Quarterly Letter – 2017 Q2

Q2 is our "What We Sold" letter. From 2013 on, the main topic of our Q2 letters discusses stocks we disposed during the prior year.[1] Before that, though, we'll examine Performance and Attribution, including an analysis of past drawdowns and subsequent rallies, now that we are at an all-time high again and enjoying a frontier bull market. We finish this letter with Fund and Management Company News and then our usual Statistical Appendix. We remind everyone that earlier this year we lowered our minimum such that new investors may now join Frontaura at the $500,000 level, down from $1 million.

Performance

Q2. We had a strong result in Q2 with a 6.8% gain, bringing our YTD advance to 10.8%.[2] Our Q2 result exceeded that of the four global indices we cite as the total return of the S&P 500 was 3%, while the three foreign MSCI indices (EAFE, Emerging Markets, and Frontier Markets) each had a 6% total return. Our Q2 outcome was the reverse of the "hot quarter" of Q1 where all of these indices were ahead of us. We wrote on page 1 of last quarter's letter, that

> *"Our absolute and relative performance typically improves in the following quarter [after a hot quarter where all indices beat us], where we have an average gain of 5.3%, that's usually ahead of the FM and EM indices."*

This is pretty much what occurred in Q2. Further, as we wrote in our April and May comments,[3] we firmly believe the MSCI FM return for Q2 and YTD is misleading, as MSCI continues to value Nigeria at an "official rate" that is unavailable and irrelevant to investors following the Central Bank of Nigeria's (CBN's) April 21 introduction of the Investors and Exporters (I&E) FX window. In May, we estimated that at that time MSCI was overstating its FM performance by 1 percentage point or more.

Drawdown recovered. At the end of May, we hit a new all-time high, fully recovering from the oil price crash/strong dollar (hereafter called the "oil crash") drawdown that began November 2014. Figure 1 presents some facts from the three drawdowns in our history, the two prior ones being the global financial crisis (GFC) and 2011. The 2011 selloff related to a number of factors, including the Arab Spring, that summer's euro crisis, and Q3 2011 concerns about a US debt default. We observe that the oil crash was the shallowest of the three selloffs, with a 17.3% fall peak to trough. This is almost as much as 2011's 17.7%

[1] We had an extra letter on this topic in Q4 2015. That letter discussed sales in the second half 2015, with the Q2 2016 letter discussing sales in the first half 2016.

[2] As always, the performance we quote is for a hypothetical investor, who joins at inception, makes no further investments, and makes no withdrawals. Such an investor hit a new high water mark in May, and thus began paying an incentive fee for part of that month. Any investor who joined or made follow-on investments after 2014 reached their high water mark and began paying incentive before the hypothetical investor, and thus will have lower Q2 and YTD performance than we quote here. All investors reached a high water mark in May, so all investors had identical performance in June. We know this is complex, so please contact us if you have a question about your Q2 performance.

[3] http://www.frontauracapital.com/monthlycomments/Frontaura_Monthly_Comment_2017_04.pdf. http://www.frontauracapital.com/monthlycomments/Frontaura_Monthly_Comment_2017_05.pdf.

selloff, but well short of the GFC's 35.4% drop. The oil crash was the slowest to play out. The oil crash took 16 months from peak to trough, versus 10 months for 2011, and the GFC's nine months. The oil crash then took 15 months to recover from the trough to a new all-time high, one more month than the 2011 selloff and two more months than the GFC. Combined, the oil crash took 31 months from peak to recovery, whereas the 2011 drawdown took only 24 and the GFC took only 22. Nevertheless, the oil crash was the only episode of the three where the recovery was faster than the drawdown (generally, markets sell off more quickly than they recover).

Figure 1
Frontaura Global Frontier Fund LLC
Drawdowns and Recoveries since Inception
30 June 2017

Event	Peak Date	Trough Date	Recovery Date	Peak to Trough Months	Trough to Recovery Months	Trough to Next Peak Months	Recovery to Next Peak Months	Peak to Trough Return	Trough to Next Peak Return	Recovery to Next Peak Return
GFC	May 2008	Feb 2009	Mar 2010	9	13	23	10	-35.4%	110.8%	28.0%
2011 Selloff	Jan 2011	Nov 2011	Jan 2013	10	14	35	21	-17.7%	57.5%	23.3%
Oil Crash	Oct 2014	Feb 2016	May 2017	16	15	16+	1+	-17.3%	24.7%+	2.1%+

Recovery Date is the month where performance surpasses the prior peak. A "+" symbol indicates an ongoing rally as of 30 June 2017.

Looking forward, the prior two drawdowns saw rallies from their trough to the next peak, of 23 and 35 months, respectively. The present frontier bull market is now 16 months beyond the February 2016 trough, and it feels more like the post-2011 rally than the sharp post-GFC snap back. Thus, should the duration of this rally match 2011, it would have another 19 months to go. We caution, though, that every episode of history is different, and our future won't necessarily be a repeat of our past. The post-GFC rally had a total return of 111% from its trough to the next peak, while the post-2011 rally posted a 58% gain. Our present advance from February 2016 to June 2017 is 25% and ongoing. In addition to the data we have already discussed, Figure 1 also shows rally length and magnitude data that measures from the recovery point rather than the trough.

ITD. From our November 2007 inception, we've made 102% after fees, while the MSCI FM has lost 20% on a total returns basis. MSCI EM is down 5% and MSCI EAFE is up 4%. The S&P 500 is slightly behind us with a 93% gain. Figure A1 in the Statistical Appendix shows returns since inception for all of these indices, and Figure A2 shows our monthly returns since inception.

Attribution

Quarter-ending AUM was $126 million spread across 45 positions in 27 countries. Figure A3 in the Appendix presents a table of our portfolio statistics and our portfolio composition by country and region.

We had investments in 28 distinct countries at some point during Q2. In local currency, we made money in 19 and lost money in nine. All attribution results are before fees and expenses, as we subtract these at the fund level and not at the stock, country, or regional level. In dollars, we made money in 21 of 28. We lost $1.5 million due to currency in Q2, but this consisted of a $1.9 million loss in Nigeria and a combined $0.5 million gain in all other countries. The year-to-date picture is similar: an overall currency loss due to Nigeria offset some by collective gains elsewhere. For the most part then, the Trump effect of a strengthening dollar hurting performance has fizzled out with regard to our portfolio. Nigeria's devaluation of its overvalued pegged currency was overdue and related directly to the oil crash that bottomed in early 2016, rather than the US election or events in 2017. We discuss Nigeria further in the Sub-Saharan Africa section below.

Figure A4 in the Appendix shows the top five and bottom five performing countries for Q2 in dollar terms, while Figure A5 shows the top and bottom five country performers in percentage terms. Each of these figures shows our performance compared to MSCI's index for the country. Figure A6 shows our Q2 performance by region. We made money in all seven regions globally in Q2.

MENA. Middle East / North Africa (MENA) was our top region in Q2, making $3.8 million, or 18%. Kuwait accounted for $2.8 million of this gain, as it rose 44% for us. We made $0.7 million (up 21%) in the United Arab Emirates, and $0.4 million (up 8%) in Egypt. Lebanon, Oman, and Qatar all had small dollar gains or losses, though Qatar dropped 14% due to its diplomatic crisis with its neighbors. Our Qatar weight is less than 1% of our portfolio.

Sub-Saharan Africa. Sub-Saharan Africa was our second best dollar-gaining region in Q2, as it turned in its best quarter for us since Q3 2014. We made $1.7 million, or 7%, mainly due to Nigeria, where we made $1.3 million, or 17%. This was despite suffering $1.9 million of currency losses, meaning that we gained $3.3 million on our Nigerian stock holdings in local currency. The CBN's I&E FX window devalued the naira, but restored a functioning foreign exchange market, rejuvenating foreign portfolio flows and lifting stock prices strongly. We have discussed the Nigerian devaluation in each of our last three monthly comments.[4] We gained 11% or $0.3 million in Kenya, and 20% or $0.2 million in Mozambique. We lost 3%, or $0.2 million in Tanzania. Uganda, Botswana, Zambia, and Rwanda all had gains that rounded to $0.0 million or $0.1 million.

Latam. In Q2, we gained $1.7 million, or 14%, in Latin America and the Caribbean. Argentina rose $1.4 million, or 14%, making it Q2's second best country performer in dollars.[5] We visited Argentina in June; see our June comment for a discussion.[6] The bulk of our gains in Argentina stemmed from an investment in the stock exchange itself, as it continues to transform itself through a multi-year process of consolidation (numerous exchanges merged into one national champion), demutualization (non-brokers allowed to own shares), professionalization (increased focus on efficiency and profitability), and other initiatives. Last year, we bought one of the 183 shares of a stock called Mercado de Valores that gave us ownership in three entities: the stock exchange, the central securities depository (CSD), and a custody bank. We paid just over $2 million for a single share of

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[4] http://www.frontauracapital.com/monthlycomments/Frontaura_Monthly_Comment_2017_04.pdf.
http://www.frontauracapital.com/monthlycomments/Frontaura_Monthly_Comment_2017_05.pdf.
http://www.frontauracapital.com/monthlycomments/Frontaura_Monthly_Comment_2017_06.pdf.

[5] In our June comment as originally published, due to an error in our preliminary attribution calculations, we incorrectly stated that Argentina was our biggest dollar and percentage winner for both Q2 and 2017. In fact, in dollars, it gained the second and the third most of any country, for Q2 and for 2017, respectively. In percentage terms, it is seventh best for Q2 and fifth best for 2017. We regret this error.

[6] http://www.frontauracapital.com/monthlycomments/Frontaura_Monthly_Comment_2017_06.pdf.

this rarely traded stock. In Q2, the exchange/CSD took a new name, Bolsas y Mercados Argentinos (ByMA). Mercado de Valores then spun out ByMA, with each Mercados de Valores share receiving 250,000 shares of ByMA. This greatly improved liquidity and boosted the total valuation of the two post-spinout stocks when compared to the one pre-spinout stock. The stub Mercados de Valores shares now consist solely of the custody bank, which also took a new name: Grupo Financiero Valores. This entity has filed for regulatory approval to split its 183 stub shares 4,691,000:1 to boost its liquidity. We expect this to occur in Q3. Outside of Argentina, we gained $0.3 million, or 24%, in Ecuador in Q2, while Peru made a negligible positive contribution.

Southeast Asia. Southeast Asia gave us a $1.1 million gain in Q2, up 6%. Vietnam gained $0.9 million (10%) while Papua New Guinea rose $0.7 million (9%). Cambodia cost us $0.5 million, or 16%. We discuss our Cambodia exit in the following What We Sold section.

Eastern Europe. We made $0.9 million, or 9%, in Eastern Europe. While only Macedonia had a local currency gain, the weak dollar gave us dollar winners in all three countries. Macedonia advanced 16%, or $0.5 million, while Romania and Serbia each had 6% gains, making $0.2 million each.

South Asia. We made $0.5 million, or 2%, in South Asia. Pakistan continued to be a drag, down $0.4 million, or 5%, but Sri Lanka (+$0.6 million, +5%) and Bangladesh (+$0.3 million, +4%) more than made up for this. Pakistan is in a post-graduation hangover, with the total return on MSCI Pakistan -21% from its May 24 high through July 12 after MSCI promoted it from a frontier market to an emerging market effective June 1, and a political scandal around Prime Minister Nawaz Sharif worsened in July. Our universe definition allows us to continue investing in Pakistan after its June 1 promotion, and with our holdings there trading at a 6.0 PE and a 9.1% yield on May 31, selling did not make sense to us.

Eurasia. We made $0.5 million, or 9%, in Eurasia. This was due to Georgia's 10% gain, offset by an insignificant dollar loss in Mongolia, which was down 8%.

Figures A7 and A8 in the Appendix show how our country allocations have changed over the past three and twelve months, while Figure A9 shows changes in position and country concentration over these periods.

Why We Sell

We devote most of this letter to a review of stocks sold over the past year. The purpose of this review is that while we generally do not like talking about what we own for competitive reasons, we understand that investors want some sense of what we buy and why. Talking about positions after we have sold them allows us to fulfill that desire, provide color on what went right or wrong, and discuss why we sold, without revealing confidential information that could hurt our performance. We think a discussion of exits, where we know the outcome, can be more insightful than talking about new buys, when optimism is high and nothing yet has gone wrong. We'll make some background comments on why we sell and then discuss each sale.

We assign a reason to every stock sale we make. Altogether, we have nine sell reasons, although only seven of these apply when exiting a position completely. The two panels of Figure 2 show the dollar-weighted sell reasons for every sell trade for two overlapping time periods: since inception and over the past twelve months. The two most common reasons we sold related to the stock price being too high relative to our estimate of intrinsic value. When the stock price rises more rapidly than our estimate of intrinsic value, we code the sale as valuation. If instead, the intrinsic value has been falling, we code the sale as fundamentals. Over our history, these two reasons collectively account for around half of our sales, with valuation exits slightly more frequent than fundamentals exits.

Figure 2a
Frontaura Global Frontier Fund LLC
Reasons Why We Sell
Inception to Date, Dollar Weighted
November 2007 – June 2017

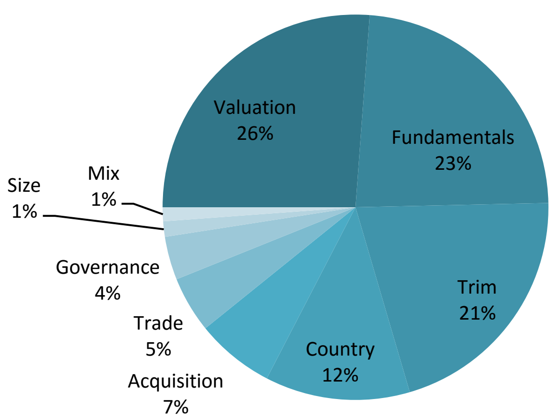
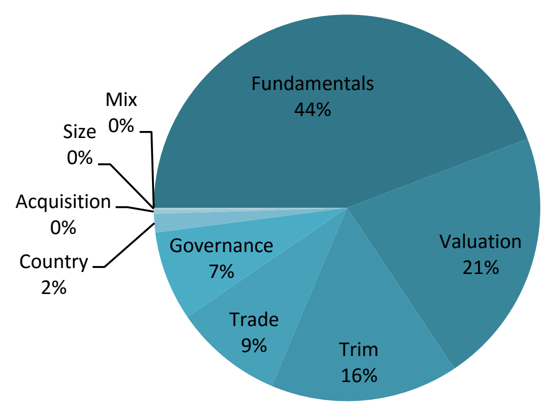


Figure 2b
Frontaura Global Frontier Fund LLC
Reasons Why We Sell
Last Twelve Months, Dollar Weighted
July 2016 – June 2017



In the past year, valuation and fundamentals represented nearly two-thirds of our sales, with fundamentals twice as common as valuation. Why the increase in fundamentals selling? We see two common factors. The first is Kenya's August 2016 enactment of interest rate caps, which we saw as a foolish policy mistake, leading us to sell three banks we held there by the end of October. The increased regulation materially lowered our estimate of each bank's value and, furthermore, made us no longer want to own them qualitatively. The second factor is that in a number of unrelated cases, we were quicker to sell when fundamentals showed weakness. We attribute our greater sell discipline specifically to a rule that we enacted at the beginning of 2015 and have discussed several times previously.[7] When our intrinsic value estimate falls 25% from its peak (this can occur all at once or gradually over time), we conduct a sell-or-hold review. We've found this review helps to prevent complacently holding on in the face of decaying fundamentals.

Looking quickly at our other sell reasons,[8] trims are third-most common. Our AUM has been relatively stable over the past year, so we've done a bit less position trimming (16% of

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[7] See the last bullet point on page 6, continuing onto page 7, of our Q1 2017 letter for the most recent discussion. Footnotes there reference earlier discussions.
http://www.frontauracapital.com/quarterlyletters/Frontaura_Quarterly_Letter_2017Q1.pdf.

[8] Here are our definitions of these sell reasons. A trim is selling down toward an unchanged target weight, while mix is a sale because of a changed target weight due to increased company risk. Both are not complete position exits, so neither will show up as an exit reason in Figure 3. Country is a sale due mainly to country risk, rather than individual stock risk. Acquisitions include buyouts from a third party or optional tender offers where the company is trying to increase the value per share. Trades are opportunistic situations. Among other things, trades

all sells) than normal (21% over our entire history). Trades (9%) and governance (7%) are two sell reasons that were nearly twice as pronounced in the past year as over our entire history. Two cases in Nigeria dominate the trades reason, as we'll explain shortly. Governance is specific to one stock in Cambodia. The other sell reasons—country, acquisition, size, and mix—were immaterial in the past year.

What We Sold

Figure 3 shows our 21 position exits from July 2016 through June 2017. We lost money on 11 of 21 exits in the past year, but overall we made $3.5 million. As with attribution, the profit figures we show for individual stocks are before fees and expenses, as we subtract these at the fund level and not at the stock level. Two large losses held down our overall profit. These were both in Nigeria, totaling $5.9 million, where we twice swapped one stock for another to give ourselves more upside and to realize a tax loss.

We describe each exit in chronological order below. Our 28% turnover over the past year is identical to our annualized turnover since inception, but we did have more exits than in past years. As discussed in the section above, we've been quicker to cut our losses than in the past when an investment thesis is not playing out as expected, and we've had some desire to reduce our total number of positions. For example, we held 45 positions at the end of June, down nine from one year ago. The fund is somewhat more concentrated as a result, with our top 20 positions accounting for 70% of AUM versus 62% one year ago.

Net Detergent (Vietnam)

Net Detergent was the first of a series of 13 companies we bought in Vietnam in 2010 and 2011 that collectively have been among the most successful investments in our history. All but one was profitable, and we more than doubled our money on nine of 13. We revisited Vietnam in September 2010 having made money there on a special situation in 2008-2009 in a volatile market. During our 2010 visit, we observed that sentiment was terrible with the VNINDEX more than 60% off its 2007 high, but country and company fundamentals were okay, and valuations were amazing. Net was a consumer detergent business trading at a PE of 4.4 with a return on equity of 82%. We bought 9.4% of this $18 million market cap company, holding for 5.7 years. Earnings were flat over this period despite growing revenue, but by selling at a 13.2 PE, we made $2.5 million, or 2.41 times our money.

Tien Phong Plastic (Vietnam)

We first visited Tien Phong, the leading manufacturer in northern Vietnam of plastic pipes for construction and infrastructure in August 2008. We bought it three years later at a cheaper price. Its PE grew as Net Detergent's did—from 4.8 in May 2011 to 15.2 in July 2016. We finished selling it and Net on the same day, 7 July 2016. We made $4.8 million on Tien Phong, a 28% IRR over 5.1 years. We did even better on Tien Phong's southern Vietnamese competitor Binh Minh Plastics, which we bought in the same month as Tien

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could include swapping positions, arbitraging a mispricing when a stock lists on multiple exchanges, or exiting a macro play where the sale is not for country-specific reasons. Governance is a qualitative decision to sell when we think a company has not treated minority shareholders fairly. Size is selling a position because we could not accumulate enough of a stock. Size may show up as a sell reason with some frequency, but these are small positions that collectively do not add up to much in dollars.

Phong. As we described in the Q2 2016 letter, we sold Binh Minh in May 2016, realizing a $5.5 million profit over 5.0 years, a 49% IRR.[9]

Figure 3
Frontaura Global Frontier Fund LLC
Positions Exits July 2016 - June 2017[10]
30 June 2017

Company	Country	Description	Exit Reason	First Buy	Last Sell	Cost ($000K)	Proceeds ($000K)	Profit ($000K)	Return Multiple	IRR	Holding Period (Years)	/ IV First Buy	/ IV Last Sell	PE Buy Date	PE Sell Date
Net Detergent	Vietnam	detergent producer	valuation	13-Oct-10	07-Jul-16	1,772	4,277	2,505	2.41	20.1%	5.7	-22%	103%	4.4	13.2
Tien Phong Plastic	Vietnam	plastic pipe manufacturing	valuation	20-May-11	07-Jul-16	2,536	7,309	4,773	2.88	28.1%	5.1	-30%	99%	4.8	15.2
Vietnam Equity Holding	Vietnam	closed-end fund	size	15-Dec-15	12-Jul-16	45	49	4	1.09	10.8%	0.6	-18%	-21%	na	na
Crnogorski Telekom	Montenegro	fixed line and mobile phone network	fundamentals	19-Nov-09	08-Aug-16	3,801	4,539	739	1.19	7.3%	6.7	-27%	36%	5.2	11.1
Equity Bank	Kenya	bank	fundamentals	19-Apr-16	30-Aug-16	3,515	2,282	(1,233)	0.65	-37.1%	0.4	-7%	8%	8.5	5.2
I&M Bank	Kenya	bank	fundamentals	20-Apr-16	30-Aug-16	1,387	1,006	(382)	0.72	-29.7%	0.4	-21%	9%	6.2	4.0
Khan Resources	Mongolia	uranium mine wind down	valuation	26-Jun-15	31-Aug-16	1,637	1,885	248	1.15	13.2%	1.2	-2%	0%	(27.1)	0.9
Fidelity Bank	Nigeria	bank	trade	06-Apr-10	13-Oct-16	10,416	8,134	(2,282)	0.78	-10.3%	6.5	-24%	392%	92.6	2.2
KCB Group	Kenya	bank	fundamentals	29-Jun-16	26-Oct-16	1,012	815	(196)	0.81	-21.7%	0.3	-26%	-16%	5.1	3.9
National Bank of Malawi	Malawi	bank	country	17-Apr-13	02-Nov-16	306	733	427	2.39	41.8%	3.5	-66%	-20%	3.8	8.9
Egyptian Financial Group-Hermes Holding	Egypt	investment bank	trade	03-Nov-16	08-Nov-16	833	782	(50)	0.94	-9.8%	0.0	-7%	-1%	2,688	2,441
Trend Fund	Montenegro	closed-end fund	fundamentals	13-Jan-14	07-Dec-16	1,514	1,453	(61)	0.96	-1.5%	2.9	-46%	-22%	7.0	na
United Cacao	Peru	plantation	fundamentals	03-Jun-16	28-Dec-16	117	31	(86)	0.27	-80.6%	0.6	-40%	-64%	(6.2)	(1.8)
Housing & Development	Egypt	bank	size	07-Nov-16	17-Jan-17	12	18	6	1.50	50.2%	0.2	-18%	0%	4.4	5.7
National Seed	Vietnam	crop seeds	valuation	06-Jun-11	09-Feb-17	1,391	3,190	1,799	2.29	40.6%	5.7	-27%	42%	5.9	9.0
Banco de Guayaquil	Ecuador	bank	fundamentals	13-Sep-13	22-Feb-17	1,686	1,277	(409)	0.76	-12.2%	3.4	-65%	-25%	5.0	6.2
Leisure & Resorts World	Philippines	gaming	fundamentals	23-Sep-16	24-Mar-17	2,772	1,959	(813)	0.71	-33.7%	0.5	-24%	19%	5.1	5.0
CAL Bank	Ghana	bank	fundamentals	21-Jan-13	31-Mar-17	5,303	3,847	(1,456)	0.73	-14.3%	4.2	-35%	-26%	3.7	26.3
Southeast Bank	Bangladesh	bank	fundamentals	09-Nov-14	09-May-17	4,260	4,629	369	1.09	5.1%	2.5	-33%	-5%	4.3	7.5
NagaCorp	Cambodia	casino	governance	28-Feb-12	13-Jun-17	5,152	8,457	3,305	1.64	45.9%	5.3	-15%	-10%	8.8	6.8
FCMB Group	Nigeria	bank	trade	15-Sep-14	30-Jun-17	4,836	1,175	(3,660)	0.24	-47.3%	2.8	-28%	68%	5.1	1.7

[9] See page 9 in http://www.frontauracapital.com/quarterlyletters/Frontaura_Quarterly_Letter_2016Q2.pdf.

[10] Here are definitions for the Figure 1 columns. Exit Reason is a standardized reason why we sold a stock, as we have already explained. First Buy and Last Sell are the dates we first bought a stock and the day we last sold a stock. Buys subsequent to the first date we show could continue for months or years; likewise, sells could precede the last date we show for months or years. Cost is the USD sum of all buys including commissions, trading fees, and foreign exchange costs (FX). Proceeds are the total USD sale and dividend proceeds, net of all commissions, trading fees, FX, and tax withholding. Profit is the Proceeds minus the Cost. Return Multiple is Proceeds / Cost. IRR is the internal rate of return on all USD cash inflows and outflows in the Profit calculation. Holding Period is the number of years between the First Buy and the Last Sale dates. We annualize the IRR, except for when the Holding Period is less than one year. Note that the Cost, Proceeds, Profit, Return Multiple, and IRR figures are before any management fees, fund expenses, or incentive compensation, as those deductions occur at the fund level and not at the individual stock level. Price / IV First Buy and Price / IV Last Sell show the discount or premium of the closing stock price (not our actual transaction price) relative to our estimate of intrinsic value on the First Buy or Last Sell date. A negative percentage indicates a discount to intrinsic value; a positive percentage indicates a premium. PE Buy Date and PE Sell Date show the trailing reported PE using the closing stock price (not our actual transaction price) on the day of First Buy and Last Sell.

Vietnam Equity Holding

Vietnam Equity Holding is a closed-end fund trading in Germany that sells at a bigger discount than we think it ought to. We've owned it twice, in 2010 and this time in 2015-2016. Each time we made an immaterial amount of money. We weren't able to buy enough shares, which led us to sell eventually on both occasions.

Crnogorski Telekom (Montenegro)

In the 6.7 years we held it, we made a modest $0.7 million profit on Telekom Montenegro, whose ultimate corporate parent is Deutsche Telekom in Germany. It is the dominant landline and mobile carrier in the tiny country of Montenegro, population 600,000. Its attraction was a low PE, 5.2 at the time we bought, a 7.7% yield, and the possibility of special dividends due to its overcapitalization and excess cash position. Its challenge was a stagnant business with declining roaming revenue due to the economic downturn after the global financial crisis and increasing regulatory pressure on roaming rates. The thesis allowed us to make money even if revenue and profit declined, a good thing, since the revenue and profit drops were severe, with 2016 net income one-third the level of 2009. We booked our 7% IRR as profit when the business declines worsened, raising the PE to 11, and making the stock overvalued, in our opinion. Summing up, we lost money on the stock price movements, but the large regular dividends and one special dividend made up for the stock price losses and generated the profit on this investment.

Equity Bank (Kenya), I&M Bank (Kenya), KCB Group (Kenya)

We group these three Kenyan banks together because we sold them for an identical reason. As we have discussed in prior monthly comments,[11] in August 2016 Kenya unexpectedly enacted populist caps on interest rates and floors on deposit rates in advance of 2017 elections. We considered the move to be terrible policy, and we believed at the time that analysts and the stock market underestimated the negative effect these rules would have on the banking system and the economy. We began selling all three Kenyan banks we held straight away, completing two—Equity Bank and I&M Bank—in August. KCB weakened below our sell point, but we finished unloading it when it rallied in October. At the time of sale, these stocks all sold on low multiples of trailing earnings—4 or 5, as their price was down and the new regulations had yet to hit earnings. Our intrinsic value estimates did not indicate the stocks were that overvalued when we sold—in fact, our estimates still indicated KCB was at a discount. The policy changes brought much uncertainty, however, and we saw significant downside risk to our single-point estimates. Earnings have been lackluster since we sold, with all December and March results for these three banks down year-over-year. These stocks plumbed new lows in early 2017, but have surprised us since by rallying strongly—undeservedly so, in our opinion. Analysts have repeatedly ratcheted down 2017 real GDP growth estimates for Kenya. We now assume 4.5% growth, 150 basis points below 2016's level. In contrast, in the last two cycles, the GDP growth rate in the election year increased by 100 basis points or more from the year prior.

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[11] See both the August and the October 2016 monthly comments:
http://www.frontauracapital.com/monthlycomments/Frontaura_Monthly_Comment_2016_08.pdf.
http://www.frontauracapital.com/monthlycomments/Frontaura_Monthly_Comment_2016_10.pdf.

Khan Resources (Mongolia)

If the Kenyan banks were a case where we were hurt by poor public policy, Khan Resources is an example where we were able to profit modestly from it. Khan is a Canadian-listed former uranium miner with no ongoing operations. Its sole asset was an internationally recognized court judgment enforceable against the Government of Mongolia (GOM) for improper seizure of its mine in a 2009 license dispute, when the government took an ill-advised populist turn. When we bought the stock, Khan had already won its case; it was merely waiting for the GOM to pay it. The stock was illiquid, and the special situation of interest to only a few hedge funds or those, in our case, who had experience in Mongolia. Although there was some doubt about the GOM's willingness to pay, we believed the GOM would pay because 1) its flirtation with populism had ended; 2) it was trying to reform its image with international investors (its populist detour had the foreseeable effect of converting it from an investment darling to an investment pariah); 3) it was seeking billions in IMF and other multi-lateral loans, and it would be foolish for it to let a $104 million payable to Khan prevent billions in desired concessionary loans; and 4) it potentially faced court-enforceable seizure of its international assets if it did not pay. Eventually, the GOM and Khan worked out a settlement for a $70 million payment, and we pocketed a modest $0.2 million gain, a 13% IRR over 13 months.

Fidelity Bank (Nigeria)

In 2010, Fidelity was our first re-entry into Nigeria after the global financial crisis. Nigeria had its own banking crisis during the GFC, which the central bank was cleaning up by creating a bad bank, known as AMCON. We observed Nigerian banks were cheap and we selected Fidelity because 1) it was cheapest on a price/book basis, trading at a discount to book and 2) it was the best capitalized with common shareholders' equity accounting for 21% of assets. Nigeria as a country and Fidelity as a stock investment had many ups and downs in the years that followed, with the trade profitable at times and other times not, mainly depending on macro events. In Q3 2016, we began swapping Fidelity shares to buy more UBA shares, a larger, more liquid bank that in our opinion is higher quality with more stock price upside. We did not buy UBA outright because we did not want to increase our overall Nigeria exposure. Our sale also allowed us to take a sizable tax loss in Fidelity. In 6.5 years, we lost 22% on every dollar invested in Fidelity, totaling $2.3 million, mainly due to currency devaluation. We calculate that through June 30 we made $0.5 million from the swap, comparing the total return of our incremental UBA shares to the alternative return of continuing to own the Fidelity shares we sold. These new UBA shares have a total dollar return of 78% post-swap through June 30, despite the April 2017 devaluation when the CBN introduced the I&E FX window.

National Bank of Malawi

We discussed our NBM holding in another context in our last letter, so we refer you to it rather than repeat ourselves here.[12]

[12] See pages 8-9 of our Q1 2017 letter: http://www.frontauracapital.com/quarterlyletters/Frontaura_Quarterly_Letter_2017Q1.pdf. As a minor point, Figure 3 presents slightly different figures for NBM's profit ($427K) and return multiple (2.39x) than what we cited in the Q1 letter. Since we published that letter, we've enhanced our IRR calculation algorithm. Before, when we did not know the actual FX rate for a transaction at a month-end, we used the market FX rate that we recorded for that transaction at the time of that month-end. Now, we look forward and use the actual FX rate we received in a future month for that transaction. This better captures the actual return we received over the life of an

EFG Hermes (Egypt)

This trade, occurring over a few days following Egypt's November 2016 devaluation, was to exploit irrationality in pricing of EFG's London stock listing versus its Egyptian home listing. Rather than correcting toward fair value, the London price went against us and we decided to close out the trade while it was only a small loss, $0.1 million. Even though we still expected the trade to work, the price action suggested a bigger devaluation than the consensus expectation. Ultimately, both were correct: the trade would have worked, but with greater devaluation of the Egyptian pound. As a matter of risk control, we think it was right to close the trade at a small loss when the market told us that we needed to re-estimate our expected devaluation magnitude.

In January 2017, separate from this trade, we initiated a basket of Egyptian stocks that we count as a single position to benefit from macro changes in the country due to its free-floating foreign exchange regime. As the largest broker and investment bank in Egypt, EFG Hermes is one of the stocks in that basket.

Trend Fund (Montenegro)

Trend Fund was a special situation where shareholders were pressuring a closed-end fund (CEF) trading at a significant discount to NAV to wind down. The fund owned both stocks and illiquid private companies and real estate. We bought at a 46% discount to net asset value (NAV), knowing that NAV is usually overstated in these cases, as the illiquid assets usually are not worth the value the manager assigns to them. We had invested in numerous large-discount CEF special situations before in Vietnam, Qatar, Pakistan, and Romania, making a good return on all of them. We had also passed on dozens of others that we evaluated where there was no incentive or obvious path for the manager to reduce the discount to NAV. We felt Trend's discount provided a sufficient margin of safety; even if our thesis did not work out, we did not have much downside. That is what happened. The disposal of the liquid assets went as expected—the manager converted them into an open-ended mutual fund from which we were able to redeem. These open-ended assets represented just over half of our eventual total proceeds from the investment. The illiquid wind-down, however, suffered delays and NAV markdowns even beyond our estimates that we thought were conservative. In Q4 2016, with the September NAV on the remaining closed-end assets down over 50% from a year earlier, we had the opportunity to exit around our break-even point, or to continue holding with no remaining margin of safety. We chose to exit at a $0.1 million loss on this three-year investment.

United Cacao (Peru)

Similar to National Bank of Malawi, we refer you to our discussion of United Cacao in Q1's letter.[13]

Housing and Development Bank (Egypt)

We couldn't buy enough shares of HDB as a stand-alone position within our price range, so we sold our immaterial holding for a quick 50% dollar gain in two months. At the time we

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investment. In most cases, this difference is either zero (because the actual FX rates for each transaction were already known at each month-end) or slight.

[13] See the first two paragraphs of page 6 in
http://www.frontauracapital.com/quarterlyletters/Frontaura_Quarterly_Letter_2017Q1.pdf.

sold HDB, we were considering buying an Egypt macro basket of large, liquid stocks that would give us broad exposure to Egypt following its currency floatation. The basket would not be valuation based, and thus HDB was a candidate. Nevertheless, although we continued to like HDB, we felt it did not belong in the Egypt basket, as it was less liquid than other basket stocks.

National Seed (Vietnam)

The first company we ever visited in Vietnam in 2008, we bought National Seed in 2011, and held for 5.7 years, earning a 41% IRR, and a $1.8 million profit. At our peak, we owned just under 5% of this northern Vietnamese agricultural seeds producer. It was the last Vietnamese company we sold from our successful 2010-2011 vintage of small cap winners. We also more than doubled our money on Southern Seed, National Seed's southern Vietnamese sister company, as we discussed in our Q2 2016 letter.[14]

Banco de Guayaquil (Ecuador)

We made two investments in Ecuador in 2013 and 2014, attracted by low valuations in this overlooked market. On balance, we've made a modest $0.4 million profit to date, with one winner and one loser. On Banco de Guayaquil, we lost $0.4 million or 24%. The main challenge for Ecuador since we invested has been the oil crash, which has increased the country's budget deficit, current account deficit, and debt levels. Given the country's socialist policies, we expected these challenges to continue, and this caused us to reduce our Ecuadorian exposure from 2% to 1% by selling this stock. We began trimming Banco de Guayaquil in 2015 and were able to complete selling in February 2017, when the market became enthusiastic that business executive Guillermo Lasso might defeat socialist candidate Lenin Moreno in the April 2017 presidential election. Lasso coincidentally is the largest shareholder and former CEO of Banco de Guayaquil, although he is no longer involved in the bank's operations. As it happened, Moreno defeated Lasso 51% to 49%. We had no crystal ball foreseeing the outcome of this tight race, but we are more comfortable now with our Ecuador exposure at only 1%, all in a consumer staples company.

Leisure & Resorts World (Philippines)

LR is the leading operator of bingo parlors in the Philippines, and it has other gaming interests, including operating an internet platform that hosts e-gaming sites. We bought the stock in September 2016 on a 5 PE after it sold off due to regulatory concerns on its core bingo operations that we considered overblown. Our analysis on that matter proved to be correct, but only a few months later possible regulatory changes that would affect its e-gaming platform arose. Initially, this also looked to be noise, but when the e-gaming issue flared up a second time, we capitulated and exited with a $0.8 million loss, down 29%. We concluded this company and stock were too complicated, and we would be better off researching other stocks than spending time assessing these recurring regulatory issues.

CAL Bank (Ghana)

We bought Cal Bank well in January 2013, investing at 3.7 times earnings, but from August 2013 it was all downhill, with first a weakening currency and then weakening fundamentals

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[14] See page 5 in http://www.frontauracapital.com/quarterlyletters/Frontaura_Quarterly_Letter_2016Q2.pdf.

taking away all of our gains and leaving us with a 27% loss to show for our four-year investment. Our $1.5 million loss was all due to currency, as we had a slight local currency gain. In our Q1 letter, we had a section entitled, "Investments in Illiquid Stocks in Small Countries Are as Much about the Currency as They Are about the Company."[15] Cal is another example of this. Ghana earns deserved praise as an African democracy that has repeated peaceful transitions of power from one party to another. Unfortunately, its fiscal management is poor, especially so in election years. Overspending around the December 2012 election caused the cedi to lose half its value, as it took 1.90 cedis to buy one dollar at the end of 2012 and 3.89 cedis to buy one dollar on 21 August 2014. Overspending around the December 2016 election caused the cedi to weaken further from 3.98 on 18 November 2016 to 4.74 on 2 March 2017, the month in which we sold Cal.

Southeast Bank (Bangladesh)

We bought two banks in Bangladesh in 2014, making money on both. We continue to hold the more successful investment. We sold Southeast Bank in May, booking a small profit of $0.4 million, a 5% IRR over 2.5 years. We sold after Southeast announced a rights offer at a discount to its current market price. Profit drops in 2015 and 2016 made us not want to add to this position, but the discount on the rights meant we might suffer a value decline on our existing shares if we held. We believe selling was the rational choice.

Naga (Cambodia)

Naga operates the largest casino in Cambodia. We bought initially in February 2012 at an 8.8 PE and 6.0% yield, attracted by its market position—it had no significant competition in the country—and a valuation that was below global peers. It was a good winner for us, earning $3.3 million over 5.3 years, a 46% IRR. We made significant sales from July 2012 through January 2014, helping to protect profit. Later, from March 2015 through February 2016, we made significant buys generally at lower prices, but ultimately these buys did not pay off. This success story ended with a thud, unfortunately. We sold in June 2017 with the price weakening after the company's founder and its board exercised poor judgment, in our opinion, with regard to how it structured and disclosed terms of a convertible bond the company granted to the founder in exchange for his financing of a major casino expansion. This was not the first governance faux pas in Naga's history, and we had concluded after a prior debatable action that any further questionable activity would cause us to sell. The stock continued declining after we finished selling, to the point that the founder reversed his prior decision, removing the questionable provisions that favored him. That the stock then rallied above our exit price leaves us chagrined. Nevertheless, we shouldn't let a bad taste color what was a good investment overall for us.

FCMB Group (Nigeria)

Our purchase of the bank FCMB in September 2014 had spectacularly poor timing as it occurred before the oil crash caused Nigeria's currency to decline by over 50%. Our local currency return on FCMB was also nearly a 50% loss, and altogether we lost 76% in dollars on this investment. In Q2 2017, we decided to swap FCMB for additional shares of Access Bank. This trade was similar to the 2016 swap of Fidelity Bank for UBA that we discussed earlier. Again, we weren't looking to increase our Nigeria exposure, but thought changes

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[15] See pages 7-9 in http://www.frontauracapital.com/quarterlyletters/Frontaura_Quarterly_Letter_2017Q1.pdf.

within our existing allocation made sense. The specific rationale here was four-fold. First, our FCMB position had withered away to 52 basis points, while Access was also below our target weight for it of 2.5%. The swap allowed us to consolidate from two positions to one, bringing Access, with subsequent appreciation, up to its target weight at the end of Q2. Second, we were able to realize our $3.7 million tax loss on FCMB. Third, we had more confidence in Access going forward, so we believed the swap improved the quality of our Nigerian holdings. FCMB had surprised us with a quarterly loss in each of the last two years due to elevated loan loss provisions. Finally, despite trading at only 0.11 times book value when we met them in May, management did not rule out an equity-based capital raise, which we considered terribly dilutive and a bad idea. When we finished selling, FCMB appeared cheap on only a 1.8 PE, but this reflected a one-time gain. If June results match Q1, then FCMB's PE would be 14 on the Q2 ending price.

Fund and Management Company News

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

Minimum now $500,000. As a reminder, on March 31, we announced that new investors may now join Frontaura for $500,000 instead of $1,000,000. For existing investors, the minimum follow-on investment is $10,000. There is no additional paperwork for follow-on investments. We remain open for investment, accepting new investments monthly from both new and existing investors. On the first of each month, we will credit investor account balances with money received on or before the last business day of the prior month. For example, we will invest funds we receive on or before Monday, July 31 as of August 1. We will invest funds we receive on or before Thursday, August 31 as of September 1, and we will invest funds we receive on or before Friday, September 29 as of October 1.

Travel and visits. In Q2, we made research trips to Nigeria in May and Argentina in June. We discussed each in the respective monthly comment for those months.[16] The weather is nice in Chicago, which means this is the season where frontier companies and brokers come to visit. We hosted 21 such company and sell-side visits in our office in Q2 and another four in the first two weeks of July from countries such as Argentina, Egypt, Nigeria, Togo, the United Arab Emirates, and Vietnam.

Our usual Statistical Appendix follows this page. If you have anything you'd like to discuss, please e-mail or call us. We thank you for being a Frontaura client.

Best regards,

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[16] http://www.frontauracapital.com/monthlycomments/Frontaura_Monthly_Comment_2017_05.pdf.
http://www.frontauracapital.com/monthlycomments/Frontaura_Monthly_Comment_2017_06.pdf.

Statistical Appendix

Figure A1
Frontaura Global Frontier Fund LLC
Performance[17]
30 June 2017

Period	Frontaura	S&P 500	MSCI EAFE	MSCI Emerging	MSCI Frontier
2017 Q1	4%	6%	7%	11%	9%
2017 Q2	7%	3%	6%	6%	6%
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%
2016	7%	12%	1%	11%	3%
2017	11%	9%	14%	18%	16%
1 Year	15%	18%	20%	24%	19%
3 Year	5%	32%	3%	3%	- 10%
5 Year	57%	98%	52%	21%	51%
7 Year	63%	173%	70%	30%	49%
Inception to Date	102%	93%	4%	- 5%	- 20%
3 Year CAGR	1.7%	9.6%	1.1%	1.1%	- 3.4%
5 Year CAGR	9.5%	14.6%	8.7%	4.0%	8.6%
7 Year CAGR	7.2%	15.4%	7.9%	3.9%	5.9%
ITD CAGR	7.5%	7.0%	0.4%	- 0.5%	- 2.3%

Figure A2
Frontaura Global Frontier Fund LLC
Monthly Performance
30 June 2017

	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%	1.8%	2.9%	-0.3%	1.6%	-0.4%	1.1%	-0.4%	0.7%	0.8%	6.6%
2017	2.9%	-0.1%	1.0%	0.4%	4.1%	2.1%							10.8%

[17] 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 A3
Frontaura Global Frontier Fund LLC
Portfolio Mix and Statistics[18]
30 June 2017

Country	Holding
Sri Lanka	10%
Vietnam	8%
Argentina	7%
Kuwait	7%
Nigeria	7%
Papua New Guinea	7%
Pakistan	6%
Tanzania	5%
USA (cash only)	4%
Egypt	4%
Rwanda	4%
Bangladesh	3%
Romania	3%
United Arab Emirates	3%
Lebanon	3%
Kenya	3%
Macedonia	3%
Georgia	3%
Serbia	2%
Oman	2%
Uganda	1%
Ecuador	1%
Botswana	1%
Peru	1%
Mozambique	1%
Qatar	1%
Others	0%

Region	Holding
Sub-Saharan Africa	22%
Middle East / North Africa	19%
South Asia	19%
Southeast Asia	15%
Latin America & Caribbean	9%
Eastern Europe	8%
USA (cash only)	4%
Eurasia	3%

Sector	Holding
Financials	45%
Consumer Discretionary	14%
Consumer Staples	10%
Utilities	7%
Cash	6%
Materials	6%
Industrials	5%
Real Estate	4%
Energy	3%
Others	1%

Portfolio Statistics	
Portfolio Price to LTM Earnings	8.0
Portfolio Price to Book	1.49
Portfolio LTM Dividend Yield	5.5%
Return on Ending Equity	25.3%
Positions	45
Countries	27
Average Market Cap	$1,077m
Median Market Cap	$665m
Portfolio Turnover (LTM)	28%
Portfolio Turnover (ITD)	28%
Standard Deviation (ITD)	14%
Beta to S&P 500 (ITD)	0.51
Assets Under Management	$126m

[18]Click 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 A4
Frontaura Global Frontier Fund LLC
5 Best and Worst Performing Countries (Dollar Return)
2017 Q2

5 Best Countries				5 Worst Countries			
Country	Frontaura Return ($millions)[19]	Frontaura Return (%)	MSCI Return[20]	Country	Frontaura Return ($millions)	Frontaura Return (%)	MSCI Return
Kuwait	2.8	44%	-1%	Cambodia	-0.5	-16%	--
Argentina	1.4	14%	5%	Pakistan	-0.4	-5%	-2%
Nigeria	1.3	17%	not credible[21]	Tanzania	-0.2	-3%	--
Vietnam	0.9	10%	3%	Rwanda	-0.1	-2%	--
United Arab Emirates	0.7	21%	1%	Qatar	-0.1	-14%	-11%

Figure A5
Frontaura Global Frontier Fund LLC
5 Best and Worst Performing Countries (Percentage Return)
2017 Q2

5 Best Countries				5 Worst Countries			
Country	Frontaura Return ($millions)	Frontaura Return (%)	MSCI Return	Country	Frontaura Return ($millions)	Frontaura Return (%)	MSCI Return
Kuwait	2.8	44%	-1%	Cambodia	-0.5	-16%	--
Ecuador	0.3	24%	--	Qatar	-0.1	-14%	-11%
United Arab Emirates	0.7	21%	1%	Mongolia	0.0	-8%	--
Mozambique	0.2	20%	--	Pakistan	-0.4	-5%	-2%
Nigeria	1.3	17%	not credible	Tanzania	-0.2	-3%	--

[19] This footnote applies to all columns labeled "Frontaura Return ($millions)" and "Frontaura Return (%)" on this page and any page with a similar table. 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.

[20] This footnote applies to all columns labeled "MSCI Return" on this page and any page with a similar table. 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.

[21] Our Q2 Nigeria return is net of a 25% FX loss after the CBN introduced the I&E FX window. MSCI continues to use an FX rate that is no longer available to investors, so its Q2 return does not capture the devaluation associated with the I&E window. As this devaluation is material, we consider MSCI's Nigeria return for Q2 not credible.

Figure A6
Frontaura Global Frontier Fund LLC
Performance by Region
2017 Q2

Region	2017 Q2	
	Frontaura Return ($millions)[22]	Frontaura Return (%)
Middle East / North Africa	3.8	18%
Sub-Saharan Africa	1.7	7%
Latin America & Caribbean	1.7	14%
Southeast Asia	1.1	6%
Eastern Europe	0.9	9%
South Asia	0.5	2%
Eurasia	0.5	9%

[22] The Frontaura Return footnote on the first attribution table on a prior page applies to all Frontaura Return columns on this page.

Figure A7
Frontaura Global Frontier Fund LLC
Significant Quarterly Country Mix Changes[23]
2017 Q2

Country	Percentage Point Change	Explanation
Bangladesh	-2	Exited one position Q2 2017
Cambodia	-3	Exited one position Q2 2017

Figure A8
Frontaura Global Frontier Fund LLC
Significant Annual Country Mix Changes
2016 Q3 - 2017 Q2

Country	Percentage Point Change	Explanation
Kuwait	+5	Strong stock performance
Egypt	+4	Added new position Q1-Q2 2017
Argentina	+4	Added new position Q4 2016; gains in existing position
United Arab Emirates	+3	Added new position Q3 2016; good stock performance
Ghana	-2	Exited position Q1 2017
Bangladesh	-2	Exited one position Q2 2017
Vietnam	-2	Multiple position exit sales > appreciation and buys
Montenegro	-3	Exited all positions in 2016
Cambodia	-3	Exited one position Q2 2017
Kenya	-5	Multiple position exit sales Q3-Q4 2016

[23] 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 A9
Frontaura Global Frontier Fund LLC
Portfolio Concentration[24]
30 June 2017

	Companies	Countries	Change from Prior Quarter		Change from Prior Year	
			Companies	Countries	Companies	Countries
Positions	45	27	--	-2	-9	-2
Top 5	27%	39%	+2	+1	+5	--
Top 10	45%	64%	+3	--	+8	--
Top 20	70%	91%	+2	-2	+8	+1
Top 20 + USA (Cash)	75%	95%	+6	+2	+10	+3

[24] 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.