

# Year in Review and 2021 Update

Frontier

February 2021





# CONTENT

## 04

CEO REPORT  
AND SNAPSHOT



## 20

RESPONSIBLE  
INVESTMENT

Frontier's modern slavery risk tool

Enhancing our manager ESG  
assessment approach

Other new developments in RI

## 34

COMMUNICATING  
OUR IDEAS

Investment Updates

Frontier conference



## 08

FIVE YEARS  
AT THE TOP

## 14

STRATEGIC  
INVESTMENT  
ADVICE



## 28

GROWTH  
SEGMENTS

## 36

A NEW LOOK  
FOR FRONTIER

## 06

FRONTIER'S  
GROWING  
CLIENT BASE

## 12

PERFORMANCE



## 22

TECHNOLOGY

## 30

CONSULTANT  
EXPERIENCE



## 16

SECTOR RESEARCH  
PROGRAM

## 26

LONGEVITY

### Stage one

Design longevity solution which  
meets the needs of different funds  
and their members

### Stage two

Investigate practicality of the solution  
and implementation options

## 32

2020 APPOINTMENTS

Senior consulting staff

Associates

Technology

## 38

OUTLOOK FOR 2021



# CEO REPORT & SNAPSHOT

I am pleased to share our annual review of 2020 and update on the year ahead for Frontier. We are strongly placed and thankful to work with our valued clients and partners again in 2021.

Although 2020 brought huge challenges for us all, both personally and for our businesses, the year was a generally strong period for investors, despite incredible volatility in the March to June period. As advisers we felt privileged to be able to work with our clients in negotiating dynamic and difficult market conditions. Despite the obvious challenges of 2020, Frontier continued to evolve our services to support our clients and develop our business.

- Consistent and strong client performance
- Produced **55 issue specific Investment Updates**, sometimes as many as four in a day at the peak of market volatility
- **Major redevelopment of our technology offering** – the Frontier Partners Platform
- Expanded responsible investment capability and creation of a modern slavery assessment tool

- Delivered our annual conference in July via **17 webinars** from **50 presenters** around the globe
- Facilitated the design of a default longevity solution in collaboration with **nine partner funds**
- Supported our superannuation clients in reviewing the “**Your Future, Your Super**” reforms and submissions to Treasury on improving the proposed performance test
- Refreshed corporate identity and website
- **Grew our client base** – for the first time in the firm’s history **more than 50% of our clients** now come from outside the superannuation sector
- Welcomed **11 people** into our team, despite lockdown restrictions, to add considerable dimension and depth to our research and consulting offering.

Frontier again topped the Peter Lee Associates survey, ranking first in over half the categories measured – for the fifth year in

a row. In 2020 investors ranked Frontier at the top of the market in 9/14 areas. The consistency of these results is both humbling and reassuring.

And, in an exciting development for our staff and visitors, we look forward to once again working together, physically, in brand new premises in Lonsdale Street. Hopefully, we can show you our new office space in person very soon.

Finally, I would like to thank each of our clients. We value your ongoing support and trust, and we look forward to continuing to collaborate with you during 2021 in pursuit of your individual investment objectives.

**Andrew Polson**  
Chief Executive Officer

## Frontier snapshot

As at 31 Dec 2020

Founded

**JULY 1994**

Funds under advice

**\$400 BILLION**

Staff | inc contractors

**77** STAFF  
**54** CONSULTING

Gender balance

**56%** MALE  
**44%** FEMALE

Client sectors

**16** SUPER  
**17** NON-SUPER

Clients

**33** (PLUS TECHNOLOGY SUBSCRIBERS)

Client/consultant ratio

**1:1.6**

Senior staff experience

**19** YEARS INDUSTRY (AVERAGE)

**8** YEARS FRONTIER (AVERAGE)

# FRONTIER'S GROWING CLIENT BASE

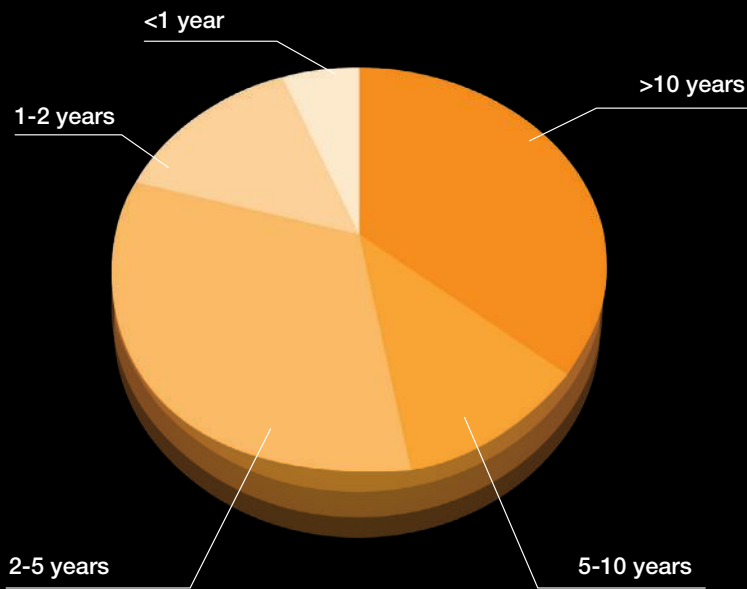
Frontier has again been able to add depth and dimension to our client base in 2020 adding five new retainer clients and another additional standalone technology subscriber.

02

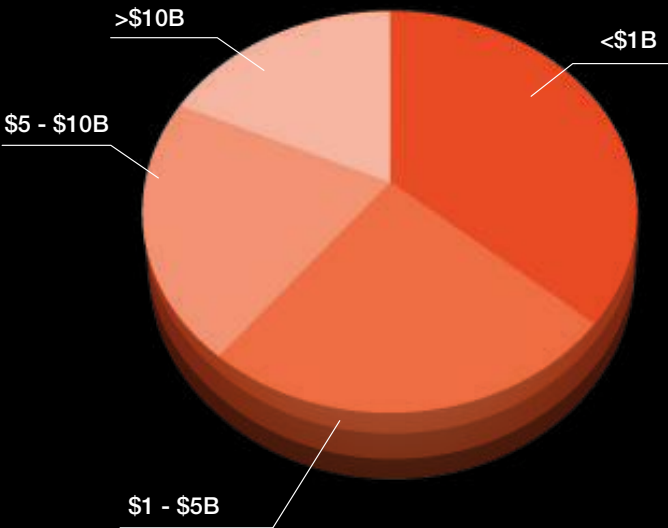
We are pleased to welcome five new retainer clients to the Frontier family. For the first time in the firm's history, we now have more than half of our clients coming from outside the superannuation sector. In particular we have had recent success expanding our reach into the liability driven and endowment and charity segments. It is rare we lose a client, however in 2020 VicSuper

merged into the newly branded Aware Super. Frontier had the privilege of working with VicSuper for more than twenty years and we are enormously proud of the work we did for the Fund and its members. We thank all of the trustees and staff of VicSuper that we worked with since October 1997 for their partnership and trust in Frontier.

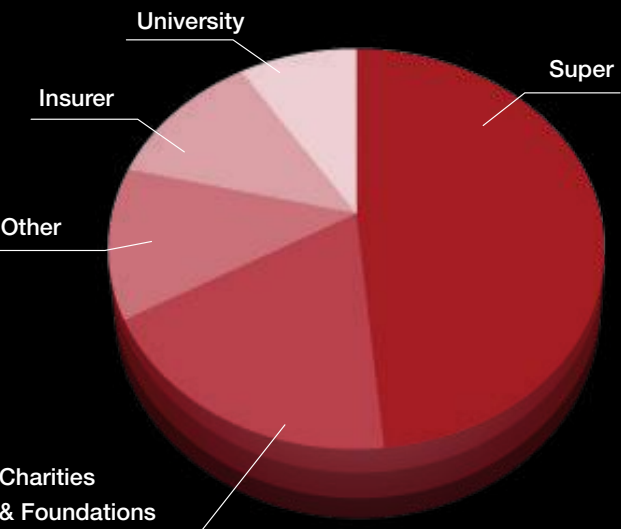
Number of clients by tenure



Number of clients by portfolio size



Number of clients by type





# FIVE YEARS



**For the fifth year in succession, Frontier was rated first in more than half the categories assessed in the highly regarded Peter Lee Associates Investment Management survey.**

# AT THE TOP

# 03

We are humbled by the consistent **strong market endorsement** investors have provided across a spectrum of areas.

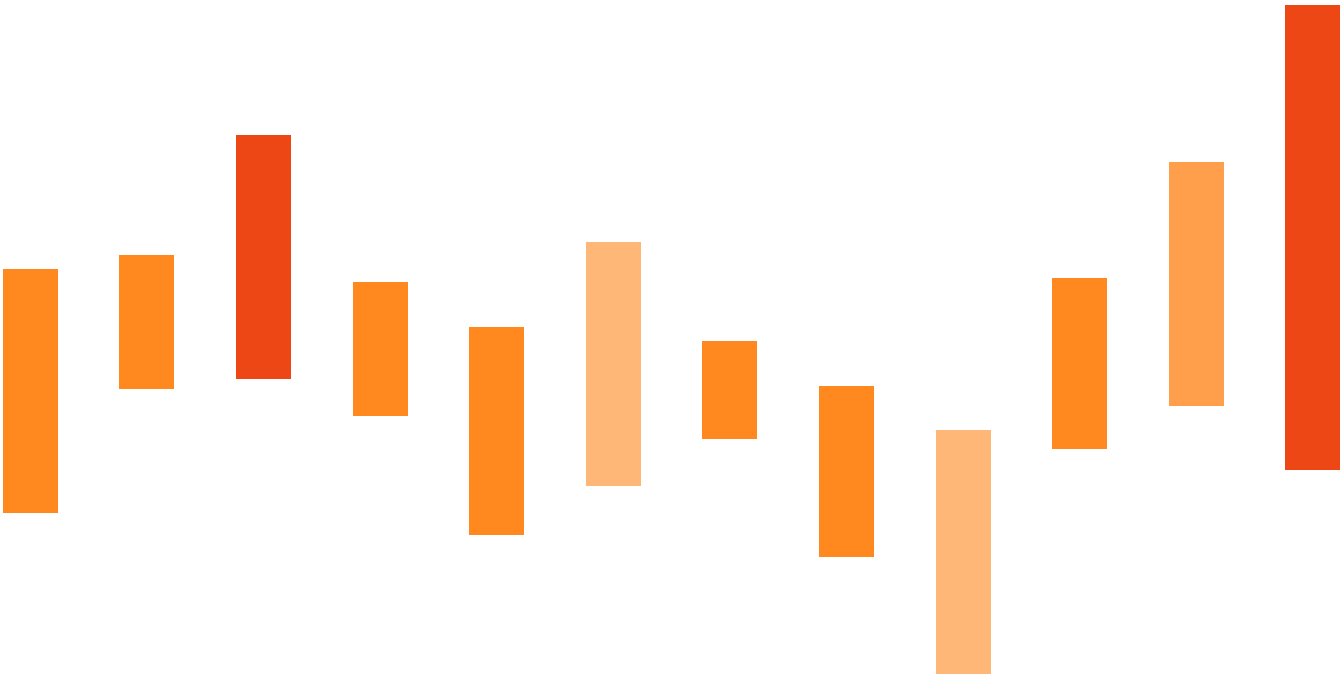
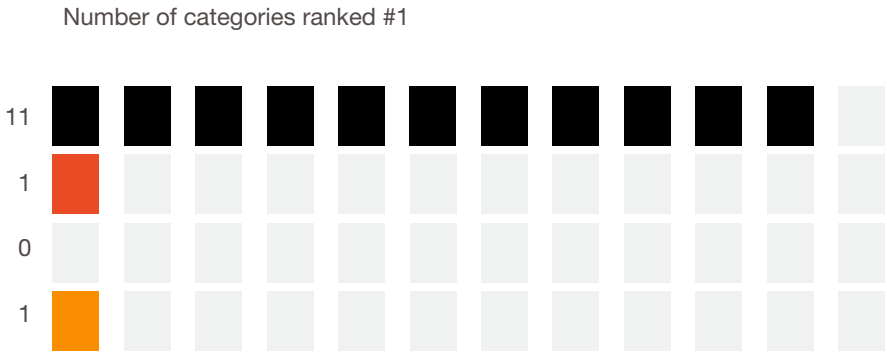
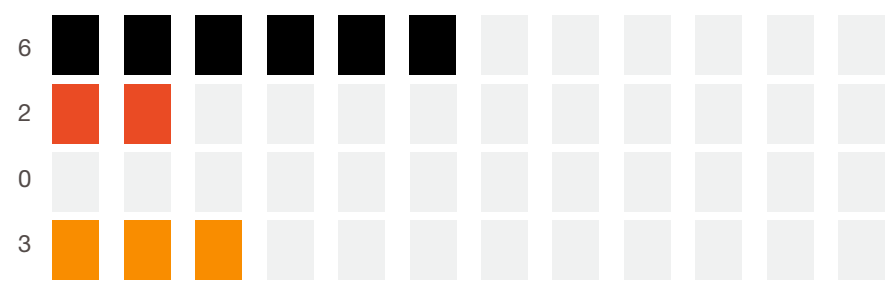


Chart 1: Category #1 ranks by major consultant

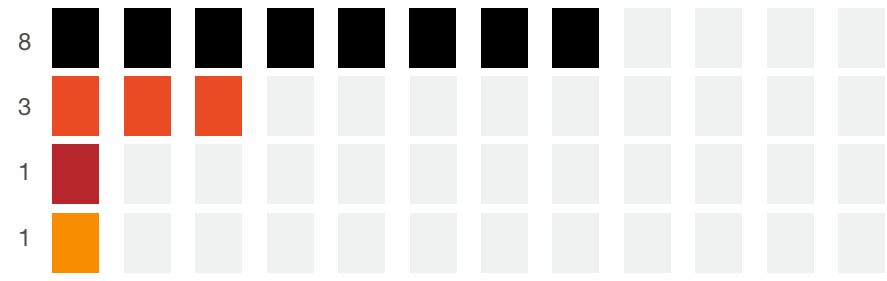
2016



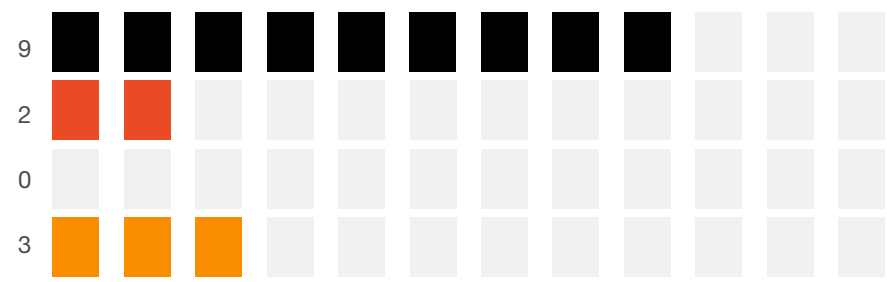
2017



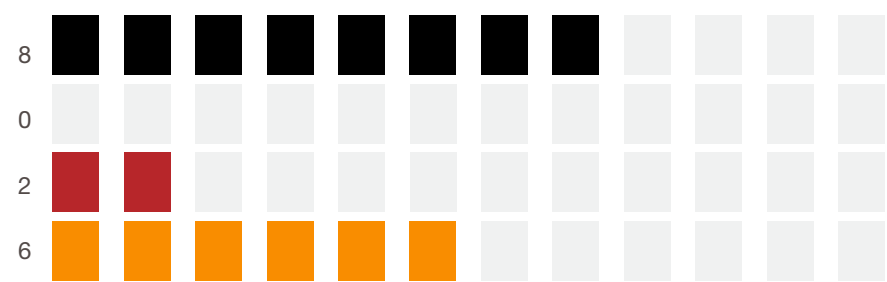
2018



2019



2020



■ Frontier ■ Consultant A ■ Consultant B ■ Consultant C

Source: Peter Lee Associates Annual Investment Management Survey 2016 to 2020. Note in some categories in particular years an equal 1st ranking has been shared by consultants.

# PERFORMANCE

Client performance has once again been consistent and strong. Using our superannuation client base as a gauge, our median balanced fund client achieved top quartile returns over five and ten years. These outcomes are a testament to the long-term success of our asset allocation advice and our ability to work with our clients to harness the depth of our research program.

Our market calls in 2020 added value to portfolios, but we are also proud of our long-term market forecasts in helping shape outcomes for our clients and their members and beneficiaries over the longer term.

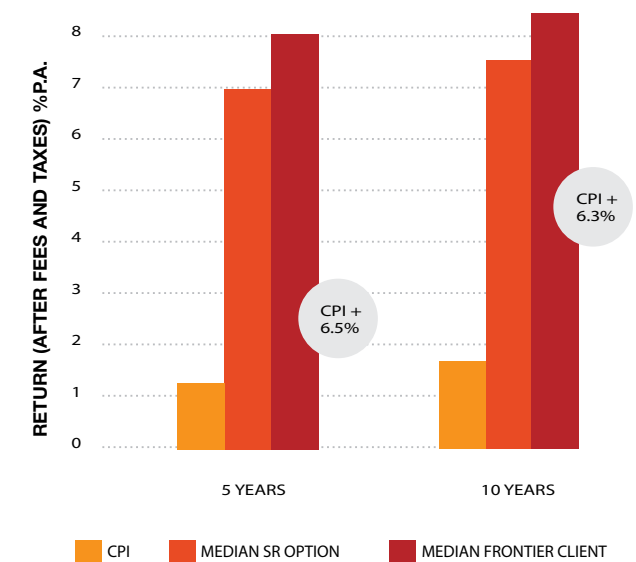
# 04

Frontier's purpose is to empower our clients to enhance the prosperity of their members/beneficiaries/investors by meeting their investment objectives.

As a group, our superannuation fund clients have enjoyed two decades of consistent outperformance over their peers. The chart to the right shows that over periods to 31 December 2020, Frontier's median superannuation fund client outperformed the SuperRatings SR50 median fund by 0.9% p.a. over five years. (Despite serving many sectors, we use superannuation fund data to make comparisons due to the highly competitive nature, and publicly available data, for that sector.)

While the objectives of each of our clients vary, we believe it is reasonable to aggregate our clients to show Frontier's median client return.

Chart 2: Frontier client median vs SR Balanced median (% p.a.) at 31 December 2020



# STRATEGIC INVESTMENT ADVICE

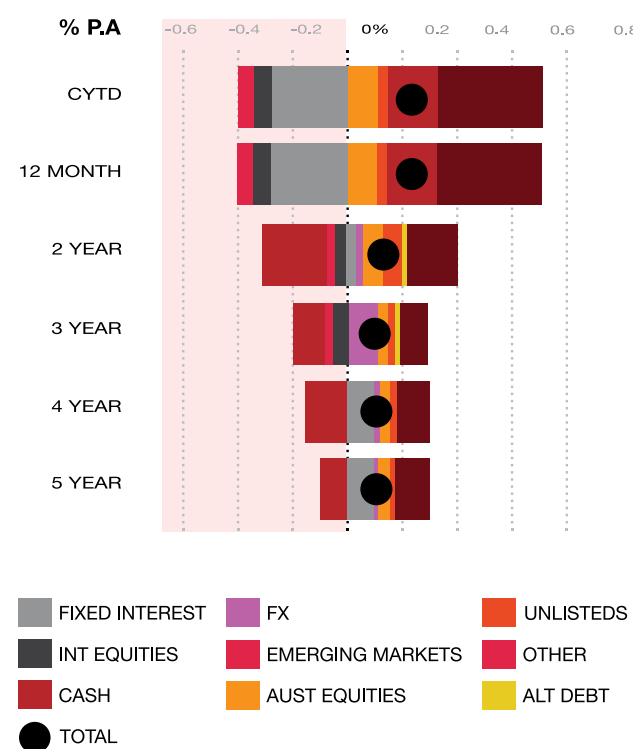
**We have a long-held belief that asset allocation delivers the majority of investment performance for a portfolio. The leading performance Frontier has been able to help deliver for our clients has, in large part, come from the quality of our capital markets analysis and the asset allocation advice, both strategic and dynamic.**

Previously, our market calls have added value for Frontier clients and their beneficiaries over a range of time horizons and market conditions. Looking at 2020, our assessment of markets and timely advice to clients at the start of the year helped protect capital in a particularly volatile period. This included many regular updates as the COVID-19 pandemic began, enabling us to help clients navigate their portfolios through these difficult market conditions. Our dynamic asset allocation advice over the calendar year both added value and reduced volatility for client portfolios. This included our underweight growth assets advice heading into the COVID-19 bear market and subsequent advice to move back to neutral on equities near the trough in mid-March. Advice to be overweight foreign currency exposure also acted as an important defensive lever through the 2020 equity sell-off.

Our research efforts also adapted to the changes to COVID-19 work arrangements. Our capital markets and asset allocation team conducted virtual research trips to China in late March (to cover their economic recovery) and the US in September (ahead of the Presidential election) to bring insights to our clients. Given the significant economic uncertainty from the pandemic, we have also enhanced our economic and scenario modelling. Dr. Ann Tran, who joined us in mid-2019, has replicated the RBA's 'MARTIN' econometric model to assist in this. The insights were released in our papers on *'Navigating the new macro environment'*.

Over the year, we expanded the number of asset classes in our capital market assumptions on the new Portfolio Analytics platform and evolved our strategic investment advice to take increasing allowance of low interest rates for an extended period. We recognise that the situation is still uncertain but it is highly probable that we will not return to a long-term equilibrium world for some time. This fed into our framework for considering long-term investment themes including the impact of COVID-19 in our *Annual Secular Outlook*.

**Chart 4: Frontier model portfolio DAA (interim) performance attribution to December 2020**



Source: Frontier

**Chart 5: Frontier secular themes framework**

SECULAR THEMES	GROWTH IMPACT	INFLATION IMPACT
DEBT	→	↑
GLOBALISATION	↓	↑
DEMOGRAPHICS	↓	↑
PRODUCTIVITY	→	↓
INEQUALITY	↓	→
CLIMATE CHANGE	↓	↑

↑ INCREASE    ↓ DECREASE    → STABLE

Source: Frontier



# SECTOR RESEARCH PROGRAM

—  
Providing advice on the appointment, retention and termination of managers, both in Australia and globally, is an important contributor to the performance we have delivered our clients again in 2020.

# 06

Frontier's extensive manager research library has information on over 3,300 products and over 1,200 managers. This library is supported by the research we access through our Global Investment Research Alliance (GIRA) partners, building our library to over 5,000 products and more than 2,850 managers.



Frontier's extensive manager research library

**+3,300**

PRODUCTS

**+1,200**

MANAGERS

Global Investment Research Alliance (GIRA) partners

**+5,000**

PRODUCTS

**+2,850**

MANAGERS

# RESEARCH HIGHLIGHTS

Given the restrictions on international travel, our collaboration with our GIRA partners became even more valuable.

In addition to the input we receive from our GIRA partners, we continue to believe strongly in the importance of completing our own due diligence. Despite global travel restrictions, our research teams have been completing ‘virtual’ research trips and conducting series’ of meetings and discussions in global regions in blocks around specific themes as they would in more ‘normal’ times.

Key highlights in 2020 include:

### 01. Sector research and updates

The Frontier team produced 55 specific Investment Updates over 2020. Many of these involved surveying and liaising with over 100 managers in a short space of time to enable Frontier to provide our clients with real time updates. We were driven to assist our clients in addressing the various challenges which arose in the early days of COVID-19, particularly when markets were volatile.

### 02. Enhanced ESG manager assessment framework

We worked with our Responsible Investment Group to develop a significantly enhanced ESG manager assessment framework within our manager research process. We believe this will enable Frontier to deepen our ESG analysis at a manager level, to more clearly differentiate across managers and will ultimately provide a dividend to our clients.

### 03. Investment in our manager research database

Frontier has been well known for our client led technology platforms and offerings and we continue to make significant progress and further developments. 2021 is expected to be a big year and in this regard, to collect manager data, we have partnered with Diligence Vault and developed a customised Frontier experience using this platform. We think this will have significant benefits for our mutual clients, for Frontier and for managers. This will ultimately enable Frontier to collect more data, provide deeper analysis of managers, assess more managers and deliver the outcomes more efficiently to our clients.

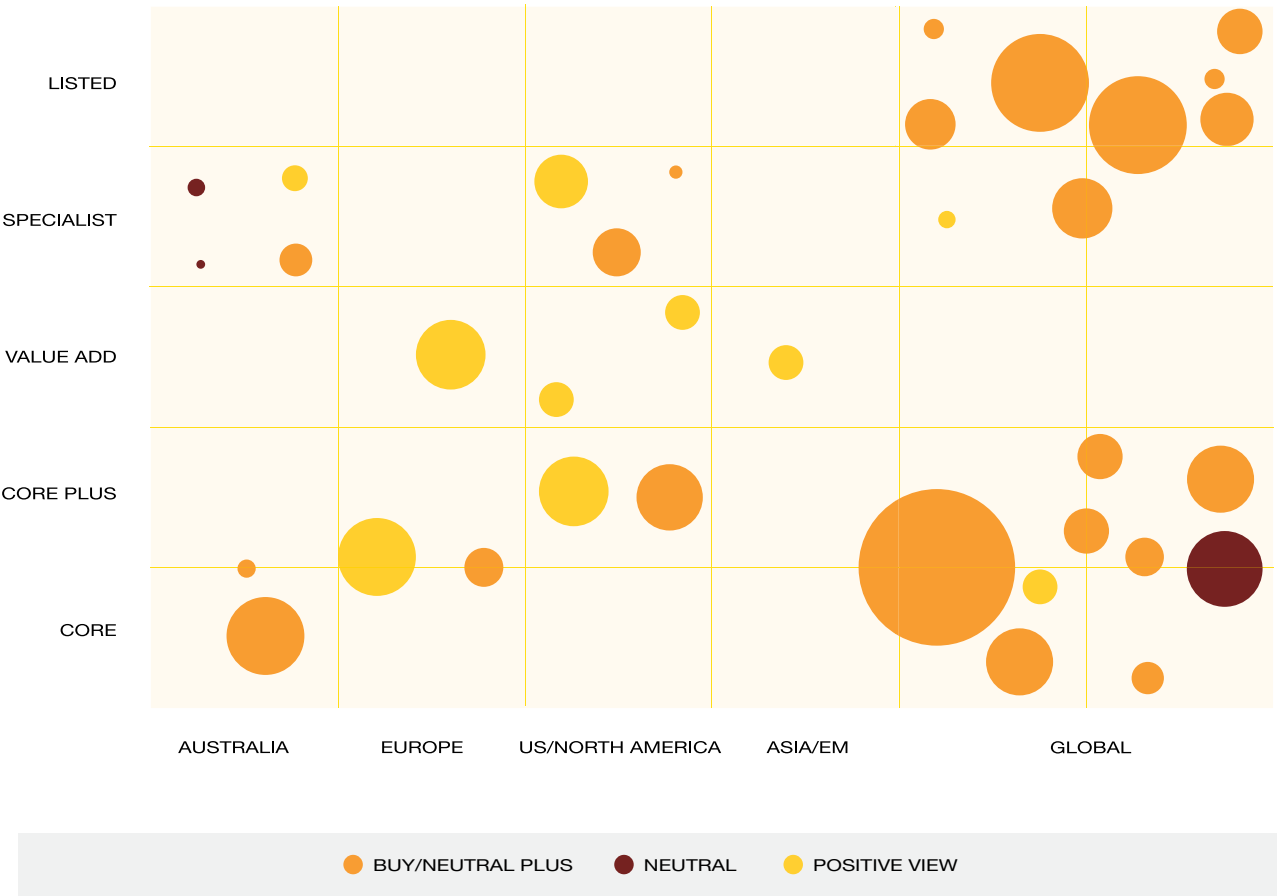
### 04. ‘Virtual’ manager research

Frontier held around 1,000 formal manager meetings in 2020, as well as a significant number of informal meetings. For example, in October, Frontier undertook a ‘virtual’ research trip to Europe, meeting with 21 different infrastructure managers operating in the midmarket European infrastructure segment. Our paper in this regard was published in December.

### 05. New sector views

We also spent time reshaping how we look at every sector, aiming to view each sector on a one-sheet bubble chart. Chart 6 shows the infrastructure manager universe (only those managers who are Buy or Neutral). A key standout here is the number of investment opportunities (some new) in global infrastructure. Our plan is to roll this framework out in a systematic way to help clients, to understand where to focus or where gaps may exist.

Chart 6: Frontier infrastructure manager universe





# RESPONSIBLE INVESTMENT

Over the year we have made strong progress in bolstering our already strong integrated responsible investment capability, creating and launching a proprietary modern slavery assessment tool and developing a new, more comprehensive, manager assessment framework which we have begun embedding in our manager research program.

## Frontier's modern slavery risk tool

The Australian Modern Slavery Act 2018 requires certain institutional asset owners to identify and report annually on the risk of modern slavery occurring within their operations and investment portfolios. To offer practical support in this area, Frontier has developed a new service which provides client trustees greater insight into this critical risk. Frontier's modern slavery tool will quantitatively identify where modern slavery risk may be more prevalent across a listed equity portfolio based on underlying holdings. Clients receive a concise, visually-appealing report on completion of the analysis, which can readily facilitate engagement with fund managers and be included in annual reporting.



## Enhancing our manager ESG assessment approach

Acknowledging the increasing breadth and complexity of ESG factors and responsible investment practice, Frontier enhanced its standing approach to rating the responsible investment capabilities of fund managers over the year. Our objectives were to permit more robust comparability between investment products on ESG and facilitate deeper and richer communication with clients on responsible investment when selecting managers. A key outcome of this enhancement will be that the ESG rating ascribed by our sector research teams for a given investment product will now be expressed as 1, 2, 3, 4 or 5 stars (previously only 1, 3, or 5 stars) in line with other attributes.

Our enhanced approach is guided by a new framework incorporating a standard set of responsible investment considerations including responsible investment philosophy and policy, resourcing, ESG integration, active ownership, collective activity, climate change and reporting. Fund managers will also have far greater opportunity to articulate the benefits of their responsible investment approaches through a multi-stage due diligence process, including a questionnaire and due diligence meetings.

## Other new developments in RI

Over the year, we introduced several enhancements to the visual outputs from our proprietary climate change portfolio analytics module in Frontier's portfolio analytics technology. Frontier will look to further enhance the module with additional features over the coming year.

- Frontier's sector research teams have added several managers with distinct and appealing ESG/sustainability credentials to our bench of rated products. These have included opportunities in impact equities and renewable energy infrastructure with further new products in fixed interest due for rating early in 2021
- Our researchers also completed various responsible investment research pieces over 2020 and published a deep dive paper on low-carbon passive equities. A new piece on using carbon derivatives for risk management will be published shortly
- Frontier assisted clients with a wide variety of bespoke responsible investment-related projects over the year including responsible investment strategy workshops, reviews of sustainable investment options, assessment of fund managers on climate change and ESG training
- Frontier representatives participated in a number of responsible investment conferences and roundtables over the year, with net zero and modern slavery being clear areas of focus for attendees. We also welcomed Fiona Reynolds, CEO of the Principles for Responsible Investment, who provided her personal insights on the future of ESG as part of internal presentation program.



# TECHNOLOGY

This year saw a major redevelopment of our technology offering, shifting our Partners Platform onto a state-of-the-art technology suite, into the cloud, and successfully launching our new Portfolio Analytics platform. We continued to grow dedicated internal technology resources strongly, including appointing our new Head of Technology and Operations, David Jenkins.

# TECHNOLOGY HIGHLIGHTS FOR 2020

The launch of Portfolio Analytics saw strong engagement by our clients, and in 2021 we are well placed to deliver considerable further enhancements to our already market leading offering.

Through working closely with our clients and understanding their needs we have continued to develop and expand our technology offering, across new market segments and with advanced overlays, simulations and risk functional enhancements.

We have successfully brought full control of our Partners Platform in-house with dedicated business analysts, developers, quant and data specialists and IT infrastructure support. The team is well placed to deliver on an accelerated roadmap now that all key functions are resourced appropriately.

The major highlights for 2020 included:

## 01. Client-centric design

Incorporation of client beta testing groups and user-experience specialists to guide the development of the relaunched Partners Platform

## 02. Fully launched Portfolio Analytics

With functional uplift to 61 asset classes, currency and options overlays and improved simulation and risk functionality

## 03. New market expansion

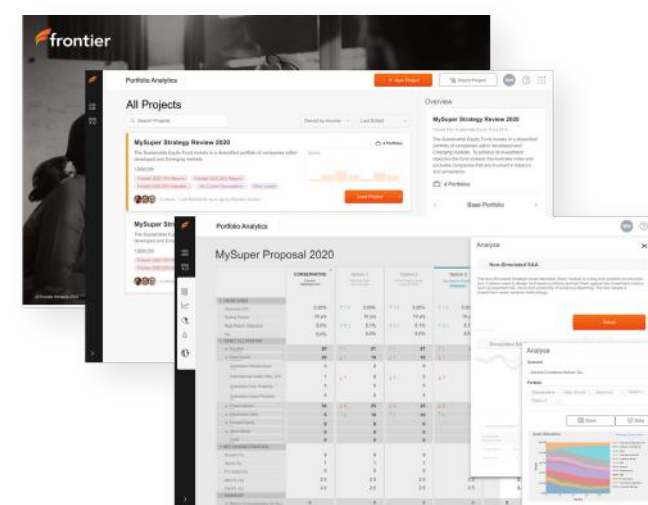
Development of new functionality for Liability and Insurance Clients with early adopters providing product feedback and contracted go-live clients

## 04. Manager efficiency gains

A redesign of manager meeting notes and surveys to greatly improve efficiency and information capture

## 05. Full in-sourcing

A fully developed capability for product development and service delivery.



Portfolio Analytics



# TECHNOLOGY FOCUS IN 2021

Our focus remains on building a best-in-class platform for total portfolio strategy based on our unique understanding of the needs of asset owners and developing our status as a technology partner to our clients.

## 01. Enhanced Partners Platform

Re-launch and functional uplift of Mercury, Radas and Glide products onto the new platform

## 02. Enhanced customisation

Customisable dashboards for CIO's and machine level (API) access to the Partners Platform

## 03. ESG analytics

Launch of an ESG offering within Partners Platform to compliment the existing Climate Change module

## 04. Peer and performance analysis

Upgraded functionality for peer comparison and performance against industry mandated benchmarks

## 05. Robust and secure infrastructure

Continual focus and improvement of cyber-security and alignment to industry standards

## 06. New segments

Launch of new functionality for liability driven and emerging institutional investors.



# LONGEVITY

At the start of 2020 we assembled a group of nine superannuation funds as a “taskforce” to meaningfully progress the development of a default longevity solution. The first phase of this work was delivered in September and is now progressing to a second stage, which we hope will give funds the opportunity to offer simple, flexible end efficient longevity solutions to their members during FY 2022.

Research shows pensioners spend conservatively, preserving their wealth and ultimately passing on substantial bequests. Age pensioners in Australia tend to “under consume”, holding on to assets, and even building a buffer, well into their later years. Frontier is leading a taskforce of nine profit-for-member funds to collectively design

a retirement income solution which better meets the needs of Australian retirees. Members have more diverse needs in retirement compared to the accumulation phase. However, a typical retiree will value a high level of income which keeps pace with inflation and lasts their lifetime, while maintaining flexibility should their situation change.

## STAGE ONE

**Design longevity solution which meets the needs of different funds and their members.**

We believe the solution we have devised with the taskforce will provide better outcomes to retirees, with higher income to last their lifetime.

The proposed retirement income solution has been designed to:



Provide higher income than the minimum rates



Increase with inflation each year



Allow retirees to take out funds in the first 15/20 years



Include insurance to provide income in their later years

The solution will still pay a bequest to the retiree’s estate in the first 15/20 years, although it will be lower than if they had drawn down at the minimum rates.

## STAGE TWO

**Investigate practicality of the solution and implementation options.**

The second phase is now underway to investigate the practicalities of the longevity solution in detail, and how can the solution be implemented.

The implementation phase will cover:



**Discussions with potential providers** – primarily insurers and administrators



**Member testing** – getting the messaging right



**Third party review as necessary** – tax, legal, actuarial



**Investment** – what investment strategy to use



**Engagement with the regulators** – including ASIC, APRA, ATO & DSS

The taskforce funds will actively participate in the process, weighing the pros and cons of each issues.

Stage one has shown that funds can work together in helping solve the retirement design problem. We believe a collective approach will continue to have merit while addressing the implementation issues, helping funds minimise their own development time and costs.



# GROWTH SEGMENTS

**The institutional investing market is evolving. We are seeing a growing demand for investment consulting services from the liability driven and endowment and charity segments. Our client base, traditionally dominated by the superannuation sector, has now evolved to be roughly half and half, super and non-super clients.**

# 10

**T**he traditional superannuation sector is changing - there are now fewer funds and larger internal investment teams, and the services needed to support these larger funds are more specialised. We have evolved our offer, and continue to support this sector with more specialist advice and technology solutions.

In 2020 Frontier witnessed growing demand by liability driven investors, government, NFP, universities and charities for its services based on focus on client's outcomes and our unconflicted advice model. We now

advise 17 clients on a retainer basis, supported by our experienced teams led by Elie Saikaly for liability driven investors and government clients, and Karla Harman for charities, foundations and private wealth advisory. We expect this demand to continue in 2021 and Frontier is well placed to add talent to its team as the business grows.

We remain committed to our principles around unconflicted advice and not being tempted to draw revenue from product development.



**Karla Harman**

Principal Consultant

Charities, foundations and private wealth advisory client segment leader

Karla is a Principal Consultant at Frontier, having joined Frontier as an Associate in 2007. Karla's responsibilities include leading Frontier's charities, foundations and private wealth advisory client service delivery, providing advice to higher education and charity clients, as well as assisting clients in addressing implementation issues.

Karla previously worked at Macquarie Services (Australia) Ltd on the Institutional Sales Desk. She also spent over three years in London with Nimico Capital Ltd in the role of Fund Manager Assistant focused on equities and high yield debt. Prior to that, Karla spent time in a client services role at W.I.N. Pty Ltd, a financial planning firm.

Karla holds a Bachelor of Business (Economics and Finance) with Distinction and a Master of Applied Finance.



**Elie Saikaly**

Principal Consultant

Liability driven investors and government client segment leader

Elie joined Frontier as a Principal Consultant in June 2018. Elie works in a specialist client consulting role, and leads the liability driven investors client segment.

He joined Frontier from Mercer where he has spent the last 10 years most recently as Head of the Consulting practice in Melbourne and a member of the Institutional Wealth Leadership Team. Prior to this Elie worked at Lanteri Partners Group Wealth Management and UBS Wealth Management and brings with him a total of 18 years experience.

Elie has a Masters of Applied Finance & Investment, a Bachelor of Commerce (Economics) (Hons) and a BA (Psychology & Sociology) from Deakin University and is RG146 compliant.

# CONSULTANT EXPERIENCE

In 2020 Frontier’s consulting team was again ranked as the leading team in the country for capability and quality of service<sup>1</sup>. Our team is drawn from a diverse range of professional backgrounds and offers a blend of specialist sector expertise and client consulting experience across a range of client types and sizes.

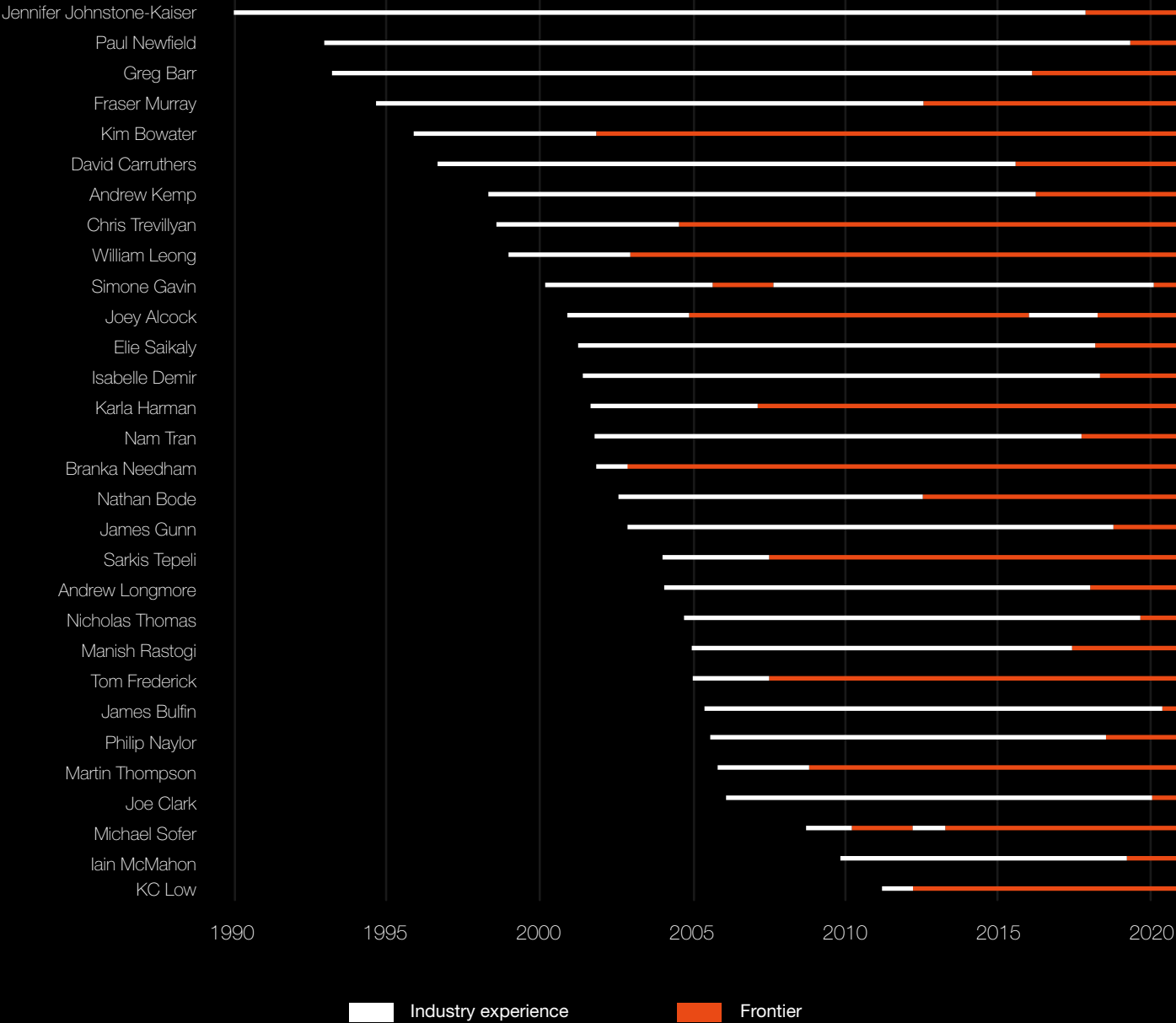
1. Peter Lee Associates survey

## Senior consultant’s years of experience

As our client numbers have grown we have recruited to maintain an impressive consultant to client ratio. Quality of service, rather than profit maximisation, drives our approach to way we have put together our team. We are also proud to have built what we believe is the most diverse team of any investment consulting firm in the country, and amongst the leading teams from all sectors within the institutional investment landscape.

We have consultants with direct asset and portfolio management backgrounds and experience drawn from around the world and across industries. We are constantly investing in our people and have been successful in maintaining a base of senior and experienced staff while adding strong capabilities and fresh insights from new recruits to share with our team and our client base. These new additions are outlined in the following pages.

Chart 4: Senior consulting staff years of experience





# 2020 APPOINTMENTS

Despite the challenges of 2020 we welcomed a number of new people to the Frontier team.

More detailed biographies on each person are available on our website.

# 12

## Senior consulting staff



**James Bulfin**  
Senior Consultant

James joined Frontier in June 2020 within the Alternatives and Derivatives Research team. He has more than 15 years investment banking experience, with a strong background in macro markets and portfolio risk management.



**Simone Gavin**  
Senior Consultant

Simone re-joined Frontier in May 2020 as a Senior Consultant and is a member of the Equities team. Simone has 14 years experience in equity manager research for Lonsec, Standard & Poors, and Frontier.



**Joe Clark**  
Senior Consultant

Joe joined Frontier in 2020 as a Senior Consultant. His responsibilities include derivatives, alternatives, and insurance linked strategies. Joe has 14 years portfolio management experience in volatility, insurance linked and commodity volatility strategies.

## Associates



**Pat Phanussopakul**  
Associate

Pat joined Frontier in February 2020. Pat previously worked as a buy-side equity analyst at Acorn Capital, covering Asian financials and REITs sectors and as a sell-side equity analyst at CLSA in Thailand.



**Ricci Steckoll**  
Associate

Ricci joined Frontier in March 2020. He has responsibility for undertaking manager and investment research with a focus on property and infrastructure. Prior to joining Frontier, Ricci spent four years at Deloitte within the financial modelling team.



**Desmond Tam**  
Associate

Desmond joined Frontier in February 2020 and is a member of the Liability-Driven Investment and Government segment, providing consulting support to a number of general insurance clients. Desmond was previously having previously worked at EY and Suncorp Group in various roles.

## Technology



**David Jenkins**  
Head of Technology and Operations

David is a globally experienced technologist and leader with over two decades of experience across major financial centres such as Hong Kong, New York and London. During this time he has held senior positions at globally recognised financial institutions as well as chairing industry bodies and forums.



**Lee Oliphant**  
IT Service Delivery Manager

Lee joined in January 2020 as the IT Service Delivery Manager. He is responsible for ensuring that Frontier's staff and business operations are fully enabled and supported with best in class technology solutions and services. Lee has over 25 years of experience in IT roles.



**Prachi Bansode**  
Junior Application Developer

Prachi joined Frontier in January 2020 as Junior Application Developer. Working as part of the Technology Team, Prachi is responsible for designing and developing new analytic tools, data visualisation and dynamic reports.

# COMMUNICATING OUR IDEAS

Over 2020, we worked incredibly hard to provide our clients with timely and practical research and analysis. We adapted quickly to changing markets amidst COVID-19 related challenges and were able to deliver more content to more people than ever before. Client feedback on our papers and virtual conference was very strong.

13

Frontier has a strong belief in sharing knowledge and insight for the benefit of all fiduciaries and investors and demonstrates this through a high volume of published research and thought leadership. During the course of 2020 we issued a range of publications, videos and updates.

## Frontier Line research papers

19

## Market Insight papers

12

## Frontier International papers

5

## Issue specific Investment Updates

55

### Investment Updates

As markets the world over shifted dramatically during a three-month period from mid-March our team worked tirelessly to provide our clients with timely and practical research and analysis to support critical decision making and provide assurance in a time of confusion. On top of our 'normal' research agenda, Frontier produced 55 issue specific Investment Updates this year, including 44 in just three months between March and June, sometimes as many as four in a day at the peak of market volatility. These updates covered an extensive array of topics across all sectors. We checked in with clients to ensure the updates were additive at a time when information in the market was in over-supply. Feedback from our clients was that the research and analysis we were providing was both valuable and appreciated as a trusted source among the noise.

We are very proud of this quite extraordinary research and communication effort, at a time of extreme workload from the direct and tailored advice we were providing as we all adapted to virtual engagement with our colleagues and clients. Comprehensive research and expert analysis is a powerful asset for investors to have and we were pleased to be able to deliver this added value at a time our clients most needed our advice.

### Frontier conference

The 2020 Frontier conference, held in July, was re-packaged and was presented as a series of 17 webinars featuring presenters from around the world. As has become the case for the last three years, Frontier was proud to achieve a 50/50 split in terms of gender and a near even split of Frontier presenters and those from outside of our organisation. We are proud of the calibre of our team but believe our conference delegates draw a lot of value from also listening to the views and research of external speakers and not just promotion of our own ideas and research.

The online format allowed us to reach far more people with our content than would have been the case for an in-person event. Feedback from attendees was very strong and we were humbled by the comments of thanks and congratulations for our decision to continue with this important forum in challenging circumstances.

Our 2021 conference is scheduled to be held at the RACV Club in Melbourne, on 17 June. This of course will depend on the ability to again hold a gathering of 200 people. Invitations with details on the full program will be circulated in the coming months.

# A NEW LOOK FOR FRONTIER

**In November we launched a refreshed corporate identity, including a new logo, new website and a change to our name. Our visual identity represents Frontier - modern and professional, yet approachable and modest. Confident in our place as Australia's leading asset consultant.**

In 2020 we were excited to launch a refreshed corporate identity, including a new logo, new website and a change to our name. Our new look builds on the heritage of our past but with a fresh and contemporary look and feel.

Although our business name remains Frontier Advisors Pty Ltd, we now call ourselves Frontier, rather than Frontier Advisors. Of course, we still offer advice to our clients but we now offer much more as well. That ranges from assistance in identifying opportunities and broader business strategy matters, governance reviews and assurance work, through to technology solutions to help inform decision-making and power internal team's analytical efforts.

Our name, Frontier, represents what we do for our clients. We help them position their portfolios on the efficient frontier. Reaching the location of the highest expected return for a given level of risk for that investor. Our symbol mimics the shape of the efficient frontier and the distribution of possible risk and return combinations more

broadly. The curves in our logo show movement and growth along a path rising from an origin. The curves also form the letter F, for Frontier.

The visual elements of our brand match what we believe our brand offers more broadly. At Frontier we roll our sleeves up and find new and creative solutions for our clients. We are modern and professional, yet approachable and modest. Confident in our place as Australia's leading asset consultant.

We are more than advisers. We work alongside our clients to uncover opportunity, identify and manage risk, deliver efficiencies and develop technology. We are business partners.





# OUTLOOK FOR 2021

**We all know now what an unpredictable year 2020 turned out to be. Nonetheless, as this document shows, Frontier was able to continue to deliver advice that added value and provided confidence for our clients, while also making progress on the growth and strategic direction of our firm.**

# 15

**W**e are confident that whatever challenges 2021 poses we are strongly placed to continue to support our clients and progress our plans to enhance our services and add further dimension to our business.

## 01. Investment strategy

Our record of the timing and direction of our market calls is market leading across the long, medium and short term. Our process and sources of input to our capital markets research are proven and robust and we are confident our performance record will continue to be additive for the results of our clients in 2021.

We will continue to produce regular, informative and actionable research and analysis tailored for each of our clients throughout the year.

## 02. Research

Despite international travel restrictions we are fortunate to have global alliance partners to work with. We will leverage our GIRA partners to supplement the rigour of our research and the discussions and investigation we complete on our program of virtual research tours.

We will also implement new, more meaningful and effective ways to help clients direct their focus and analysis of opportunities and their own portfolios through continual process enhancement. This will range from practical measures such as more concise meeting notes through to exploration of new ideas like climate aligned strategies, digital infrastructure, Asian and Chinese capital markets and various bespoke exposures to private credit.

## 03. Responsible investing

As the world begins to look past COVID, we think 2021 will be a year in which asset owners will need to refocus on the future of the planet more broadly and step up their action on climate change. We are already researching the broader thematic of decarbonisation and the growing movement toward a net zero emission world, looking at areas like carbon derivatives, divestment of fossil fuels and “carbon negative” assets. On the “S” in ESG, our quantitative modern slavery tool will also power practical analysis of client portfolios and inform action required.

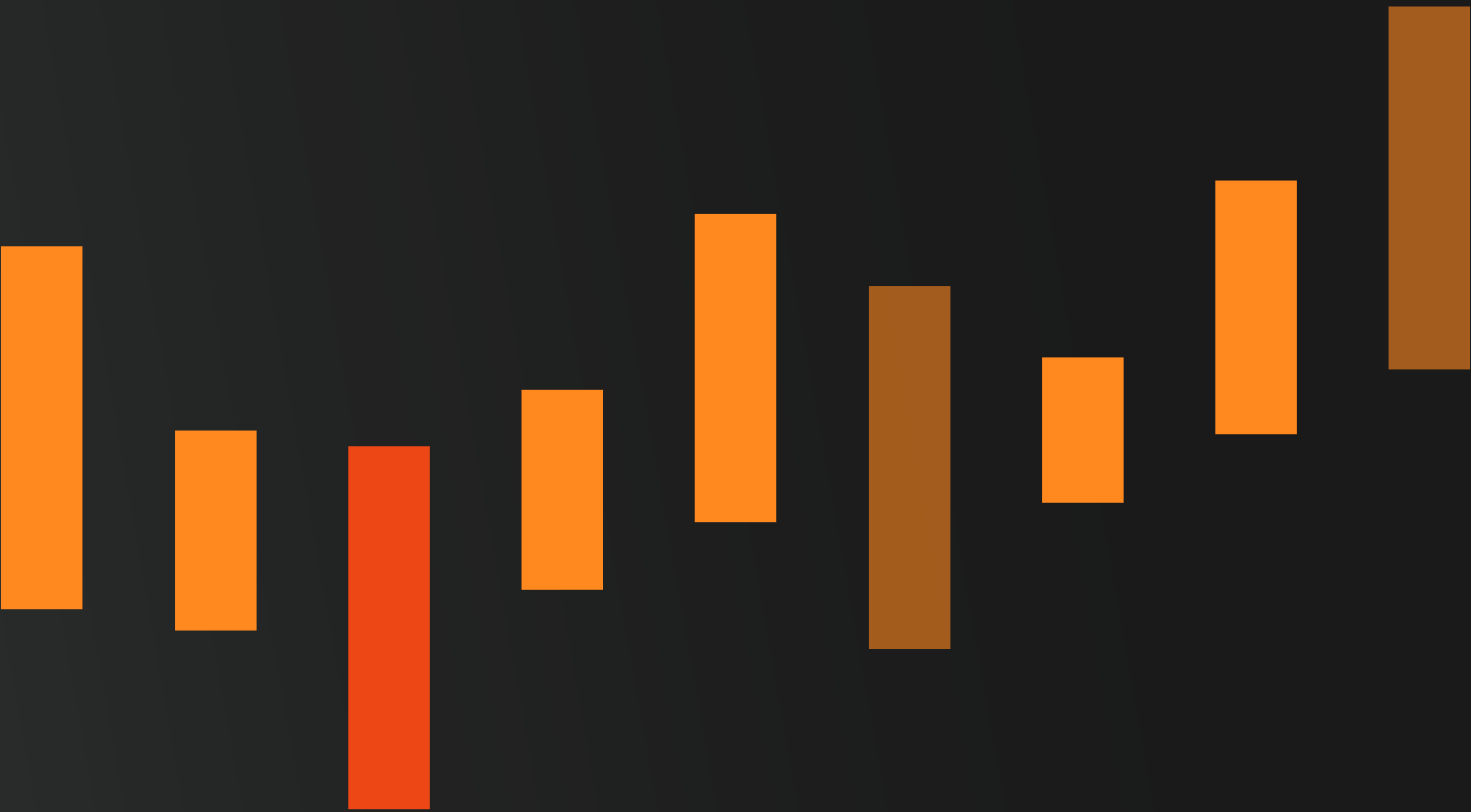
## 04. Technology

Having launched our technology platform as far back as 2014, our years of experience and deeply resourced in-house tech team will take our technology offering even further ahead in 2021. We have an ambitious technology agenda for 2021 and beyond. Our roadmap includes areas such as more sophisticated risk analytics, greater customisation and API functionality, and more comprehensive responsible investment tools.

## 05. Full in-sourcing

Already in 2021 we have appointed eight new staff to bring further dimension, experience and capacity into our team. And we have plans to add even more capability in the months ahead. As we plan to add more depth and diversity to our client base, in the face of an evolving market, we are already taking steps to ensure Frontier is equipped to continue the industry leading service, advice and tools we are known for to an even wider set of asset owners. A larger and broader client base brings in new perspectives and a stronger capability to the benefit of all clients.





## Frontier

Level 17, 130 Lonsdale Street, Melbourne, Victoria 3000

Tel +61 3 8648 4300

Frontier is one of Australia's leading asset consultants. We offer a range of services and solutions to some of the nation's largest institutional investors including superannuation funds, charities, government / sovereign wealth funds and universities. Our services range from asset allocation and portfolio configuration advice, through to fund manager research and rating, investment auditing and assurance, quantitative modelling and analysis and general investment consulting advice. We have been providing investment advice to clients since 1994. Our advice is fully independent of product, manager, or broker conflicts which means our focus is firmly on tailoring optimal solutions and opportunities for our clients.

Frontier does not warrant the accuracy of any information or projections in this paper and does not undertake to publish any new information that may become available. Investors should seek individual advice prior to taking any action on any issues raised in this paper. While this information is believed to be reliable, no responsibility for errors or omissions is accepted by Frontier or any director or employee of the company.

Frontier Advisors Pty Ltd ABN 21 074 287 406 AFS Licence No. 241266