April 2023 Monthly Comment as of 12 PM Chicago time Friday April 28

As of the time above, we are +2% net MTD. Through April 27, index total returns are +3% for MSCI Frontier Markets Small Cap (FM SC), +2% for MSCI EAFE, +1% for the S&P 500, 0% for MSCI FM, and -2% for MSCI EM. YTD, MSCI EAFE leads these indices at +11%, with Frontaura at +9%, the S&P 500 at +8%, FM SC +6%, FM +3%, and EM +2%.

April is typically when we get the most new fundamental data. We receive the final Q4 earnings from the more laggardly reporters and we begin to receive Q1 earnings. Also, as the annual meeting season is underway, companies often declare significant dividends on prior-year earnings, some of which go ex-dividend this month. On this last point, we benefit from a curious inefficiency of frontier markets where some stock prices do not decline by the amount of the dividend on the ex-dividend date; instead, they continue to trade at the pre-ex price, giving us an instant performance boost. This can be large if say the stock's yield is in the double digits. These fundamental and dividend factors make April our best performing month on an average and median basis, with historical gains 15 of 16 years, and only a single modest loss of 0.4% in 2011. These factors help explain in part our favorable December through July seasonality, as the bunching of annual dividend announcements and ex-dates starts prior to April and extends beyond.

Our company profits continue to rise, in contrast to US companies where EPS collectively is falling. In April, this lowered our trailing portfolio PE from 6.5 to 6.3, despite price gains. Dividend increases and dividend restorations after a COVID lapse have increased our weighted average yield from 5.9% in February to 6.1% in March and 6.8% now, up from 4.6% a year ago.

Given these low valuations, we think our EPS growth for the past two years is rather incredible. In 2022, portfolio EPS grew 22% in dollars and 34% in constant currency, while 2021 had even higher figures, 44% and 48%, respectively. In our opinion, this growth comes from four factors: 1) the COVID selloff allowing us to migrate to a growthier portfolio without changing our value discipline; 2) COVID reopenings; 3) COVID stimulus through 2021 (this factor is much less than in the US, however); and 4) higher interest rates boosting bank profits (this factor is more significant than in the US, we believe). The middle two factors naturally fade with time as we can see by our quarterly portfolio EPS growth rate declining to single digits in Q3 and Q4 2022. Nevertheless, we still expect five of our 29 holdings (15% of our portfolio), to grow profit >50% this year due to a late COVID reopening. Meanwhile, the first and the last factor persist for now. Further, we'd point out that in the COVID year 2020, our portfolio EPS fell only 10% in dollars. Speaking strictly in EPS terms, and not human terms, COVID ironically was a positive event for our company profits (a 10% annual EPS drop leading to later gains of 44% and 22%). Despite this growth, our portfolio profit margins are below their long-term average. Finally, COVID demonstrated the resilience that an actively managed set of frontier and small emerging countries and companies can have in a crisis (a passive set fared less well due to debt distress in the more fragile countries that we exited).

Let's end by comparing what we offer to the world's largest equity market. In 2022, using data compiled by S&P, S&P 500 GAAP EPS fell 13% (versus +22% for Frontaura). In Q4, these figures were -27% for the S&P 500 and +7% for Frontaura. For those who cannot handle the truth, Wall Street invented "operating earnings" that pretend certain expenses don't exist. Even these shrunk, though, -5% for 2022 and -11% in Q4, per S&P. At yesterday's close, the S&P 500 trades 24.0 times trailing GAAP EPS (versus 6.3 for Frontaura) or, for those vulnerable to altitude sickness, 20.8 times operating EPS.

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 2023[1, 2]

Period	Frontaura	MSCI Frontier Small Cap	MSCI Frontier	MSCI Emerging	MSCI EAFE	S&P 500
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	-6%	-16%	-14%	-11%	-15%	-16%
2022 Q3	-7%	-6%	-6%	-12%	-9%	-5%
2022 Q4	8%	-2%	-1%	10%	17%	8%
2023 Q1	7%	3%	3%	4%	8%	7%
2023 Q2	2%	3%	0%	-2%	2%	1%
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	-11%	-23%	-26%	-20%	-14%	-18%
2023	9%	6%	3%	2%	11%	8%
1 Year	1%	-14%	-15%	-7%	8%	2%
2 Years	18%	6%	-16%	-24%	-1%	2%
after 2020 08	60%	34%	2%	-6%	19%	23%
3 Years	67%	49%	18%	13%	39%	49%
Since Inception	147%		-17%	5%	37%	265%

Holdings Summary[2]

Country	Holding
Philippines	18%
Vietnam	10%
Côte d'Ivoire	7%
Colombia	7%
USA (cash & accruals)	7%
Cambodia	6%
Peru	6%
Senegal	5%
Rwanda	5%
United Arab Emirates	5%
Namibia	4%
Chile	4%
Tanzania	4%
Nigeria	4%
Pakistan	2%
Uganda	2%
Bangladesh	1%
Niger	1%
Others	1%

Region	Holding
Southeast Asia	35%
Sub-Saharan Africa	33%
Latin America & Caribbean	17%
USA (cash & accruals)	7%
Middle East / North Africa	5%
South Asia	3%

Sector	Holding
Financials	37%
Consumer Staples	23%
Consumer Discretionary	13%
Cash & accruals (all countries)	11%
Communication Services	5%
Real Estate	5%
Industrials	3%
Energy	2%
Health Care	1%

Portfolio Statistics	
Portfolio Price to LTM Earnings	6.3
Portfolio Price to Book	1.05
Portfolio LTM Dividend Yield	6.8%
Weighted Average ROEE	20.2%
Weighted Median ROEE	20.0%
Positions	29
Countries	19
Weighted Average Market Cap	$1,629m
Weighted Median Market Cap	$741m
Portfolio Turnover (12 Months)	32%
Portfolio Turnover (ITD)	30%
Standard Deviation (36 Months)	15%
Standard Deviation (ITD)	14%
Beta to S&P 500 (36 Months)	0.32
Beta to S&P 500 (ITD)	0.45
Assets Under Management	$132m

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 $231m fee-paying AUM and another 25bp at $462m.

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 2022. Frontaura returns use a subject-to-change estimate for the current month, as of intraday Friday 28 April 2023. Index returns are total returns, net of any withholding tax for a US investor, through 27 April 2023. 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

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