Quarterly Letter – 2017 Q4

Performance

Q4. We gained 2.9% in Q4, making it a near carbon copy of Q3.[1] For the year, we gained 17.2%. The indices we cite did better. The S&P 500 had a total return of 6.6% for the quarter and 21.8% for the year; MSCI EAFE made 4.2% and 25.0%, respectively; MSCI Emerging Markets (EM) did best, gaining 7.4% in Q4 and 37.3% in 2017; while MSCI Frontier Markets (FM) recorded gains of 5.6% and 31.9%, respectively. The S&P 500 illustrates the lack of volatility in equity markets globally in 2017 in that it was the first year in the history of the S&P Composite Index dating back to 1926 without a monthly loss on a total return basis.[2]

For FM this was its best year of the last decade; for EM and EAFE it was the second best year behind 2009; for the S&P it was the third best year behind 2013 and 2009. For us it was the fifth best year, following 2009, 2010, 2013, and 2012.

We are satisfied with how the year turned out. A year ago, we shared that our quality value score regression expected a 15% compounded return for 2017-2018 based on the December 2016 valuation and quality metrics of our portfolio regressed against historical returns. We were hesitant then to share what seemed to be a bold prediction (with the prior three annual results having consisted of two losses and only a 7% gain), but the year we got in 2017 (17%) was in line with the regression and in theory this keeps us on the path for a decent 2018 based on the two-year cumulative return expectation from 12 months ago.[3]

Relative performance. The FM index beat us by 14.7 percentage points, 31.9% to 17.2%. Normally, we do not dissect relative performance, but this is a large enough margin that it may reasonably prompt questions from investors, so we discuss each country in turn. We estimate approximately nine percentage points of our underperformance was due to the index's higher allocation to Argentina and roughly five percentage points was due to the strong performance of Vietnamese large caps.[4]

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[1] We made 2.863% in Q4 and 2.847% in Q3. In page 1 of the original version of our Q3 letter, we incorrectly reported our Q3 performance as 2.9% because—rounded to two digits—it was 2.85%, which by itself rounds up to 2.9%. We realized this error in the writing of this letter and have now changed the Q3 letter on our website to correctly state our Q3 return as 2.8%, not 2.9%.

[2] Before considering dividends, the S&P 500 lost 0.04% in March 2017, but its total return was still a positive 0.12% that month.

[3] To quote from page 3 of the 2016 Q4 letter, "…with 95% confidence, the quality value score regression expects 2017-2018 performance to be between 8% and 22% annualized, with a mid-point of 15% annualized." Since we know 2017's result to be 17%, any outcome from -1% to 27% in 2018 would satisfy the regression result, at the 95% level of confidence. See:
http://www.frontauracapital.com/quarterlyletters/Frontaura_Quarterly_Letter_2016Q4.pdf.

[4] Our relative performance attribution analysis is high level and we base it on publicly available MSCI information. A comparison of our returns to MSCI's actual attribution data, which we do not have access to, could reveal material differences from what we present here.

Argentina. We made 76% in Argentina in 2017.[5] As Figure 1 shows, our Argentina returns have topped the MSCI Argentina Index in all four years we have invested there. At year-end, our 10% weight in Argentina was our top country weight, up from 5% when 2017 began, primarily due to performance. So, our holdings in Argentina have done well over the years and we have a healthy allocation to the country.

Figure 1
Frontaura Global Frontier Fund LLC
Argentina Returns: Frontaura and MSCI[6]
2008-2017

Year	Frontaura Argentina Performance	MSCI Argentina Total Return	Frontaura Argentina Index	MSCI Argentina Index
2008		-54%	100	46
2009		64%	100	75
2010		77%	100	132
2011		-39%	100	81
2012		-37%	100	51
2013		66%	100	85
2014	22%	19%	122	101
2015	32%	-1%	161	100
2016	12%	5%	181	105
2017	76%	73%	319	182

We remain bullish on Argentina and we do expect MSCI to promote it to EM status,[7] which should foster continued good market performance. Nevertheless, every country has its limit for us, and candidly, in December, we were around the top-end of the weight we are willing to have in Argentina, considering risk and valuation levels. We began to explicitly trim our Argentina exposure[8] in Q4 and we continued this in early January. Something can always go wrong, and Argentine valuations are not priced to absorb much bad news, in our opinion.

[5] We always state overall fund performance after all fees. However, we state individual stock, country, and regional returns before management fees, fund expenses, and any incentive compensation, as we make those deductions at the fund level and not at the individual stock, country, or regional level. Click this link for an explanation of how we calculate individual stock, country, and regional returns: http://www.frontauracapital.com/disclosures/Frontaura_Disclosures_as_of_2018_01_12.pdf.

[6] Source: Bloomberg for MSCI Argentina USD total returns; Frontaura for Frontaura country returns. We calculate the index results from a starting value of 100 at the beginning of 2008. Frontaura made an active decision to not invest in Argentina until 2014 so Frontaura's index value remains at 100 until then. Frontaura country returns are before management fees, fund expenses, and incentive compensation, as we make those deductions at the fund level and not 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_2018_01_12.pdf.

[7] While we did not predicate our investment rationale on index promotion, our base case now is that MSCI decides in June 2018 to promote Argentina back to EM status, effective at the end of May 2019. If this occurs, we think Argentina will most likely perform well until it is close to the promotion date. If promotion does not occur, we would expect a sharp selloff in June 2018, as occurred in June 2017 when MSCI decided to forego promotion. In 2017, this selloff proved only temporary.

[8] We had previously made sales in Argentina for company-specific reasons, but not to explicitly lower our country weight there.

The market for its stocks is volatile and 15%-45% selloffs can occur quickly. Further, no matter how much we like the Macri administration, which strikes us as possibly the most competent in our universe, we know well the country's checkered economic and populist history over the last century. This makes Argentina a country where we will deliberately be somewhat more fearful than greedy, willing to leave a bit of profit on the table to moderate our downside. Managers with less downside risk aversion than us or who perhaps weigh the country's history less, may have made more money than us in Argentina in 2017 and they may continue to do so.

While we are completely comfortable with our approach, years like 2017 can create the aforementioned relative performance issue versus the FM Index. FM had 24% in Argentina at year-end and gained 73% there in 2017. We estimate that MSCI had 10-14 extra percentage points allocated to Argentina on average throughout the year. Therefore, despite our slightly higher Argentine returns, the allocation difference represents about a nine percentage point advantage for MSCI. So be it. We would not be comfortable with MSCI's weight in Argentina and we sleep better at night with our lower allocation, which is still high for us. We base our country weights on our assessment of country risk and valuation attractiveness. We do not look to the index weightings to guide us. If we do not like a country or if we cannot find a stock to buy in a country, our country weight will be 0, regardless of the index weight.

Figure 2
Frontaura Global Frontier Fund LLC
Vietnam Returns: Frontaura and MSCI[9]
2008-2017

Year	Frontaura Vietnam Performance	MSCI Vietnam Total Return	Frontaura Vietnam Index	MSCI Vietnam Index
2008	-21%	-57%	79	43
2009	61%	32%	127	57
2010	0%	10%	127	62
2011	-9%	-38%	115	39
2012	30%	19%	150	46
2013	59%	7%	239	49
2014	11%	6%	265	52
2015	21%	-5%	322	49
2016	30%	-8%	419	45
2017	23%	65%	514	75

Vietnam. In 2017, the MSCI Vietnam Index beat us for the first time since 2010, when Vietnam was only 3% of our portfolio. Figure 2 compares our results over the years. Although we do not show Vietnam's weight, it's notable that on average we had a higher allocation to Vietnam than MSCI did in the years 2009 and 2011-2016, so we had two

[9] Source: Bloomberg for MSCI Vietnam USD total returns; Frontaura for Frontaura country returns. We calculate the index results from a starting value of 100 at the beginning of 2008. Frontaura country returns are before management fees, fund expenses, and incentive compensation, as we make those deductions at the fund level and not 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_2018_01_12.pdf.

factors working in our favor—more money earning a better return. This combination has allowed us to make more money in Vietnam in our history than in any other country. Most of the stocks we've owned there are small caps, because that's generally where we've found the best values. 2017, however, was a year where large caps dominated performance in Vietnam. MSCI's small cap index in Vietnam returned 20%, while its standard (large and mid-cap) index that feeds into the FM index, delivered 65%. We experienced this as well. Our largest market cap stock in Vietnam returned 68%, while none of the others came close to this. Overall, we had a 23% gain, a decent outcome, but one far below the large-cap dominated index. Our average weight in Vietnam over the year was around 8%.[10] MSCI began the year with 7%-8% in Vietnam and finished with 14% for a simple average of 10%-11%. MSCI's slightly greater weight in Vietnam and much higher performance there gave the FM index about a five percentage point advantage over us in 2017. Combined with Argentina, this totals 14 percentage points, nearly all the 2017 difference in performance between the FM index and us.

To further illustrate the 2017 large cap effect in global frontier markets, we note that MSCI's Frontier Small Cap Index had a 23% total return, nine percentage points below its standard index. We're market-cap agnostic so a direct comparison to a small cap index isn't theoretically sound (which is why we don't reference the small cap index regularly). Nonetheless, we do typically find more value in smaller companies, and this worked against our performance last year, as the lower performance of the MSCI small cap index demonstrates.

Summary. The case of Argentina and Vietnam in 2017 are specific examples of the general issue that challenges many managers when large index components have outstanding performance. We should caution that we expect 2018 could be more of the same, with frontier large caps and large country constituents in the frontier index performing well, and with the allocation difference between MSCI and us in Argentina becoming even larger due to our recent trims. If we are making money, frankly this does not bother us. UAE and Qatar in 2014 were another case of this,[11] and unsurprisingly, 2014 and 2017 are the two years in our history where the index performed noticeably better than us. At other times—the global financial crisis, its recovery, and selloffs subsequent to this—large index weights have hampered the FM index severely. Our approach will continue to be one of limiting country exposure based on our own internal assessment of risk—and not based upon external non-risk based weightings such as market cap. Inevitably, in some years, this will disadvantage us, but for us it is the only prudent way we know to manage money, and we believe the advantages of our method become clear with time and especially in down markets.

Over our entire history of more than a decade, we have gained 113% (7.7% CAGR), similar to the S&P 500, which has a total return of 115% (7.8% CAGR), but which is more volatile than Frontaura. In contrast, EAFE is up only 15% (1.3% CAGR), EM is up only 10% (1.0% CAGR), and FM still shows a 9% loss (-0.9% CAGR).

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[10] From June 2011 through March 2016, when valuations were lower, our month-end weight to Vietnam was always a double-digit percentage, peaking at 18% in March 2012.

[11] For a discussion of the performance UAE and Qatar in 2014 and their effect on the FM index, see pages 1-2 in: http://www.frontauracapital.com/quarterlyletters/Frontaura_Quarterly_Letter_2014Q2.pdf.

Attribution

Quarter-ending AUM was $134 million spread across 51 positions in 26 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 27 distinct countries at some point during Q4. In local currency, we made money in 14 with three flat, while we gained in US dollars in 15. We had a FX loss of $0.8 million for the quarter, taking away about one-eighth of our gain. For the year, in both local currency and dollars, we made money in 20 out of 31 countries in which we invested. Of our losers, only one was over $0.6 million, and five were negligible, rounding to $0.1 million or less. Our FX loss for 2017 was $2.8 million, removing around 9% of our gain. Most of this occurred in Nigeria in April. It would be misleading, though, to say we suffered from devaluation in Nigeria, because devaluation was the catalyst for strong Nigerian investment gains, as we explain below. Figures A4 and A5 in the Appendix show our top and bottom five countries for Q4 in both dollar and percentage terms. In the discussion that follows, however, we focus on annual attribution that we display in Figures A6 and A7. All these attribution figures show our performance compared to MSCI's index for the country. We show regional attribution for both the quarter and the year in Figure A8. All attribution results we cite in this paragraph and below are before fees and expenses, as we subtract these at the fund level and not at the stock, country, or regional level.

Currency reform. 2017 was a year where three of our top six dollars winners were countries reaping the benefits of moving to more free-floating currency regimes from regimes where central banks had pegged their currencies at an overvalued level. Argentina switched to a free float of their peso in December 2015, and after a modest 12% gain there in 2016, we experienced a roaring 76% rise in 2017. Egypt floated their pound in November 2016. From January 2017 onward, we made our first significant Egyptian investments since the 2011 revolution, enjoying a 21% gain last year. We have high expectations for Egypt in 2018, as we think it will enter a virtuous cycle of disinflation, interest rate cuts, increased economic growth, and portfolio flows transitioning from debt to equity markets. Nigeria rolled out an Investors and Exporters (I&E) FX window in April 2017, allowing investors to achieve a market rate for their dollars. Portfolio flows returned, and we gained 53% in Nigeria in 2017 despite the devaluation from the official rate to the NAFEX (I&E) rate. Keeping with this theme, our biggest loser for the year, Pakistan, -30%, was a country that suffered in part from diminished portfolio flows due to concerns that its central bank was keeping the rupee at an unsustainable, overvalued level.[12]

Regional attribution. For the year, we made money in every region but one, losing $0.1 million in South Asia. We discuss the seven regions below, in order of 2017 performance.

Latam. We made $8.2 million, or 67%, in Latin America and the Caribbean, in 2017. The region was 11% of our portfolio at quarter end, a new high. Throughout the year Argentina

[12] To be sure, Pakistan had other issues in 2017. It suffered the common phenomenon of a promotion hangover after MSCI elevated it to EM status from FM status effective at the end of the day May 31, 2017. The MSCI Pakistan Index had a 33% total return in the 12 months leading up to this known event, then gave back these gains and a bit more through the end of 2017. However, the index was already negative for 2017 by the end of June, a month after promotion, so, unlike most pundits, we see the country's second half underperformance more due to the currency than to a continued promotion hangover. Political problems were a third issue in 2017, although in our mind this is such a constant in Pakistan that we also consider this issue to be less important than do other commentators.

dominated our allocation and thus our performance in the region. We made $7.5 million in Argentina, best of any country, and our aforementioned 76% gain was second best behind Macedonia in 2017. We did well elsewhere in Latam in 2017, albeit on small allocations. In Ecuador, we made $0.5 million, or 37%, while in Peru, we made $0.2 million, or 16%. Each country accounted for 1% of our portfolio at year-end.

MENA. Middle East / North Africa (MENA) made $6.0 million, or 18%, for us in 2017. By year-end, this was our largest region at 24%. Over the past decade, MENA's weight in our portfolio has ranged from 6% to 41%, averaging 19%. Kuwait gained $2.6 million, or 46%, although the gains came all in the first half, as we lost money in the second half. We made $1.9 million, or 21% in Egypt. It was our fifth largest country weight at 7% when 2017 ended, making it the biggest increase in weight during the year. The United Arab Emirates (UAE) contributed $1.1 million, or 9%, while Lebanon added $0.7 million, or 21%. We lost about $0.3 million combined in Oman, Qatar, and Iraq in 2017.

Sub-Saharan Africa. Our third best regional contributor was Sub-Saharan Africa (SSA), up $4.0 million. This is a big region, representing 22% of our portfolio, so the percentage gain necessary to generate that level of profit was more modest, at 12%. Nevertheless, this result is notable, as it signals the SSA bear market that began with the oil crash in Q4 2014 and ran through Q1 2017 is likely over. We've now made money in SSA for three consecutive quarters. Of the nine SSA countries in which we had investments in 2017, five made money and four lost. The largest—Nigeria—dominated the results, making over 100% of our SSA total, with a $4.3 million gain, up 53%. Rwanda added $0.8 million, or 15%; Mozambique contributed $0.2 million, or 30%; and Uganda chipped in $0.2 million, or 9%. On the losing side was Ghana, which cost us $0.6 million, or 26%; Kenya, which subtracted $0.5 million, or 7%; and Tanzania, a $0.3 million, or 5%, loser, as its three-year bear market continues. Botswana and Zambia had a negligible effect on overall portfolio performance.

Eastern Europe. We had strong gains in Eastern Europe, up $3.8 million, or 44%, with currency accounting for about two-fifths of our advance. The euro gained 14% against the dollar in 2017 and while none of our stocks were euro-denominated, they all were in local currencies that correlate more to the euro than to the dollar. Macedonia was the biggest percentage winner of any country in our portfolio, making us 78%, or $1.9 million. Our position there ranged between 2% and 3% all year, and we repeatedly trimmed it as it appreciated so as not to have too outsized a holding given its underlying liquidity. Romania added $1.1 million, up 33%, and Serbia made $0.8 million, or 27%. We sold the Romanian position in August, while the Serbian position remains. Eastern Europe was only 5% of our portfolio at year-end.

Southeast Asia. Southeast Asia gained $3.3 million for us in 2017, up 13%. This region constituted 14% of our portfolio at quarter end. Gains occurred in Vietnam (+$2.8 million, 23%) and Papua New Guinea (+$1.1 million, 13%). We exited positions in Cambodia and the Philippines in the first half of 2017, losing $0.6 million combined.

Eurasia. Our smallest region, at only 3% of the portfolio at year-end, Eurasia kicked in $1.2 million, or 23%. This all came from our 25% gain in Georgia, as our 18% drop in Mongolia had a negligible effect on the total due to its immaterial weight.

South Asia. South Asia was our only regional loser in 2017, dropping a mere $0.1 million. A strong gain in Bangladesh (+$2.8 million, 43%) offset losses in Pakistan (-$2.9

million, -30%), with Sri Lanka's gain immaterial. Pakistan was our biggest country loser in both dollar and percentage terms. The region was 15% of our portfolio when 2017 finished, down from 24%, when the year began.

Figures A9 and A10 in the Appendix show how our country allocations have changed over the past three and twelve months, while Figure A11 shows changes in position and country concentration over these periods.

Fund and Management Company News

Travel and visits. Q4 travel included a two week around-the-world trip for Nick to Pakistan, Sri Lanka, Bangladesh, and Vietnam, and global frontier conferences in New York and London that Tim and Nick attended. Combined, we saw 26 companies from 20 countries in New York and 49 companies from 14 countries in London. Colder weather and holidays did not deter frontier companies from visiting our offices as we hosted firms from Kenya, Nigeria, Pakistan, Philippines, Romania, Sri Lanka, United Arab Emirates, and Vietnam in Q4. Sell-side analysts from Johannesburg, London, New York, Egypt, Pakistan, and Sri Lanka visited us separately.

Investing. We remain open monthly for new investors ($500,000 minimum) and follow-on investments (any amount). There is no additional paperwork for follow-on investments. 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 Wednesday, January 31 as of February 1. We will invest funds we receive on or before Wednesday, February 28 as of March 1, and we will invest funds we receive on or before Thursday, March 29 as of April 1 (Friday, March 30 is the Good Friday market holiday).

Our usual Statistical Appendix follows this page. Please e-mail us if you are interested in an end-of-quarter phone call or visit. We thank you for being a Frontaura client.

Best regards,

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Statistical Appendix

Figure A1
Frontaura Global Frontier Fund LLC
Performance[13]
31 December 2017

Period	Frontaura	S&P 500	MSCI EAFE	MSCI Emerging	MSCI Frontier
2016 Q1	- 1%	1%	- 3%	6%	- 1%
2016 Q2	4%	2%	- 1%	1%	0%
2016 Q3	2%	4%	6%	9%	3%
2016 Q4	1%	4%	- 1%	- 4%	0%
2017 Q1	4%	6%	7%	11%	9%
2017 Q2	7%	3%	6%	6%	6%
2017 Q3	3%	4%	5%	8%	8%
2017 Q4	3%	7%	4%	7%	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	17%	22%	25%	37%	32%
1 Year	17%	22%	25%	37%	32%
3 Year	18%	38%	25%	30%	16%
5 Year	44%	108%	46%	24%	56%
7 Year	45%	147%	51%	19%	38%
10 Year	109%	126%	21%	18%	- 13%
Inception to Date	113%	115%	15%	10%	- 9%
3 Year CAGR	5.7%	11.4%	7.8%	9.1%	5.0%
5 Year CAGR	7.6%	15.8%	7.9%	4.3%	9.3%
7 Year CAGR	5.5%	13.8%	6.0%	2.6%	4.7%
10 Year CAGR	7.7%	8.5%	1.9%	1.7%	- 1.4%
ITD CAGR	7.7%	7.8%	1.3%	1.0%	- 0.9%

Figure A2
Frontaura Global Frontier Fund LLC
Monthly Performance
31 December 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%	1.3%	1.0%	0.5%	2.3%	-0.2%	0.8%	17.2%

[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_2018_01_12.pdf.

Figure A3
Frontaura Global Frontier Fund LLC
Portfolio Mix and Statistics[14]
31 December 2017

Holdings Summary

Country	Holding
Argentina	10%
Sri Lanka	9%
Vietnam	8%
Nigeria	7%
Egypt	7%
United Arab Emirates	6%
Papua New Guinea	6%
Kuwait	6%
USA (cash only)	5%
Kenya	5%
Rwanda	4%
Pakistan	4%
Lebanon	3%
Georgia	3%
Serbia	3%
Macedonia	2%
Bangladesh	2%
Tanzania	2%
Oman	2%
Uganda	1%
Ecuador	1%
Botswana	1%
Peru	1%
Mozambique	1%
Others	1%

Region	Holding
Middle East / North Africa	24%
Sub-Saharan Africa	22%
South Asia	15%
Southeast Asia	14%
Latin America & Caribbean	11%
Eastern Europe	5%
USA (cash only)	5%
Eurasia	3%

Sector	Holding
Financials	48%
Consumer Discretionary	11%
Consumer Staples	10%
Cash	7%
Industrials	7%
Real Estate	6%
Utilities	5%
Materials	4%
Others	1%

Portfolio Statistics

Portfolio Price to LTM Earnings	8.3
Portfolio Price to Book	1.42
Portfolio LTM Dividend Yield	5.2%
Return on Ending Equity	23.9%
Positions	51
Countries	26
Average Market Cap	$1,176m
Median Market Cap	$621m
Portfolio Turnover (LTM)	32%
Portfolio Turnover (ITD)	29%
Standard Deviation (ITD)	13%
Beta to S&P 500 (ITD)	0.50
Assets Under Management	$134m

[14] Click this link for an explanation of our holdings and portfolio statistics: http://www.frontauracapital.com/disclosures/Frontaura_Disclosures_as_of_2018_01_12.pdf.

Figure A4
Frontaura Global Frontier Fund LLC
5 Best and Worst Performing Countries (Dollar Return)
2017 Q4

5 Best Countries				5 Worst Countries			
Country	Frontaura Return ($millions)[15]	Frontaura Return (%)	MSCI Return[16]	Country	Frontaura Return ($millions)	Frontaura Return (%)	MSCI Return
Argentina	3.6	36%	7%	Pakistan	-1.0	-16%	-5%
Nigeria	1.4	15%	4%	United Arab Emirates	-0.9	-7%	-5%
Egypt	1.1	11%	-2%	Kuwait	-0.4	-5%	-7%
Rwanda	0.6	13%	--	Kenya	-0.2	-4%	4%
Bangladesh	0.5	13%	7%	Macedonia	0.0	-1%	--

Figure A5
Frontaura Global Frontier Fund LLC
5 Best and Worst Performing Countries (Percentage Return)
2017 Q4

5 Best Countries				5 Worst Countries			
Country	Frontaura Return ($millions)	Frontaura Return (%)	MSCI Return	Country	Frontaura Return ($millions)	Frontaura Return (%)	MSCI Return
Argentina	3.6	36%	7%	Pakistan	-1.0	-16%	-5%
Nigeria	1.4	15%	4%	Qatar	0.0	-9%	5%
Bangladesh	0.5	13%	7%	United Arab Emirates	-0.9	-7%	-5%
Rwanda	0.6	13%	--	Kuwait	-0.4	-5%	-7%
Egypt	1.1	11%	-2%	Kenya	-0.2	-4%	4%

[15] This footnote applies to all columns labeled "Frontaura Return ($millions)" and "Frontaura Return (%)" on this page and any page with a similar table. Frontaura individual stock, country, and regional 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, country, or regional level. Click this link for an explanation of how we calculate country returns: http://www.frontauracapital.com/disclosures/Frontaura_Disclosures_as_of_2018_01_12.pdf.

[16] 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.

Figure A6
Frontaura Global Frontier Fund LLC
10 Best and Worst Performing Countries (Dollar Return)
2017

10 Best Countries				10 Worst Countries			
Country	Frontaura Return ($millions)[17]	Frontaura Return (%)	MSCI Return[18]	Country	Frontaura Return ($millions)	Frontaura Return (%)	MSCI Return
Argentina	7.5	76%	73%	Pakistan	-2.9	-30%	-24%
Nigeria	4.3	53%	37%	Ghana	-0.6	-26%	--
Vietnam	2.8	23%	65%	Cambodia	-0.5	-17%	--
Bangladesh	2.8	43%	18%	Kenya	-0.5	-7%	36%
Kuwait	2.6	46%	18%	Tanzania	-0.3	-5%	--
Egypt	1.9	21%	5%	Oman	-0.2	-7%	-12%
Macedonia	1.9	78%	--	Qatar	-0.1	-16%	-12%
Georgia	1.2	25%	--	Philippines	-0.1	-4%	25%
Romania	1.1	33%	28%	Botswana	-0.1	-5%	-1%
Papua New Guinea	1.1	13%	--	Mongolia	-0.1	-18%	--

Figure A7
Frontaura Global Frontier Fund LLC
10 Best and Worst Performing Countries (Percentage Return)
2017

10 Best Countries				10 Worst Countries			
Country	Frontaura Return ($millions)	Frontaura Return (%)	MSCI Return	Country	Frontaura Return ($millions)	Frontaura Return (%)	MSCI Return
Macedonia	1.9	78%	--	Pakistan	-2.9	-30%	-24%
Argentina	7.5	76%	73%	Ghana	-0.6	-26%	--
Nigeria	4.3	53%	37%	Mongolia	-0.1	-18%	--
Kuwait	2.6	46%	18%	Cambodia	-0.5	-17%	--
Bangladesh	2.8	43%	18%	Qatar	-0.1	-16%	-12%
Ecuador	0.5	37%	--	Kenya	-0.5	-7%	36%
Romania	1.1	33%	28%	Oman	-0.2	-7%	-12%
Mozambique	0.2	30%	--	Botswana	-0.1	-5%	-1%
Serbia	0.8	27%	30%	Tanzania	-0.3	-5%	--
Georgia	1.2	25%	--	Philippines	-0.1	-4%	25%

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

Figure A8
Frontaura Global Frontier Fund LLC
Performance by Region
2017 Q4 and 2017

Region	2017 Q4		2017	
	Frontaura Return ($millions)[19]	Frontaura Return (%)	Frontaura Return ($millions)	Frontaura Return (%)
Eastern Europe	0.2	3%	3.8	44%
Eurasia	0.2	6%	1.2	23%
Latin America & Caribbean	3.6	29%	8.2	67%
Middle East / North Africa	-0.2	0%	6.0	18%
South Asia	-0.3	-2%	-0.1	0%
Southeast Asia	0.3	1%	3.3	13%
Sub-Saharan Africa	1.9	7%	4.0	12%

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

Figure A9
Frontaura Global Frontier Fund LLC
Significant Quarterly Country Mix Changes[20]
2017 Q4

Country	Percentage Point Change	Explanation
Egypt	+2	Added new position; increased size of existing position

Figure A10
Frontaura Global Frontier Fund LLC
Significant Annual Country Mix Changes
2017

Country	Percentage Point Change	Explanation
Egypt	+7	Re-entered country in 2017
Argentina	+5	Relative outperformance
United Arab Emirates	+3	Added three positions in Q3-Q4 while selling one
Cambodia	-3	Exited position and country in Q2
Romania	-3	Exited position and country in Q3
Bangladesh	-3	Exited one position in Q2 while trimming another throughout the year
Tanzania	-4	Exited one position in Q3; relative underperformance
Pakistan	-5	Relative underperformance; trimmed one position throughout the year

[20] 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_2018_01_12.pdf.

Figure A11
Frontaura Global Frontier Fund LLC
Portfolio Concentration[21]
31 December 2017

	Companies	Countries	Change from Prior Quarter		Change from Prior Year	
			Companies	Countries	Companies	Countries
Positions	51	26	+6	--	+2	-4
Top 5	27%	42%	--	+5	+1	+3
Top 10	42%	69%	--	+5	-2	+4
Top 20	66%	92%	-1	+4	-4	--
Top 20 + USA (Cash)	71%	97%	-5	--	+1	+5

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To remove yourself from future mailings, please reply to this message with the word “Remove” in the e-mail subject header. If you are not on our mailing list but would like to be, please e-mail us with “Add” in the header.

[21] 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_2018_01_12.pdf.