March 2025 Monthly Comment as of 11 AM Chicago time Monday March 31

At our deadline, with Latin American stocks and numerous currencies still trading, we estimate our reference investor is +1% MTD and +5% YTD. Through Friday, March 28, international indices led performance with the following total returns. For March: MSCI Frontier Markets (FM) +3%; MSCI Emerging Markets (EM) and MSCI EAFE +2%; MSCI FM Small Cap (FM SC) flat; and S&P 500 -6%. For 2025, EAFE +9%, FM +8%, EM +5%, FM SC +2%, and S&P 500 -5%. We remain attractively priced with a 6.1 portfolio PE on trailing, as-reported earnings and a 5.5% weighted average dividend yield.

This month, Nick visited Argentina, 4% of Frontaura's portfolio. This was his ninth in-country investing trip, three in the past two years, and Frontaura's 12th trip to Argentina overall. Always pleasant to visit, Buenos Aires is a hotbed of economic and political experimentation. For better or for worse, this has made Argentina the most intellectually interesting country in our universe for much of our history. We last wrote on the country in May 2024, six months into libertarian President Javier Milei's regime, which showed initial success, yet still faced daunting challenges. We can report that Milei's successes have continued and he's overcome many challenges, yet his remaining work remains formidable, with the ultimate outcome still unclear. Markets have responded to the political and economic success. Before fees, from our May 2024 re-entry through Friday, March 28, we've made $2.7 million in the country, a 52% IRR. This consisted of a heady 73% gain last year and a 14% reversal in 2025. One should not be boastful, though. Past Argentine episodes have always been a trade requiring a hasty, bumpy exit. If things unraveled now, we'd expect most of our 2024 profit to evaporate.

Long-time Wall Street veterans knowledgeable in economics and markets lead Milei's economic team. We find them capable and confident. Several members were prominent in President Macri's administration that—after two promising years in 2016 and 2017—ran aground in 2018 and 2019. This hurt their credibility, but they've learned from these mistakes. For example, they reversed the order of reforms this time. They replaced the gradualism of Macri's fiscal adjustment with Milei's shock therapy. And they've not repeated Macri's immediate lifting of capital controls and free floating of the exchange rate, as the hot money this attracted left quickly in 2018.

To us, Milei's most impressive feat since he took office 15.5 months ago on December 10, 2023, is the chainsaw he took to government spending. In his first full month in office, January 2024, the government moved from a deficit around 5% of GDP in 2023 to a fiscal surplus that has persisted. (Contrast this with US spending rising to a record high in February 2025—President's Trump's first full month—despite the similar DOGE cost-cutting mindset in the US.) Under Milei, Argentina also reduced month-over-month inflation from 25.5% in December 2023 to 2.4% last month; recovered from recession to economic growth (the IMF projects 5% RGDP growth in 2025); and achieved numerous legislative victories despite Milei's LLA party holding only 15% of seats in the Chamber of Deputies and 10% in the Senate. Milei has maintained popularity of nearly 50% despite the initial wrenching austerity. Much remains. We expect the country to soon conclude negotiations on a new IMF deal, possibly for $20 billion, that could boost reserves, catalyze additional funding, and help to repay IMF maturities that begin September 2026. Investors also are watching for liberalization of capital controls and any changes to the crawling peg official exchange rate, which devalues 1% per month presently. Mid-term elections occur October 26, 2025. We expect LLA to gain significant seats yet still fall short of a majority.

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 March 2025[1, 2]

Period	Frontaura	MSCI Frontier Small Cap	MSCI Frontier	MSCI Emerging	MSCI EAFE	S&P 500
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	9%	-1%	1%	5%	0%	4%
2024 Q3	5%	4%	5%	9%	7%	6%
2024 Q4	8%	4%	-1%	-8%	-8%	2%
2025 Q1	5%	2%	8%	5%	9%	-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	-11%	-23%	-26%	-20%	-14%	-18%
2023	17%	19%	12%	10%	18%	26%
2024	33%	2%	9%	8%	4%	25%
2025	5%	2%	8%	5%	9%	-5%
1 Year	30%	9%	13%	10%	7%	8%
2 Years	54%	21%	29%	19%	23%	40%
3 Years	54%	-4%	6%	6%	22%	29%
5 Years	159%	88%	61%	49%	78%	133%
Since Inception	271%		6%	27%	66%	407%

Holdings Summary[2]

Country	Holding
Philippines	17%
Colombia	9%
Peru	6%
Egypt	5%
United Arab Emirates	5%
Turkey	4%
Chile	4%
Argentina	4%
Uganda	4%
Rwanda	4%
Côte d'Ivoire	4%
Tanzania	4%
Namibia	3%
USA (cash & accruals)	3%
Slovenia	3%
Cambodia	3%
Cyprus	3%
Vietnam	3%
Ghana	2%
Pakistan	2%
Bangladesh	2%
Senegal	2%
Kenya	2%
Uruguay	1%
Sri Lanka	1%

Region	Holding
Sub-Saharan Africa	25%
Latin America & Caribbean	25%
Southeast Asia	22%
Middle East / North Africa	15%
Eastern Europe	5%
South Asia	5%
USA (cash & accruals)	3%

Sector	Holding
Financials	46%
Consumer Discretionary	18%
Consumer Staples	12%
Communication Services	7%
Cash & accruals (all countries)	4%
Real Estate	3%
Utilities	3%
Health Care	3%
Energy	2%
Industrials	1%

Portfolio Statistics	
Portfolio Price to LTM Earnings	6.1
Portfolio Price to Book	1.06
Portfolio LTM Dividend Yield	5.5%
Weighted Average ROEE	24.1%
Weighted Median ROEE	22.4%
Positions	35
Countries	24
Weighted Average Market Cap	$2,797m
Weighted Median Market Cap	$1,442m
Portfolio Turnover (12 Months)	30%
Portfolio Turnover (ITD)	30%
Standard Deviation (36 Months)	13%
Standard Deviation (ITD)	14%
Beta to S&P 500 (36 Months)	0.30
Beta to S&P 500 (ITD)	0.45
Assets Under Management	$193m

Terms

Subscriptions	Monthly. $500,000 minimum for new qualified purchasers. Additions 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, no incentive, 8-qtr exit. For both series, mgt fee cut 25bp at $246m and $491m fee-paying AUM, indexed annually to CPI.

Service Providers

Attorney	Faegre Drinker Biddle & Reath LLP
Auditor / Tax	RSM US LLP
CFO / Compliance	E78 Partners
Fund Administrator	Liccar Fund Services
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 2024. Frontaura returns use a subject-to-change estimate for the current month, as of intraday Monday 31 March 2025. Index returns are total returns, net of any withholding tax for a US investor, through Friday 28 March 2025. 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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