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NOTES

Frontier Strategies

Strategy Management Process: Strategies are managed using a four-step process. First, we establish a long-term asset allocation mix that we call the "Target Long-Term Allocation". Periodically we adjust the Target Long-Term Allocation based on our changing expectations about the future risk and return characteristics of various asset classes to create the "Target Current Allocation". Next, we develop an "approved list" of investment products that we believe can add value over time. Finally, we test thousands of combinations of investment products from our approved list to find the combination that we believe is most likely to perform better than the Target Current Allocation. Over time the investment products in the strategy will most likely change.

Adjustments to the Target Long-Term Allocation will typically be made within "Target Asset Allocation Ranges" that are established for the following asset class groups: US Equity, International Equity, Alternatives, Real Assets and Fixed Income. We have developed models that help us determine our future risk and return expectations for certain asset classes that fall within these groups. They are shown below. Some of these asset classes contain "sub-asset classes" (e.g., growth, value, mid-cap) that may also be represented in Frontier strategies.

US Equity: US Large Stocks, US Small Stocks, REITS
International Equity: International Large Stocks, International Small Stocks, Emerging Markets
Fixed Income: US High Quality Bonds, Long-Term Govt. Bonds, TIPs, High-Yield Bonds, Int'l Bonds, Floating Rate Securities, Cash Equivalents
Alternatives: Absolute Return, Managed Futures
Real Assets: Commodities

Not all asset classes are utilized in the construction of all strategies. Asset classes may be added to or removed from the above list at any time. The Target Current Allocation for a strategy may include asset classes that are not included in the Target Long-Term Allocation for that strategy. When determining the asset allocation for a strategy, each investment product is categorized into one asset class even though it may have exposure to other asset classes. For the investment products mentioned herein, a complete description of their investment objectives, along with details of the risks and fees involved is contained in their respective prospectus and statement of additional information, which is available on their websites and should be read fully.

Strategy Details: The **"Investment Objective"** is the goal of the strategy. Future performance will depend on market conditions that prevail at the time. There is no guarantee we will achieve our targets and deviations may be significant, particularly over short time periods. Frontier may modify the Investment Objective or strategy parameters at any time without notice.

The **"Downside Risk Target"** is the lowest return Frontier would expect to encounter over the next 12-months if all the monthly returns fell within 1.645 deviations (95% statistically confident range) of the expected real return. Real return represents the annual percentage return realized on an investment, which is adjusted for changes in prices due to inflation or other external factors.

The **"Downside Success Rate vs Downside Risk Target"** is the percent of time from the inception of the strategy that the rolling 1-year returns were above our downside risk target. The objective is to be above 95% of the time. It is calculated by taking the composite return, before fees, and determining whether it was above or below that 1-year downside risk target, then taking the average.