



New Frontier Advisors, LLC

For Immediate Release

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**NEW FRONTIER ADVISORS INTRODUCES NEW, PATENT-PENDING
PORTFOLIO MONITORING AND REBALANCING TECHNOLOGY**

BOSTON, Dec. 18, 2002 – New Frontier Advisors (NFA), a research and investment advisory firm specializing in the development of leading-edge asset management products, has introduced a new generation of patent-pending portfolio monitoring and rebalancing technology in its suite of financial planning and portfolio management applications, it was announced today.

The enhanced software incorporates a newly developed procedure for portfolio monitoring and trading decisions that represents a substantial advance over all currently available technologies, according to Richard O. Michaud, president and chief investment officer.

“The new rebalance test gives investors an extremely reliable and easy to use basis of making trade/no-trade decisions, even for novice users,” stated Michaud. “This will save on unnecessary trading costs, while increasing the overall efficiency of the portfolios and effectiveness of investment information.”

Michaud noted that two kinds of rebalancing rules characterize much of the investment community in practice: 1) calendar rules such as monthly, quarterly, or annual rebalancing; and, 2) trading rules based on whether an asset weight lies outside a fixed range (e.g., plus or minus five percent) of the optimal portfolio’s weights. Both rebalancing methods lack any validity or basis in financial theory and may often lead to ineffective or counterproductive trading decisions.

NFA’s technology works by using patented resampling methods to create a statistical distribution of portfolio distances from optimal portfolios. This distribution provides a statistical measure at a given confidence level indicating whether a portfolio is near or far from optimality. A new “meta-resampling” procedure dramatically improves the effectiveness and investment value of need-to-trade decisions.

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The advantages of the NFA portfolio rebalancing rule include the ability to customize discrimination power and automate portfolio monitoring and rebalancing decisions for a wide variety of asset management applications and uses. The firm's meta-resampling methods also provide a substantially enhanced ability to estimate useful, non-ad hoc, asset weight confidence ranges. Such information can be very helpful in practice to determine at-a-glance indications of asset weight imbalances in a non-optimal portfolio.

The updated NFA software also includes the first release of "Dashboard," a simplified application that combines key elements of the firm's ROM Optimizer and Lifecycle products for a fixed set of investment assumptions. It allows advisors to quickly identify an appropriate resampled optimal portfolio in the context of wealth management and cash flow planning considerations.

To accommodate the needs of a wide range of asset managers, New Frontier offers the new portfolio rebalancing technology in compute-efficient and compute-intensive versions. The "compute-efficient" option is a fast-algorithm approximation to the meta-resampling estimates of the need-to-trade probability and asset weight confidence ranges. The "compute-intensive" option provides more exact estimates but may be inappropriate for some applications.

For more detailed information on NFA's portfolio rebalancing and monitoring technology see <http://www.nfaq.com/downloads/pdfs/nfa-marketing/RPRM.pdf>. For additional information on this or other NFA products, contact sales at 212-297-6241 or sales@newfrontieradvisors.com.

About New Frontier Advisors, LLC

A leader in the development of innovative analytical tools for the financial marketplace, New Frontier LLC received the first-ever patent for a broad-based mathematical process designed to identify optimal allocation strategies for real or hypothetical portfolios containing a range of asset classes in March 2000.

New Frontier offers financial institutions and their technology partners innovations for developing and executing optimal investment strategies. The firm also offers online presentations and demonstrations of its investment technology to the financial planning community. More information about NFA can be found at www.newfrontieradvisors.com.