April 2024 Monthly Comment as of 11 AM Chicago time Tuesday April 30

Most stock indices we cite lost money through April 29, on a total returns basis. As we type this around 8 AM April 30 in Chicago, US 10-year treasury yields have risen 47 basis points this month to 4.67%, the largest monthly increase since September 2022, as fixed income markets continue to delay and reduce their expectation for US interest rate cuts this year. MSCI EAFE has lost 2% MTD, while MSCI Frontier Markets (FM), MSCI FM Small Cap (FM SC), and the S&P 500 all are down 3%. The sole MTD winner so far is MSCI Emerging Markets (EM), up 1%. We estimate that our reference investor has a loss between 0% and 1%. YTD, we are +7%, the S&P 500 is +8%, EAFE and EM are +3%, FM is +2%, and SC is -8%. While our monthly loss is small, it's notable for being only our second April in the red in our 17-year history. The other, in 2011, was also small at -0.4%. Historically, April is our seasonally strongest month, up 2.5% on average with a median gain of 1.8%. This is due to the bunched timing of earnings and dividends, as the final Q4 EPS reports come out in March and into April, followed closely by early Q1 reports. Dividend declarations for the year just finished often either accompany the Q4 EPS results or follow within a few weeks. Thus, we receive a concentrated amount of fundamental data beginning March, throughout April, and carrying into May. Our portfolio grew its Q4 EPS pile by 22% in dollars over Q4 2022, while annual EPS rose 26% over 2022. This far exceeded our expectations when 2023 began, as we expected dollar EPS growth to diminish following rapid gains of 44% in 2021 and 22% in 2022. We again expect a more modest EPS change in 2024. Nevertheless, our 99% growth in EPS from 2019 to 2023 compares favorably to the S&P 500's 38% growth over the same period. This EPS growth has kept our valuation low, despite strong returns in recent years. Our portfolio PE is only 5.5 times trailing reported EPS, compared to 26.8 for the S&P 500. Our portfolio price/book is 0.95. Our portfolio weighted average for return on ending equity is 22.8% and for dividend yield is 6.1%. Our Quality Value Score (QVS), which equal weights these four metrics, is in the top decile of our historical attractiveness. Nick will be in NYC mid-May; contact us to meet.

To pick up our running narrative on Nigeria from our Q1 letter (page 4) and before that in last month's comment, the FX situation continues to be volatile and unpredictable. April began on a promising note but ended negatively. On April 2, we received a FX fill at 1302 naira per dollar, much improved from our prior February 29 fill at 1702. By April 17, the NAFEX rate, which seems to us to now reflect reality, appreciated further to 1129. Over the second half of the month, though, NAFEX reversed, ending April at 1399. These swings prove our statement of a month ago: "We're not sure that we could predict the FX rate we'd get on a given day within 5% or 10%." This is especially true given that from the time you make a stock buy or sell decision, it can take a week through normal custody channels before you know the FX rate on that trade. In local currency prices, two bank stocks we own suffered double-digit percentage declines in April, reversing March's double-digit gains. The April selloff occurred as details of the Central Bank of Nigeria's (CBN) increase in minimum capital requirements were worse than expected. We don't understand the CBN's thinking. By not allowing retained earnings to count toward capital, they are forcing the largest and healthiest banks to raise capital at below book value. This has undermined investor confidence in the CBN and the stock market, and possibly explains some of the reversal in the currency in the second half of April. We'd like to see the CBN "clarify" its surprising minimum capital methodology to a more standard and common-sense definition. Nigeria is 3% of our portfolio, trading at a 1.4 PE. We lost 6% there in April; in March and April combined, we made 12%; YTD, we are -27%.

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 2024[1, 2]

Period	Frontaura	MSCI Frontier Small Cap	MSCI Frontier	MSCI Emerging	MSCI EAFE	S&P 500
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	8%	6%	2%	1%	3%	9%
2023 Q3	-1%	3%	2%	-3%	-4%	-3%
2023 Q4	3%	6%	4%	8%	10%	12%
2024 Q1	8%	-5%	5%	2%	6%	11%
2024 Q2	-1%	-3%	-3%	1%	-2%	-3%
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	17%	19%	12%	10%	18%	26%
2024	7%	-8%	2%	3%	3%	8%
1 Year	15%	4%	10%	10%	9%	25%
2 Years	17%	-11%	-6%	3%	19%	28%
3 Years	36%	11%	-7%	-16%	9%	28%
Since Inception	185%		-9%	17%	51%	359%

Holdings Summary[2]

Country	Holding
Philippines	16%
Vietnam	11%
USA (cash & accruals)	10%
United Arab Emirates	7%
Colombia	7%
Côte d'Ivoire	6%
Turkey	5%
Kenya	4%
Rwanda	4%
Namibia	4%
Slovenia	4%
Tanzania	4%
Cambodia	4%
Peru	4%
Nigeria	3%
Chile	3%
Uganda	2%
Senegal	2%
Bangladesh	2%

Region	Holding
Southeast Asia	31%
Sub-Saharan Africa	29%
Latin America & Caribbean	13%
Middle East / North Africa	11%
USA (cash & accruals)	10%
Eastern Europe	4%
South Asia	2%

Sector	Holding
Financials	46%
Consumer Staples	18%
Consumer Discretionary	16%
Cash & accruals (all countries)	11%
Real Estate	4%
Communication Services	2%
Health Care	2%

Portfolio Statistics	
Portfolio Price to LTM Earnings	5.5
Portfolio Price to Book	0.95
Portfolio LTM Dividend Yield	6.1%
Weighted Average ROEE	22.8%
Weighted Median ROEE	22.5%
Positions	28
Countries	19
Weighted Average Market Cap	$2,648m
Weighted Median Market Cap	$907m
Portfolio Turnover (12 Months)	25%
Portfolio Turnover (ITD)	30%
Standard Deviation (36 Months)	13%
Standard Deviation (ITD)	14%
Beta to S&P 500 (36 Months)	0.34
Beta to S&P 500 (ITD)	0.46
Assets Under Management	$146m

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 $239m fee-paying AUM and another 25bp at $477m.

Service Providers

Attorney	Faegre Drinker Biddle & Reath LLP
Auditor	RSM US LLP
CFO / Compliance	E78 Partners
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 2023. Frontaura returns use a subject-to-change estimate for the current month, as of intraday Tuesday 30 April 2024. Index returns are total returns, net of any withholding tax for a US investor, through 29 April 2024. 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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