

frontierAlt Opportunistic Bond Fund



FRONTIERALT FUNDS

frontierAlt funds were created for investors looking for innovative investment solutions with an emphasis on **absolute returns**. The frontierAlt Opportunistic Bond Fund's investment strategy provides a greater degree of flexibility to achieve higher returns no matter the market condition.

FUND DESCRIPTION

The Fund aims to provide investors with superior investment returns, having regard to safety of capital, by investing mainly in fixed income securities.

PORTFOLIO MANAGER

Jim Lorimer, Tralucant Asset Management

Jim, lead portfolio manager, has over 40 years of experience in institutional fixed income securities. He has a solid track record and utilizes a multi strategy approach.

Bill Siddiqui, Tralucant Asset Management

Bill, president, chief compliance officer and portfolio manager, has nearly 30 years of asset management experience with various pension and life insurance companies. His focus has been on U.S. and global equities.

FRONTIERALT OPPORTUNISTIC BOND FUND

- the Fund invests primarily in government and stripped coupon bonds, as well as selected foreign bonds
- the Fund will opportunistically invest in investment-grade corporate bonds
- the Fund's portfolio is actively managed, attempting to anticipate changes in interest rates in order to generate higher returns

PERFORMANCE*	Annual Returns (%)						Calendar Returns (%)			
	3M	6M	1 YR	YTD	2 YR	3 YR	PSD	2007	2008	2009
frontierAlt Opportunistic Bond Fund	-1.4	-3.6	-5.5	-1.4	-1.8	-1.1	0.0	-1.9	5.3	-5.0
DEX Universe Bond Index	1.3	1.1	5.1	1.3	5.0	5.3	5.0	3.7	6.4	5.4

* Performance start date September 2006

DURATION DISTRIBUTION

ASSET ALLOCATION

	Portfolio (%)		Portfolio (%)
<1	5.0	Fixed Income	96.1
1 - 5	30.0	Cash & Equivalents	3.9
5 - 10	21.5		
> 10	31.3		

CREDIT QUALITY

SECTOR ALLOCATION

AAA	83.0	Gov't of Canada	83.2
AA	0.0	Corporates	8.2
A	12.0	US Treasuries	-4.6
		Provincials	0.0

As at March 31, 2010

Source: KeiData, DEX Universe Bond

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OUTLOOK

The largest perceived threat to the health of the Canadian bond market continues to emanate from the Bank of Canada's seeming insistence on unilaterally raising administered interest rates. The problem with this approach is that it will exert continued upward pressure on the Canadian dollar. Persistent weakness in employment growth, particularly in the US and Europe, means that it is very unlikely that these countries' Central Banks will be in a position to raise their rates for some time to come.

Problems in Greece and elsewhere in Europe clearly illustrate that Central Banks globally are not in a position to raise rates in the foreseeable future.

Under this scenario, the climbing Canadian currency could well exert a drag on our economy, greater than anticipated. The strong dollar also acts to substantially reduce inflationary pressures. These are the reasons we remain relatively positive on the Canadian and global bond markets.

However, being positive does not mean that we expect any substantial capital gains from here, particularly since the bond vigilantes, with their likely unfounded high inflationary expectations, will tend to keep any bond rallies in check.

The most likely outcome is that the Canadian yield curve flattens, with short-term interest rates rising more than long rates. As a result, we are encouraged to maintain a longer duration than the bond universe, in order to take advantage of the higher income available from long bonds.

WHY THE FRONTIERALT OPPORTUNISTIC BOND FUND?

- focus on total return and active bond portfolio management through tactical Canadian and U.S. interest rate yield curve anticipation
- designed to outperform a passive, laddered or GIC fixed income strategy
- preserves capital during periods when interest rates are rising
- diversification tool; effective compliment to typical bond funds

Fund Facts		Series	Fund Code	Mgmt Fee
AUM:	C\$4.4 Million	A	FIM 173	1.35%
NAV	\$9.67	F	FIM 163	0.85%
Minimum Purchase	\$500	I	FIM 143	negotiable
Currency:	Canadian			
Distribution Policy:	Quarterly	Distribution :	\$0.0	
Inception Date:	July 2006			

frontierAlt Funds Management

frontierAlt Funds Management is a wholly owned subsidiary of frontierAlt Capital Corporation. Based in Toronto, frontierAlt specializes in the manufacture and distribution of structured products, flow-through limited partnerships and mutual funds.

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DISCLAIMER: Commissions, trailing commissions, management fees and expenses all may be associated with mutual fund investments. Please read the prospectus before investing. The indicated rates of return are the historical annual compounded total including changes in unit value and reinvestment of all distributions and do not take into account sales, redemption, distribution or optional charges or income taxes payable by any securityholder that would have reduced returns. Mutual funds are not guaranteed, their values change frequently and past performance may not be repeated.