January 2026 Monthly Comment as of 11 AM Chicago time Friday January 30

At our deadline, with Latam stocks and currencies from all regions still trading, we estimate our reference investor is presently up ~8% MTD, our best-ever January, and one of our top five monthly returns, behind 14.4% May 2009, 10.6% September 2009, 9.5% November 2020, and 8.5% April 2021. While there are no guarantees in investing, months like these historically were bullish for future returns. To update a finding in our Q4 2022 letter (pages 4-5), our 14 best months have had forward 12-month gains of 10%-59% after the strong month. January headlines showed the rupture to the post-World War II order: US military strikes or saber rattling in Venezuela, Iran, Greenland, the last possibly jeopardizing NATO; continual US tariff threats, often against allies; and an autocratic Board of Peace that could undermine the UN. The US Justice Department launched a criminal probe of Fed Chair Powell, heightening worries over Fed independence. These events sparked further "Sell America" trades (a not entirely accurate label, in that foreign flows to US assets remained positive in 2025), with a rush out of the dollar (hitting a low since the Ukraine War began), and into international assets and gold, up 30% MTD at yesterday's high after a 65% rise last year. Investors now seem to prefer non-US stocks like we've not seen since early in our history. The annual total returns of the S&P 500 (S&P) and the MSCI Emerging Markets Index (EM) tell this story well, with a pattern of alternating leadership lasting up to a dozen years. From 2013-2024, the S&P beat EM every year but one (2017). In the 12 years prior, 2001-2012, EM topped the S&P every year other than 2008 and 2011. From 1994-2001, the S&P beat EM every year save 1999. From the EM index inception in 1988 to 1993, it beat the S&P every year but 1990. Evidence suggests that a new EM cycle began in 2025, although one year by itself is not a trend and this year still has 11 months for the US to reassert itself. Total MTD index returns through Thursday, January 29 follow. EM 11%, MSCI EAFE 5%, MSCI Frontier Markets (FM) Small Cap 5%, MSCI FM 4%, and S&P 2%. Our portfolio PE is 7.4. Our companies have a weighted average 5.3% dividend yield and 28.0% return on ending equity.

We highlighted improving credit conditions across many of our portfolio countries in February 2024, and noted further progress a year later. Conditions remain supportive in 2026, aided by a weaker dollar, firmer commodity prices, and relatively stable US Treasury yields. This month, Bloomberg—citing a J.P. Morgan bond index—reported that sovereign spreads for African issuers over US Treasuries compressed to their tightest levels since 2018, underscoring the breadth of the improvement. Consistent with this backdrop, many of our portfolio countries have either recently accessed the international bond markets or intend to do so later this year. Among our larger country exposures, Egypt issued USD bonds in January 2025, Côte d'Ivoire in March 2025, Colombia in April 2025, Peru in July 2025, Nigeria in November 2025, and Turkey earlier this month. Even the Democratic Republic of Congo—a country we visited in July 2023 and to which we have indirect exposure through a Kenyan bank holding—is planning an inaugural $750 million Eurobond issuance as early as April. Taken together, these debt issuance transactions have helped rebuild fiscal buffers, materially improve dollar liquidity, and ease depreciation pressures, even in some historically weaker currencies. At the same time, after peaking in 2022, inflation across our countries has declined for three consecutive years, enabling many central banks to cut interest rates. As local fixed-income yields have fallen, we have seen a corresponding pickup in demand for local equities. Conditions can shift quickly, but this present combination of open credit markets, improving dollar availability, easing inflation, and declining interest rates represents a meaningful tailwind for the portfolio.

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 January 2026[1, 2]

Period	Frontaura	MSCI Frontier Small Cap	MSCI Frontier	MSCI Emerging	MSCI EAFE	S&P 500
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	5%	-2%	7%	5%	5%	3%
2026 Q1	8%	5%	4%	11%	5%	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	38%	20%	47%	34%	31%	18%
2026	8%	5%	4%	11%	5%	2%
1 Year	48%	26%	49%	45%	31%	17%
2 Years	100%	33%	66%	67%	42%	48%
3 Years	127%	49%	79%	62%	57%	78%
5 Years	175%	63%	64%	32%	63%	102%
Since Inception	427%		50%	79%	109%	540%

Holdings Summary[2]

Country	Holding
Philippines	11%
Peru	9%
Colombia	8%
Tanzania	7%
Egypt	7%
Turkey	6%
USA (cash & accruals)	6%
Uganda	4%
Rwanda	4%
Ghana	4%
Nigeria	4%
Cambodia	4%
Côte d'Ivoire	3%
Kenya	3%
Sri Lanka	3%
Chile	3%
Slovenia	3%
Cyprus	3%
United Arab Emirates	2%
Namibia	2%
Vietnam	2%
Bangladesh	1%

Region	Holding
Sub-Saharan Africa	32%
Latin America & Caribbean	20%
Southeast Asia	17%
Middle East / North Africa	15%
USA (cash & accruals)	6%
Eastern Europe	5%
South Asia	4%

Sector	Holding
Financials	48%
Consumer Staples	14%
Consumer Discretionary	14%
Cash & accruals (all countries)	7%
Communication Services	6%
Industrials	3%
Health Care	3%
Real Estate	2%
Utilities	2%

Portfolio Statistics	
Portfolio Price to LTM Earnings	7.4
Portfolio Price to Book	1.45
Portfolio LTM Dividend Yield	5.3%
Weighted Average ROEE	28.0%
Weighted Median ROEE	23.9%
Positions	33
Countries	21
Weighted Average Market Cap	$3,031m
Weighted Median Market Cap	$1,746m
Portfolio Turnover (12 Months)	26%
Portfolio Turnover (ITD)	30%
Standard Deviation (36 Months)	11%
Standard Deviation (ITD)	14%
Beta to S&P 500 (36 Months)	0.43
Beta to S&P 500 (ITD)	0.46
Assets Under Management	$279m

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 $252m and $504m 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 2025. Frontaura returns use a subject-to-change estimate for the current month, as of intraday Friday 30 January 2026. Index returns are total returns, net of any withholding tax for a US investor, through Thursday 29 January 2026. 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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