August 2025 Monthly Comment as of 11 AM Chicago time Friday August 29

At our deadline, with Latam stocks and currencies from all regions still trading, we estimate our reference investor is presently up 5% MTD, 8% QTD, and 28% YTD. Through Thursday, August 29, the total return gains of the indices we track follow. MTD: MSCI Frontier Markets (FM) 6%, MSCI EAFE 5%, MSCI FM Small Cap (FM SC) 4%, S&P 500 3%, and MSCI Emerging Markets (EM) 2%. QTD: FM 13%, FM SC 13%, S&P 5%, EM 3%, and EAFE 3%. YTD: FM 36%, EAFE 23%, FM SC 21%, EM 19%, and S&P 11%.

August typically has not been a kind month for Frontaura investors. This is only our eighth money-making August in 18 years. If we finish above 4.69%, it will be our best August ever, ahead of 2009. Historically, August is just the first of four tough seasonal months for us through November. Our past data shows, however, that August's outcome often informs you of how bountiful or meager your end-of-November Thanksgiving feast will be. Here's what we mean. When August is up, we have always made money collectively in the three months that follow—September through November—with an average collective three-month gain of 7.4%. When August is down, though, our average collective return in the three following months is -5.3%, with eight of the 10 returns negative. Thus, the sign of our September-November return, positive or negative, has matched the sign of our August return in 15 of 17 years. We've written about our serial correlation many times before, but August stands out as an influential month in determining future direction. Having said this, past performance does not guarantee future results. A significant new event like a material US market selloff from its lofty valuation levels could have a knock-on effect overwhelming Frontaura's past behavior.

Three factors explain our August return. Dividends added 0.5 percentage points of performance, dollar weakness added 0.8 percentage points, while EPS growth, the biggest return contributor, accounted for the rest. EPS growth and dividend increases leave our 7.0 trailing PE and our 5.7% weighted average dividend yield unchanged from July despite higher stock prices.

We have bought three new positions in Q3 on three different continents—one in July, two this month. Each buy occurred in a single negotiated trade of around $5 million. Block position entries and exits like these can help mitigate market impact. Our experience trading in our markets, knowledge of brokers and individual traders, and relationships with companies, who can sometimes be the counterparty from whom we buy or to whom we sell shares, make these possible. We mention this as a current example of what we often say to investors. Despite limited liquidity in our markets, we can occasionally make big trades happen that don't seem possible given the volume statistics.

Our July comment showed the hazard of quoting country-specific US import tariff rates. Pakistan cut a deal as we were publishing, eventually revealed to be 19% (down from the 29% rate the US imposed April 2). Three countries we cited in July as receiving tariff reductions got a second, further reduction by August 7, the day the April 2 Liberation Day tariff-rate reprieve ended. Bangladesh, at 35% in our July comment, is now at 20%; Sri Lanka has dropped from 30% to 20%; and Cambodia fell from 36% to 19%. We believe 12 of 23 countries that we invest in are at the default minimum US global tariff rate of 10%, while 11 range from 15% to 20%. None of our companies have material US export revenue.

September will see us on the road. Nick to visit investors in New York City and Princeton, Will to research companies in Vietnam, and Tim to Santiago for an Andean investment conference with companies from Chile, Colombia, and Peru.

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 August 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%	3%	7%	-4%
2025 Q2	12%	5%	11%	12%	12%	11%
2025 Q3	8%	13%	13%	3%	3%	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	28%	21%	36%	19%	23%	11%
1 Year	40%	27%	35%	17%	14%	17%
2 Years	72%	27%	49%	35%	36%	48%
3 Years	100%	32%	49%	36%	61%	72%
5 Years	192%	88%	64%	29%	63%	100%
Since Inception	351%		33%	45%	87%	494%

Holdings Summary[2]

Country	Holding
Philippines	16%
Peru	8%
Colombia	8%
Tanzania	7%
Turkey	6%
Egypt	6%
USA (cash & accruals)	5%
Uganda	4%
Rwanda	4%
Ghana	4%
Chile	4%
Côte d'Ivoire	3%
United Arab Emirates	3%
Cyprus	3%
Cambodia	3%
Argentina	3%
Sri Lanka	3%
Slovenia	3%
Vietnam	2%
Namibia	2%
Bangladesh	2%
Kenya	2%
Pakistan	1%
Uruguay	1%

Region	Holding
Sub-Saharan Africa	26%
Latin America & Caribbean	23%
Southeast Asia	21%
Middle East / North Africa	15%
South Asia	6%
Eastern Europe	5%
USA (cash & accruals)	5%

Sector	Holding
Financials	43%
Consumer Discretionary	17%
Consumer Staples	15%
Communication Services	6%
Cash & accruals (all countries)	5%
Health Care	4%
Real Estate	3%
Industrials	3%
Utilities	3%
Energy	1%

Portfolio Statistics	
Portfolio Price to LTM Earnings	7.0
Portfolio Price to Book	1.26
Portfolio LTM Dividend Yield	5.7%
Weighted Average ROEE	26.4%
Weighted Median ROEE	23.9%
Positions	36
Countries	23
Weighted Average Market Cap	$2,359m
Weighted Median Market Cap	$1,427m
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)	0.32
Beta to S&P 500 (ITD)	0.46
Assets Under Management	$239m

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
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 Friday 29 August 2025. Index returns are total returns, net of any withholding tax for a US investor, through Thursday 28 August 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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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