

MULTI-ASSET INCOME PORTFOLIOS

The New Frontier Multi-Asset Income Portfolios are designed for investors who want both long-term performance and consistent income. New Frontier creates and maintains the global strategic portfolios at three different strategic stock/bond ratios with their multi-patented, quantitative investment process. Since the portfolios aim to both provide market returns and income, they contain dividend-income-oriented exchange traded funds (ETFs) as well as ETFs that offer significant diversification and risk management benefits. The resulting portfolios provide the opportunity to benefit from both price appreciation and enhanced income.

BENEFITS OF DIVIDENDS

Though past performance does not guarantee future results, dividend oriented funds have displayed many attractive characteristics historically.

- *Outperformance* – Dividend paying stocks have outperformed non-dividend paying stocks over long horizons. Except for the 1990s, U.S. dividend yielding stocks outperformed the broader S&P index in every decade since the 1930s.¹
- *Yield Untied to Risk* – While high yield means higher risk in the case of bonds, the same need not be true for stocks. Reliable dividend streams are often a matter of corporate policy and tradition on the part of the companies issuing the stocks.
- *Lower Volatility* – Dividend oriented funds have exhibited lower volatility than broader indices over many time periods.
- *Consistent Income* – Stocks that produce dividends in one period tend to continue to produce dividends in subsequent periods. The same cannot be said for stocks that produce superior price returns.
- *Capital Retention* – Since price volatility is generally higher than income volatility, distributions with a larger income component may mitigate the impact of selling at troughs. The result is less impact on the portfolio's principal.

NEW FRONTIER'S INVESTMENT PROCESS

New Frontier's investment team combines years of experience, advanced technology, and a quantitative approach to investing. Our statistical portfolio optimization tool has a mathematical proof of effectiveness and multiple patents. Unlike traditional investment processes, New Frontier accounts for the uncertainty and risk inherent in investment by using statistically rigorous methods for portfolio creation. Rather than betting on one possible future, the investment process finds the combination of ETFs that maximizes the possibility of doing well in thousands of possible futures. The resulting portfolios are intelligently diversified and risk-controlled. In addition, New Frontier's Michaud-Esch portfolio monitoring technology provides highly sensitive portfolio trading rules that tend to lower trading costs, eliminate unnecessary trades, and more reliably trade when necessary.

¹ *Stocks for the Long Run: The Definitive Guide to Financial Market Returns & Long Term Investment Strategies*. 5th Edition, McGraw hill 2015 page 181



BY COMBINING THE BENEFITS OF DIVIDEND INCOME WITH NEW FRONTIER'S INVESTMENT PROCESS, THE MULTI-ASSET INCOME PORTFOLIOS OFFER:

- *Sustainable Income* – New Frontier's strategies are dividend income enhanced, in a carefully calibrated manner, in order to limit the negative impact of withdrawals on principal and provide sustainable income over time.
- *Strategic Asset Allocation* – New Frontier's state-of-the-art statistical estimation and quantitative institutional expertise provides true strategic core investments that are nevertheless sensitive to changes in capital markets and informed by reliable and relevant current information.
- *Scientific Approach* – New Frontier's rigorous quantitative method helps to mitigate human biases and ineffectiveness in investment management processes.
- *Transparency* – Assets are invested in low risk, transparent ETFs with an investment process that has been described in patent applications and academic articles.
- *Global Perspective* – In addition to the well-known potential diversification and performance advantages of global strategies, higher dividends are often found in international markets.
- *Inflation-Sensitivity* – Unlike annuities that promise non-inflation adjusted income, dividend oriented funds address realistic income objectives relative to market and economic conditions.
- *Limited Active Risk* – New Frontier strategies do not engage in market timing; sector, style, or country rotation; or bets on past performance of active investment strategies.
- *No Counterparty Risk* – Market-based funds avoid the risk of companies defaulting on annuities over lifetime horizons. Furthermore, New Frontier does not invest in ETNs or other assets with counterparty risk.
- *Long-Term* – Market-based capital appreciation and a strategic approach address concerns of meeting long-term investment objectives.

ABOUT NEW FRONTIER

New Frontier a federally registered investment adviser based in Boston, MA. We are known globally for innovations that manage investment uncertainty. New Frontier utilizes Michaud optimization and rebalancing for all portfolios. Combining patented technology with cutting edge financial theory provides optimized investment portfolios that meet specific objectives. All New Frontier portfolios offer effective risk management and optimized performance.

This article is designed to illustrate the benefits of utilizing the Multi-Asset Income Portfolios in the management of client assets. The information provided is for informational purposes only and does not constitute investment advice. Investors should consult with their financial advisor regarding the financial implications and risks of any investment decision.

For instructional purposes only. Past performance is not a guarantee of future returns. Any further distribution must comply with your firm's guidelines and applicable rules and regulations, including Rule 206(4)-1 under the Investment Adviser Act of 1940.

