December 2020 Monthly Comment as of 2 PM Chicago time December 31

We follow the best November in our history with our best December, up 7%-8% at this writing. November was our third best month ever at 9.50% and December looks to be either the fourth, fifth, or sixth best month ever, depending on whether we finish above April 2009's 7.68% return, below January 2013's 7.34% gain, or in between. As this is year end, there could be some variation from here in our final result. Q4 is up 20%-21% at present, our second best quarter ever, behind Q2 2009 at 28%. We are up 3% for 2020 presently, an outcome seemingly impossible just two months ago (when we were still down 13%) and a stretch even one month ago. We often state that frontier markets lag global markets and that we may lag the frontier indices. This year was a textbook example. At the March 23 market low, YTD we led all the indices we cite, having lost less. As the recovery began, we lagged all these indices YTD by the end of May, with this lag growing through August. From September through December 30, however, we gained 22% (23% with today) versus MSCI Frontier's 11% and the S&P 500's 7%. We have caught up to the frontier indices for 2020, but we still have more room to go against emerging and developed markets, especially considering that our peak was back in January 2018, not more recently. See our November comment for our study of future returns after a month like December.

With fresh cash from inflows, let's look at our December buys. We don't want to name these companies, as we have more money coming, but we can provide a flavor of the market. Our top December buy is a blue chip frontier stock that offers a hard-currency yield of 10%, even after a 21% price rise this month. This stock did not hit its pandemic low until late October. It is more than 50% below its all-time high and below the price at which we bought at our inception in 2007. We sold it seven years ago, having made good money and in 2020 we are back for a second ride. It is now a top five position for us. Our second largest December buy initiates a position in another past money maker we last owned in 2011. Its pandemic low occurred in August and its year-end price remains 24% below its February high. Its PE and price/book remain near all-time lows. We paid 5.4 times trailing reported earnings. Our third largest December buy is a holding company that trades around a 40% discount to the sum of its listed subsidiaries, valuing other significant private unlisted assets at zero. We bought several of these situations after discounts blew out in March. Over a decade ago, we observed and made money on similar discount blowouts during the global financial crisis. If that experience repeats, these discounts will close gradually as time passes. We are seeing this happen, but the discounts—which exist in multiple countries—remain irrationally large, in our opinion. Our fourth largest December buy has these valuation characteristics: trailing reported PE 2.9, price/book 0.37, dividend yield 16.1%. Earnings in the current period should exceed those in the prior-year, pre-pandemic period. We bottom-ticked this stock in July and it remains 22% below its February peak. Our fifth largest December buy has benefited from the pandemic with 9M 2020 EPS up 54% versus last year. Its stock price is down for the year and trades at a 5.7 trailing PE and an 11% yield. Finally, our sixth largest buy in December saw us top up one of our top five positions. Its 9M 2020 EPS grew 67% and this follows EPS growth of 59%, 75%, and 67%, in the three prior years. This branded consumer staples producer sells at 6.2 times trailing earnings. We think these examples show that good values remain in our markets to a greater degree than elsewhere in the world. While we have had a strong rally, it only partially makes up for the earlier losses in 2018-2020. In fact, the past seven years have been lean for us and we are only slightly above where we ended 2013. Having endured this famine, we think the dawning better times have room to continue.

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 December 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%	10%	5%	9%
2020 Q4	21%	14%	11%	19%	17%	11%
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	3%	4%	1%	18%	9%	18%
ITD	90%		-10%	32%	31%	218%

Holdings Summary[2]

Country	Holding
Philippines	15%
Kazakhstan	9%
Vietnam	8%
Rwanda	7%
Côte d'Ivoire	6%
Ghana	6%
Sri Lanka	6%
Nigeria	6%
Papua New Guinea	5%
Senegal	5%
Colombia	5%
Turkey	4%
Bangladesh	3%
Egypt	3%
Pakistan	3%
Botswana	2%
Ecuador	2%
Uganda	1%
Kenya	1%
Niger	1%
Tanzania	1%

Region	Holding
Sub-Saharan Africa	37%
Southeast Asia	28%
South Asia	12%
Eurasia	9%
Middle East / North Africa	7%
Latin America & Caribbean	7%

Sector	Holding
Financials	47%
Consumer Staples	24%
Communication Services	10%
Consumer Discretionary	4%
Energy	4%
Heath Care	3%
Industrials	3%
Cash	1%
Materials	1%
Real Estate	1%
Utilities	1%

Portfolio Statistics	
Portfolio Price to LTM Earnings	7.0
Portfolio Price to Book	1.05
Portfolio LTM Dividend Yield	5.9%
Weighted Average ROEE	14.3%
Weighted Median ROEE	21.0%
Positions	40
Countries	22
Weighted Average Market Cap	$1,687m
Weighted Median Market Cap	$606m
Portfolio Turnover (12 Months)	38%
Portfolio Turnover (ITD)	30%
Standard Deviation (36 Months)	15%
Standard Deviation (ITD)	14%
Beta to S&P 500 (36 Months)	0.47
Beta to S&P 500 (ITD)	0.49
Assets Under Management	$107m

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 <u>or</u> 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 31 December 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 30 December 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.

Disclaimer

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