October 2025 Monthly Comment as of 11 AM Chicago time Friday October 31

At our deadline, with Latam stocks and currencies from all regions still trading, we estimate our reference investor is presently up 2%-3% MTD and 34% YTD. Through Thursday, October 30, the total return gains of the indices we track follow. MTD: MSCI Emerging Markets (EM) 5%, S&P 500 2%, MSCI EAFE 1%, MSCI Frontier Markets (FM) 1%, and MSCI FM Small Cap (FM SC) -2%. YTD: FM 39%, EM 34%, EAFE 27%, FM SC 21%, and S&P 17%. Despite this month's gain, EPS and dividend growth has lowered our LTM PE to 7.1 from 7.3 in September and kept our weighted average dividend yield at 5.9%. The weighted average ROEE of our companies is 27.4%, up from 26.8%.

In September, Will had 19 meetings, seeing 17 corporates in Hanoi and Ho Chi Minh City (HCMC), Vietnam. In the Q1 letter we released just after Liberation Day, we wrote that the US hit Vietnam with one of the highest tariff rates at 46%. At the time, we noted Vietnam would be eager to cut a deal. In July, the US reduced Vietnam's tariff to 20%, with a 40% rate on transshipped goods in a mediocre deal, in our view (see our Q2 letter). Nevertheless, corporates we spoke with think they can weather tariffs at these rates without substantial impact. One firm with significant US exports told us it had talks with customers about cost sharing at the 46% rate, but this was unnecessary at the 20% level. A port operator said that it saw frontloading of orders through August, and while this had normalized in September, it still expected a seasonally strong Q4. Year-over-year real GDP growth of 7.1% in 2024 has held up well, improving as 2025 has progressed, from 6.9% in Q1, to 8.0% in Q2, and 8.2% in Q3. Trade uncertainty remains, but we expect Vietnam will be resilient even if export headwinds become more pronounced next year.

Against this backdrop, the efficacy of state-directed spending will take on outsized importance. Vietnam is targeting GDP growth of at least 10% in 2026, which we view as more aspirational than realistic (the IMF projects 5.6%). The government will look to offset trade impacts by accelerating public investment in a series of large-scale infrastructure projects, such as high-speed rail and metro lines, highway expansions, and new ports and airport developments. Unlike China, which executes massive initiatives quickly and efficiently, Vietnam has a mixed record on infrastructure. Metro networks in Hanoi and HCMC have been in the works since the 2000s, but as of our visit, only one line in HCMC and two lines in Hanoi were operational. Long Thành International Airport—a greenfield project outside HCMC designed to relieve capacity constraints at the current airport, has progressed quicker, but still not at China speed. Authorities approved it a decade ago, but meaningful progress has occurred only in recent years, with operations finally expected to commence in 2026.

Though the government has significant fiscal room to fund these projects, it disburses public funds slowly and inefficiently. It intends to utilize public-private partnerships to improve efficiency, but financing private investment of this size may prove difficult. Most credit in the economy consists of bank loans, as corporate bond issuance remains subdued after real estate induced credit stress and corruption probes that we wrote about following trips in 2022 and 2023. In our view, banks are undercapitalized and overextended, with system loans to deposits at 114% per research firm EFC. The IMF projects total credit to the economy will end 2025 at 143% of GDP, a high figure for frontier countries and comparable to levels in developed markets and China. While Vietnam was our largest country exposure for much of our history, and our visit reinforced our optimism about its long-term prospects, our present country weight is just 2%-3%, reflecting higher Vietnamese valuations than prevailed in the 2010s.

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 October 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	11%	15%	15%	11%	5%	8%
2025 Q4	2%	-2%	1%	5%	1%	2%
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	34%	21%	39%	34%	27%	17%
1 Year	43%	28%	38%	29%	23%	21%
2 Years	88%	38%	68%	61%	52%	67%
3 Years	134%	52%	76%	79%	73%	84%
5 Years	194%	84%	65%	44%	79%	125%
Since Inception	374%		36%	62%	93%	524%

Holdings Summary[2]

Country	Holding
Philippines	12%
Colombia	9%
Peru	8%
Turkey	7%
Egypt	6%
Tanzania	6%
Uganda	4%
USA (cash & accruals)	4%
Nigeria	4%
Ghana	4%
Rwanda	4%
Côte d'Ivoire	3%
Chile	3%
Sri Lanka	3%
Kenya	3%
United Arab Emirates	3%
Cyprus	3%
Slovenia	3%
Vietnam	2%
Namibia	2%
Cambodia	2%
Bangladesh	2%
Uruguay	1%

Region	Holding
Sub-Saharan Africa	31%
Latin America & Caribbean	21%
Southeast Asia	17%
Middle East / North Africa	16%
Eastern Europe	5%
South Asia	5%
USA (cash & accruals)	4%

Sector	Holding
Financials	48%
Consumer Discretionary	14%
Consumer Staples	14%
Communication Services	8%
Cash & accruals (all countries)	4%
Health Care	4%
Industrials	3%
Real Estate	3%
Utilities	2%

Portfolio Statistics	
Portfolio Price to LTM Earnings	7.1
Portfolio Price to Book	1.31
Portfolio LTM Dividend Yield	5.9%
Weighted Average ROEE	27.4%
Weighted Median ROEE	23.9%
Positions	36
Countries	23
Weighted Average Market Cap	$2,458m
Weighted Median Market Cap	$1,477m
Portfolio Turnover (12 Months)	25%
Portfolio Turnover (ITD)	30%
Standard Deviation (36 Months)	11%
Standard Deviation (ITD)	14%
Beta to S&P 500 (36 Months)	0.29
Beta to S&P 500 (ITD)	0.46
Assets Under Management	$251m

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 31 October 2025. Index returns are total returns, net of any withholding tax for a US investor, through Thursday 30 October 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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