FRONTAURA
FRONTAURA CAPITAL LLC
FRONTAURA GLOBAL FRONTIER FUND LLC

Quarterly Letter – 2023 Q1

Performance

We gained 6.53% in Q1 net of fees, bringing our five-month rebound from the end of October to 19%. By month, January through March, our Q1 results were 2.63%, -0.68%, and 4.51%.

The indices we cite had the following total net returns for Q1 in descending order: MSCI EAFE 8%, S&P 500 7%, MSCI Emerging Markets (EM) 4%, and MSCI Frontier Markets (FM) and MSCI FM Small Cap (FM SC), both 3%.

As Figure 1 shows, we now top all these indices in 1, 2, and 3-year returns, supporting our assertion that the March 2020 COVID low was a reset for Frontaura after multiple tough years for us and our asset class. Three years after the fact, we think many allocators may not yet recognize this, still assuming incorrectly that the S&P 500 dominates returns achievable in foreign markets.

Figure 1
Frontaura Global Frontier Fund LLC
1-, 2-, and 3-Year Frontaura and Index Performance[1]
31 March 2023

Period	Frontaura	MSCI Frontier Small Cap *	MSCI Frontier *	MSCI Emerging	MSCI EAFE	S&P 500
1 Year	0%	-21%	-18%	-11%	-1%	-8%
2 Years	25%	7%	-10%	-21%	0%	7%
After 2020 08	56%	31%	2%	-5%	17%	22%
3 Years	68%	55%	26%	25%	44%	67%

* We present MSCI results as it reports them, but we think it overstates frontier returns by not marking currencies conservatively enough in the COVID era. We estimate the overstatement at 1-2 percentage points in 2020 (Nigeria), 0-1 percentage points in 2021 (Nigeria, Sri Lanka), and 1 percentage point in 2022 (Kenya, Nigeria). See our 2020 Q4 letter, page 3, on Nigeria, our August 2021 comment on Sri Lanka, and our August 2022 comment on Kenya.

We've explained in the past how, even though we made positive overall returns from April 2020, it took a while for our post-COVID-low rally to get going as we still had some stocks declining into Q3 and Q4 2020. Our relative performance took off after August 2020 as we show in one of the Figure 1 rows. We've made 56% since then, almost double the FM SC return, 2.5 times the return of the S&P 500, and more than triple the EAFE gain. Over this period, FM barely made money and EM lost money.

BarclayHedge named Frontaura its top performing global emerging market fund for December 2022 and its #7 global emerging market equity fund for February.

[1] Frontaura returns are net of all fees for a reference investor joining the fund at inception, making no further contributions, making no withdrawals, and converting to Series B in 2021 Q2. Investors joining on other dates, making additional contributions, making withdrawals, or not converting to Series B in 2021 Q2 may have different results. Our auditor has audited results through 2022. Index returns are in USD on a total return basis, net of any withholding tax. We discuss our returns and different series and we explain the different indices we show here.

180 North Stetson Avenue, Suite 1935 Chicago, Illinois 60601 USA t +1 312 777 1500 f +1 312 268 5004 www.frontauracapital.com

Macro Discussion and Portfolio Positioning

Before we begin writing a new quarterly letter, we often re-read recent letters. The past three years have been a time of uncertainty with COVID, fiscal and monetary stimulus, inflation, interest rate hikes, war, and looming recession, yet we think what we've written these past 12 letters has held up well as events played out. Much of what we said in the Q4 letter remains the case, so rather than repeat it again here, we refer you back to it. The indicators for future Frontaura returns that we laid out on pages 3-5 are performing nicely (see also our January comment for the three-month-rolling-return indicator). The macro points we made on pages 5-9 also largely hold.

Is any of this really a surprise? To tackle one topical theme from the many we've written about, five quarters ago, in a section entitled "Who is swimming naked?" on page 5 of our 2021 Q4 letter, we said:

> *A rate shock could also cause a surprise default or bankruptcy contagion due to excess leverage. Financial and economic history tells us that some area usually blows up when credit conditions tighten after a lengthy period of easy money.*

We cited how rate hikes in 1994 led to the bankruptcy of Orange County and how the pre-Global Financial Crisis (GFC) rate hikes sunk German regional banks with US mortgage exposure. We made the point that while it is not predictable as to who would blow up, it was foreseeable that something likely would.

On page 9 of our 2022 Q4 letter, in a section headed "Disorderly market events may continue" we noted that events of this kind were occurring, and we expected more:

> *Interest rates that are too low cause malinvestment as speculators pour money into assets whose valuations would make no sense at higher rates. Now, after more than a dozen years of zero or low rates following the GFC, rate hikes are revealing some problem areas. In the last four months, we saw dislocations in the British bond market that deposed a prime minister and the FTX bankruptcy that evaporated billions of crypto wealth. Considering the time-lapse effect of higher rates, we expect more and bigger news like this in 2023.*

Thus, in March, in rapid succession, we saw a crypto-linked bank, Silvergate, liquidating, the second and third largest bank failures in US history (Silicon Valley Bank and Signature Bank, respectively), regulators pushing Credit Suisse into the arms of its Swiss rival UBS, and First Republic Bank's stock price falling 90% from its February high after deposit flight. Interest rates are the price of money, and the perverse effects of low rates seeped into every corner of the global economic system. Thus, problems could surface anywhere, including the banking system,[2] the corporate world, governments, or investment funds and asset classes such as crypto, venture capital and private equity, debt, equities, or real estate. We have never liked leverage and high debt levels. What's taken to be prudent in normal times can be life

[2] We think low interest rates hurt the banking system more than they helped, as low rates held back net interest margins and profitability. But low rates did support asset quality and asset valuation. Banks in trouble recently were overly exposed to client segments that low rates benefited disproportionately, such as crypto, tech, and startups.

threatening in a crisis, especially when nearly everyone mistook low rates to be normal. We continue to expect more rate-hike-induced disruptions in areas that low rates benefited disproportionately.

We began preparing for this nearly two years ago. With this in mind, from mid-2021 through the end of 2022 we exited countries that we thought were most vulnerable to a rate-hiking cycle. Countries were more likely to be on our naughty list the more underlying risk factors they had, including: a high budget deficit, a high current account deficit, high inflation, negative real interest rates, falling international reserves, rising sovereign bonds yields or credit default swap (CDS) rates, dollar shortages, discrepancies between actual exchange rates and stated exchange rates, structural geopolitical vulnerabilities, and so on. For these reasons, in order, we exited Sri Lanka, Turkey, Pakistan, Ghana, Papua New Guinea, Georgia, Kazakhstan, Kenya, and Egypt in 2021 and 2022.

A crisis in confidence can spread quickly and one should never be too sanguine that you are immune from contagion. Having said that, compared to Western banks, our banks generally are better capitalized, more conservatively run, and much simpler to understand and analyze. In March, we began an extensive analysis of and dialogue with our portfolio banks regarding the degree of held-to-maturity (HTM) government securities they own and what the mark-to-market loss is on these securities. To date, we have not detected any new worrying issue.[3] The troubles at Silicon Valley Bank were not the first time we have looked for issues like these. In June 2022, we were early to exit Equity Bank in Kenya because mark-to-market losses in its available-for-sale (AFS) government securities portfolio were eroding its capital base, as we discussed on pages 16-17 of our 2022 Q2 letter. At one point in Q1 2023, Equity Bank's stock price in USD was down 20% YTD after the Silicon Valley Bank blowup, although it has since recovered most of this loss.[4]

You already got the soft landing, now brace yourself for the hard one. For over a year, we've expected that the US was heading toward recession. GDP dropped in both Q1 and Q2 of 2022 and it looked like the recession was upon us. But as a surprise to us, growth returned in Q3 and Q4 2022.[5] Q1 2023 growth also looks positive at this writing.[6]

The most worrying aspect to us of the March US bank turmoil is not wondering what bank is next (for Fed backstops and deposit guarantees should contain this) but knowing that a bank

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[3] In Q1, Nigerian banks with operations in Ghana wrote down a portion of their Ghanaian exposure due to Ghana's sovereign debt default. This was a known issue that was coming and not one we could do much about given that the state of Nigeria's foreign exchange market has made it impossible or impractical to exit Nigeria since COVID began. In the scheme of things, this Nigerian bank profit hit for us was a minor issue that we mention here for completeness rather than to highlight its significance. Much more important for us was that we sold our Ghana positions profitably in 2021 and the beginning of 2022, as we discussed on pages 8 and 10-11 of our 2022 Q2 letter.

[4] To be clear, we think better of Equity Bank than we do of its home country Kenya. We thought Kenya's issues, reflected in falling sovereign bond prices and a devaluing Kenya shilling, would dominant the USD outcome of an investment in Equity Bank, so we sold.

[5] The change in 2022 US real GDP by quarter, on a seasonally adjusted annual rate (SAAR) basis, was: -1.6%, -0.6%, +3.2%, and +2.6%, respectively. For the entire year, US real GDP grew 0.9% in 2022 over 2021.

[6] On 5 April, the Atlanta Fed GDP Now estimate of Q1 2023 SAAR real GDP growth was +1.5%. The Atlanta Fed will update this estimate four times April 10-26 before the Commerce Department first reports Q1 GDP April 27.

with fewer deposits must make fewer loans. US credit conditions were already tightening before this. Media stories and industry surveys already show that US credit standards are tightening further, and we think that what has been a soft landing in the US in recent quarters risks becoming a hard one as this credit crunch ensues.

US market again incongruous. Our feeling about the US market is similar to that of exactly one year ago. Then, the S&P closed Q1 7% higher than before the Ukraine War began 24 February 2022. What was clearly bad news resulted in higher prices, but not for long. Now, the S&P closed Q1 3% higher than before the banking issues first hit market prices 9 March 2023. What to us is clearly bad news has again resulted in higher prices. Perhaps not for long, we assume once more. Those thinking it is good news that this bad news has brought lower market interest rates and will likely bring decreased inflationary pressure and fewer Fed policy rate hikes have the correct facts but the wrong conclusion, we believe. When conditions require rate cuts, conditions are bad, and bad conditions—after initial knee-jerk upward reactions when the Fed pauses hikes and later when it cuts—lead eventually to falling stock prices. We advise the optimists on this matter to study history's charts. As we stated in last quarter's letter (see point 8 and footnote 5 on page 7), on average, the US market bottom occurs 17 months after the last rate hike, 11 months after the first rate cut, and six months before the last rate cut. In the last two recessions, however, the stock market bottom came only after rate cutting finished.

Mixed feelings, yet well positioned. We remain of two minds. We have a good feeling about our fund, both qualitatively and quantitatively, and a bad feeling about the US economy and the US market and their possible spillover effect on all stocks, including ours. Time and again, however, we've demonstrated that we protect capital better in a selloff than the indices we cite. We have also reduced risk from mid-2021 through 2022 to where we believe we've done what we can reasonably do. Of course, we know that something will surprise us, something we hold now will disappoint us, and—with hindsight—there will be some additional action we wished we'd have taken. These can be truisms in investment management. Yet, big picture, we think we are as prepared as we can be, and we know that already we have avoided numerous country losses through our actions in 2021 and 2022. Figure 1 shows that.

What we own. The good feeling we have about our portfolio relates to the quality of our companies and to the positive indicators we have cited since the end of September.[7] We think our portfolio quality is as good as ever, matching where it was after the GFC. Our world has been on sale for significant portions of the past five years (not just last year and briefly in 2020) and we have used that time to accumulate good companies at great prices.

The collection of businesses we own includes:

- #1 bank in Colombia, #1 bank in Cote d'Ivoire, #1 bank in Namibia, #1 bank in Niger, #1 bank in Nigeria, #2 bank in Peru,[8] #1 bank in Rwanda, #1 bank in

[7] Again, please see a summary of numerous signals on pages 3-5 of our 2022 Q4 letter and see our January comment for the additional three-month-rolling-return signal.

[8] We prefer the #2 bank in Peru because at quarter end it traded around a 23% PE discount to and has a higher yield than the #1 bank due to stock market trading liquidity. In other words, we can buy a similar earnings stream for 77 cents on the dollar.

Tanzania, and #1 bank in Uganda[9]
- #1 gin and #1 brandy makers in the world, by volume
- #1 alcoholic beverage importer in the Philippines
- #1 brewer in Rwanda, owned by Heineken
- #1 brewer in Ecuador, owned by AB InBev
- #1 Coca-Cola bottler in Rwanda
- One of two Coca-Cola bottlers in Chile, each with a regional monopoly in that country
- #1 consumer packaged food maker in Vietnam
- #1 membership warehouse club (like Costco) and #2 grocer in the Philippines
- #1 franchisor of international retail store brands in the Philippines
- #1 operator of airport retail stores in Vietnam
- #1 real estate developer in Dubai
- #1 casino in Cambodia and a leading casino in the Philippines
- #1 telecom in French West Africa
- #1 oil marketer (gas stations) in Cote d'Ivoire
- #2 generic pharmaceutical manufacturer in Bangladesh
- McDonalds franchise in the Philippines
- The Colombian stock exchange, which will transform to a stake in the Chilean, Colombian, and Peruvian exchanges once a three-way merger completes

We own these businesses and others that the market collectively prices at only 6.5 times trailing, as-reported, earnings per share, around book value, with a weighted average dividend yield over 6%, and offering a 20% return on ending equity. We will take our chances with this portfolio at these prices.

We thank you for being a Frontaura investor.

Best regards,

Nick Padgett, CFA, and Tim Raschuk, CFA
Frontaura Capital LLC
Two Prudential Plaza, 180 North Stetson Avenue, Suite 1935
Chicago, Illinois 60601 USA
Phone: +1 312 777 1500 Fax: +1 312 268 5004 info@frontauracapital.com

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 seven foreign currencies that are the home currencies of our investors. Please see Figure A5 for portfolio mix by country, region, and sector, along with our portfolio statistics. Figures A6-A7 show 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, and Figure A11 shows portfolio concentration and how it has changed in the last three and 12 months.

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[9] Most of these banks are owned by a foreign parent, providing good governance oversight. Importantly, we note that developed world banks tend to run and capitalize their emerging and frontier market banking operations more simply and more conservatively than their developed world operations.

Statistical Appendix

Figure A1
Frontaura Global Frontier Fund LLC
Annual Frontaura and Index Performance[10]
31 March 2023

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	3%	5%	1%	18%	8%	18%
2021	34%	42%	20%	-3%	11%	29%
2022	-11%	-23%	-26%	-20%	-14%	-18%
YTD 2023	7%	3%	3%	4%	8%	7%
1 Year	0%	-21%	-18%	-11%	-1%	-8%
2 Year	25%	7%	-10%	-21%	0%	7%
after 2020 08	56%	31%	2%	-5%	17%	22%
3 Year	68%	55%	26%	25%	44%	67%
5 Year	11%	-4%	-13%	-4%	19%	70%
7 Year	43%	36%	24%	40%	52%	127%
10 Year	48%	62%	31%	22%	63%	217%
Inception to Date	141%		-17%	7%	34%	263%
2 Year CAGR	11.7%	3.5%	-5.0%	-11.0%	-0.1%	3.3%
3 Year CAGR	18.9%	15.7%	7.9%	7.8%	13.0%	18.6%
5 Year CAGR	2.1%	-0.8%	-2.8%	-0.9%	3.5%	11.2%
7 Year CAGR	5.2%	4.5%	3.2%	4.9%	6.2%	12.4%
10 Year CAGR	4.0%	4.9%	2.7%	2.0%	5.0%	12.2%
ITD CAGR	5.9%		-1.2%	0.4%	1.9%	8.7%

* We present MSCI results as it reports them, but we think it overstates frontier returns by not marking currencies conservatively enough in the COVID era. We estimate the overstatement at 1-2 percentage points in 2020 (Nigeria), 0-1 percentage points in 2021 (Nigeria, Sri Lanka), and 1 percentage point in 2022 (Kenya, Nigeria). See our 2020 Q4 letter, page 3, on Nigeria, our August 2021 comment on Sri Lanka, and our August 2022 comment on Kenya.

[10] Frontaura returns are net of all fees for a reference investor joining the fund at inception, making no further contributions, making no withdrawals, and converting to Series B in 2021 Q2. Investors joining on other dates, making additional contributions, making withdrawals, or not converting to Series B in 2021 Q2 may have different results. Our auditor has audited results through 2022. Index returns are in USD on a total return basis, net of any withholding tax. We discuss our returns and different series and we explain the different indices we show here.

Figure A2
Frontaura Global Frontier Fund LLC
Quarterly Frontaura and Index Performance[11]
31 March 2023

Period	Frontaura	MSCI Frontier Small Cap *	MSCI Frontier *	MSCI Emerging	MSCI EAFE	S&P 500	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%	2016 Q1	-1%	-1%	-1%	6%	-3%	1%
2008 Q2	6%		2%	-1%	-2%	-3%	2016 Q2	4%	5%	0%	1%	-1%	2%
2008 Q3	-11%		-23%	-27%	-21%	-8%	2016 Q3	2%	4%	3%	9%	6%	4%
2008 Q4	-25%		-41%	-28%	-20%	-22%	2016 Q4	1%	6%	0%	-4%	-1%	4%
2009 Q1	-2%		-17%	1%	-14%	-11%	2017 Q1	4%	12%	9%	11%	7%	6%
2009 Q2	28%		35%	35%	25%	16%	2017 Q2	7%	3%	6%	6%	6%	3%
2009 Q3	17%		11%	21%	19%	16%	2017 Q3	3%	3%	8%	8%	5%	4%
2009 Q4	-1%		-10%	9%	2%	6%	2017 Q4	3%	3%	6%	7%	4%	7%
2010 Q1	10%		11%	2%	1%	5%	2018 Q1	2%	-1%	5%	1%	-2%	-1%
2010 Q2	5%		-10%	-8%	-14%	-11%	2018 Q2	-7%	-9%	-15%	-8%	-1%	3%
2010 Q3	9%		14%	18%	16%	11%	2018 Q3	-5%	-4%	-2%	-1%	1%	8%
2010 Q4	9%		8%	7%	7%	11%	2018 Q4	-3%	-5%	-4%	-7%	-13%	-14%
2011 Q1	2%	-12%	-5%	2%	3%	6%	2019 Q1	2%	-1%	7%	10%	10%	14%
2011 Q2	-1%	-2%	0%	-1%	2%	0%	2019 Q2	3%	0%	5%	1%	4%	4%
2011 Q3	-10%	-12%	-12%	-23%	-19%	-14%	2019 Q3	-5%	-3%	-1%	-4%	-1%	2%
2011 Q4	-6%	-7%	-2%	4%	3%	12%	2019 Q4	-1%	2%	7%	12%	8%	9%
2012 Q1	6%	6%	6%	14%	11%	13%	2020 Q1	-22%	-24%	-27%	-24%	-23%	-20%
2012 Q2	-3%	-6%	-7%	-9%	-7%	-3%	2020 Q2	6%	12%	15%	18%	15%	21%
2012 Q3	5%	6%	7%	8%	7%	6%	2020 Q3	4%	8%	8%	10%	5%	9%
2012 Q4	9%	1%	3%	6%	7%	0%	2020 Q4	20%	14%	11%	20%	16%	12%
2013 Q1	10%	7%	8%	-2%	5%	11%	2021 Q1	2%	5%	1%	2%	3%	6%
2013 Q2	5%	9%	3%	-8%	-1%	3%	2021 Q2	20%	14%	14%	5%	5%	9%
2013 Q3	1%	1%	6%	6%	12%	5%	2021 Q3	4%	8%	3%	-8%	0%	1%
2013 Q4	7%	12%	7%	2%	6%	11%	2021 Q4	5%	10%	1%	-1%	3%	11%
2014 Q1	-1%	6%	7%	0%	1%	2%	2022 Q1	-5%	0%	-8%	-7%	-6%	-5%
2014 Q2	4%	7%	12%	7%	4%	5%	2022 Q2	-6%	-16%	-14%	-11%	-15%	-16%
2014 Q3	1%	4%	2%	-3%	-6%	1%	2022 Q3	-7%	-6%	-6%	-12%	-9%	-5%
2014 Q4	-7%	-11%	-12%	-5%	-4%	5%	2022 Q4	8%	-2%	-1%	10%	17%	8%
2015 Q1	-3%	-4%	-3%	2%	5%	1%	2023 Q1	7%	3%	3%	4%	8%	7%
2015 Q2	3%	2%	0%	1%	1%	0%							
2015 Q3	-6%	-6%	-11%	-18%	-10%	-6%							
2015 Q4	1%	-1%	-1%	1%	5%	7%							

* We present MSCI results as it reports them, but we think it overstates frontier returns by not marking currencies conservatively enough in the COVID era. We estimate the overstatement at 1-2 percentage points in 2020 (Nigeria), 0-1 percentage points in 2021 (Nigeria, Sri Lanka), and 1 percentage point in 2022 (Kenya, Nigeria). See our 2020 Q4 letter, page 3, on Nigeria, our August 2021 comment on Sri Lanka, and our August 2022 comment on Kenya.

[11] Frontaura returns are net of all fees for a reference investor joining the fund at inception, making no further contributions, making no withdrawals, and converting to Series B in 2021 Q2. Investors joining on other dates, making additional contributions, making withdrawals, or not converting to Series B in 2021 Q2 may have different results. Our auditor has audited results through 2022. Index returns are in USD on a total return basis, net of any withholding tax. We discuss our returns and different series and we explain the different indices we show here.

Figure A3
Frontaura Global Frontier Fund LLC
Monthly Frontaura Performance
31 March 2023[12]

	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%	2.4%	9.5%	7.5%	2.8%
2021	0.9%	2.7%	-1.8%	8.5%	5.9%	4.3%	0.6%	4.0%	-0.1%	4.0%	0.1%	1.3%	34.4%
2022	-2.1%	-1.9%	-1.4%	0.9%	-0.3%	-7.1%	0.0%	-0.4%	-7.0%	-3.3%	4.5%	6.8%	-11.4%
2023	2.6%	-0.7%	4.5%										6.5%

[12] Frontaura returns are net of all fees for a reference investor joining the fund at inception, making no further contributions, making no withdrawals, and converting to Series B in 2021 Q2. Investors joining on other dates, making additional contributions, making withdrawals, or not converting to Series B in 2021 Q2 may have different results. Our auditor has audited results through 2022. We discuss our returns and different series here.

Figure A4
Frontaura Global Frontier Fund LLC
Performance by Currency[13] [14]
31 March 2023

Period	USD	AUD	CAD	CHF	EUR	GBP	JPY	SGD
2008	-28%	-10%	-12%	-32%	-25%	-2%	-42%	-29%
2009	46%	14%	26%	41%	42%	32%	50%	43%
2010	37%	20%	30%	24%	47%	42%	20%	25%
2011	-15%	-15%	-13%	-15%	-12%	-14%	-19%	-14%
2012	18%	16%	15%	15%	16%	13%	33%	11%
2013	26%	47%	35%	23%	21%	24%	53%	30%
2014	-3%	6%	6%	8%	10%	3%	10%	2%
2015	-5%	6%	13%	-5%	5%	0%	-5%	1%
2016	7%	8%	4%	8%	10%	27%	4%	9%
2017	17%	8%	10%	12%	3%	7%	13%	8%
2018	-13%	-3%	-5%	-12%	-9%	-8%	-15%	-11%
2019	-1%	0%	-6%	-2%	1%	-5%	-2%	-2%
2020	3%	-6%	1%	-6%	-6%	0%	-2%	1%
2021	34%	42%	34%	39%	44%	36%	50%	37%
2022	-11%	-6%	-5%	-10%	-6%	-1%	1%	-12%
YTD 2023	7%	9%	6%	5%	5%	4%	8%	6%
1 Year	0%	12%	8%	-1%	2%	6%	9%	-2%
2 Year	25%	42%	34%	21%	35%	39%	50%	23%
3 Year	68%	54%	61%	60%	71%	69%	108%	57%
5 Year	11%	28%	16%	7%	26%	26%	39%	13%
7 Year	43%	64%	49%	36%	50%	66%	69%	41%
10 Year	48%	130%	96%	42%	74%	82%	108%	58%
ITD	141%	236%	245%	90%	222%	306%	177%	121%
2 Year CAGR	11.7%	19.1%	15.9%	10.0%	16.2%	18.1%	22.4%	11.1%
3 Year CAGR	18.9%	15.5%	17.3%	17.0%	19.6%	19.1%	27.6%	16.3%
5 Year CAGR	2.1%	5.0%	3.1%	1.3%	4.8%	4.8%	6.8%	2.4%
7 Year CAGR	5.2%	7.3%	5.8%	4.5%	6.0%	7.5%	7.8%	5.0%
10 Year CAGR	4.0%	8.7%	7.0%	3.6%	5.7%	6.2%	7.6%	4.7%
ITD CAGR	5.9%	8.2%	8.4%	4.3%	7.9%	9.5%	6.8%	5.3%

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

[14] Frontaura returns are net of all fees for a reference investor joining the fund at inception, making no further contributions, making no withdrawals, and converting to Series B in 2021 Q2. Investors joining on other dates, making additional contributions, making withdrawals, or not converting to Series B in 2021 Q2 may have different results. Our auditor has audited USD results through 2022. We discuss our returns and different series here.

Figure A5
Frontaura Global Frontier Fund LLC
Portfolio Mix and Statistics[15]
31 March 2023

Holdings Summary[2]

Country	Holding
Philippines	19%
Vietnam	10%
Côte d'Ivoire	7%
Colombia	7%
Cambodia	6%
USA (cash & accruals)	6%
Peru	6%
Rwanda	5%
Senegal	5%
Namibia	5%
United Arab Emirates	5%
Chile	4%
Tanzania	4%
Nigeria	4%
Pakistan	2%
Uganda	2%
Bangladesh	1%
Niger	1%
Others	1%

Region	Holding
Southeast Asia	35%
Sub-Saharan Africa	33%
Latin America & Caribbean	17%
USA (cash & accruals)	6%
Middle East / North Africa	5%
South Asia	3%

Sector	Holding
Financials	37%
Consumer Staples	26%
Consumer Discretionary	12%
Cash & accruals (all countries)	8%
Communication Services	5%
Real Estate	5%
Industrials	3%
Energy	2%
Health Care	1%

Portfolio Statistics	
Portfolio Price to LTM Earnings	6.5
Portfolio Price to Book	1.05
Portfolio LTM Dividend Yield	6.1%
Weighted Average ROEE	19.7%
Weighted Median ROEE	20.0%
Positions	31
Countries	19
Weighted Average Market Cap	$1,614m
Weighted Median Market Cap	$837m
Portfolio Turnover (12 Months)	40%
Portfolio Turnover (ITD)	31%
Standard Deviation (36 Months)	15%
Standard Deviation (ITD)	14%
Beta to S&P 500 (36 Months)	0.30
Beta to S&P 500 (ITD)	0.45
Assets Under Management	$128m

[15]Click here for an explanation of our holdings and portfolio statistics.

Figure A6
Frontaura Global Frontier Fund LLC
5 Best and Worst Performing Countries (Dollar Return)
2023 Q1

5 Best Countries			5 Worst Countries		
Country	**Frontaura Return**[16]	**Frontaura Return (%)**	**Country**	**Frontaura Return ($millions)**	**Frontaura Return (%)**
Philippines	5.8	28%	Cambodia	(1.0)	-11%
Côte d'Ivoire	1.5	19%	Vietnam	(0.6)	-5%
UAE	1.2	25%	Bangladesh	(0.5)	-28%
Namibia	0.9	18%	Chile	(0.5)	-6%
Colombia	0.9	11%	Pakistan	(0.4)	-14%

Figure A7
Frontaura Global Frontier Fund LLC
5 Best and Worst Performing Countries (Percentage Return)
2023 Q1

5 Best Countries			5 Worst Countries		
Country	**Frontaura Return ($millions)**	**Frontaura Return (%)**	**Country**	**Frontaura Return ($millions)**	**Frontaura Return (%)**
Philippines	5.8	28%	Bangladesh	(0.5)	-28%
UAE	1.2	25%	Pakistan	(0.4)	-14%
Côte d'Ivoire	1.5	19%	Cambodia	(1.0)	-11%
Namibia	0.9	18%	Chile	(0.5)	-6%
Tanzania	0.5	11%	Vietnam	(0.6)	-5%

[16] This footnote applies to all columns labeled "Frontaura Return ($millions)" and "Frontaura Return (%)" on this page and any similar page. 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 here for an explanation of how we calculate country returns.

Figure A8
Frontaura Global Frontier Fund LLC
Performance by Region and Country
2023 Q1

Region / Country	Frontaura Return ($millions)[17]	Frontaura Return (%)	MSCI Small Cap Return (%)[18]	MSCI Standard Return (%)
Southeast Asia	**4.2**	**10%**		
Philippines	5.8	28%	4%	2%
Vietnam	(0.6)	-5%	5%	5%
Cambodia	(1.0)	-11%	--	--
Sub-Saharan Africa	**3.6**	**9%**		
Côte d'Ivoire	1.5	19%	--	--
Namibia	0.9	18%	--	--
Tanzania	0.5	11%	--	--
Senegal	0.3	5%	--	6%
Nigeria *	0.2	6%	7%	8%
Niger Republic	0.1	7%	--	--
Rwanda	0.0	0%	--	--
Uganda	(0.0)	-2%	--	--
Middle East / North Africa	**1.2**	**20%**		
United Arab Emirates	1.2	25%	3%	-8%
Bahrain	(0.0)	-1%	5%	2%
Latin America & Caribbean	**0.7**	**3%**		
Colombia	0.9	11%	-11%	-13%
Peru	0.3	4%	--	8%
Ecuador	0.0	6%	--	--
Chile	(0.5)	-6%	13%	5%
South Asia	**(0.9)**	**-19%**		
Pakistan	(0.4)	-14%	--	-25%
Bangladesh	(0.5)	-28%	-3%	-4%

* We present MSCI returns as it reports them, although we think that since 2020 it overstates performance by not marking down the Nigerian naira to more conservative levels. If it marked the naira as we did at the end of 2022 and 2023 Q1, we estimate its Nigeria small cap return for Q1 would be +4% instead of +7% and its Nigeria standard return would be +5% instead of +8%. See our 2020 Q4 letter, page 3.

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

[18] 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[19]
2023 Q1

Country	Percentage Point Change	Explanation
Colombia	+4	Added position Q1 2023
Chile	-3	Exited position Q1 2023

Figure A10
Frontaura Global Frontier Fund LLC
Significant Annual Country Mix Changes
12 Months through 31 March 2023

Country	Percentage Point Change	Explanation
Peru	+6	Re-entered country Q2 2022, relative outperformance
Colombia	+5	Added positions Q2 2022, Q1 2023
Namibia	+5	Entered country Q2 2022
Vietnam	+3	Added positions Q2-Q4 2022, increased position size Q1 2023, increased prefunding balance Q2 2022
Philippines	+3	Relative outperformance
Papua New Guinea	-3	Exited country Q2 2022
Botswana	-3	Exited position and country Q3 2022
Georgia	-3	Exited position and country Q2 2022
Egypt	-5	Exited positions and country Q3-Q4 2022
Kenya	-5	Exited positions and country Q2-Q3 2022
Kazakhstan	-6	Exited positions and country Q2 2022

[19] 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 here for a discussion of how we classify cash by country.

Figure A11
Frontaura Global Frontier Fund LLC
Portfolio Concentration[20]
31 March 2023

	Companies	Countries	Change from Prior Quarter		Change from Prior Year	
			Companies	Countries	Companies	Countries
Positions	31	19	0	0	0	-2
Top 5	34%	49%	+2	+1	+2	+6
Top 10	55%	76%	+2	+3	+2	+7
Top 20	81%	94%	+5	+3	+2	-2
Top 20 + USA (Cash)	87%	100%	+1	0	+5	+1

[20] 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 here for a discussion of how we classify cash by country.