

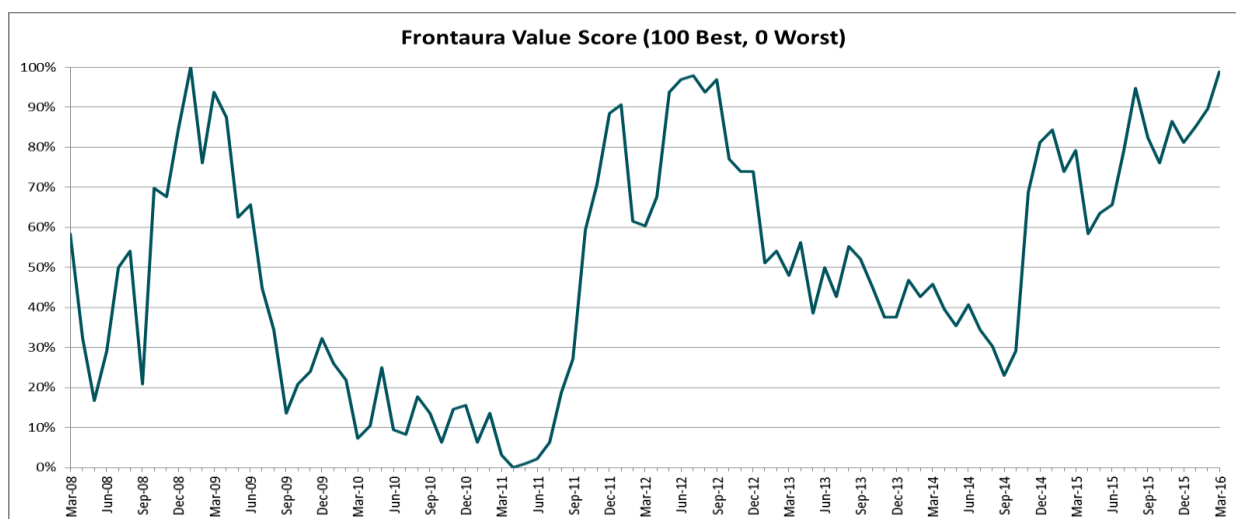


Quarterly Letter – 2016 Q1

We lost 1% in Q1, identical to the MSCI Frontier Markets Index. Nevertheless, we finished the quarter strong, with a 4.2% gain in March, our best monthly result since January 2013. Our momentum has continued with a further gain in April. This puts us around break-even for the year intra-day on April 19, after being down over 6% at our low intraday on January 21. Three of the four indices we typically quote are also now up for the year through April 18, with MSCI EAFE down only 1%. All of these indices had double-digit percentage losses for 2016 at one point in January or February. Although one can always worry about the future, and how latent risks may materialize again, a scorecard of where some recent problem areas stand now looks encouraging. As of April 18, oil has rallied over 50% from its Q1 low; the once strong dollar has now actually weakened over the past year against the 10 developed and emerging currencies in the Bloomberg Dollar Spot Index; and emerging market bellwether and whipping boy Brazil, is over 60% above its January low on a total return US dollar basis. Given these facts, it's hard to argue that the negative momentum that caused global losses in Q3 2015 and the first half of Q1 2016 remains in command. Something has changed. Changes can reverse, of course, but for now a more positive vibe exists.

We struck a more ebullient tone (for us), with our March 31 monthly comment,¹ citing five factors making for a positive short-term outlook. In addition to oil and the dollar mentioned above, we cited diminishing redemptions, seasonal strength (April has been our best month historically, with May second best), and valuation. On this last point, the Frontaura value score—a composite measure of PE, price/book (PB), and dividend yield—was at its second best (cheapest) level ever at the end of March, as Figure 1 shows.

Figure 1
Frontaura Global Frontier Fund LLC
Value Score is 2nd Best Ever
31 March 2016

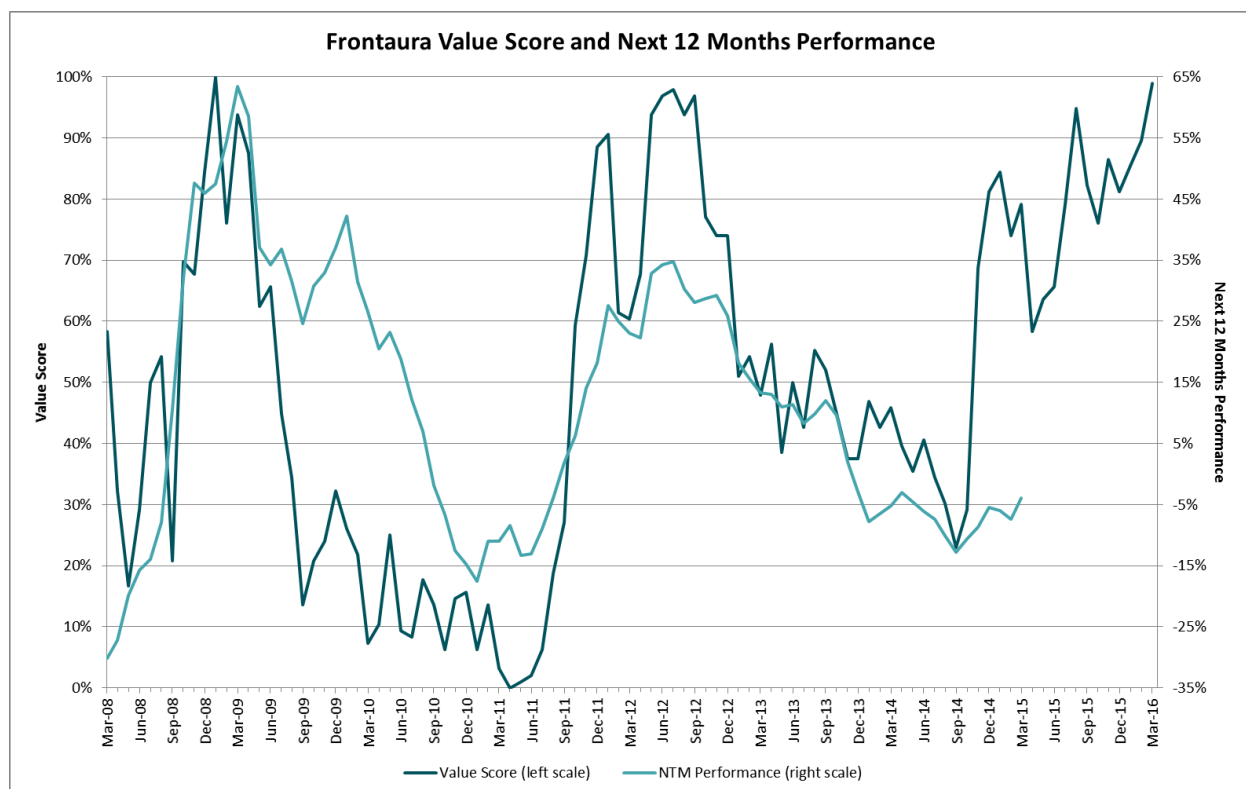


¹ http://www.frontauracapital.com/monthlycomments/Frontaura_Monthly_Comment_2016_03.pdf



The idea of course is that when valuation is low (as represented by a high value score), future returns ought to be higher, and vice versa. Figure 2 shows this generally has been the case for us. Figure 2 is the same as Figure 1, but with an additional data item showing our performance over the 12 months subsequent to each value score data point. You can see that high value scores (low valuations) and good returns over the following year tend to occur together, and vice versa, albeit sometimes with leads and lags.

Figure 2
Frontaura Global Frontier Fund LLC
Value Score and Future Performance
31 March 2016



For example, let's look at the extreme data points:

- Our best value score (by definition, 100) was January 2009. Frontaura made 48% over the next year, February 2009 through January 2010.
- Our worst value score (by definition, 0) was April 2011. Frontaura lost 8% over the next year, May 2011 through April 2012.
- Our best 12-month return was 63% from April 2009 through March 2010. Our value score at the beginning of this period (March 2009) was 94.
- Our worst 12-month return for which we have value score data² was -30% from

² We do not have valuation data or value scores for the first four months of our history. Our worst 12-month period ever (regardless of valuation data) began and ended one month earlier than the example we cite, with a loss one percentage point worse than our example. From March 2008 through February 2009, we lost 31%.



April 2008 through March 2009. Our value score at the beginning of this period (March 2008) was 58, indicating a cheaper-than-average portfolio. This points out that the value score is not a precise timing indicator or an exact predictor of future return—the global financial crisis overwhelmed the starting valuation level in this case. However, it's worth mentioning that after two good months of gains, by May 2008 our value score dropped to 17, as we hit our pre-financial crisis high.³ Our return over the following year ending May 2009 was -20%.

We should pause and give one important explanation about Figures 1 and 2. The darker green line shows value scores as of the end of March 2016. As we explain in the Appendix, we recalculate all historical value scores monthly once we have an additional month-end PE, PB, and yield data point for the month just completed. Thus, the value scores in the figures are not the value scores we knew at points-in-time prior to the March 2016 month-end. Nevertheless, the general shape of a point-in-time value score curve is similar what to we show in these figures, albeit with more volatility on the lefthand side of the graph in the early years when there were relatively few data points. Importantly, however, one can still observe a relationship between the point-in-time value scores and future performance. As we now have more data points, future changes to current value scores should be less than in the past. We think the current value score curves in Figures 1 and 2, which use all the data points we have, are likely to be more representative than point-in-time value score curves in expressing the relationship between valuation and future performance. For this reason, we choose to show current value scores rather than point-in-time value scores in these figures.

Figure 3
Frontaura Global Frontier Fund LLC
Historical PE, PB, and Yield
31 March 2016

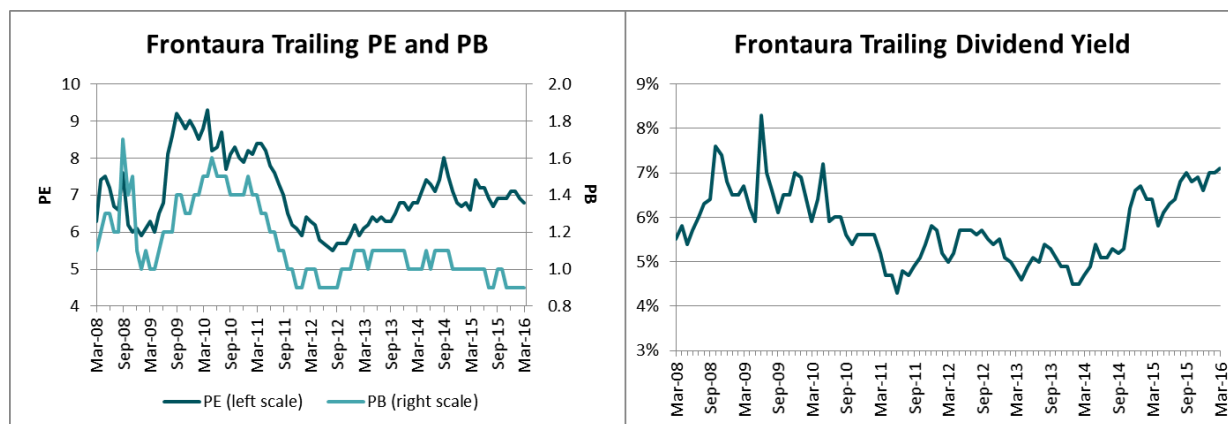


Figure 3 shows the individual valuation metrics—PE, price/book, and yield—over our history. In the left panel, showing PE and PB, low values indicate cheapness, while in the right panel, a high dividend yield indicates cheapness.

³ Frontier markets generally ignored the developing global financial crisis through May 2008. We peaked seven months after the S&P 500, MSCI EAFE, and MSCI EM peaked in October 2007.



Our value score ranks each of these three metrics—PE, PB, and yield—against their entire history of month-end values. For example, our 6.8 PE at the end of March is the 41st best of 97 values (58th percentile), while our 0.9 price/book is tied for 1st (100th percentile), and our 7.1% dividend yield is 5th best (96th percentile). We then average these percentiles and compare this composite percentile result⁴ of 85 to the composite percentiles for all other months in our history. March 2016 ranks second, behind only January 2009, at the nadir of the financial crisis. January 2009 has a composite percentile of 86, consisting of a 5.9 PE (8th best, or 93nd percentile), a 1.0 price/book (15th best, or 85th percentile) and a 6.5% dividend yield (21st best, or 79th percentile). We then scale all of our composite percentiles in a 0 (worst valuation) to 100 (best valuation) range, giving January 2009 a value score of 100 and our most recent month, March 2016, a value score of 99.

Let's address an objection that a statistical purist may raise. We acknowledge that most statisticians believe 99 should be the maximum percentile. Some methods do allow for a percentile of 100, however, and we now deliberately scale all of our percentiles from 0 to 100, rather than capping the top percentile at 99 as we did before. We do this to achieve comparability between results from different points in time. This recalibration raises our March 2016 value score from the 98 level we discussed in the March comment to 99 now. Nevertheless, this cosmetic change does not affect March's rank, which remains second best. We discuss our methods and rationale in an Appendix that appears at the end of the text of this letter and before our usual Statistical Appendix.

Let's continue with Performance and Attribution, including currency effects. We finish this letter with Fund and Management Company News.

Performance

We lost 1.3% in Q1. MSCI Emerging Markets (EM) was the Q1 star, gaining 5.7% on a total returns basis. EM recovered an amazing 22% from its January 21 low, when it was down 13% only three weeks into the year. The S&P 500 was down 10% at its low on February 11, before finishing up 1.3% for the quarter. MSCI Frontier Markets (FM) was off 11% year-to-date on January 20, before finishing with only a 0.9% loss in Q1. MSCI EAFE was the laggard, down 3.0% for Q1, but it also had a strong rally from its low point of -13% on February 12. Figure 5 in the Statistical Appendix shows returns since inception for all of these indices, while Figure 6 shows our monthly returns since inception.

Quarter-ending AUM was \$113 million spread across 52 positions in 31 countries. Figure 7 in the Statistical Appendix presents a table of our portfolio statistics and our portfolio composition by country.

Attribution

Figure 8 in the Statistical Appendix shows the top and bottom performing countries for Q1. All country results are before fees and expenses, as we make these deductions at the fund level rather than at the position and country level.

Vietnam. Our largest country weight, Vietnam at 10%, gave us another strong quarter, up \$1.9 million, or 13%, even as the large-cap-dominated MSCI Vietnam Index continued to struggle, losing 8%. We sold significant stock in Vietnam in February and March as several

⁴ $(58 + 100 + 96) / 3 = 254 / 3 = 85$ (rounded).



of our Vietnamese mid and small cap positions hit our intrinsic value price targets. This has continued in April, which may reduce our Vietnam weight to single digits for the first time since 2011. We also bought stock in Vietnam in Q1, although our sells outpaced our buys. While it may seem odd that we are selling in Vietnam while our portfolio overall is so cheap, consider that we've made 30%, 59%, 11%, and 21%, respectively, in Vietnam in the years 2012-2015, before adding Q1's additional 13% gain. Valuations of our Vietnamese companies are not what they once were. Fundamentally, the companies we met with during our March visit expressed the highest business confidence we've observed in the past eight years. We just think the market is increasingly pricing this confidence into the stocks we own, as the country emerges as another Asian success story.

Nigeria. On the negative side, Nigeria, 8% of the portfolio, continued to bedevil us in Q1, losing \$1.6 million or 16%. Like the global indices, however, Nigeria recovered sharply in March with a 12% rally. At quarter-end, our trailing PE in Nigeria was 3.2, with a PB of 0.2, and a 15.7% dividend yield. Nonetheless, we aren't expecting a material re-rating in valuation levels until President Buhari gives up his stubborn, and in our opinion, foolish, insistence on an overvalued currency peg.

Other losers. Tanzania, 4% of our portfolio, continued its six-quarter-long bear market in US dollar terms, dropping 12% or \$0.7 million. Prior to this bear market, Tanzania had showered us with multiple years of consecutive gains, and we were able to make significant sales that reduced our country exposure. Our third and fourth largest countries, Pakistan and Sri Lanka in South Asia, each had modest losses, down 6% (\$0.5 million) and 4% (\$0.3 million), respectively. Ecuador, a 2% position, also lost us \$0.3 million. It's an oil country with a populist government, having hard times now that oil is no longer \$100 a barrel. Fortunately (or unfortunately, depending on your politics), it cannot control its currency, which is the US dollar.

Other winners. It was feast or famine for us in Mongolia, a 2% portfolio weight. One position rallied 96% in Q1 while another lost 71%. The winner constitutes nearly four-fifths of our quarter-end equity in the country, so overall we had a 30% gain, making \$0.5 million. Rounding out our top five dollar winners in Q1 were Lebanon, Argentina, and Serbia. These three countries all featured among our top eight dollar winners in 2015, and they continued to make gains in Q1. Each comprises 2%-3% of our portfolio.

Currency. Overall, we had a very slight currency gain in Q1, the first time in several years where that occurred.⁵ As you would expect, once global currency markets changed direction, currency gains in March offset currency losses in January and February.

Figure 9 in the Statistical Appendix shows how and why our country mix has changed over the quarter and the year. Figure 10 shows portfolio concentration changes over the past quarter and the past year.

⁵ The last quarter where we had a clear-cut currency gain was Q4 2012. In Q3 2013, our portfolio stocks had a currency gain, but at that time, we hedged any euro, euro-pegged, and euro-correlated currency exposures. The euro appreciated that quarter, such that we had an overall currency loss when considering the loss on our hedge.



Fund and Management Company News

Please e-mail us if you are interested in an end-of-quarter phone call or visit.

Open for investment. As a reminder, Frontaura is no longer closed and we accept new investments monthly. We invest money received on or before the last business day of each month on the first day of the following month. For example, funds received on or before Friday, April 29 will be invested as of May 1, funds received on or before Tuesday, May 31 will be invested as of June 1, and so on. For new investors, our minimum is \$1 million; for existing investors, the minimum follow-on investment is \$10,000. There is no additional paperwork for follow-on investments.

Travel. We visited Argentina, Kuwait, Oman, the United Arab Emirates, and Vietnam in Q1. See our February monthly comment⁶ for our discussion of Argentina, intellectually the most interesting country in our universe right now. For any US readers (or for that matter readers in any country) dismayed at their domestic political environment, Argentina is an example of how impactful positive political change can be. Our March comment⁷ discussed our trips to Vietnam and the Middle East, where, in addition to company site visits, we attended two investment conferences: one for Pakistani companies, the other for Middle Eastern/North African companies. In the two weeks ending March 11, we met with 95 companies from nine countries. In the first full week of April, we also attended an investment conference in New York, where we met 25 companies from 17 different countries. We plan to travel to Nigeria in May.

Reporting. Our administrator was busy during Q1 emailing out year-end information. They distributed Q4 investor statements on January 8; 2015 fund financial statements on February 4 (after our onshore and offshore audits completed February 2); and 2015 US K-1 tax forms on March 4. Our administrator distributed Q1 investor statements on April 13.

In the Appendix that begins on the next page, we discuss how we developed our value score and how we calculate our percentiles. Our usual Statistical Appendix follows that. Please e-mail or call us if you have anything to discuss. We thank you for being a Frontaura client.

Best regards,

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⁶ http://www.frontauracapital.com/monthlycomments/Frontaura_Monthly_Comment_2016_02.pdf

⁷ http://www.frontauracapital.com/monthlycomments/Frontaura_Monthly_Comment_2016_03.pdf



Appendix

Value Score Background and Percentile Calculation Methods

Background

When we incurred losses after our October 2014 performance peak, we observed that our portfolio became cheaper, primarily through lower price/book (PB) values and higher dividend yields. We wanted a succinct way of explaining the value we were seeing. We couldn't just refer to the PE ratio, because while it had fallen also, it had not become as cheap as the other two metrics. In part, this was because a few portfolio positions had diminished earnings (and thus had a high PE or a negative PE), but we didn't want to give a cumbersome explanation, going into position-level detail. Also, we're not a fan of presenting data that favorably excludes unfavorable data points. Therefore, we invented a composite measure that equally weights PE, PB, and yield. A client suggested we call this metric the *Frontaura value score*. We explain in the Calculation Method section below exactly how we calculate the value score.

Our usage of the value score evolved naturally from what originally might have been just a one-off casual mention in our writing. The value score concept seemed to resonate well with clients and prospects, and we began referencing this metric more frequently.

After noting in our March 2016 comment that our value score was at the second best level ever, we thought it would be useful in this letter to show a value score graph and to map the value score against performance. This would be the most significant and formal presentation yet of the value score idea, so we did some more thorough research to be sure that our presentation of the data was statistically well founded.

Like many topics, we found that once you really dive into percentile calculations, there are far more nuances, methods, and complications than one might expect. Thus, we thought it important to formalize our methods and terminology so that our calculations are understandable and consistent going forward. Fortunately, most of the possible variations in method are slight, and your conclusions are unlikely to change due to your method.

To obtain greater comparability of values over time, we have made slight changes in our prior calculations. This may change a value we've written about previously, but only slightly. For example, as we explain below, we found comparability improved if we calculate all percentiles so that they range from 0 to 100 (instead of 99 being the best percentile). This has the effect of changing our March 2016 value score from 98 to 99. But the March 2016 value score remains second best in our history, because this recalibration also raised January 2009's value score by one point, to 100 from 99. As this cosmetic change is minor, doesn't affect rankings or conclusion, and provides better comparability, we thought it worthwhile to make.

Calculation Method

Below are the five steps to calculate value scores for all months.

1. **Create ranked lists.** Create three ranked lists, one for PE, one for PB, and one for yield, using all month-end values. Presently, we have 97 months of valuation data



from March 2008 through March 2016. We rank each list from best to worst, lowest valuation to highest valuation. So our lowest-ever PE and PB are each ranked 1 and our highest-ever PE and PB are each ranked 97, at present. Yield is the opposite of PE and PB, as high values indicate cheaper valuations. So we rank our highest-ever yield at 1 and our lowest-ever yield at 97, at present.

2. **Calculate percentiles.** Use the ranked lists to calculate percentiles for PE, PB, and yield that range from 0 to 100. For example, the month with the PE ranked 97 will have a percentile of 0, and the month with the PE ranked 1 will have a percentile of 100.
3. **Calculate the composite percentile.** Calculate a *composite percentile* for each month by averaging that month's PE percentile, PB percentile, and yield percentile. The composite percentile will range from a theoretical worst value of 0 to a theoretical best value of 100, since it is the result of averaging three numbers that themselves can range from 0 to 100. However, the composite percentile can only be 0 (or 100) if a month simultaneously had the worst (or best) PE, PB, and yield, something unlikely to happen.⁸ The worst composite percentile presently is 15 (April 2011), while the best presently is 86 (January 2009).
4. **Rank the composite percentiles.** Rank each month by its composite percentile, with the highest composite percentile ranked 1 and the lowest composite percentile ranked 97, at present.
5. **Calculate the value score.** Calculate the value score for each month by computing a percentile, from 0 to 100, using the ranks of the composite percentiles from the prior point.⁹

Frontaura's percentile formula. Whenever we calculate a percentile, we use the formula: $1 - (\text{rank} - 1) / (n - 1)$, stating the result as a whole percentage (e.g. a result of 0.50 is a value score of 50). In this formula, rank is the rank of the PE, PB, yield, or composite percentile value for a month against all n months in our history. We subtract 1 from n in the denominator to scale the best value to 100. Further, our use of rank requires we subtract 1 from rank in the numerator to scale the worst value to 0. Finally, to switch from a rank (where a low number is better than high number, and 1 is the best value) to a percentile (where a high number is better than a low number, and 100 is the best value), we must subtract the result of our division from 1.

⁸ This has only happened once in our history. May 2008 (our third month of data) had a higher PE and PB and a lower yield than the two prior months, giving it a point-in-time composite percentile of 0. Its composite percentile today is 30 (value score of 17).

⁹ We convert composite percentiles into value scores because we find it easier conversationally to explain a value score, where 0 is always worst and 100 is always best, than to reference the composite percentile, where the present range of worst to best spans from 15 to 86. A composite percentile of 86 may not intuitively sound like it should be best, so the conversation tends to bog down, as we explain how we calculate the composite percentile. In contrast, it is immediately intuitive that 100 is the best value score, even if you do not know how we calculate the value score.



Calculation Issues

99 or 100 or 75? Most statisticians define percentiles such that 99, and not 100, is the top percentile. Nevertheless, methods also exist that do allow for 100. For example, until Excel 2010, Excel provided only one formula to calculate percentiles (PERCENTRANK) and it scaled values from 0 to 100. To explore the debate on whether 99 or 100 is the theoretical upper limit for a percentile, we need to dive into some simple math. Most percentile definitions say the percentile indicates the portion of values that are worse than your value. Since you can't be worse than yourself, the maximum percentile value would be $(n - 1) / n$. If $n = 100$ data values, then the best data value has a percentile of $(100 - 1) / 100 = 0.99$, or the 99th percentile. Here's a problem with that. If you have a smaller number of data points, the top percentile could be quite far from 100. For example, the best score out of four scores is not in the 100th percentile or even the 99th—it's in the 75th percentile: $(4 - 1) / 4 = 0.75$. Thus, you lose comparability in contrasting percentiles from the same dataset at different points in time, because the percentile value of the best score differs. Most of the time, this is not a problem for us. For example, we will conclude that March 2016 has the second best value score regardless of whether we calculate the top percentile as 99 or scale the top percentile to 100. This is because we are comparing all data points at a single point in time, i.e. after March 2016. However, we can't compare our March 2016 percentiles to percentiles that existed at earlier points in time, unless we scale the percentiles to 100. As this comparison is something we do in our private research, it is worthwhile for us to scale all percentiles to 100. Using a denominator of $n - 1$ instead of n accomplishes this.

Rounding. Even methods that fix the top percentile at 99 have different ways of handling decimal precision. If the percentile calculation result is 0.999, some purists would report this result as 99 (i.e., truncate after two decimals) because there can only be 100 percentiles, 0 through 99.¹⁰ Others don't object if you round 0.999 to 100. Since we scale such that a percentile calculation can be 100 outright, the round versus truncate debate isn't that meaningful for us and we round, rather than truncate, without guilt. Observe that rounding implies that once we have 201 months of data, two of those months will have a value score of 100.¹¹

Ties. Different percentile calculation methods handle ties differently. In our method, we do not diminish the percentile if there are multiple data points with identical values. For example, if 0.9 is the best price/book, all months with a 0.9 price/book will have a PB percentile of 100. Other methods, including Excel's formula, lower your percentile when other data points have the same value as you. These methods calculate how many values are worse than your value. Any value the same as your value is not worse than your value, and thus the presence of a tie lowers your percentile. We calculate percentile based upon ranks, and we rank the best value as number 1 regardless of whether it is the only value at

¹⁰ The top score out of 1000 data points would have a percentile result of $(n - 1) / n = (1000 - 1) / 1000 = 999 / 1000 = 0.999$, using the common percentile formula we presented in the prior paragraph. Note this is not Frontaura's percentile formula.

¹¹ The month with the highest composite percentile will have a value score of 100 by definition. The month with the second best composite percentile will have a value score of 100 by rounding. Our percentile formula = $1 - (\text{rank} - 1) / (n - 1) = 1 - (2 - 1) / (201 - 1) = 1 - 1 / 200 = 1 - 0.005 = 0.995$, which we round up to 1.00, or a value score of 100.



that level or whether there are multiple values at that level.¹² We think this is intuitive and what someone might normally expect.

Additional Notes

Some additional points to note:

- With each new month, we recalculate the PE, PB, and yield percentiles for every month against our entire history. Thus, the composite percentile and value score for every month of our history changes monthly.
- If valuations trend lower over time, our perception of the value on offer in prior months will become worse than it was when those months completed. Their value scores will decline. If valuations trend higher over time, our perception of the value on offer in prior months will improve from what it was when those months completed. Their value scores will improve. The point is that each month's composite percentile and value score constantly changes since we measure them against our entire history, and our history is constantly expanding.
- Nevertheless, we can keep track of what the composite percentiles and the value scores were for every month at any given point in time.
- We can also track and compare the composite percentiles of every month at the time it ended. We call this the *point-in-time composite percentile*. This provides a comparison across different points in time of how we viewed the valuation for each month when it ended.

Alternative Ranking Methods

Finally, we present three alternative methods of ranking March 2016 against our prior historical data. If March 2016 truly offers good value, it should score well on these alternative methods, in addition to our value score approach.

Point-in-time (PIT) composite percentile. First, we consider the last bullet point from the prior section. We already know that March 2016 has the second best value score from the perspective of today, behind only January 2009. Now let's see how March fares when comparing composite percentiles immediately after each month completed.

Note that in our early days when we had few data points, it wasn't that hard for a month to record a high composite percentile, especially considering we launched Frontaura just as the world was heading into the global financial crisis where values became very cheap. For example, if the PE, PB, and yield in our second month of data were only slightly cheaper than in our first month of data, that second month would have scored a composite percentile of 100 (it did not). Despite this strong potential for upward bias in the early data points, we find it impressive March 2016 has the fourth highest PIT composite percentile. January 2009 still scores best. In second and third position are two other early data points, December 2008 and August 2008, respectively.

Double-weighted PE. We chose to weight PE, PB, and yield equally in our value score as a kind of uncontroversial default choice, but it's easy to weight these variables any way you want. One method that comes to mind would be to double weight PE relative to PB and

¹² A tie at a higher level does of course diminish the rank at a lower level, as is common practice. For example, if there are two data points tied with the best value, we rank the next best value as third, not second, since there are two values superior to it.



yield since PE is the most commonly cited valuation metric. March 2016 isn't as strong on PE as the other two factors so naturally its value score will drop using a weighted average consisting of 50% PE, 25% PB, and 25% yield. Nonetheless, it still has a value score of 86, the 14th best month of 97.

Range method. The range method still scales PE, PB, and yield for each month from 0 to 100, but this time we don't use an ordinal rank; instead, we scale each variable from 0 to 100 using the historical range of values for each variable. For example, over time our dividend yield has ranged from 4.3% to 8.3%. A yield of 4.3% would scale to 0 in the range, a yield of 6.3% (halfway between 4.3% and 8.3%) would scale to 50 in the range, and a yield of 8.3% would scale to 100. We do the same for PE and PB, average the three range values to obtain a composite range value, then rank the composite range values. Ranking based on ranges instead of percentiles still shows March 2016 to be the fifth best month ever. In this case, January 2009 falls to 10th best. The top four range ranks occur from June through September 2012 when our PE was at its lowest ever levels of 5.5-5.7.

Summary

There are an infinite number of ways to look at valuation. On most measures, March 2016 looks cheap, with several measures suggesting the month was among our cheapest ever. Figure 4 summarizes all of the methods we discussed in this letter, from lowest rank to highest rank.

Figure 4
Frontaura Global Frontier Fund LLC
Various Valuation Measures for March 2016
31 March 2016

Method	Rank	Percentile	Value
Price/book	1 (tie)	100	0.9
Composite percentile (equally weighted)	2	99 (Frontaura value score)	85
Point-in-time composite percentile	4	97	85
Dividend yield	5	96	7.1%
Composite Range	5	96	79
Weighted average composite percentile (50% PE, 25% PB, 25% yield)	14	86	78
PE	41 (tie)	58	6.8



Statistical Appendix

Figure 5
Frontaura Global Frontier Fund LLC
Performance¹³
31 March 2016

Period	Frontaura	S&P 500	MSCI EAFE	MSCI Emerging	MSCI Frontier
2016 Q1	- 1%	1%	- 3%	6%	- 1%
2008	- 28%	- 37%	- 43%	- 53%	- 54%
2009	46%	26%	32%	79%	12%
2010	37%	15%	8%	19%	24%
2011	- 15%	2%	- 12%	- 18%	- 19%
2012	18%	16%	17%	18%	9%
2013	26%	32%	23%	- 3%	26%
2014	- 3%	14%	- 5%	- 2%	7%
2015	- 5%	1%	- 1%	- 15%	- 14%
Inception to Date	68%	60%	- 12%	- 24%	- 34%
ITD CAGR	6.4%	5.7%	- 1.5%	- 3.2%	- 4.7%

Figure 6
Frontaura Global Frontier Fund LLC
Monthly Performance
31 March 2016

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2007											0.4%	1.6%	2.0%
2008	0.7%	0.6%	-0.1%	3.4%	3.9%	-1.0%	-0.8%	-2.2%	-7.9%	-17.5%	-10.7%	1.4%	-28.1%
2009	-2.0%	-0.4%	0.7%	7.7%	14.4%	4.1%	1.4%	4.7%	10.6%	-1.4%	-0.2%	0.2%	46.0%
2010	-0.9%	4.2%	6.6%	4.5%	-1.2%	1.9%	3.4%	0.7%	4.7%	3.5%	1.5%	3.3%	37.1%
2011	2.8%	-3.7%	2.7%	-0.4%	1.0%	-1.7%	-2.4%	-4.0%	-3.9%	-1.6%	-4.9%	0.7%	-14.8%
2012	-0.5%	3.9%	2.6%	2.4%	-4.4%	-1.3%	2.1%	1.4%	1.9%	2.6%	2.2%	4.3%	18.1%
2013	7.3%	1.9%	1.0%	1.8%	3.8%	-0.3%	2.6%	-2.1%	0.2%	3.1%	2.6%	1.6%	25.9%
2014	0.8%	-0.4%	-1.0%	1.6%	2.0%	0.1%	-0.3%	-0.8%	2.2%	0.9%	-4.5%	-3.3%	-2.9%
2015	-4.3%	1.0%	0.4%	3.9%	0.4%	-1.6%	-1.5%	-3.7%	-0.9%	3.3%	-2.4%	0.1%	-5.5%
2016	-4.8%	-0.6%	4.2%										-1.3%

¹³ Returns commence 1 November 2007. Frontaura returns are net of all fees, for an investor joining the fund at inception, making no further contributions, and making no withdrawals. Investors joining on other dates, making additional contributions, or making withdrawals may have different returns. Index returns are in US dollars on a total return basis, net of any withholding tax. Click this link for an explanation of the indices we show: http://www.frontauracapital.com/disclosures/Frontaura_Disclosures_as_of_2015_09_30.pdf.



Figure 7
Frontaura Global Frontier Fund LLC
Portfolio Mix and Statistics¹⁴
31 March 2016

Holdings Summary			
Country	Holding	Industry	Holding
Vietnam	10%	Financials	42%
USA (cash only)	9%	Consumer Staples	13%
Nigeria	8%	Cash	12%
Pakistan	8%	Energy	8%
Sri Lanka	7%	Utilities	7%
Papua New Guinea	6%	Consumer Discretionary	6%
Bangladesh	5%	Industrials	5%
Rwanda	5%	Materials	3%
Tanzania	4%	Telecommunication Services	3%
Montenegro	4%	Information Technology	1%
Romania	3%		
Cambodia	3%		
Ghana	3%		
Lebanon	3%		
Kenya	3%		
Serbia	3%		
Argentina	2%		
Oman	2%		
Mongolia	2%		
Macedonia	2%		
Ecuador	2%		
Qatar	1%		
Botswana	1%		
Peru	1%		
Mozambique	1%		
Others	1%		

Portfolio Statistics	
Portfolio Price to LTM Earnings	6.8
Portfolio Price to Book	0.9
Portfolio LTM Dividend Yield	7.1%
Return on Ending Equity	15.7%
Positions	52
Countries	31
Average Market Cap	\$651m
Median Market Cap	\$206m
Portfolio Turnover (LTM)	42%
Portfolio Turnover (ITD)	28%
Standard Deviation (ITD)	14%
Beta to S&P 500 (ITD)	0.51
Assets Under Management	\$113m

¹⁴Click this link for an explanation of our holdings and portfolio statistics:
http://www.frontauracapital.com/disclosures/Frontaura_Disclosures_as_of_2015_09_30.pdf.



Figure 8a
Frontaura Global Frontier Fund LLC
5 Best and Worst Performing Countries (Dollar Return)
2016 Q1

5 Best Countries				5 Worst Countries			
Country	Frontaura Return (\$millions) ¹⁵	Frontaura Return (%)	MSCI Return ¹⁶	Country	Frontaura Return (\$millions)	Frontaura Return (%)	MSCI Return
Vietnam	1.9	13%	-8%	Nigeria	-1.6	-16%	-15%
Mongolia	0.5	30%	--	Tanzania	-0.7	-12%	--
Lebanon	0.3	11%	0%	Pakistan	-0.5	-6%	-1%
Argentina	0.2	7%	8%	Sri Lanka	-0.3	-4%	-15%
Serbia	0.1	5%	-4%	Ecuador	-0.3	-12%	--

Figure 8b
Frontaura Global Frontier Fund LLC
5 Best and Worst Performing Countries (Percentage Return)
2016 Q1

5 Best Countries				5 Worst Countries			
Country	Frontaura Return (\$millions)	Frontaura Return (%)	MSCI Return	Country	Frontaura Return (\$millions)	Frontaura Return (%)	MSCI Return
Albania	0.1	88%	--	Iraq	-0.1	-50%	--
Mongolia	0.5	30%	--	Angola	0.0	-50%	--
New Zealand	0.0	14%	12%	Colombia	-0.1	-17%	22%
Vietnam	1.9	13%	-8%	Nigeria	-1.6	-16%	-15%
Lebanon	0.3	11%	0%	Laos	-0.2	-15%	--

¹⁵ This footnote applies to all columns labeled "Frontaura Return (\$millions)" and "Frontaura Return (%)" on this page and the following page. Frontaura country returns are before management fees, fund expenses, and any incentive compensation, as those deductions occur at the fund level and not at the individual stock or country level. Click this link for an explanation of how we calculate country returns:
http://www.frontauracapital.com/disclosures/Frontaura_Disclosures_as_of_2015_09_30.pdf.

¹⁶ This footnote applies to all columns labeled "MSCI Return" on this and the following page. MSCI country indices stated on a total return basis with dividends net of any withholding tax. We show "--" if MSCI does not have an index for a given country.



Figure 9a
Frontaura Global Frontier Fund LLC
Significant Quarterly Country Mix Changes¹⁷
2016 Q1

Country	Percentage Point Change	Explanation
Vietnam	- 4	Significant trims and exits of multiple positions due to overvaluation, offset only slightly by small buys of multiple positions

Figure 9b
Frontaura Global Frontier Fund LLC
Significant LTM Country Mix Changes
2015 Q2 – 2016 Q1

Country	Percentage Point Change	Explanation
Pakistan	+4	Added one new position in Q3
Kenya	+2	Built new position Q2-Q4 2015, offset by smaller position sale in Q3
Nigeria	- 2	Poor local price performance and one sizable position exit in Q2 2015
Tanzania	- 2	Position exit in 2015 and underperformance
Kazakhstan	- 3	Position exit in Q2 2015
Vietnam	- 5	Numerous position exits, generally due to overvaluation

¹⁷ We show countries whose weighting has changed by two percentage points or more. Total may not add to 0 due to rounding and exclusion of countries changing by less than two percentage points. Note that we do not show the United States as we only hold cash there. Click this link for a discussion of how we classify cash by country: http://www.frontauracapital.com/disclosures/Frontaura_Disclosures_as_of_2015_09_30.pdf.



Figure 10
Frontaura Global Frontier Fund LLC
Portfolio Concentration¹⁸
31 March 2016

	Companies	Countries	Change from Prior Quarter		Change from Prior Year	
			Companies	Countries	Companies	Countries
Positions	52	31	--	-5	-7	-1
Top 5	22%	39%	--	-4	+2	-5
Top 10	37%	61%	--	-3	+2	-1
Top 20	61%	86%	+1	-1	+4	+3
Top 20 + USA (Cash)	70%	96%	+6	+3	+4	+4

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¹⁸ We do not include the US in our country count and most of the percentage totals as we hold only cash there. Change from the prior quarter and the year ago quarter represent the change in the number of positions and the change in percentage points for the top 5, 10, and 20 positions. The Top 20 + USA row does include the US cash percentage in the percentage totals. Click this link for a discussion of how we classify cash by country: http://www.frontauracapital.com/disclosures/Frontaura_Disclosures_as_of_2015_09_30.pdf.