April 2018 Monthly Comment published 30 April 2 PM CDT

We estimate that we gained of 0%-1% in April, despite two of the three largest frontier markets, Vietnam and Argentina, having terrible months, with their MSCI indices down 9% and 6%, respectively. We state all indices on a total returns basis through Friday, April 27, as final month-end index values are not yet available. Vietnam's result is final, however, due to an April 30 holiday. Among broader indices, the MSCI Frontier Markets (FM) dropped 3%, while MSCI Emerging Markets (EM) fell 1%. Developed markets fared better, with MSCI EAFE up 2% and the S&P 500 up 1%. Year to date, we and FM are up 2%, EAFE is up 1%, and the S&P and EM are flat. Despite steady performance gains, we note that earnings and dividend growth has resulted in our trailing portfolio PE of 8.0 being the lowest since last September, while the last time our weighted average dividend yield was higher than its present 5.5% was one year ago in April 2017.

We traveled to Vietnam in the first week of April. Company managements maintain their optimistic outlook, as Vietnam continues to see inflows of foreign direct investment (FDI) into manufacturing. This, coupled with low-cost labor, allows the country to compete effectively in the global marketplace, as multinationals diversify their manufacturing capacity outside China. While our Vietnamese investments don't tap directly into these FDIs, there is a spillover effect into locally listed companies that service these businesses, as well as the broader development of the domestic consumer market on the back of this export-led growth. Every time we have visited Vietnam since 2005 (pre-Frontaura), we have noticed improvement in the road and transportation infrastructure. For example, the road from the capital Hanoi to Haiphong, the main commercial sea port in the north, is now a modern multi-lane tollway. The government has also revamped the narrow, congested, and potholed port service roads that once were a barrier to trade growth. These two initiatives cut the total journey time from central Hanoi to the Haiphong ports to under two hours, from perhaps double that. Often, overseas development agencies help fund these transport upgrades. On this trip, however, the only companies with a less rosy outlook were those with revenue from government-backed infrastructure projects where reductions in overseas assistance have slowed spending. Overall, though, the economy is humming. The requirement in recent years that all companies with 100 or more shareholders must trade on a stock exchange, combined with the ongoing privatization of state owned enterprises, provides more than 1400 stocks to choose from in frontier's most diverse market.

Our long-held bullishness on the country's economic prospects is now the consensus view. Rising foreign portfolio investment, concentrated in the largest and most liquid stocks, has propelled the market. As we have written in our last two quarterlies, smaller and less liquid stocks, where we still find some value, have done okay, but have lagged the indices. On Monday, April 9, with the VN30 index of large and liquid stocks at an all-time high, we published our Q1 letter stating that we considered large cap Vietnamese momentum stocks overvalued. The VN30 dropped 13.5% in the next 12 trading sessions. It was as if the market treated our words like we were Alan Greenspan questioning whether these stocks were irrationally exuberant. This "Frontaura correction" notwithstanding, our Vietnamese holdings posted a 3% gain in April, proving again that there is a wide dispersion in Vietnamese performance. We beat the market handily from 2008-2016 by investing primarily in small value when sentiment was poor to neutral, we lagged significantly in 2017 and Q1 2018 when large momentum came to the fore, and we did fine when those stocks sold off.

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 2018[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	7%	3%	6%	6%	6%
2017 Q3	3%	4%	5%	8%	8%
2017 Q4	3%	7%	4%	7%	6%
2018 Q1	2%	- 1%	- 2%	1%	5%
2018 Q2	0%	1%	2%	- 1%	- 3%
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	17%	22%	25%	37%	32%
2018	2%	0%	1%	0%	2%
ITD	118%	116%	15%	10%	- 8%

Holdings Summary[2]

Country	Holding
Vietnam	10%
Egypt	10%
Sri Lanka	9%
Nigeria	9%
Argentina	7%
USA (cash only)	7%
United Arab Emirates	6%
Papua New Guinea	6%
Kuwait	6%
Kenya	5%
Rwanda	4%
Pakistan	3%
Georgia	3%
Lebanon	2%
Macedonia	2%
Oman	2%
Uganda	1%
Tanzania	1%
Bahrain	1%
Ecuador	1%
Paraguay	1%
Botswana	1%
Iraq	1%
Peru	1%
Others	1%

Region	Holding
Middle East / North Africa	28%
Sub-Saharan Africa	22%
Southeast Asia	16%
South Asia	13%
Latin America & Caribbean	10%
USA (cash only)	7%
Eurasia	3%
Eastern Europe	2%

Sector	Holding
Financials	49%
Consumer Staples	13%
Consumer Discretionary	11%
Cash	9%
Real Estate	6%
Industrials	6%
Utilities	4%
Materials	1%
Others	1%

Portfolio Statistics

Portfolio Price to LTM Earnings	8.0
Portfolio Price to Book	1.38
Portfolio LTM Dividend Yield	5.5%
Return on Ending Equity	21.8%
Positions	50
Countries	27
Average Market Cap	$1,274m
Median Market Cap	$900m
Portfolio Turnover (LTM)	34%
Portfolio Turnover (ITD)	29%
Standard Deviation (ITD)	13%
Beta to S&P 500 (ITD)	0.50
Assets Under Management	$142m

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 30 April 2018 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 29 April 2018, as final index values for the current month are not available at time of publication.

Click this link for an explanation of the indices we show: http://www.frontauracapital.com/disclosures/Frontaura_Disclosures_as_of_2018_01_12.pdf

2 Click this link for an explanation of our holdings and portfolio statistics and our redemption provisions: http://www.frontauracapital.com/disclosures/Frontaura_Disclosures_as_of_2018_01_12.pdf

Disclaimer

This document does not constitute an offer to sell, or a solicitation of an offer to buy, membership interests in Frontaura Global Frontier Fund LLC or shares in Frontaura Global Frontier Fund Offshore Limited. We will not make such offer or solicitation prior to the delivery of an offering memorandum, an operating agreement or articles of association, a subscription booklet, and other materials relating to the matters herein. Before making an investment decision, we advise potential investors to read these materials carefully and to consult with their tax, legal, and financial advisors. Frontaura accepts subscriptions from accredited investors only, and we typically require you to prove your accredited investor status. We have compiled this information from sources we believe to be reliable, but we cannot guarantee its accuracy. We present our opinions without warranty as of the publication date. We may change our opinions at any time. Past results are no guarantee of future performance.

FRONTAURA

180 North Stetson Avenue, Suite 1935 Chicago, Illinois 60601 USA T +1 312 777 1500 F +1 312 268 5004 info@frontauracapital.com www.frontauracapital.com