April 2022 Monthly Comment as of 12 PM Chicago time April 29

With some markets still open, we estimate we are +1% in April, making our YTD loss 4%-5%. The indices we track on page 2 lost 3%-8% in April and are down 5%-14% YTD (indices are total returns through April 28).

This week Tim was in Vietnam, meeting 27 corporates in the country's two largest cities, Ho Chi Minh City (HCMC) and Hanoi. Due to COVID, this was our first international research trip in over two years. Our July 2021 monthly comment, when Vietnam's Zero-COVID policy was unraveling, discussed whether the country would double down and impose increasingly stringent lockdowns or move toward a live-with-COVID strategy. Vietnam eventually choose the latter, significantly boosting vaccination rates and fully reopening. This contrasts with China, which has stuck with Zero COVID to this day, constraining its economy and supply chains globally. Since last month, Vietnam has welcomed tourists again and it eased all remaining pandemic-related restrictions this month. Mask wearing is still common, but otherwise the country feels similar to our 2019 visit. Driven by the reopening backdrop, the IMF expects GDP growth to rise to 6.0% in 2022 from 2.6% last year, with most corporates we met forecasting strong profit growth as a result. Q1's 5.0% GDP growth was flat to down slightly from Q4's 5.2%. We think the country has some reopening supply and labor speed bumps, as we wrote in our Q4 letter (page 6, point 12).

The stock market rose during COVID, with the VNINDEX posting USD gains of 15% in 2020 and 37% in 2021. For nearly half our history, Vietnam was our largest country weight. Lately, though, bargains have been tough to find with Vietnamese stocks starting 2022 around all-time highs. We presently have 7% invested there, all in consumer stocks. This month, a series of corruption probes led to a 9% market drop in USD terms. While we don't yet know how far and for how long these crackdowns will last, they haven't changed our view on the long-term positive economic trajectory of the country. These measures should reduce froth in certain segments of the economy and the stock market. As with many of our markets, local investors dominate trading in Vietnam, and retail trading account openings surged last year, with 1.5 million accounts opened in 2021, compared to less than 1 million retail accounts opened altogether in the four years prior. These newfound retail investors have a keen interest in margin trading and total margin lending more than quadrupled over the past three years. Brokers report that margin calls worsened April's selloff.

Another potential area of concern is real estate as Vietnamese property prices surged following the pandemic, primarily due to regulation-induced supply shortages. As one developer put it, affordable real estate has all but disappeared in the big cities. Developers have cut unit sizes and moved up-market, but this seemingly can't go on forever. The property market is becoming an enclave for the rich with city center apartments in HCMC selling for up to $10,000 per square meter (psm), while those on the outskirts 45 minutes away sell for up to $3,000 psm. For context, the IMF says GDP per capita was $3,725 last year. The corruption crackdown could curtail real estate developer financing and we've already seen measures to restrain credit. For example, the local press reports that in Q1 the State Bank of Vietnam (SBV) asked several banks to limit real estate credit growth. Yesterday (April 28), to curb HCMC speculation, the SBV ordered credit restrictions for those investing in premium, tourist and resort, and multiple property purchases. Vietnamese inflation is low at 2.6% and the SBV is not behind the curve with its two main policy rates at 2.5% and 4.0%, respectively. Nevertheless, as this year and next progress, we expect higher inflation and interest rates. Vietnam has not had a rate hike since 2011, when the policy rate topped out at 15%.

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 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	-5%	0%	-8%	-7%	-6%	-5%
2022 Q2	1%	-5%	-3%	-8%	-7%	-5%
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%	-5%	-10%	-14%	-13%	-10%
LTM	16%	24%	0%	-20%	-9%	4%
ITD	144%		-3%	11%	26%	272%

Holdings Summary[2]

Country	Holding
Philippines	15%
USA (cash & accruals)	13%
United Arab Emirates	8%
Côte d'Ivoire	7%
Rwanda	7%
Vietnam	7%
Cambodia	6%
Senegal	5%
Chile	5%
Kenya	5%
Nigeria	5%
Egypt	3%
Botswana	3%
Bangladesh	3%
Colombia	2%
Tanzania	2%
Uganda	2%
Niger	1%
Bahrain	1%
Ecuador	1%

Region	Holding
Sub-Saharan Africa	37%
Southeast Asia	28%
USA (cash & accruals)	13%
Middle East / North Africa	12%
Latin America & Caribbean	8%
South Asia	3%

Sector	Holding
Financials	31%
Consumer Staples	23%
Cash & accruals (all countries)	14%
Real Estate	8%
Industrials	8%
Consumer Discretionary	6%
Communication Services	5%
Health Care	3%
Energy	2%

Portfolio Statistics	
Portfolio Price to LTM Earnings	6.3
Portfolio Price to Book	1.09
Portfolio LTM Dividend Yield	4.6%
Weighted Average ROEE	21.1%
Weighted Median ROEE	22.3%
Positions	31
Countries	20
Weighted Average Market Cap	$1,887m
Weighted Median Market Cap	$690m
Portfolio Turnover (12 Months)	43%
Portfolio Turnover (ITD)	30%
Standard Deviation (36 Months)	18%
Standard Deviation (ITD)	14%
Beta to S&P 500 (36 Months)	0.56
Beta to S&P 500 (ITD)	0.48
Assets Under Management	$136m

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 $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 Friday 29 April 2022. Index returns are total returns, net of any withholding tax for a US investor, through 28 April 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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