February 2022 Monthly Comment as of 11 AM Chicago time February 28

We estimate we lost 2% in February. Prior to Russia's February 24 invasion of Ukraine, we were positive MTD each day, at one point nearly overcoming our 2% January loss to where our YTD result rounded to 0. Now we are -4% YTD. Through Friday, February 25, the frontier, EM, EAFE, and S&P 500 indices all were -2% or -3% for the month and between -5% and -8% YTD. Frontier small cap has done best, +2% MTD and -1% YTD.

Russia is not in our universe and we have not invested in Ukraine since 2015. We have 9% of our portfolio in the Eurasia region—specifically Kazakhstan and Georgia, two other former Soviet republics. We discussed Kazakhstan in depth last month. The Kazakh central bank held an emergency monetary policy meeting last week, raising interest rates by 325 basis points to 13.5% to support its currency, which lost 12% MTD (to 493 intraday today) in sympathy with the Russian ruble. Higher energy prices will help oil-exporting Kazakhstan cushion some of the regional economic fallout from this conflict. Kaspi, our largest Kazakh holding at 3.7% of the portfolio, reported Q4 above-consensus earnings today. USD EPS grew >60% for Q4 and 2021, while payments transaction volume was strong in January and February 2022. Kaspi had Ukrainian acquisition and expansion plans, but these were immaterial to current operations and have never factored into our Kaspi intrinsic value estimate. Halyk Bank, our other Kazakh holding at 2.3%, hasn't reported Q4 yet, but central bank data shows that Halyk's underlying USD bank profit grew >40% in Q4 and 2021. Combined, our Kazakh holdings trade at 6.2 times reported EPS with a 9.6% yield and a 63% return on ending equity (ROEE). Our only other Eurasia regional position, at 3.3%, is TBC, the largest Georgian bank. It reported this month, with both Q4 and 2021 EPS more than doubling in USD. TBC has a trailing PE of 3.5, with a 0.78 price/book and a 22% ROEE. Its forward dividend yield is around 7%. While easy COVID comparisons flattered 2021 EPS growth rates (less so for naturally fast-growing Kaspi), the valuations and ROEEs for Halyk and TBC are attractive using either 2019 (pre-COVID) or 2021 results.

The same is true for our portfolio overall. With 50% of our holdings having reported Q4, USD EPS is up 43% for the quarter and 48% for the entire year. Despite 2021's strong returns, our portfolio PE and price/book are similar to where they ended 2019 (PE 6.0 now versus 5.9 then; PB 1.11 now vs. 1.13 then), while our weighted average ROEE has risen to 25.3% from 22.0%, reflecting higher quality in the portfolio from buys after the COVID selloff.

The Ukraine War raises oil and commodity prices and inflation; pressures exchange rates and debt repayments for some countries; and dampens global GDP by lowering post-COVID growth. In some areas, tourism rebounds won't be as robust as once expected. Outbound Russian tourism may be close to nil now, for example. We always have a mix of commodity exporting and importing countries, so we have both winners and losers whenever commodity prices spike or plunge (and we don't try to chase a new trend after a commodities shock as we think this is performance subtracting). Our portfolio feels a bit more commodity price resilient to us than normal because our country exits that began in 2021 (where we sold countries with external FX and debt vulnerabilities) have tilted more toward commodity importers, although not exclusively. Depressed sentiment could restrain the rate-rising hand of developed world central banks, which may make their inflation problem even worse as they are already behind the curve. Conversely, we think EM and FM central bankers, already more proactive in boosting rates, if anything could raise rates even faster to support their currencies and to tame this new price spike.

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

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 2022[1, 2]

Period	Frontaura	MSCI Frontier Small Cap	MSCI Frontier	MSCI Emerging	MSCI EAFE	S&P 500
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	2%	5%	1%	2%	3%	6%
2021 Q2	20%	14%	14%	5%	5%	9%
2021 Q3	4%	8%	3%	-8%	0%	1%
2021 Q4	5%	10%	1%	-1%	3%	11%
2022 Q1	-4%	-1%	-7%	-5%	-7%	-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	3%	5%	1%	18%	8%	18%
2021	34%	42%	20%	-3%	11%	29%
2022	-4%	-1%	-7%	-5%	-7%	-8%
LTM	25%	36%	11%	-11%	3%	17%
ITD	145%		1%	22%	35%	280%

Holdings Summary[2]

Country	Holding
Philippines	17%
Côte d'Ivoire	7%
Vietnam	7%
Egypt	7%
United Arab Emirates	6%
Kazakhstan	6%
Rwanda	6%
Senegal	6%
Kenya	5%
Nigeria	5%
Chile	5%
USA (cash & accruals)	3%
Georgia	3%
Botswana	3%
Papua New Guinea	3%
Bangladesh	2%
Colombia	2%
Tanzania	2%
Uganda	2%
Cambodia	2%
Niger	1%
Ecuador	1%

Region	Holding
Sub-Saharan Africa	37%
Southeast Asia	28%
Middle East / North Africa	13%
Eurasia	9%
Latin America & Caribbean	7%
USA (cash & accruals)	3%
South Asia	2%

Sector	Holding
Financials	42%
Consumer Staples	23%
Industrials	8%
Cash & accruals (all countries)	7%
Real Estate	7%
Communication Services	5%
Energy	3%
Health Care	2%
Consumer Discretionary	2%

Portfolio Statistics	
Portfolio Price to LTM Earnings	6.0
Portfolio Price to Book	1.11
Portfolio LTM Dividend Yield	4.5%
Weighted Average ROEE	25.3%
Weighted Median ROEE	22.1%
Positions	32
Countries	21
Weighted Average Market Cap	$2,215m
Weighted Median Market Cap	$889m
Portfolio Turnover (12 Months)	32%
Portfolio Turnover (ITD)	30%
Standard Deviation (36 Months)	18%
Standard Deviation (ITD)	14%
Beta to S&P 500 (36 Months)	0.59
Beta to S&P 500 (ITD)	0.49
Assets Under Management	$139m

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 $217m fee-paying AUM and another 25bp at $434m.

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 net of all fees for a reference investor joining the fund at inception, making no further contributions, making no withdrawals, and converting to Series B in 2021 Q2. Investors joining on other dates, making additional contributions, making withdrawals, or not converting to Series B in 2021 Q2 may have different results. Our auditor has audited results through 2021. Frontaura returns use a subject-to-change estimate for the current month, as of intraday Monday 28 February 2022. Index returns are total returns, net of any withholding tax for a US investor, through 25 February 2022. Final investor and index returns for all periods that include the current month may differ from the numbers on this page. We discuss our returns and different series here.

2 Click here for disclosures regarding performance, terms, series conversions, redemptions, index descriptions, holdings and portfolio statistics calculations, and performance attribution.

Disclaimer

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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