Frontaura Global Frontier Fund

Fund Objective & Investment Strategy

Bloomberg Tickers: FRGLFRO US, FRGLFRC KY

Investing exclusively in publicly traded companies in frontier markets, provide investors with a net return series that over multiple years exceeds that of the major global developed and emerging equity indices.

We seek to exploit pricing inefficiencies in frontier equity markets. Our investment approach uses both top-down country factors and bottom-up company factors. At the country level, we examine sovereign risk and calculate country scores that measure currency vulnerability. At the company level, we model each company's discounted cash flow using our proprietary valuation tool that accounts for expected exchange rate changes and fading rates of return on invested capital and profit growth as time passes. Ultimately, we aim to own solid businesses at attractive prices in stable or improving countries.

Performance through April 2017[1]

Period	Frontaura	S&P 500	MSCI EAFE	MSCI Emerging	MSCI Frontier
2012 Q1	6%	13%	11%	14%	6%
2012 Q2	- 3%	- 3%	- 7%	- 9%	- 7%
2012 Q3	5%	6%	7%	8%	7%
2012 Q4	9%	0%	7%	6%	3%
2013 Q1	10%	11%	5%	- 2%	8%
2013 Q2	5%	3%	- 1%	- 8%	3%
2013 Q3	1%	5%	12%	6%	6%
2013 Q4	7%	11%	6%	2%	7%
2014 Q1	- 1%	2%	1%	0%	7%
2014 Q2	4%	5%	4%	7%	12%
2014 Q3	1%	1%	- 6%	- 3%	2%
2014 Q4	- 7%	5%	- 4%	- 5%	- 12%
2015 Q1	- 3%	1%	5%	2%	- 3%
2015 Q2	3%	0%	1%	1%	0%
2015 Q3	- 6%	- 6%	- 10%	- 18%	- 11%
2015 Q4	1%	7%	5%	1%	- 1%
2016 Q1	- 1%	1%	- 3%	6%	- 1%
2016 Q2	4%	2%	- 1%	1%	0%
2016 Q3	2%	4%	6%	9%	3%
2016 Q4	1%	4%	- 1%	- 4%	0%
2017 Q1	4%	6%	7%	11%	9%
2017 Q2	1%	1%	3%	2%	1%
2008	- 28%	- 37%	- 43%	- 53%	- 54%
2009	46%	26%	32%	79%	12%
2010	37%	15%	8%	19%	24%
2011	- 15%	2%	- 12%	- 18%	- 19%
2012	18%	16%	17%	18%	9%
2013	26%	32%	23%	- 3%	26%
2014	- 3%	14%	- 5%	- 2%	7%
2015	- 5%	1%	- 1%	- 15%	- 14%
2016	7%	12%	1%	11%	3%
2017	4%	7%	10%	14%	10%
ITD CAGR	7.0%	7.0%	0.1%	- 0.9%	- 2.9%

Holdings Summary[2]

Country	Holding
Sri Lanka	10%
Vietnam	8%
Papua New Guinea	7%
Kuwait	6%
Pakistan	6%
Argentina	6%
Tanzania	5%
Bangladesh	5%
Nigeria	5%
USA (cash only)	4%
Rwanda	4%
Romania	3%
Egypt	3%
Lebanon	3%
United Arab Emirates	3%
Georgia	3%
Cambodia	3%
Kenya	2%
Serbia	2%
Macedonia	2%
Oman	2%
Ecuador	1%
Botswana	1%
Uganda	1%
Peru	1%
Mozambique	1%
Qatar	1%

Region	Holding
South Asia	21%
Sub-Saharan Africa	20%
Middle East / North Africa	18%
Southeast Asia	17%
Latin America & Caribbean	8%
Eastern Europe	8%
USA (cash only)	4%
Eurasia	3%

Sector	Holding
Financials	42%
Consumer Discretionary	15%
Consumer Staples	10%
Cash	7%
Utilities	7%
Materials	6%
Industrials	6%
Energy	3%
Real Estate	3%
Others	1%

Portfolio Statistics[2]

Portfolio Price to LTM Earnings	7.5
Portfolio Price to Book	1.34
Portfolio LTM Dividend Yield	5.6%
Return on Ending Equity	25.2%
Positions	45
Countries	28
Average Market Cap	$977m
Median Market Cap	$526m
Portfolio Turnover (LTM)	27%
Portfolio Turnover (ITD)	28%
Standard Deviation (ITD)	14%
Beta to S&P 500 (ITD)	0.51
Assets Under Management	$121m

Terms / Service Providers

Management Fee	2%	Attorney	Foley & Lardner LLP
Performance Fee	20% with high-water mark	Auditor	RSM McGladrey, Inc.
Subscriptions	Monthly. New investor minimum $500,000. Additional subscription minimum $10,000.	Fund Administrator	Michael J. Liccar & Co.
Redemptions	Quarterly with three-month notice. No lock-up. Restrictions may apply.[2]	Global Custodian	Bank of New York Mellon

1 Frontaura returns are actual returns, net of all fees, through 28 April 2017 with a subject-to-change estimate for the most recent month, for an investor joining the fund at inception, making no further contributions, and making no withdrawals. Investors joining on other dates, making additional contributions, or making withdrawals may have different returns. ITD returns commence 1 November 2007. Index returns are on a total return basis, net of any withholding tax for a US investor, through 27 April 2017, as final index values for the current month are not available at time of publication. Note that final April 2017 performance for Frontaura, but not for the indices, will include Islamic market trading on Sunday, 30 April 2017.
Click this link for an explanation of the indices we show: http://http://www.frontauracapital.com/disclosures/Frontaura_Disclosures_as_of_2015_09_30.pdf
2 Click this link for an explanation of our holdings and portfolio statistics and our redemption provisions: http://http://www.frontauracapital.com/disclosures/Frontaura_Disclosures_as_of_2015_09_30.pdf

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