



New Frontier Advisors, LLC

For Immediate Release

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NEW FRONTIER ADVISORS GRANTED SECOND INVESTMENT PROCESS PATENT; PATENT # 6,928,418 B2 COVERS PORTFOLIO REBALANCING BY MEANS OF RESAMPLED EFFICIENT FRONTIERS

Father-Son team of Richard, Robert Michaud continues leading edge investment research; process improves trading effectiveness, reduces unnecessary turnover, costs

BOSTON, September 20, 2005 – New Frontier Advisors (NFA), an institutional research and investment advisory firm specializing in the development and application of leading-edge asset management products, has been granted a second patent for its portfolio trading management process, it was announced today.

Patent #6,928,418 for “Portfolio Rebalancing by Means of Resampled Efficient Frontiers” was granted on August 9, 2005 to Robert and Richard Michaud. The firm’s first patent was granted in 1999 for a broad-spectrum mathematical-statistical process for effectively enhancing the investment performance of optimized portfolios. NFA’s new technology is designed to help portfolio managers trade more effectively while reducing costs.

“Resampling is a powerful computational-statistical tool that can have a substantive impact on the performance of optimized portfolios,” stated Richard O. Michaud, president and chief investment officer at New Frontier Advisors. “The new patent extends the use of resampling techniques to provide effective tools for portfolio rebalancing.”

To trade or not to trade

The portfolio rebalancing decision is one of the most important for asset management. Trading ineffectively or not trading when desirable has a serious impact on investment performance. Traditional calendar and range rebalancing rules, widely

practiced in asset management, essentially represent ad hoc portfolio maintenance with little if any demonstrable investment effectiveness. Further, since many managers still use optimization techniques that are insensitive to error estimation, optimized portfolio trading always seems necessary whether or not it is advisable.

“Current portfolio rebalancing techniques are generally ad hoc and inconsistent with the principles of modern statistics,” said Robert O. Michaud, managing director of research and development at NFA. “This may result in excessive trading, generating costs but creating no new value for the investor. Resampling technology gives us a tool to determine whether or not trading is advisable and likely to be effective.”

Traditional portfolio rebalancing rules have little claim to effectiveness relative to costs incurred. NFA’s new technology is the first to address this in a statistically rigorous and investment meaningful way. The procedure provides a new easy-to-use and understand rule that computes a need-to-trade probability for a given portfolio.

The NFA patent sets a new world standard for effective portfolio rebalancing technology. Unique properties of the procedure include: 1) substantial nearly uniform discriminatory power across the Resampled Efficient Frontier™; 2) stable accurate range rule estimation; 3) easy to understand and use portfolio trading rules; 4) customizable trading rules relative to a wide variety of demand characteristics of institutions, asset classes, and strategies; and, 5) potential for automatable trading implementation.

Software incorporating the patented NFA Portfolio Rebalancing technology is now available from New Frontier Advisors.

About New Frontier Advisors, LLC

New Frontier Advisors specializes in developing and applying leading edge investment technology in the financial sector. The firm offers financial institutions and their technology partners innovative solutions for delivering asset allocation and portfolio optimization investment strategies in a variety of computer platforms. In 1999, New Frontier received the first-ever patent for a broad-spectrum mathematical-statistical process for effectively enhancing the investment performance of optimized portfolios and for optimal portfolio rebalancing.

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