February 2021 Monthly Comment as of 2 PM Chicago time February 26

We estimate we made 2%-3% this month, our best February since 2012. Latin American stocks and numerous currencies are still trading and Egypt trades on Sunday, so our results may change. Individual stock and country price action this month was volatile, much like January, with double-digit percentage gains and losses. The losers tended to have been winners last month or last year that have now partially retraced their gains. Other winners took their place, as the cycling of leadership after the pandemic selloff continues within frontier markets. Notable February gainers include Senegal (+16% in February after -18% in January following +26% in December), Turkey, Ghana, and Kazakhstan. On the losing side were Sri Lanka (-20% in February after +36% in January), Nigeria, Pakistan, and Bangladesh. As usual, much of our stock and country volatility canceled out, which is why we have a 0.49 beta to the S&P 500 with a lower standard deviation than it has.

Our January comment discussed DP Eurasia, (DPEU) the London-listed exclusive Domino's master franchisor in Turkey, Russia, Georgia, and Azerbaijan. This month, Jubilant Foodworks, the exclusive master franchisor in India, Domino's largest foreign market, announced it is buying a 32.81% stake in DPEU from Turkven, a Turkish private equity fund. This makes Jubilant, who also operates in Bangladesh, Nepal, and Sri Lanka, DPEU's biggest shareholder. Importantly, it cleared a long-standing overhang in DPEU's stock, which rose 65% in USD this month.

We have highlighted repeatedly how the bear market in our universe from late January 2018 led to extended buying opportunities that still exist due to selling overhangs. Once these overhangs clear, stocks can bounce significantly and potentially trend in one direction (up) for a long time, just as they trended down for a long time. DPEU is just the latest example of this phenomenon. Despite its February rally, it is still down more than 60% in USD from its June 2017 IPO price. Indian-listed Jubilant trades at 59 times trailing EV/EBITDA with a market cap of $5.3 billion. DPEU trades at 10 times EV/EBITDA with a market cap around $140 million. We acknowledge India is a highly valued market and we do not expect these multiples to meet. Nevertheless, we do think DPEU could see a higher multiple and higher EBITDA as pandemic challenges ease and as it resolves Russian operational issues. Domino's in the US trades at 22 times EV/EBITDA entering today, for example.

We think this new strategic shareholder can be a significant positive for DPEU, given how Jubilant dominates India's formal pizza market with over 70% market share and above-average margins relative to other listed Domino's master franchisors globally. While DP Eurasia is already the largest pizza and the second largest fast-food chain in Turkey, which constitutes over two-thirds of the company's sales, we think significant scope remains for the company to expand operations and improve margins in Russia, where it is only the third largest pizza player. Further, DPEU has adapted to the new COVID reality, with a strong recovery trajectory in Turkey where like-for-like system sales grew 26% in 2020 and 39% in the last two months of the year (Turkey does have high inflation, averaging 12.2% for 2020 and ending the year at 14.6%). Three-quarters of group delivery sales now originate from online channels, with group online system sales growing over 40% last year.

Turkey's macro conditions improved considerably once Naci Agbal became central bank governor in November. His adoption of more conventional monetary policy has boosted the Turkish lira 15% from its all-time low immediately before his appointment. We do remain ever-wary though that President Erdogan's unconventional monetary views could reassert themselves down the road for populist political reasons.

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 February 2021[1, 2]

Period	Frontaura	MSCI Frontier Small Cap	MSCI Frontier	MSCI Emerging	MSCI EAFE	S&P 500
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	20%	14%	11%	20%	16%	12%
2021 Q1	4%	4%	3%	7%	4%	2%
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%	5%	1%	18%	8%	18%
2021	4%	4%	3%	7%	4%	2%
ITD	96%		-7%	41%	35%	227%

Holdings Summary[2]

Country	Holding
Philippines	14%
Kazakhstan	10%
Vietnam	7%
Ghana	7%
Rwanda	6%
Turkey	6%
Sri Lanka	6%
Senegal	6%
Côte d'Ivoire	6%
Nigeria	5%
Papua New Guinea	5%
Colombia	4%
Egypt	4%
Bangladesh	3%
Botswana	2%
Pakistan	2%
Uganda	2%
Ecuador	2%
Chile	1%
Kenya	1%
Niger	1%
Tanzania	1%
USA (cash & accruals)	-1%

Region	Holding
Sub-Saharan Africa	37%
Southeast Asia	27%
South Asia	11%
Middle East / North Africa	10%
Eurasia	10%
Latin America & Caribbean	7%
USA (cash & accruals)	-1%

Sector	Holding
Financials	47%
Consumer Staples	22%
Communication Services	12%
Consumer Discretionary	6%
Industrials	5%
Energy	3%
Health Care	3%
Real Estate	1%
Materials	1%
Utilities	1%

Portfolio Statistics	
Portfolio Price to LTM Earnings	7.3
Portfolio Price to Book	1.09
Portfolio LTM Dividend Yield	5.9%
Weighted Average ROEE	9.2%
Weighted Median ROEE	20.4%
Positions	40
Countries	23
Weighted Average Market Cap	$1,800m
Weighted Median Market Cap	$535m
Portfolio Turnover (12 Months)	36%
Portfolio Turnover (ITD)	29%
Standard Deviation (36 Months)	15%
Standard Deviation (ITD)	14%
Beta to S&P 500 (36 Months)	0.48
Beta to S&P 500 (ITD)	0.49
Assets Under Management	$112m

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 26 February 2021 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 25 February 2021 as final index values for the current month are not available at the time of publication. Note that final February 2021 performance for Frontaura, but not for the indices, will include Islamic market trading on Sunday, 28 February 2021.

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

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