certain securities positions/contracts where such transaction appears to be inconsistent with the client's previously stated investment objectives; the performance on an individual account being an outlier to the performance of an account with similar investment objectives; and customer complaints. The accounts will be reviewed by advisory personnel, and for certain client accounts will also include the investment management team at certain third-party advisers.

**Item 14 - Client Referrals and Other Compensation**

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Frontier does not currently have any unaffiliated placement agents or other third parties to introduce clients to Frontier. However, should third-party marketers or placement agents be



engaged, any such compensation arrangements will be disclosed to clients of Frontier in accordance with, and otherwise comply with Rule 206(4)-3 under the Advisers Act.

Frontier receives an economic benefit from Schwab, TDA and Fidelity in the form of the support products and services made available to Frontier and other independent investment advisors that have their clients maintain accounts at Schwab, TDA or Fidelity, respectively. These products and services, how they benefit Frontier, and the related conflicts of interest are described above (see Item 12 – Brokerage Practices). The availability of Schwab's, TDA's and Fidelity's products and services to Frontier is not based on Frontier giving particular investment advice, such as buying securities for Frontier's clients.

### **Item 15 - Custody**

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Rule 206(4)-2 of the Advisers Act (the “**Custody Rule**”) requires advisers that have custody of client funds or securities to implement a set of controls designed to protect those client assets from being lost, misused or misappropriated.

Advisers with custody of client funds and securities must maintain them with “**Qualified Custodians**” defined under the amended rule to include banks and savings associations and registered broker-dealers.

Frontier does not maintain direct custody or possession of any of our client's funds or securities. However, we are deemed to have custody of managed account assets if we are authorized to instruct the custodian to deduct Frontier's fees directly from the client's account. The custodian maintains actual custody of client assets. Clients will receive account statements directly from the custodian at least quarterly. They will be sent to the email or postal mailing address provided to the custodian. Clients should carefully review those statements upon receipt. We also urge clients to compare the custodian's account statements to the quarterly statements that we send.

Additionally, some accounts for which Frontier is deemed to have custody (e.g., accounts for which a Frontier investment advisor representative is the trustee) undergo a surprise exam in order to comply with the Custody Rule.

Frontier is also deemed to have custody over the Funds' assets. In accordance with the Custody Rule, a qualified custodian will not be required to deliver quarterly account statements to the Funds or their respective investors as long as (i) the Funds are audited by an independent public accountant that is registered with, and subject to inspection by, the Public Company Accounting Oversight Board, (ii) the Funds' audited financial statements are prepared in accordance with U.S. generally accepted accounting principles, and (iii) Frontier delivers such annual audited financial statements to investors within 120 days after the end of each Fund's fiscal year. Frontier arranges for an annual audit for each Fund and will deliver the audited financial statements to Fund investors within 120 days after the end of each Fund's fiscal year. For Funds that are structured as fund-of-funds Frontier will delivery audited financial statements to those Fund investors within 180 days.

### **Item 16 - Investment Discretion**

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Clients usually grant Frontier discretionary authority to supervise and direct, on an ongoing basis, the investments of the client in accordance with the client's investment objectives and guidelines.

When granted discretion, we are authorized, without prior consultation with the client, to: (1) buy, sell, exchange, and otherwise trade any stocks, bonds or other securities or assets and (2) place orders and negotiate commissions (if any) for the execution of all transactions in securities with or through such broker-dealer underwriters or issuers as we select. Any limitations to such authority will be communicated in writing by the client to Frontier.

**Use of sub-advisers/ third-party money managers**

From time to time, Frontier engages third-party sub-advisers or third-party money managers to provide discretionary investment advisory services and manage a portion of Frontier's client assets. All services will be pursuant to a written sub-advisory agreement.

**Item 17 - Voting Client Securities**

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Frontier typically will not vote proxies with respect to client securities. However, should Frontier be asked to vote or assist a client with voting a proxy, the Firm will do so in the best interest of the client. Clients can obtain a copy of Frontier's proxy voting policies and procedures upon request by contacting the CCO.

**Item 18 - Financial Information**

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Frontier has no financial commitment that impairs our ability to meet contractual and fiduciary commitments to clients and has not been the subject of a bankruptcy proceeding.