

# Frontier Capital Management Co., LLC

**Mandate: U.S. BALANCED MANAGER**

**Risk Category 4.5**

## OBJECTIVE

To manage segregated balanced portfolios for the Summit program where the objective is to outperform the benchmark.

## BACKGROUND

- Frontier Capital Management Company is a Boston-based investment management firm. Founded in 1980, the firm has managed growth-oriented portfolios since its inception. Today they manage growth equity and balanced portfolios for the institutional and private individual marketplace.

## INVESTMENT PHILOSOPHY AND PROCESS

- Believe stock prices ultimately follow earnings growth and that growth can come from unexpected areas.
- Focus on identifying secular trends, which will allow specific sectors and industries to achieve above-average growth over a several-year period.
- This thematic overview looks to the future to invest in the growth areas of tomorrow and provides a framework for their portfolios and research effort.
- Individual companies are chosen based upon fundamental analysis utilizing a disciplined approach.
- Process stresses in-depth analysis based upon visits with company management and Wall Street analysts.
- Portfolios will typically hold 35 - 45 stocks.
- FCM's balanced portfolios utilize high-grade fixed income securities to reduce the overall volatility of the portfolio and produce a desired level of income.
- Fixed income focus in the short- to intermediate-term range based on evaluation of the current level and trend of interest rates and the shape of the yield curve.
- Use only U.S. government, agency and high-grade corporate bonds with an A or better rating.

## BIOGRAPHIES OF KEY PERSONNEL

Grace Keeney Fey, CFA, joined the firm in 1988 and has 31 years of investment experience. She is Executive Vice President and Director, and portfolio manager on the Summit mandate.

Stephen M. Knightly, CFA, has 17 years of investment experience and joined the firm in 1994. He is Senior Vice President and manages the Frontier Mid Cap portfolios. He serves as back-up manager on the Summit mandate.

J. Kirk Smith, CFA, has 26 years of financial experience and joined Frontier in 1994. He is Executive Vice President and Director and is responsible for marketing, client service, and administration.

## SUMMARY

Location: Boston, Massachusetts  
 Founded: 1980  
 Ownership: AMG Affiliate  
 Staff: 39  
 Managers/Analysts: 15

Assets:  
 Institutional \$5.4 billion  
 Mutual Funds \$0.703 billion  
 Individual \$6.1 billion  
**TOTAL**

## Portfolio Characteristics:

Style Growth  
 Earnings Growth Higher than market  
 ROE Higher than market  
 P/E Similar to market  
 P/B Higher than market  
 Yield Lower than market  
 Debt/Equity Lower than market  
 Average Capitalization Higher than market

Style			
	Value	Blend	Growth
Large			•
Medium			•
Small			

## The Summit Program



The material presented herein is prepared by Northern Trust Global Advisors and is gathered from sources we believe to be reliable. It is current as of issue date (December, 2006). These profiles are intended for use by ScotiaMcLeod Summit Program clients who are selecting an investment manager for their account. All performance data represents past performance and is not indicative of future performance. Please note that representative composite returns were used for managers that have been in ScotiaMcLeod Summit Program less than five years to the date of this report. TM Trademark used under authorization and control of The Bank of Nova Scotia. ScotiaMcLeod is a division of Scotia Capital Inc., Member CIPF.