February 2026 Monthly Comment as of 1 PM Chicago time Friday February 27

At our deadline, with Latam stocks and currencies from all regions still trading, we estimate our reference investor is presently up ~7% MTD, as our best-ever February follows our best-ever January, giving a YTD return approaching 16%. Total index returns through Thursday, February 26 follow. MTD: MSCI Emerging Markets (EM) 6%, MSCI EAFE 4%, MSCI Frontier Markets (FM) 3%, MSCI FM Small Cap (FM SC) 2%, and S&P 0%. QTD: EM 15%, EAFE 10%, FM SC 7%, FM 7%, and S&P 1%. Our trailing, as-reported portfolio PE is 7.9. Our companies have a weighted average 5.0% dividend yield and 28.6% return on ending equity.

In February, Will traveled to the Philippines and Sri Lanka, meeting 31 companies, seven of which we own. Philippine equities struggled last year following a graft scandal that shook confidence and slowed growth. In July–August 2025, revelations emerged that corrupt officials and contractors misappropriated significant flood-control funds. In September, the "Trillion Peso March" brought 100,000 people to the streets. Q4 GDP growth slowed to 3% as infrastructure spending and FDI came to a standstill. Corporates view this as temporary, expecting normalization by 2027, with several optimistic that anti-corruption efforts could lift long-term potential growth. With a young population of 115 million and GDP growth averaging 5.8% 2021-2025, we remain comfortable with the Philippines as our largest country weight at 11%. We also note stock selection has mattered more than index level performance. In the 2020s, in USD, we have a 27% IRR there before fees, while the PSE Index has a total return loss. Collectively, our Philippine holdings trade at just 5.7 trailing earnings, with a 0.75 price/book, a 19.9% ROEE, and a 5.2% yield.

In Sri Lanka, Will attended an investor conference with Sri Lankan, Bangladeshi, and Pakistani corporates. We wrote at length about Sri Lanka August 2021, when we exited the country fearing a debt default and currency crisis, which materialized, as we detailed in our Q2 2022 letter (page 7). After 2022 protests ousted President Gotabaya Rajapaksa, 2024 elections brought Anura Kumara Dissanayake to power and shortly thereafter he won a supermajority in parliamentary elections. Initial investor concern over his leftist background has faded as the government has broadly followed IMF reform commitments, supporting the fragile recovery. Locals described the government as slow but credible and signs of revival are visible. Development has resumed in Port City Colombo, a 269-hectare special economic zone built on reclaimed land. Adjacent port capacity will double to 15 million TEUs (comparable to Rotterdam, Europe's largest port). We reentered the country December 2024 via a fast-growing consumer business, now 3% of the portfolio.

The level of investor interest in Bangladesh was notable. In August 2024, autocratic Awami League PM Sheikh Hasina fled to India following mass student-led protests. For 18 months, Bangladesh octogenarian Nobel laureate Muhammad Yunus led an interim government, implementing reforms and cleaning up the banking sector. We found Bangladeshi corporates upbeat days before the February 12 elections. As expected, BNP, Awami League's longtime rival, won a large majority. One executive described BNP as nine parts growth, one part corruption—a marked improvement on Awami League. We hold one position in Bangladesh, constituting 1% of the portfolio.

We wrote about Peru in November, discussing the unexpected impeachment of unpopular left-wing President Dina Boluarte, and her replacement with conservative José Jerí. This month, Congress unexpectedly removed Jerí, naming left-wing José María Balcázar as Peru's eighth president in eight years. Markets continue to ignore political noise ahead of presidential elections April 12.

# 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 February 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 | 16% | 7% | 7% | 15% | 10% | 1% |
| | | | | | | |
| 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 | 16% | 7% | 7% | 15% | 10% | 1% |
| | | | | | | |
| 1 Year | 54% | 27% | 49% | 51% | 34% | 17% |
| 2 Years | 104% | 42% | 70% | 66% | 46% | 39% |
| 3 Years | 145% | 55% | 88% | 80% | 67% | 81% |
| 5 Years | 187% | 66% | 68% | 37% | 66% | 95% |
| Since Inception | 464% | | 53% | 87% | 118% | 535% |

## Holdings Summary[2]

| Country | Holding |
|---|---|
| Philippines | 11% |
| Peru | 8% |
| Ghana | 8% |
| Tanzania | 8% |
| Colombia | 7% |
| Egypt | 6% |
| Turkey | 5% |
| Nigeria | 5% |
| USA (cash & accruals) | 5% |
| Uganda | 4% |
| Cambodia | 4% |
| Rwanda | 4% |
| Côte d'Ivoire | 4% |
| Kenya | 4% |
| Slovenia | 3% |
| Sri Lanka | 3% |
| Chile | 3% |
| United Arab Emirates | 2% |
| Namibia | 2% |
| Cyprus | 2% |
| Vietnam | 2% |
| Bangladesh | 1% |

| Region | Holding |
|---|---|
| Sub-Saharan Africa | 38% |
| Latin America & Caribbean | 18% |
| Southeast Asia | 17% |
| Middle East / North Africa | 14% |
| Eastern Europe | 5% |
| USA (cash & accruals) | 5% |
| South Asia | 4% |

| Sector | Holding |
|---|---|
| Financials | 47% |
| Consumer Staples | 14% |
| Consumer Discretionary | 14% |
| Communication Services | 10% |
| Cash & accruals (all countries) | 6% |
| Health Care | 3% |
| Industrials | 3% |
| Real Estate | 2% |
| Utilities | 2% |

| Portfolio Statistics | |
|---|---|
| Portfolio Price to LTM Earnings | 7.9 |
| Portfolio Price to Book | 1.56 |
| Portfolio LTM Dividend Yield | 5.0% |
| Weighted Average ROEE | 28.6% |
| Weighted Median ROEE | 24.2% |
| Positions | 33 |
| Countries | 21 |
| Weighted Average Market Cap | $3,437m |
| Weighted Median Market Cap | $2,374m |
| Portfolio Turnover (12 Months) | 27% |
| Portfolio Turnover (ITD) | 30% |
| Standard Deviation (36 Months) | 12% |
| Standard Deviation (ITD) | 14% |
| Beta to S&P 500 (36 Months) | 0.38 |
| Beta to S&P 500 (ITD) | 0.46 |
| Assets Under Management | $300m |

## 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 27 February 2026. Index returns are total returns, net of any withholding tax for a US investor, through Thursday 26 February 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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