FRONTAURA

FRONTAURA CAPITAL LLC
FRONTAURA GLOBAL FRONTIER FUND LLC

Quarterly Letter – 2020 Q3

We gained 3.88% in Q3. That may not sound like much, but considering the bear market that began for us in 2018, it's the second best quarter (after the prior quarter, Q2 2020) since Q2 2017. Further, Q2-Q3 2020's combined gain of 9.85% is the best two quarter-gain since the first half of 2017, and we have to go back to the first half of 2013 to find another two-quarter period with a higher return. Obviously, the COVID-19 selloff made this rebound possible, but it is a notable rebound nonetheless, even if more modest than the performance of global indices.

In recent discussions with investors and prospects, we have summarized our current situation as follows:

1. COVID-19 has affected our countries less than most pundits feared, in our opinion.
2. Earnings per share (EPS) for our portfolio has held up much better than for US companies.[1]
3. Similar to the global financial crisis (GFC), we see frontier market stock prices rebounding at different paces. Some are back to pre-COVID levels; others are still setting new lows. This divergence has tempered gains but means that we still have a vast opportunity set of bargains at deep discounts.
4. On a valuation multiples basis, our portfolio remains around the cheapest it has ever been, despite some performance recovery, a decline in first half earnings, and some dividend payout impact.[2]
5. Several trends of recent years that hurt us have reversed, sometime around or after the March lows. US stocks have generally lagged non-US stock performance, small caps are beating large caps globally, and the US dollar has weakened considerably.

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[1] Our as-reported (no expenses excluded) USD portfolio EPS fell 9% in Q1, 25% in Q2 (95% complete), and 17% for the first half combined. Comparable figures for the S&P 500 are declines of 66% in Q1, 49% in Q2 (100% complete), and 58% in the first half combined. We calculate the S&P 500 EPS change using data from what we consider to be the definitive source: S&P Dow Jones Indices. Click this link, then page down and click the "Additional Information" pulldown menu, then click "Index Earnings" to download the S&P 500 earnings history spreadsheet. We use the "As Reported Earnings Per Shr" columns for the 6/30/2020, 3/31/2020, 6/30/2019, and 3/31/2019 quarters as inputs to our calculations.

And now a soapbox speech. There is a cottage industry devoted to convincing investors that earnings are better than they really are, so elsewhere you may find sell-side "operating earnings" estimates showing much less draconian earnings declines for the S&P 500. We do not reference these for two reasons. First, the figures for our portfolio are as-reported accounting earnings per share. We do not adjust these numbers upward by pretending that some expenses do not exist. We compare our portfolio EPS on an apples-to-apples basis to the comparable S&P 500 figures. Second, S&P also calculates operating earnings, yet the sell-side operating earnings are usually materially better than the S&P's own operating figures, which we think reveals the upward bias and lack of credibility in the sell-side estimates. We say this as a reformed, former sell-side analyst. When we later served as a public company CFO, we realized that expenses the sell-side excludes as non-operating often do result from management operating decisions (or mistakes) and to exclude them is to create a fictional alternate reality. This problem has become worse in the US over our career, and as a result we think US earnings quality has declined through this fog of confusion as to the actual profit level. We prefer to evaluate facts as they are, and we try to avoid alternative facts.

[2] Our as-reported trailing portfolio PE is 5.4. Again, this includes the earnings declines in the first half 2020 with no expenses excluded. Our portfolio price/book is 0.87, our weighted average dividend yield is 6.6%, and our weighted median return on ending equity is 22.2%.

6. Our sales in the first half of March of businesses that COVID-19 harmed the most gave us a large cash balance.[3] We used this cash at a measured pace from March through the first half of September to buy more resilient companies trading around their lows and at big discounts to their intrinsic values. We are now in a low cash position.
7. We have seen numerous frontier funds wind up their operations this year, the culmination of six years of asset class outflows that began in late 2014. With more foreign money having left frontier than remains, we think year-end 2020 is likely to mark the crescendo of this long-running capitulation trend.
8. In several markets—Nigeria, Pakistan, Poland, Sri Lanka, and Turkey come to mind—we observe local investors becoming more active, in part due to falling interest rates causing yield-seeking investors to flip their preference from fixed income to high dividend-paying equities.[4]
9. After a quiet lockdown period March through May, investor inquiries to Frontaura have picked up from June, certainly back to pre-pandemic levels. This is keeping us quite busy with business development activity.
10. Compared to the developed world, our countries offer better demographics, better growth prospects, more traditional yield curves, lower debt/GDP levels, and a far superior equity return outlook from present valuation levels. Further, for the medium term, currency risk appears to be below average due to entrenched low interest rates in the developed world.[5]

We should give caveats. Pandemic case rates could flare up, the virus could mutate to a more virulent form like happened in 1918 (although so far it is becoming less deadly or at least the medical community is learning how to treat it more effectively); the timing and magnitude of economic rebounds remain unpredictable; trends that have become favorable for us could reverse back to being negative; and developed world markets could sell off, causing a global market contagion. We know that unforeseen COVID-19 knock-on effects will occur, and that sometimes the opposite of what appears obvious can happen.

For example, we've seen a couple cases where Q2 earnings were terrible for consumer staples businesses we own that we reasonably thought would be among our most resilient businesses. On the other hand, we've also been positively surprised by a couple of businesses we thought would have terrible earnings, which instead gave us an unexpected earnings gain. Overall, portfolio earnings have exceeded our expectations.

Our Top 10 buy list in our Q2 letter received much favorable comment. We bought many of these same names in Q3, although three of our top four Q3 purchases were new names not

[3] We sold a second wave of companies in April, further boosted our cash balance. COVID-19 had a less obvious and less direct impact on these second wave businesses compared to the first wave, but as we realized the pandemic weakened or invalidated the investment thesis assumptions for this second group, we disposed of them.

[4] Bucking the rate-cutting trend, Turkey raised interest rates 200 basis points to 10.25% on 24 September 2020, however, this was after lowering rates 1575 basis points from July 2019 to May 2020. We observe the strongest retail investor stock mania in Turkey, something the securities regulator is trying to address.

[5] Our universe continues to have political risk, but perhaps this year reveals that analysts have been underestimating these risks for developed countries, so maybe frontier has relatively improved on this point also.

on our Q2 letter list.[6] Two of these three were similar in concept to the first company on our Q2 list where we bought a parent company with a value far below the value of its listed subsidiaries with numerous other private company assets available for free. These "discount blowout" situations remind of us numerous positions we acquired post-GFC when we a bought a dollar for 50 cents, and reaped the gain over time when the 50 cents again became worth a dollar (or at least close to it).

To summarize, we think our portfolio has tremendous embedded value. The factors that have kept this value from performing in recent years are ebbing. Crises tend to bring change, disrupting old trends and starting new ones. Relative to more established equity markets, we believe our portfolio may have a higher prospective return outlook than ever before, even allowing for unforeseen negative surprises. The buying environment is deep and diverse and we'd like more money to exploit it. We take subscriptions monthly—please contact us if you are thinking of investing.

What We Sold

With occasional exceptions, we don't name companies currently in our portfolio because our comments and letters circulate widely and we don't want to give away our ideas to other frontier investors who might compete with us in the market on stocks we are buying, especially since positions we hold can be illiquid and hard to trade. Nevertheless, our investors and prospects want to read about what we bought and why, so the compromise we made many years ago was to write about a position after we sold it, assuming we were not likely to buy it again soon. We believe that writing about position sales is more insightful than discussing buys because you can evaluate whether you were right or wrong and how the position performed. All positions are going to make money in your mind when you first buy them; writing about the sale provides a more balanced assessment.

Periodically, then, we write about sales over an earlier six- or 12-month period.[7] The immediacy of needing to write about COVID-19 in recent letters has pushed this topic off for a while, but we now return to it to discuss positions sold in the second half of 2019. This is all pre-pandemic, so it may seem out of date and less relevant, but we think a review of process and possible mistakes is always relevant. Thus, we continue to document all position exits: good or bad, large or small. Clearing the decks on 2019 here allows us to discuss COVID-19 sales in future letters.

Figure 1 lists all nine sales from July 2019 through December 2019.

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[6] Our Q2 letter listed our top 10 buys from April 1 through July 8. We bought one of these ten names for the first time on July 1 and it is the company that repeats among our top four buys in Q3. Therefore, our top four Q3 buys are completely different than our top 10 Q2 buys through June 30 (even though we continued buying several of the Q2 top buys in Q3). This is a good example of how new bargains keep surfacing as stock prices in different countries in our universe decline and recover on different schedules.

[7] Here's the list of past What We Sold letters: 2019 Q2 (covering sales 1H 2019 sales), 2019 Q1 (2H 2018), 2018 Q2 (July 2017 – June 2018), 2017 Q2 (July 2016 – June 2017), 2016 Q2 (1H 2016), 2015 Q4 (2H 2015), 2015 Q2 (July 2014 – June 2015), 2014 Q2 (July 2013 – June 2014), and 2013 Q2 (July 2012 – June 2013).

Figure 1
Frontaura Global Frontier Fund LLC
Positions Exits July 2019 – December 2019[8]
30 September 2020

Company	Country	Description	Exit Reason	First Buy	Last Sell	Cost ($000K)	Proceeds ($000K)	Profit ($000K)	Return Multiple	IRR	Holding Period (Years)	Price / IV First Buy	Price / IV Last Sell	PE Buy Date	PE Sell Date
BDSec	Mongolia	investment bank	size	24-Dec-13	01-Jul-19	486	162	(324)	0.33	-23.7%	5.5	nmf	28%	nmf	6.9
TBC Bank Group	Georgia	bank	country	22-Apr-16	16-Jul-19	2,748	5,730	2,982	2.09	45.7%	3.2	-18%	-10%	5.2	6.5
Bahrain Commercial Facilities	Bahrain	consumer finance	valuation	24-Jan-18	08-Aug-19	1,340	2,057	718	1.54	38.0%	1.5	-24%	9%	5.8	7.2
Misr Duty Free Shops	Egypt	duty-free shops	size	10-Jun-18	05-Sep-19	377	475	98	1.26	24.4%	1.2	-11%	2%	9.7	5.9
Humansoft	Kuwait	for profit university	fundamentals	16-May-16	23-Sep-19	2,704	7,413	4,709	2.74	41.9%	3.4	-25%	77%	6.0	11.0
Hayat Pharmaceutical	Jordan	pharmaceuticals	size	25-Jan-18	06-Oct-19	677	616	(60)	0.91	-6.3%	1.7	-18%	-25%	7.3	5.2
Lanka Tiles	Sri Lanka	ceramic tiles	fundamentals	13-May-13	29-Nov-19	2,365	2,230	(135)	0.94	-1.2%	6.5	-37%	8%	5.6	7.8
AFC Agro Biotech	Bangladesh	active pharma	fundamentals	17-Oct-19	15-Dec-19	110	107	(3)	0.97	-3.4%	0.2	-22%	16%	5.6	7.0
Bank of Africa Burkina Faso	Burkina	bank	size	02-Apr-19	19-Dec-19	85	81	(4)	0.95	-8.4%	0.7	-28%	-42%	5.3	4.0

Our tendency is to have longer write-ups on our losers than our winners, because usually there are more lessons learned when you lose money. We did not suffer any large dollar losses on our second half 2019 exits, but we had a large percentage loss with BDSec and our previously unrealized profit on Lanka Tiles disappeared, so we'll examine those two stocks in detail. We'll also discuss our largest winner, Humansoft, at length.

Profit or loss 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.

BDSec (Mongolia)

BDSec, the leading investment bank and brokerage in Mongolia, is an example of a reversion-to-the-mean trade that never reverted. Mongolia was a frontier darling in 2010 during our first investment trip to the country. Rio Tinto began construction of their Oyu Tolgoi mine that year on one of the world's largest copper and gold deposits and China's post-GFC stimulus helped global commodity prices to rebound strongly from their early 2009 low. Hype led to hubris and hubris led to a fall. Mongolia's politicians, emboldened by global investor attention, and visions of sudden riches, overreached, became greedy, changed investment rules, and went from darling to pariah. We did not invest then.

[8] Here are definitions for the Figure 1 columns. Exit Reason is a standardized reason why we sold a stock. First Buy and Last Sell are the dates we first bought a stock and last sold a stock. Buys after 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 price we paid on the First Buy date and the price at which we sold on the Last Sell date to our estimate of intrinsic value on those dates. 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 price we paid or the price we received on the day of First Buy and Last Sell, or a nearby date if we do not have data on the trade date. In this table in letters prior to 2019, we used the stock's closing price for the day in the Price / IV and the PE columns. From 2019 onward, we use our actual transaction prices.

False bottom. When we returned in September 2013, the local stock market index was down two-thirds in dollar terms. We made one investment then which rose 2.7-fold from our initial purchase price within three months. We thought BDSec was a second such opportunity when we bought the shares on Christmas Eve 2013. The stock was about three-quarters below its dollar peak and part of our initial buy cleaned up a distressed seller 10% under the prevailing market price. Earnings were negative in the post-hype slump and the stock didn't work within our mean reversion intrinsic value framework. Nevertheless, with only a $14 million market cap and no viable competition, we saw BDSec as a high-beta option on the investment flows that would accompany phase II of Oyu Tolgoi. Unfortunately, this holiday purchase proved to be a lump of coal in our Christmas stocking. Most options expire worthless. BDSec did better in that we lost only two-thirds of our investment by the time we exited 5.5 years later. The small size of this position limited our loss to $0.3 million.

Phase II of Oyu Tolgoi took longer than expected to launch due to constant bickering on terms between the Government of Mongolia and Rio Tinto. While the country posted some impressive GDP growth figures in some years that we held BDSec, the prior excitement around Mongolia and its stock market never returned, and the investment bank languished with small profits or small losses year after year. The stock has been dead money since we sold.

Mongolia lessons. While this was a small position with a somewhat immaterial monetary outcome in dollars, we think it contains at least two lessons. First, we've never liked approaching a stock investment with an option mentality ("if this works, it could rise 10-fold"), yet here we were guilty of this ourselves. This mentality often overemphasizes the unlikely reward and discourages critical thinking about risk, downside, and realistic probabilities. One-sided positive (call option-like) payoffs are wonderful, yet they occur less frequently than one assumes with equities. In the future, if we think we have identified one, we'll scrub our assumptions on probability and downside more thoroughly. We think we were vulnerable here because the initial success on our first Mongolia investment led us to believe (incorrectly, it turned out later)[9] that the low was in for Mongolia. Second, in a small country experiencing a major commodities discovery, the commodities cycle affects nearly all companies, regardless of their underlying business. We should have viewed BDSec as possessing the risks of a materials company in addition to those of a financial. Had we done this, we might have sold it earlier, with less of a loss. For example, warning signs to our investment thesis included a significant fall in copper prices in 2014-2015 and escalating disagreements between Rio Tinto and the Government of Mongolia.

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[9] Our first Mongolian investment also ended poorly. All of our initial gain and over half of the investment evaporated as we detailed in our 2016 Q2 letter (see Tavantolgoi on pages 6-7) and our 2017 Q1 letter (again, see Tavantolgoi, page 5). Fortunately, Tavantolgoi like BDSec was a small position size with our loss only $0.3 million. We redeemed ourselves slightly with our third Mongolian investment. See Khan Resources on page 9 of our 2017 Q2 letter. In total, on these three investments, we lost $0.4 million in Mongolia, or 12% of the amount we invested.

We see two negatives and two positives from our entire Mongolian experience. The first negative is the money lost and the second is the time spent over nearly six years. The first positive is that the loss was small despite a poor backdrop within the country and globally for commodities and frontier stocks during the investment period. In other words, limiting position sizes saved us. The other positive is that we learned numerous lessons as we described above with BDSec and in the earlier letters with the other investments. While it is unprovable and immeasurable, we think these lessons have or will prevent larger financial mistakes when we encounter similar situations.

TBC Bank Group (Georgia)

We more than doubled our money on TBC over three year after buying it at a 5.2 PE. Our $3.0 million gain came from earnings growth, dividends, and some increase in its valuation multiple to 6.5 at the time of sale. We sold due to growing political uneasiness. TBC's chairperson and vice-chairperson, both bank co-founders, started an opposition political party and, perhaps not coincidentally, the state launched investigations into alleged past missteps over a decade earlier at the bank. With Georgian elections coming in 2020 and separate increasing tensions and sanctions between Russia and Georgia, we thought it wise to end our ownership with a positive outcome rather than have possible future negative events force us to sell later. Additional government interference with the co-founders did materialize soon after we sold, pushing the stock price down. It has never recovered. COVID-19 then hurt the bank's earnings significantly this year. Our dollar sale price is 49% above where the stock traded at the end of 2020 Q3.

Bahrain Commercial Facilities

We made $0.7 million, a 38% IRR over 1.5 years, on this consumer finance company. Bahrain Commercial Facilities was a somewhat undiscovered stock and we benefited from both earnings growth and PE multiple expansion. We lightened our position gradually on rising prices and decent volume from June 2019 through our final sale in August 2019. Due to COVID-19, the stock price ended Q3 37% lower than where we last sold.

Misr Duty Free Shops (Egypt)

We made a small profit of $0.1 million in the 15 months we held Egypt Duty Free Shops, earning 26% more than what we invested. We owned this stock once before in 2010-2011, when the Arab Spring outbreak in Egypt January 2011 unfortunately crushed tourist arrivals and began four consecutive years of EPS declines. This resilient company then rebounded with five consecutive years of double-digit earnings gains. We didn't consider Egypt investable at the beginning of this turnaround as the central bank pegged the currency to the dollar at an increasingly uncompetitive rate. After authorities floated the currency in November 2016, we began investing in Egypt again in 2017 and we bought this stock in June 2018. We enjoyed four strong quarters with year-over-year growth in revenue of 33% or higher and in earnings of 27% or better, but we were never able to buy much stock within our valuation limit.

In late May 2019, we had a gain of over 50% on this position, but given its small size we decided to trim and ultimately sell as the price rose. After we made a few such sales the following month, management guided to lower results for the subsequent (June 2020) fiscal year. Management's explanation for this change in their business outlook did not make sense to us, and we accelerated our selling with the stock price now coming off its highs. In July 2019, the company released a poor June 2019 quarter. We finished selling September 2019. The stock price drop due to the guidance, the weak June 2019 quarterly results, and the price impact of our exit cost us nearly half of our profit. The postscript on our sale was that an unknown factor, COVID-19, would cause a loss for this travel-related business in the June 2020 quarter. Events seem to disrupt tourism in Egypt every few years; at least this time, unlike 2011, we had the good luck to exit the stock prior to the disruptive event.

Humansoft (Kuwait)

We consider Humansoft to be a major success that involved 1) discovering an unknown company through screening; 2) following up a year later and observing a material change that made us want to own the stock; 3) persevering when it was difficult to buy initially; and 4) selling when the story changed. Humansoft operates the American University for the Middle East and the smaller two-year American College for the Middle East, both in Kuwait, along with some legacy training businesses that gave the company its name but which are no longer that material to the whole. Humansoft established the two schools in 2005, and combined enrollment topped 5,000 in 2013, 10,000 in 2016, and was over 12,000 in Fall 2019. The curriculum, developed in conjunction with Purdue University in the US, has an engineering and business focus.

Discovery and follow-up. We noticed Humansoft's fast growth in May 2015. At that time, the company wouldn't talk to investors and it was even thinking of delisting. After creating a valuation model, we took no action. A year later, we read that the Kuwait securities regulator was making it more difficult for companies to delist. We rapidly updated our research using secondary sources. We concluded that 1) the owners' flirtation with delisting was over and the company would remain listed indefinitely and 2) strong enrollment growth and the high predictability of profit and cash flow inherent in education businesses meant that the stock, still largely unknown, was materially undervalued.

Purchase. We bought the stock from 15 May through 2 August 2016. This was not easy. Present holders realized what we did—that the stock's significant upside was more likely to be realized now that delisting was off the table. After initially not getting the volume we wanted, we made a deliberate decision to drive the price up when buying, to cause supply to appear. This worked. Our final purchase price was 37% above our first buy, but we had a position. Within a year, the stock tripled from our final purchase price, as the story went from unknown to highly sought after. Education stocks on developed markets can trade with PEs in the 20s or 30s, yet Humansoft was only 6 times earnings when we started buying and 8.3 times when we stopped. At its price peak in July 2017, its PE was 20.5 and it was our largest position with a 7.2% weight.

Slowdown. Over two years into our ownership, Fall 2018 new student enrollments surprised us by falling 5% (total enrollment continued to rise as the incoming classes were larger than the graduating classes). We reduced our position to below 5% as a de-risking measure. Fall 2019 new student enrollments fell another 9% and total enrollment was flat. We had visited the impressive campus, we had a regular dialogue with management, and we believed that Humansoft's schools offered a high quality education that compared favorably to competing schools. Nevertheless, the period of Humansoft's highest revenue growth had ended quicker than we projected for a variety of reasons. Government approval of new majors and tuition hikes was taking longer than we expected and a competitor's new campus would mean tougher competition. In our opinion, management was not showing enough alacrity in addressing these business issues. Perhaps, as is human nature, repeated fast growth in prior years led them to take the growth for granted and they were a bit flat footed when issues arose that impeded that growth.

Sale. The business was not broken, but our estimate of intrinsic value (which had risen steadily the first two years we owned Humansoft) declined repeatedly in the final year after the back-to-back enrollment disappointments. Our estimate now showed the stock as overvalued, even after the price was off a quarter from its peak. We sold our position. We made $4.7 million in 3.4 years, a 42% IRR, as Humansoft went from undiscovered to a glamour growth stock to a value stock with a decent dividend yield. The stock has dropped further since we sold it as COVID-19 disrupted classes, revenue, profit, and its dividend.

Hayat Pharmaceutical Industries (Jordan)

Hayat Pharmaceutical Industries is a Jordanian drug-maker that we bought in January-February 2018. Our position was always sub-scale as the price was usually not within our buy zone. While the company grew trailing 12 months' profit 16% over the seven quarters we owned it, its quarterly results were quite volatile (more so than before we owned it), which made it difficult for us to assess and value. For example, three of the seven quarters had double-digit percentage drops in profit, two had triple-digits gains, and the other two were flattish, one slightly up and one slightly down. The unpredictability and small size led to our sell decision at the beginning of 2019. We patiently dribbled out shares over the next nine months, ultimately losing $0.1 million or 9%.

Lanka Tiles (Sri Lanka)

Lanka Tiles makes ceramic tiles for floors, walls, and bathrooms. We held this position 6.7 years (the longest of any position we discuss in this letter) and it evolved from an initial nice winner (up 48%, or $1.1 million, after 2.2 years) to a slight loser, costing us $0.1 million or 6% of our investment. The culprits were gradual devaluation of the Sri Lankan rupee from 126 per dollar to 181 over our holding period and deterioration in the company's gross margin due to competition, especially in calendar 2018.

Margin pressure. Calendar 2018 revenue growth was fine, with double-digit percentage gains each quarter. The company was not able to realize operating leverage during this period, however, so its gross margin decline passed straight through to the operating margin, roughly halving it from 20% to 10% and similarly cutting net income by (somewhat more than) half. What had been a good company became a value trap, always too cheap to sell, but with our intrinsic value estimates and the stock price declining steadily.

Cyclical or structural? We have a risk control that we must make an explicit hold or sell decision when our intrinsic value estimate declines 25% from its peak, but with Lanka Tiles numerous cuts did not make for a 25% decline until March 2019, when we did decide to sell. The reasonably high starting level of Lanka Tile's operating margin limited the magnitude of our intrinsic value decline, but it is clear in hindsight that we were too generous in assuming some upward reversion-to-the-mean in margins. We thought at the time that we were being cautious in pushing down our default margin reversion assumption by assuming only a partial recovery. It appears we may have underestimated the portion of the margin change that was structural and overestimated the portion that was cyclical. We assumed it was some of each, but the structural factor seems dominant with hindsight. An alternate explanation would be that our terminal margin assumption will yet prove reasonable, but if so, the upward revision will take longer than we modeled.

Sale. Trading volume in Lanka Tiles diminished along with its results. Over eight months passed from our March exit decision to our final sale, but by being patient we received a somewhat higher dollar price when we exited in three trades on consecutive days in November 2019. COVID-19 caused a June 2020 quarterly loss, a first for the company in data we have going back to 2008, so we still don't know the ongoing steady-state margin level for Lanka Tiles. Despite this loss, a strong Q2-Q3 2020 rally in Sri Lanka has driven the share price slightly above where we sold.

Assessment. If we had a similar situation, what should we do different? In answering, we mustn't fall into the trap of assuming a loss is a mistake. Some losses are. Others aren't. Even a perfect process won't generate winners every time. The loss here from our starting point was immaterial, but the erosion of our gain from its high point was more significant. We could have modeled better (with hindsight), but this was not a case of modeling inattention or lack of management contact. Things just played out worse than we expected. This is another case where using the cockroach theory—sell at the first sign of trouble—would have given a better result.

Still, we do think we made a mistake here. The stream of poor quarterly results beginning March 2018 should have raised more alarm, if not with the first bad quarter, certainly by the second. Instead, we watched three poor periods go by, just because our intrinsic value hadn't fallen 25%, and we acted only after the fourth. For a few years, we've informally graded company's quarters qualitatively 1-5, with 1 being poor and 5 being great. We gave these scores contemporaneously to Lanka Tiles' results in calendar 2018: 1, 1, 1, and 2. We evaluate any company after a single 1 or two 2s in a row to see if we should exit, reduce the position size, or hold, but allowing for normal variability and cyclicality in results.[10] That we kept Lanka Tiles in the portfolio after three 1s is somewhat hard even for us to believe as we review this. Again, the mistake of confusing a structural change for a cyclical one is present. To conclude, we think our value-trap detection process is fine, but we did not execute it well in this case.

AFC Agro Biotech (Bangladesh)

AFC makes agriculture-based active pharmaceutical ingredients (APIs) that are inputs to drug makers. Its price jumped beyond our buy zone right after we began buying it. While the price later retreated, by then they had reported a weakish quarter that kept the lowered price above our revised buy point. We elected to dispose of this immaterial position around what we paid for it. Since then it has reported two more unimpressive quarters and its Q3 ending price is 18% below our last sale price.

Bank of Africa (BOA) Burkina Faso

We tried buying BOA Burkina Faso twice in 2019, but could never get a large enough position within our intrinsic-value determined buy zone, so we eventually sold out with an immaterial loss near break-even. In April, we scored a 23% price gain in less than two weeks (immaterial in dollar terms), selling after a price pop. In May, we bought below our April entry price, but

[10] During COVID-19, we've graded quarters to the same absolute standard, meaning we are getting more 1s and 2s than before. We then are somewhat more lenient in deciding if those lower scores should lead to sales. Recent scores for our portfolio companies aren't as bad as they would have been, though, because we removed the most pandemic-vulnerable companies from our portfolio in two waves, one in the first half of March and the other in April.

we could never collect enough shares to matter, so we liquidated the position at year-end slightly below our May purchase prices.

Fund and Management Company News

COVID-19 work environment. We continue to work a hybrid model with some people in the office and some at home, based upon personal preference. We don't foresee this lasting forever, but for now it is the status quo. We've given up trying to pinpoint an everyone-back-in-the-office date as the ever changing number of cases (up, down, up again, down again, etc.) makes for an unpredictable environment. In September, somewhat over half of our total person-days of work were from the office.

We continue to have our daily team meeting, as we have done for years, to discuss our research priorities, management contacts, earnings, news, stocks moving closer to our intrinsic value buy points, and any topical operational or client matters. We have had no technology issues that have impacted us during the pandemic and we are able to access all network resources remotely.

Research. We wrote in our last quarterly letter and our September comment how management contact has become easier than ever through increased use of technology and adoption of virtual conferences. In Q3, we had 101 research meetings with 68 different companies from 25 countries. Activity in July and August was seasonally lower, with September accounting for over half of all these figures. October will be similar. We had one virtual conference conclude October 1, another occurred October 5-7, with a third scheduled for the last week of the month. We have similar conferences scheduled for November and December and we are turning down other conferences and meetings. Apart from these meetings, we conduct our normal ad-hoc company research including management contacts through e-mails and calls. We are conscious also to remain current with companies who are less active on the conference circuit.

Investing. We accept new and follow-on subscriptions monthly. We are low on cash, we see many things to buy, and we think our performance outlook relative to other equity choices is perhaps the best it has ever been. We are approaching the beginning of the seasonal strongest period of the year for inflows, and not coincidentally, for performance. Please let us know if you are thinking of investing or adding to your current investment.

We thank you for being a Frontaura investor.

Best regards,

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Statistical Appendix

Our Statistical Appendix follows this section. Figure A1 shows annual, cumulative, and compounded returns for us and the indices we typically cite. Figure A2 shows quarterly performance for Frontaura and these indices. Figure A3 shows our monthly returns since inception. Figure A4 shows Frontaura's returns in US dollars and six foreign currencies that are the home currencies of our investors.[11]

Please see Figure A5 for portfolio mix by country, region, and sector, along with our portfolio statistics. Figures A6 and A7 show quarterly country attribution by dollar and percentage returns. Figure A8 shows regional attribution, including at the country level within each region. Figures A9 and A10 show changes in country mix for the quarter and the last 12 months. Figure A11 shows portfolio concentration and how it has changed in the last three and 12 months.

[11] We don't show Hong Kong dollars (HKD) in the table due to its peg to the US dollar. The value of HKD has varied by only 1% relative to USD since our inception, meaning that Frontaura returns in HKD are similar to Frontaura returns in USD. No peg lasts forever, but this peg has been in place since 1983.

Statistical Appendix

Figure A1
Frontaura Global Frontier Fund LLC
Annual Frontaura and Index Performance[12]
30 September 2020

Period	Frontaura	MSCI Frontier Small Cap	MSCI Frontier	MSCI Emerging	MSCI EAFE	S&P 500
2008	-28%		-54%	-53%	-43%	-37%
2009	46%		12%	79%	32%	26%
2010	37%		24%	19%	8%	15%
2011	-15%	-29%	-19%	-18%	-12%	2%
2012	18%	6%	9%	18%	17%	16%
2013	26%	32%	26%	-3%	23%	32%
2014	-3%	6%	7%	-2%	-5%	14%
2015	-5%	-8%	-14%	-15%	-1%	1%
2016	7%	15%	3%	11%	1%	12%
2017	17%	23%	32%	37%	25%	22%
2018	-13%	-17%	-16%	-15%	-14%	-4%
2019	-1%	-2%	18%	18%	22%	31%
2020 YTD	-15%	-8%	-9%	-1%	-7%	6%
1 Year	-15%	-6%	-3%	11%	0%	15%
3 Year	-24%	-23%	-5%	7%	2%	42%
5 Year	-7%	4%	20%	54%	29%	94%
7 Year	-9%	14%	19%	29%	23%	131%
10 Year	16%		34%	28%	57%	262%
Inception to Date	57%		-18%	10%	12%	185%
3 Year CAGR	-8.8%	-8.4%	-1.7%	2.4%	0.6%	12.3%
5 Year CAGR	-1.4%	0.7%	3.8%	9.0%	5.3%	14.1%
7 Year CAGR	-1.3%	1.9%	2.5%	3.7%	3.0%	12.7%
10 Year CAGR	1.5%		3.0%	2.5%	4.6%	13.7%
ITD CAGR	3.6%		-1.6%	0.8%	0.9%	8.5%

[12] Returns commence 1 November 2007. Our auditor has audited results through the most recent calendar year. 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 will likely 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.

Figure A2
Frontaura Global Frontier Fund LLC
Quarterly Frontaura and Index Performance[13]
30 September 2020

Period	Frontaura	MSCI Frontier Small Cap	MSCI Frontier	MSCI Emerging	MSCI EAFE	S&P 500
2007 Q4	2%		4%	-7%	-5%	-5%
2008 Q1	1%		-2%	-11%	-9%	-9%
2008 Q2	6%		2%	-1%	-2%	-3%
2008 Q3	-11%		-23%	-27%	-21%	-8%
2008 Q4	-25%		-41%	-28%	-20%	-22%
2009 Q1	-2%		-17%	1%	-14%	-11%
2009 Q2	28%		35%	35%	25%	16%
2009 Q3	17%		11%	21%	19%	16%
2009 Q4	-1%		-10%	9%	2%	6%
2010 Q1	10%		11%	2%	1%	5%
2010 Q2	5%		-10%	-8%	-14%	-11%
2010 Q3	9%		14%	18%	16%	11%
2010 Q4	9%		8%	7%	7%	11%
2011 Q1	2%	-12%	-5%	2%	3%	6%
2011 Q2	-1%	-2%	0%	-1%	2%	0%
2011 Q3	-10%	-12%	-12%	-23%	-19%	-14%
2011 Q4	-6%	-7%	-2%	4%	3%	12%
2012 Q1	6%	6%	6%	14%	11%	13%
2012 Q2	-3%	-6%	-7%	-9%	-7%	-3%
2012 Q3	5%	6%	7%	8%	7%	6%
2012 Q4	9%	1%	3%	6%	7%	0%
2013 Q1	10%	7%	8%	-2%	5%	11%
2013 Q2	5%	9%	3%	-8%	-1%	3%
2013 Q3	1%	1%	6%	6%	12%	5%
2013 Q4	7%	12%	7%	2%	6%	11%
2014 Q1	-1%	6%	7%	0%	1%	2%
2014 Q2	4%	7%	12%	7%	4%	5%
2014 Q3	1%	4%	2%	-3%	-6%	1%
2014 Q4	-7%	-11%	-12%	-5%	-4%	5%
2015 Q1	-3%	-4%	-3%	2%	5%	1%
2015 Q2	3%	2%	0%	1%	1%	0%
2015 Q3	-6%	-6%	-11%	-18%	-10%	-6%
2015 Q4	1%	-1%	-1%	1%	5%	7%
2016 Q1	-1%	-1%	-1%	6%	-3%	1%
2016 Q2	4%	5%	0%	1%	-1%	2%
2016 Q3	2%	4%	3%	9%	6%	4%
2016 Q4	1%	6%	0%	-4%	-1%	4%
2017 Q1	4%	12%	9%	11%	7%	6%
2017 Q2	7%	3%	6%	6%	6%	3%
2017 Q3	3%	3%	8%	8%	5%	4%
2017 Q4	3%	3%	6%	7%	4%	7%
2018 Q1	2%	-1%	5%	1%	-2%	-1%
2018 Q2	-7%	-9%	-15%	-8%	-1%	3%
2018 Q3	-5%	-4%	-2%	-1%	1%	8%
2018 Q4	-3%	-5%	-4%	-7%	-13%	-14%
2019 Q1	2%	-1%	7%	10%	10%	14%
2019 Q2	3%	0%	5%	1%	4%	4%
2019 Q3	-5%	-3%	-1%	-4%	-1%	2%
2019 Q4	-1%	2%	7%	12%	8%	9%
2020 Q1	-22%	-24%	-27%	-24%	-23%	-20%
2020 Q2	6%	12%	15%	18%	15%	21%
2020 Q3	4%	8%	8%	10%	5%	9%

[13] Returns commence 1 November 2007. Our auditor has audited results through the most recent calendar year. 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 will likely 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.

Figure A3
Frontaura Global Frontier Fund LLC
Monthly Frontaura Performance
30 September 2020[14]

	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%
2018	2.3%	-1.1%	0.4%	0.4%	-6.8%	-0.7%	-0.8%	-1.9%	-2.2%	-3.2%	-0.9%	1.2%	-12.8%
2019	1.2%	0.8%	0.1%	0.3%	1.2%	1.9%	0.4%	-4.0%	-1.7%	-0.9%	-0.6%	0.5%	-0.9%
2020	1.3%	-4.9%	-19.3%	3.1%	0.6%	1.9%	1.7%	0.3%	1.8%				-14.7%

[14] Returns commence 1 November 2007. Our auditor has audited results through the most recent calendar year. 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 will likely have different returns.

Figure A4
Frontaura Global Frontier Fund LLC
Performance by Currency[15 16]
30 September 2020

Period	USD	AUD	CAD	CHF	EUR	GBP	SGD
2008	-28%	-10%	-12%	-32%	-25%	-2%	-29%
2009	46%	14%	26%	41%	42%	32%	43%
2010	37%	20%	30%	24%	47%	42%	25%
2011	-15%	-15%	-13%	-15%	-12%	-14%	-14%
2012	18%	16%	15%	15%	16%	13%	11%
2013	26%	47%	35%	23%	21%	24%	30%
2014	-3%	6%	6%	8%	10%	3%	2%
2015	-5%	6%	13%	-5%	5%	0%	1%
2016	7%	8%	4%	8%	10%	27%	9%
2017	17%	8%	10%	12%	3%	7%	8%
2018	-13%	-3%	-5%	-12%	-9%	-8%	-11%
2019	-1%	0%	-6%	-2%	1%	-5%	-2%
2020 Q1	-22%	-11%	-16%	-23%	-21%	-17%	-18%
2020 Q2	6%	-6%	2%	4%	4%	6%	4%
2020 Q3	4%	0%	2%	1%	0%	0%	2%
2020 YTD	-15%	-16%	-12%	-19%	-18%	-12%	-13%
1 Year	-15%	-20%	-15%	-22%	-21%	-20%	-16%
3 Year	-24%	-17%	-19%	-28%	-24%	-21%	-24%
5 Year	-7%	-9%	-7%	-12%	-11%	9%	-11%
7 Year	-9%	18%	17%	-7%	5%	14%	-1%
10 Year	16%	57%	51%	9%	35%	42%	21%
Inception to Date	57%	105%	122%	25%	95%	153%	48%
3 Year CAGR	-8.8%	-6.0%	-6.8%	-10.3%	-8.5%	-7.7%	-8.6%
5 Year CAGR	-1.4%	-1.8%	-1.4%	-2.5%	-2.4%	1.7%	-2.2%
7 Year CAGR	-1.3%	2.4%	2.3%	-1.1%	0.7%	1.9%	-0.2%
10 Year CAGR	1.5%	4.6%	4.2%	0.9%	3.1%	3.5%	1.9%
ITD CAGR	3.6%	5.7%	6.4%	1.8%	5.3%	7.5%	3.1%

[15] USD = US dollar, AUD = Australian dollar, CAD = Canadian dollar, CHF = Swiss franc, EUR = euro, GBP = British pound, SGD = Singapore dollar.

[16] Returns commence 1 November 2007. Our auditor has audited results through the most recent calendar year. Returns in other currencies are unaudited Frontaura calculations. 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 will likely have different returns.

Figure A5
Frontaura Global Frontier Fund LLC
Portfolio Mix and Statistics[17]
30 September 2020

Holdings Summary

Country	Holding
Philippines	16%
Vietnam	9%
Sri Lanka	7%
Papua New Guinea	7%
Ghana	6%
Côte d'Ivoire	6%
Pakistan	6%
Nigeria	6%
Turkey	5%
Colombia	5%
Kazakhstan	4%
Rwanda	4%
USA (cash only)	3%
Egypt	2%
Ecuador	2%
Senegal	2%
Bangladesh	2%
Kenya	2%
Uganda	2%
Botswana	1%
Niger	1%
Tanzania	1%
Paraguay	1%

Region	Holding
Sub-Saharan Africa	32%
Southeast Asia	31%
South Asia	15%
Latin America & Caribbean	8%
Middle East / North Africa	8%
Eurasia	4%
USA (cash only)	3%

Sector	Holding
Financials	47%
Consumer Staples	25%
Communication Services	6%
Cash	5%
Consumer Discretionary	4%
Energy	4%
Health Care	2%
Real Estate	2%
Utilities	2%
Industrials	2%
Materials	1%

Portfolio Statistics	
Portfolio Price to LTM Earnings	5.4
Portfolio Price to Book	0.87
Portfolio LTM Dividend Yield	6.6%
Weighted Average ROEE	11.2%
Weighted Median ROEE	22.2%
Positions	39
Countries	22
Weighted Average Market Cap	$774m
Weighted Median Market Cap	$323m
Portfolio Turnover (12 Months)	36%
Portfolio Turnover (ITD)	30%
Standard Deviation (36 Months)	12%
Standard Deviation (ITD)	13%
Beta to S&P 500 (36 Months)	0.42
Beta to S&P 500 (ITD)	0.48
Assets Under Management	$87m

[17]Click this link for an explanation of our holdings and portfolio statistics.

Figure A6
Frontaura Global Frontier Fund LLC
5 Best and Worst Performing Countries (Dollar Return)
2020 Q3

5 Best Countries			5 Worst Countries		
Country	Frontaura Return ($millions) [18]	Frontaura Return (%)	Country	Frontaura Return ($millions)	Frontaura Return (%)
Philippines	2.1	18%	Rwanda	-2.3	-40%
Pakistan	1.2	28%	Kenya	-0.5	-22%
Ecuador	1.0	134%	Côte d'Ivoire	-0.5	-8%
Vietnam	0.9	15%	Nigeria	-0.2	-4%
Sri Lanka	0.8	14%	Senegal	-0.1	-7%

Figure A7
Frontaura Global Frontier Fund LLC
5 Best and Worst Performing Countries (Percentage Return)
2020 Q3

5 Best Countries			5 Worst Countries		
Country	Frontaura Return ($millions)	Frontaura Return (%)	Country	Frontaura Return ($millions)	Frontaura Return (%)
Ecuador	1.0	134%	Rwanda	-2.3	-40%
Tanzania	0.3	50%	Kenya	-0.5	-22%
Bangladesh	0.5	36%	Côte d'Ivoire	-0.5	-8%
Pakistan	1.2	28%	Uganda	-0.1	-7%
Philippines	2.1	18%	Senegal	-0.1	-7%

[18] 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.

Figure A8
Frontaura Global Frontier Fund LLC
Performance by Region and Country
2020 Q3

Region / Country	Frontaura Return ($millions)[19]	Frontaura Return (%)	MSCI Small Cap Return (%)[20]	MSCI Standard Return (%)
Southeast Asia	**2.9**	**12%**		
Philippines	2.1	18%	0%	-3%
Vietnam	0.9	15%	20%	8%
Papua New Guinea	(0.1)	-1%	--	--
South Asia	**2.4**	**22%**		
Pakistan	1.2	28%	17%	12%
Sri Lanka	0.8	14%	10%	8%
Bangladesh	0.5	36%	27%	25%
Latin America & Caribbean	**1.3**	**23%**		
Ecuador	1.0	134%	--	--
Colombia	0.3	7%	15%	-1%
Paraguay	0.0	3%	--	--
Middle East / North Africa	**0.5**	**8%**		
Egypt	0.3	14%	3%	5%
Turkey	0.2	5%	-12%	-16%
Eurasia	**(0.0)**	**-1%**		
Kazakhstan	(0.0)	-1%	--	1%
Sub-Saharan Africa	**(3.0)**	**-10%**		
Tanzania	0.3	50%	--	--
Ghana	0.3	6%	--	--
Niger	0.0	1%	--	--
Botswana	(0.0)	-1%	--	-4%
Uganda	(0.1)	-7%	--	--
Senegal	(0.1)	-7%	--	-7%
Nigeria	(0.2)	-4%	5%	15%
Côte d'Ivoire	(0.5)	-8%	--	-11%
Kenya	(0.5)	-22%	1%	5%
Rwanda	(2.3)	-40%	--	--

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

[20] This footnote applies to all columns labeled "MSCI Small Cap Return" and "MSCI Standard Return" on this page and any page with a similar table. We state MSCI small cap and MSCI standard (large cap and mid-cap stocks) country indices on a total return basis with dividends net of any withholding tax. We show "--" if MSCI does not have a small cap or a standard index for a given country.

Figure A9
Frontaura Global Frontier Fund LLC
Significant Quarterly Country Mix Changes[21]
2020 Q3

Country	Percentage Point Change	Explanation
Philippines	+7	Added two new positions, increased size of existing positions, and relative outperformance
Bangladesh	+2	Re-entered country in Q3 2020
Pakistan	+2	Increased position size, relative outperformance
Rwanda	-2	Relative underperformance

Figure A10
Frontaura Global Frontier Fund LLC
Significant Annual Country Mix Changes
2019 Q3 – 2020 Q3

Country	Percentage Point Change	Explanation
Philippines	+13	Added four new positions
Turkey	+5	Entered country Q4 2019
Colombia	+5	Re-entered country Q2 2020
Ghana	+4	Added new position
Pakistan	+2	Added new position
Senegal	+2	Re-entered country Q2 2020
Bangladesh	+2	Re-entered country Q3 2020
North Macedonia	-2	Exited position and country Q1 2020
Vietnam	-3	Exited two positions
Nigeria	-3	Exited two positions and trimmed others
Rwanda	-4	Relative underperformance
Egypt	-8	Exited two positions
United Arab Emirates	-10	Exited positions and country Q2 2020

[21] 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.

Figure A11
Frontaura Global Frontier Fund LLC
Portfolio Concentration[22]
30 September 2020

	Companies	Countries	Change from Prior Quarter		Change from Prior Year	
			Companies	Countries	Companies	Countries
Positions	39	22	+5	+1	-1	-1
Top 5	27%	44%	+1	+7	-2	-4
Top 10	47%	72%	+2	+6	-1	-3
Top 20	69%	95%	+1	+8	-2	+5
Top 20 + USA (Cash)	72%	98%	-9	-1	-9	-2

[22] 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.