September 2020 Monthly Comment as of 12 PM Chicago time September 30

September was rough for many markets globally, but we were in the black the entire month with an estimated 1%-2% gain. Latin American markets (8% of our portfolio) and numerous other currency markets are still trading as we write this. We observe that Colombia's closing auction can be volatile, with price spikes or drops that potentially could have a material effect on our results. From the March low, we have seen disparate returns between countries. Ongoing losses have canceled some recovery gains, leaving us with modestly positive results. This continued in Q3, where we gained 0%-2% each month. In contrast, the indices we track generally had strong results through August, then fell in September. This month through September 29, frontier rose slightly (small cap +2%, overall +1%), while other areas lost: EM -3%, EAFE -2%, S&P 500 -5%. All these figures are on a total return basis. For Q3, these indices rose 6%-8%, while our present estimated gain is 4%.

In this year of surprises, even knowing the plot—global pandemic—one cannot predict all the knock-on effects accurately. Sometimes the opposite of what you'd expect happens. For example, with travel impossible, one might wonder how we can do research effectively. The quick adoption of video calls and the sell-side's creation of virtual conferences, however, has meant the opposite—we've never had more contact with the companies we follow. In September, we conducted 54 calls across 20 different countries. October will be similarly busy and we are turning down numerous other calls. While COVID-19 experiences differ by country and company, we can provide this generalized summary. Relative to our expectations and relative to the US, COVID-19 has affected our countries less and our portfolio earnings have held up better. USD earnings per share of our portfolio declined 17% in the first half on an as-reported basis with no expenses excluded. The comparable as-reported first half S&P 500 EPS change is -58%! (These figures may change slightly as 98% of the S&P 500 and 89% of our portfolio have reported Q2.)

The most telling comment we heard this month was from an Egyptian bank CEO quoting a customer who said, "You know, this isn't the most difficult year we've had in the past seven or eight years." The CEO added, upon reflection, that 2020 "may not even be among the worst five years in the last 10" for Egypt. For most developed world investors and citizens suffering through 2020, that is an unfathomable statement, but for Egypt we think it may be accurate. The abortive 2011 Arab Spring created chaos through the 2013 counter-revolution. The 2014-2016 oil crash hurt Egypt's GCC neighbors and trading partners. Terrorists bombed a Russian-bound passenger plane in 2015, the deadliest air crash in Egypt's history, depressing tourist arrivals through 2016. A pegged, overvalued currency caused dollar shortages and uncompetitiveness for several years until Egypt allowed its currency to float November 2016. This solved one problem, but the resulting inflation spike to 33% constrained consumer spending in the ensuing years. This year began promisingly, with Russian flights returning, inflation under control, and capital spending increases possible. Then COVID-19 hit. While the decade 2011-2020 has been unlucky for Egypt, this litany of problems illustrates that our countries have experience dealing with crises in a way that outside experts often fail to understand or acknowledge. That's why we wrote in our Q1 letter (see pages 5-6) that the pandemic may not hurt our universe to the degree that pundits then predicted. We saw similarities in the 2008-2009 global financial crisis (GFC), which for Egypt we would characterize as a three-month inventory correction that paused business decisions from November 2008. By the end of January 2009, Egyptians realized the GFC wasn't affecting them that much and they returned to business as usual.

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 September 2020[1, 2]

Period	Frontaura	MSCI Frontier Small Cap	MSCI Frontier	MSCI Emerging	MSCI EAFE	S&P 500
2015 Q1	- 3%	-4%	- 3%	2%	5%	1%
2015 Q2	3%	2%	0%	1%	1%	0%
2015 Q3	- 6%	-6%	- 11%	- 18%	- 10%	- 6%
2015 Q4	1%	-1%	- 1%	1%	5%	7%
2016 Q1	- 1%	-1%	- 1%	6%	- 3%	1%
2016 Q2	4%	5%	0%	1%	- 1%	2%
2016 Q3	2%	4%	3%	9%	6%	4%
2016 Q4	1%	6%	0%	- 4%	- 1%	4%
2017 Q1	4%	12%	9%	11%	7%	6%
2017 Q2	7%	3%	6%	6%	6%	3%
2017 Q3	3%	3%	8%	8%	5%	4%
2017 Q4	3%	3%	6%	7%	4%	7%
2018 Q1	2%	-1%	5%	1%	- 2%	- 1%
2018 Q2	- 7%	-9%	- 15%	- 8%	- 1%	3%
2018 Q3	- 5%	-4%	- 2%	- 1%	1%	8%
2018 Q4	- 3%	-5%	- 4%	- 7%	- 13%	- 14%
2019 Q1	2%	-1%	7%	10%	10%	14%
2019 Q2	3%	0%	5%	1%	4%	4%
2019 Q3	- 5%	-3%	-1%	- 4%	- 1%	2%
2019 Q4	-1%	2%	7%	12%	8%	9%
2020 Q1	-22%	-24%	-27%	-24%	-23%	-20%
2020 Q2	6%	12%	15%	18%	15%	21%
2020 Q3	4%	8%	8%	8%	6%	8%
2008	- 28%		- 54%	- 53%	- 43%	- 37%
2009	46%		12%	79%	32%	26%
2010	37%		24%	19%	8%	15%
2011	- 15%	-29%	- 19%	- 18%	- 12%	2%
2012	18%	6%	9%	18%	17%	16%
2013	26%	32%	26%	- 3%	23%	32%
2014	- 3%	6%	7%	- 2%	- 5%	14%
2015	- 5%	-8%	- 14%	- 15%	- 1%	1%
2016	7%	15%	3%	11%	1%	12%
2017	17%	23%	32%	37%	25%	22%
2018	- 13%	-17%	- 16%	- 15%	- 14%	- 4%
2019	-1%	-2%	18%	18%	22%	31%
2020	-15%	-8%	-9%	-2%	-6%	5%
ITD	57%		-18%	9%	13%	183%

Holdings Summary[2]

Country	Holding
Philippines	16%
Vietnam	9%
Sri Lanka	7%
Papua New Guinea	7%
Ghana	6%
Côte d'Ivoire	6%
Pakistan	6%
Nigeria	6%
Turkey	5%
Colombia	5%
Kazakhstan	4%
Rwanda	4%
Egypt	2%
USA (cash only)	2%
Ecuador	2%
Senegal	2%
Bangladesh	2%
Kenya	2%
Uganda	2%
Botswana	1%
Niger	1%
Tanzania	1%
Paraguay	1%

Region	Holding
Sub-Saharan Africa	32%
Southeast Asia	31%
South Asia	15%
Latin America & Caribbean	8%
Middle East / North Africa	8%
Eurasia	4%
USA (cash only)	2%

Sector	Holding
Financials	47%
Consumer Staples	25%
Communication Services	6%
Cash	5%
Consumer Discretionary	4%
Energy	4%
Health Care	2%
Real Estate	2%
Utilities	2%
Industrials	2%
Materials	1%

Portfolio Statistics	
Portfolio Price to LTM Earnings	5.4
Portfolio Price to Book	0.86
Portfolio LTM Dividend Yield	6.6%
Weighted Average ROEE	11.2%
Weighted Median ROEE	22.2%
Positions	39
Countries	22
Weighted Average Market Cap	$773m
Weighted Median Market Cap	$323m
Portfolio Turnover (12 Months)	36%
Portfolio Turnover (ITD)	30%
Standard Deviation (36 Months)	12%
Standard Deviation (ITD)	13%
Beta to S&P 500 (36 Months)	0.41
Beta to S&P 500 (ITD)	0.47
Assets Under Management	$87m

Terms

Subscriptions	Monthly. New investor minimum $250,000. Additional subscriptions may be any amount.
Redemptions	Quarterly with three-month notice. No initial lock-up. Exit restrictions apply.[2]
New Investor Terms[2]	**Series A**: 2% mgt fee, 10% incentive, 4-qtr exit. **Series B**: 2% mgt fee, 0% incentive, 8-qtr exit. **Relative Performance Series**: 1.75% mgt fee, 20% incentive vs. FM ETF hurdle, 8-qtr exit. **Absolute Performance Series**: 1.50% mgt fee or 30% incentive vs. 5% hurdle, 8-qtr exit. For all series above, mgt fee cut 25bp at $200m real fee-paying AUM and another 25bp at $400m.

Service Providers

Attorney	Faegre Drinker Biddle & Reath LLP
Auditor	RSM US LLP
Fund Administrator	Michael J. Liccar & Co.
Global Custodian	Bank of New York Mellon

1 Frontaura returns are actual returns, net of all fees, through 30 September 2020 with a subject-to-change estimate for the current month, for an investor joining the fund at inception, making no further contributions, making no withdrawals, and converting to Series B. Investors joining on other dates, making additional contributions, making withdrawals, or remaining in the Legacy Series after 2019 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 September 2020 as final index values for the current month are not available at the time of publication.

2 Click here for disclosures including: current and future terms and redemption requirements, performance calculations, indices we show, and our holdings and portfolio statistics calculations.

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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