

**FRONTAURA**FRONTAURA CAPITAL LLC  
FRONTAURA GLOBAL FRONTIER FUND LLC

## Quarterly Letter – 2023 Q2

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We devote most of our Q2 letter to our recurring What We Sold feature, where we detail all 12 position exits over the past year, from July 2022 through June 2023. Before that section, we discuss performance, valuation and earnings growth, and macro trends that we see.

### Performance

**Q2.** Our reference investor made 8.38% net of fees in Q2,<sup>1</sup> as we reached a new all-time high. By month, we made 2.48% in April, 0.22% in May, and 5.52% in June. The MSCI Frontier Markets Small Cap (FM SC) Index had a Q2 total return of 6%, but the MSCI Frontier Markets (FM) made only 2% and the MSCI Emerging Markets (EM) Index only 1%. MSCI EAFE rose 3% and the S&P 500 jumped 9%. All these indices are below their all-time highs.

**YTD.** We are up 15.45% YTD. The S&P 500 leads the indices we cite with a 17% total return, followed by EAFE at 12%, FM SC at 9%, then FM and EM, each at 5%.

**Awards.** BarclayHedge named Frontaura its #4 global emerging market equity fund for March (#8 global emerging market fund including fixed income funds) and its #9 global emerging market equity fund for April.

### Valuation and Earnings Growth

**PE and EPS.** Despite our Q2 performance gain, our trailing portfolio PE fell from 6.5 at the end of Q1 to 6.3 at the end of Q2, in part due to the 20% year-over-year portfolio USD EPS growth (30% in constant currency) our companies delivered for Q1 (reported in Q2). This is an increase in year-over-year USD EPS growth from 7% in Q4 2022 (14% in constant currency) and 9% in Q3 2022 (26% in constant currency).

**PB and yield.** On June 30, our portfolio price/book was 1.01, our weighted average dividend yield was 6.7%, and our weighted average return on ending equity was 20.1%.

**Favorable comparison.** These metrics show that our valuation is low on an absolute basis and against our history. They compare favorably to the S&P 500, which at quarter end traded at 25.4 times trailing EPS with a 1.5% dividend yield per S&P's calculations. The S&P had 5% EPS growth in Q1.

**Appendix.** In our Statistical Appendix, 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

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<sup>1</sup> For the quarter, a reference Series B investor earned 8.38%, while a reference Series A investor earned 8.14%, and a reference Legacy Series investor earned 7.89%. Not all investors in Series A or the Legacy Series will earn the return we show for their series. Please see your statement for your account balance. Our stated Frontaura return is 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](#).



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.

## Macro Trends

Here are three trends we are watching globally:

- 1. Manufacturing globally is in recession.** The initial COVID goods-buying boom of 2020 and 2021 has long since faded. Manufacturing has been in the doldrums for up to a year now, beginning in Q3 or Q4 2022, depending on the country. June purchasing managers indices (PMIs) of manufacturing activity show contraction around the globe (values above 50 signal expansion, below 50 contraction): US 46.3, China 49.0, EU 43.4, Germany 40.6, France 46.0, Italy 43.8, UK 46.5, Japan 49.8, South Korea 47.8, and Taiwan 44.8. Vietnam is the most trade-oriented country we own; it is at 46.2. Other countries we own are around 50, including Philippines at 50.9 and Colombia at 49.8. Some countries we own have only whole economy PMIs (not just manufacturing). These are comparable to the composite PMIs we discuss below. Our whole economy PMIs are presently strong: UAE 56.9, Nigeria 53.2, and Uganda 56.4.<sup>2</sup>

Services are propping up the global economy, with the services PMIs of most countries above 50. For example, the US is 54.4 and the EU is 52.0. Thus, composite PMIs of manufacturing and services activity tend to be above 50 because services are the larger part of modern economies. For example, the US composite PMI is 53.2, although the EU composite is just below 50, at 49.8. Manufacturing can be a leading indicator. If COVID caused an initial boom in spending on goods that later faded away, is it inevitable that services spending also will fade eventually? Or did COVID permanently cause a shift to services and away from goods, beyond the long-term structural shift toward services that had already been occurring for decades?

- 2. Inflation is yesterday's news; disinflation is well underway.** Most countries have seen significant drops in the year-over-year inflation rate that—barring a new price shock—we expect to continue. Talk of sticky inflation ignores recent data showing that prices are no longer going up much month over month. Instead, the sticky narrative fixates on the absolute price level, which is significantly higher than several years ago and will remain so, and the year-over-year inflation rate, which, while down from the peak, is still higher than pre-COVID rates. This impatiently ignores the inexorable math that if trends continue, pre-COVID year-over-year inflation rates will return in 2024 for many places, with some sooner and others later. For example, US year-over-year inflation peaked at 9.1% June 2022 and was down to 4.0% May 2023. If June 2023 month-over-month inflation equals the average for June

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<sup>2</sup> The last six countries we mention in this paragraph are the ones we own for which we could easily find either manufacturing PMI or whole economy PMI data on Bloomberg.



from 2002 on, the year-over-year US inflation rate for June will fall by another full percentage point to 3.0%.<sup>3</sup>

Figure 1 shows, for our five largest country holdings, the year-over-year inflation peaks, current inflation, and forecasted year-end inflation.

**Figure 1**  
**Frontaura Global Frontier Fund LLC**  
**Inflation Trends in Our Five Largest Countries**  
**30 June 2023**

Country	Peak Inflation	Latest Inflation	Year-End Forecast <sup>4</sup>	Peak Month	Latest Month
Philippines	8.7%	5.4%	3.2%	Jan 2023	Jun 2023
Vietnam	4.9%	2.0%	2.5%	Jan 2023	Jun 2023
Cote d'Ivoire	6.3%	4.8%	3.7%	Sep 2022	May 2023
Colombia	13.3%	12.4%	7.9%	Mar 2023	May 2023
United Arab Emirates	7.1%	3.1%	3.4%	Jul 2022	May 2023

**3. The policy interest rate cutting cycle has begun in EM and FM countries.** The sharp contrast in rate cycles between EM/FM countries and the developed world that we began commenting on in 2021 is occurring again, but now in the opposite direction. Then, EM/FM countries, employing traditional monetary policy, began raising rates to combat obvious inflation. The developed world dilly dallied until 2022, enamored with invented concepts like ZIRP, NIRP, average inflation targeting, and transitory inflation. To their credit, the developed world other than Japan eventually took its medicine, but by starting late, the possibility of rate hikes continues for them. In contrast, just over two years after the first EM/FM hikes in March 2021, some EM/FM countries began to cut in Q2. Vietnam cut its main policy rate three times in Q2, from 6.00% to 4.50%. Sri Lanka cut by 250 basis points (bp) in June and another 200bp in July to put its policy lending rate at 12%. Other Q2 rate cutters include China, Costa Rica, Dominican Republic, Georgia, Hungary, and Uruguay. We expect more to follow in Q3.<sup>5</sup>

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<sup>3</sup> If we assume each month going forward has the average month-over-month inflation for that month back to 2002, then US year-over-year inflation for the second half of this year will range from 2.7% to 3.3%, ending 2023 at 2.9%. With this assumption, US year-over-year inflation would end 2024 at 2.5%. This is similar to the 2.3% ending inflation level for 2019, before COVID. We believe this assumption is reasonable. Two of the last three months in the US had month-over-month inflation below the average for that month back to 2002. We see similar results throughout our universe.

<sup>4</sup> The Philippines, Vietnam, and Colombia are Frontaura forecasts. Cote d'Ivoire and the United Arab Emirates are Bloomberg consensus forecasts.

<sup>5</sup> To be clear, there are still some EM/FM countries raising rates, either because they were laggardly in hiking rates or have yet to get inflation under control. Nevertheless, Q2 was the beginning of the EM/FM rate cutting cycle, in our opinion, even if the rate hiking cycle has not yet ended.



## What We Sold

As is our practice typically in our Q2 letters,<sup>6</sup> Figure 2 on the following page lists all stocks we sold completely in the past year, July 2022 through June 2023. We list everything, whether the outcome was good or bad, whether the position was large or small, and whether the holding period was short (about a week in one case) or long (over 13 years in another).<sup>7</sup> A discussion of each exit follows our summary comments.

We made money on 10 of these 12 exits. This was a pleasant surprise to us considering that we lost 20% from January 2022 through October 2022, with the drawdown that began January 2022 ending only in June 2023.<sup>8</sup> Note that stock or country returns are before fees and expenses that we subtract only at the fund level, as we explain [here](#). This includes dollar profit or loss figures, percentage gains or losses, IRRs, and text such as “made money.”

With half of these dozen exits, we held the stock less than one year, a higher percentage than normal.<sup>9</sup> Let’s quickly dispense with these six exits before we detail our six multi-year holdings. In two cases, the stock price jumped beyond our buy zone shortly after we began buying, meaning that we had only a small position that we were unlikely to increase anytime soon. We sold the **Polish sports betting company STS Holding** after seven months and **Thai Nguyen International Hospital in Vietnam** after six months. By coincidence, we made a 41% profit on each, although our combined gain on these two was under \$0.3 million due to their small size. We observed that the World Cup in Q4 2022 boosted sentiment on STS. With the stock at a 22 PE—quite high for us—we thought sentiment might cool, so we sold in December given our small position size. That rationale proved correct for a couple of months, although in Q2 2023 a rising stock market and then a takeover premium lifted STS well beyond where we sold. On Thai Nguyen, we waited until April 2023 for the company to disclose terms of its previously announced rights offer that would fund new hospital construction. The rights terms were less favorable than we expected, lowering our estimate

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<sup>6</sup> Here’s the list of past What We Sold letters: [2022 Q2](#) (covering July 2021 – June 2022 sales), [2021 Q2](#) (covering July 2020 – June 2021 sales), [2020 Q4](#) (covering 1H 2020 sales), [2020 Q3](#) (2H 2019), [2019 Q2](#) (1H 2019), [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).

<sup>7</sup> 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 after the sale provides a more balanced assessment.

<sup>8</sup> Meaning that, measured from the end of 2021, we had a negative cumulative return for over 17 months before turning positive in June 2023. Recent performance often significantly affects the returns we show in the What We Sold table (Figure 2), so we were positively surprised that only 2 of our 12 exits in the past year lost money.

<sup>9</sup> For example, in the three preceding July through June years, holdings shorter than one year were, respectively, 4 of 13 exits, 1 of 9 exits, and 6 of 22 exits.



of intrinsic value. With a diminished return outlook and no near-term path to a larger position size, we booked our significant percentage profit.<sup>10</sup>

**Figure 2**  
**Frontaura Global Frontier Fund LLC**  
**Positions Exits July 2022 – June 2023<sup>11</sup>**  
**30 June 2023**

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
Housing & Development Bank	Egypt	bank	country	14-Jan-19	11-Aug-22	2,331	2,440	108	1.05	1.6%	3.6	-38%	-35%	3.3	3.1
Cerveceria Nacional	Ecuador	brewery	size	05-Feb-14	24-Aug-22	1,011	2,641	1,630	2.61	22.2%	8.6	-37%	-13%	8.2	15.9
Letshego	Botswana	consumer finance	governance	03-Jul-09	29-Sep-22	8,037	10,164	2,127	1.26	6.1%	13.2	-30%	-36%	7.2	4.9
Tariq Glass	Pakistan	float glass and tableware	fundamentals	13-Sep-22	18-Oct-22	999	939	(60)	0.94	-13.7%	0.1	-31%	-42%	4.2	3.8
QNB Alahli Bank	Egypt	bank	country	23-Dec-20	16-Nov-22	2,463	1,582	(881)	0.64	-23.0%	1.9	-37%	-45%	5.4	4.0
Military Bank	Vietnam	bank	fundamentals	07-Oct-22	14-Dec-22	4,969	4,995	26	1.01	0.5%	0.2	-41%	-42%	6.1	5.3
STS Holding	Poland	sports betting	size	12-May-22	16-Dec-22	436	615	179	1.41	48.3%	0.6	-21%	23%	14.3	22.4
Quinenco	Chile	holding company	valuation	24-Feb-21	02-Mar-23	4,641	7,981	3,340	1.72	57.3%	2.0	-47%	-27%	11.4	1.4
Thai Nguyen International Hospital	Vietnam	hospitals	size	27-Oct-22	17-Apr-23	254	359	105	1.41	49.5%	0.5	-31%	15%	10.4	12.8
Saigon Beer Western	Vietnam	brewery	fundamentals	15-Jan-16	27-Apr-23	1,448	2,501	1,052	1.73	13.1%	7.3	-39%	-8%	5.4	12.8
ADNOC Logistics & Services	United Arab Emirates	oil & gas storage and transport	trade	25-May-23	02-Jun-23	22	34	12	1.54	53.9%	0.0	2%	57%	10.6	16.1
Saigon Mien Trung Beer	Vietnam	brewery	fundamentals	11-Nov-22	23-Jun-23	549	564	14	1.03	3.3%	0.6	-35%	-28%	6.5	8.1

We had three situations where the fundamental outlook changed shortly after we bought the stock. While we try hard to get the investment thesis correct, if the facts change and it is no longer valid, we sell, regardless of our holding period. We had watched **Vietnam's Military Bank** for several years before buying in October 2022. The country's general market malaise

<sup>10</sup> We take care not to book short-term capital gains unnecessarily, but we cannot let the tax tail wag the portfolio dog. If we think the stock price is too high and may fall or if the position is small enough to make the gain insignificant in the overall portfolio context, we'll sell rather than wait for the one-year mark.

<sup>11</sup> Here are definitions for the Figure 2 columns. Exit Reason is a standardized reason 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 Proceeds minus 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.



in 2022 lowered valuations and provided an entry opportunity for us. Vietnam's ongoing [residential real estate crisis](#) worsened as Q4 progressed to where we thought it had become too complicated to assess the downside risk of holding any bank there, given the banking system's real estate exposure. Our single-point estimate of what return Military Bank might generate for us didn't change that much in the two months we held it, but our view of the downside in a worst-case scenario did, so we sold. Said another way, we thought that most likely Military Bank would still make money for us, but it now exceeded our risk threshold. We made an immaterial profit. Through June 30, the stock has lagged Frontaura's gain since we sold, and we have slept well not owning it.

The other two fundamental outlook changes were both cases where company earnings were materially worse than what we reasonably expected. We held **Saigon Mien Trung Beer in Vietnam** for eight months, but exited 23 June 2023 after it reported two consecutive quarters where EPS fell by more than 50%. We made an immaterial profit due to the low 6.5 trailing PE when we first bought, which had risen to 8.1 at the time of sale because of the lower earnings. **Tariq Glass in Pakistan** lasted only five weeks in the portfolio. The Pakistani glass market is a duopoly and Tariq has a strong position with around half the market. Further, we expected an upcoming capacity expansion would provide a step-function boost to Tariq's medium-term revenue and profit. We thought these company factors would withstand a deteriorating macro situation in the country. An earnings report with a weak gross margin told us we had overestimated Tariq's resilience to factors such as a depreciating currency. We reassessed, viewed our investment thesis as busted, and sold, losing 6%. Since then, Pakistan's macro situation worsened even more than we expected. Per Bloomberg calculations, Tariq had a -42% USD total return since we sold, illustrating that when you are wrong, it is best to act immediately and move on. All together, these three short-term holdings that we sold for fundamental reasons had a negligible effect on performance.

Our final short-term holding was an IPO flip that we owned for just over a week into early June 2023. We earned 54% on **ADNOC Logistics & Services in the UAE**, but our allocation was so small that this an insignificant dollar amount.<sup>12</sup>

Our other six exits in the past year were positions we held between around two years and over 13 years. Two were in Egypt. We discuss these two together, because the reason for each sale resulted from our decision to exit the country. We discuss the other four separately.

### **Housing & Development Bank (Egypt)** **QNB Alahli Bank (Egypt)**

When Russia invaded Ukraine in February 2022, we held three positions in Egypt. We made the decision to exit the country the following month, selling our most liquid position, Commercial International Bank, right away, as we discussed in last year's [2022 Q2 What We Sold](#) letter (see page 13). Our other two holdings took longer. These stocks were less liquid, and Egypt was suffering from a selling overhang as the combination of high wheat import

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<sup>12</sup> We made a meager \$12K on this IPO, which raises the question of why we bothered with this. While we knew the IPO would be popular, we did not expect it to be 163 times oversubscribed, with \$125 billion of orders for the \$769 million IPO. This reduced allocations for everyone and reduced our immediate profit potential from tens or even hundreds of thousands of dollars to the \$12K we realized.





prices from the war, globally rising interest rates, and a global risk-off mindset pushed the country into crisis.

The selling pressure and the March 2022 devaluation of the Egyptian pound gutted the profit we once had in Housing & Development Bank. We owned it for 3.6 years and made \$0.1 million on it. We bought it well on a 3.3 PE and sold it not so well on a 3.1 PE. At face value, the stock is up 30% in dollars through June 30 since we sold, not quite double Frontaura's gain since then, despite the pound devaluing twice more in October 2022 and January 2023. Analysts expect another pound devaluation, however, and we hear that presently there is a queue such that investors do not receive dollars on a timely basis. Probably if we were still invested in Egypt, we'd mark down the currency from its quoted level, erasing most of this stock's theoretical performance gain. Regardless of the accounting, we are glad to have made the macro call to exit the country, as it is presently impossible to know how long it will take for Egypt to regain investability and what USD prices will prevail when it does.

QNB Alahli Bank (QNBA) is a high-quality bank, owned by the Qatari national champion Qatar National Bank (QNB). QNB bought National Société Générale Bank (NSGB) from its French parent in 2013 and renamed NSGB to QNBA. We have known this bank throughout our history, owning it successfully from 2009-2011 and earning a 20% IRR over those two years.

We bought QNBA in December 2020 at only 5.4 times trailing EPS. Unfortunately, the margin of safety from this low valuation was not enough in the face of Egypt's macro crisis, devaluation, illiquidity, and a selling overhang. We finally were able to exit in November 2022, losing 36%, or \$0.9 million. This was after two devaluations, but before the third in January 2023 and the fourth that is presumably yet to come. Since we sold, QNBA has underperformed Frontaura, even before considering our likely markdown on the Egyptian pound if we were still invested.

### **Cerveceria Nacional (Ecuador)**

We owned Cerveceria Nacional (CNC), the AB InBev brewer in Ecuador for 8.6 years, earning a 22% IRR and making \$2.61 on each dollar we invested, or \$1.6 million in total. This return includes the value of the intellectual property rights (IPR) company Beverage Brand & Patents (BBP) at the time that CNC spun it out in 2020. We continue to own a small position in BBP.

Ecuador is a small, inefficient, and illiquid market. The BBP spinout illustrates this well. In mid-2020, CNC shareholders received one share of BBP for every share of CNC they owned. The spinout was for local tax reasons, with CNC's IPR now residing in BBP and being taxed at a lower rate. The spinout transferred somewhat over 50% of the value of CNC pre-spinout to BBP.<sup>13</sup> Yet the price of CNC did not change initially post-spinout. BBP shares began trading around the same price as CNC, meaning that a pre-spinout shareholder of CNC effectively got a double from the spinout. While the spinout had tax benefits, the transaction certainly did not merit a doubling of market cap. We sold CNC after the spinout because of this sticky pricing (overvaluation). Over time, our selling did reduce the CNC price, but by the point at

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<sup>13</sup> On a pretax basis, post-spinout profit of CNC and BBP was the same as for CNC alone pre-spinout. After tax, the post-spinout profit of CNC and BBP was higher than CNC pre-spinout by the amount of the tax benefit the spinout generated.



which it no longer made sense to sell for valuation reasons, our position size was small enough that we continued selling until we exited CNC.

### **Letshego (Botswana)**

In our history, specialty finance company Letshego is the position we held the longest at 13.2 years. We first met the company in Botswana in March 2007 before Frontaura existed and we bought the shares initially in July 2009 when the price remained depressed from the global financial crisis selloff. In terms of opportunity cost, we acknowledge that we might have been better off had we never owned this stock, even though we made money from it. During our holding period, the company morphed from a growth company to a value stock with inconsistent results as it expanded beyond its home market to the rest of Africa. The USD price of our final sell was nearly one-third below that of our first buy, but good dividends and decent trading did give us a \$2.1 million profit and a 6% IRR over our long holding period.

We never sold it completely until 2022, but our exposure to Letshego oscillated from 7% to less than 1%, up to 2.5%, back to 1%, then again up to 3%, before going to zero, as we played its fundamental and valuation cycles. The stock tended to go in one direction, up or down, for months or years at a time as demand for its shares exceeded supply and then reversed. We did reasonably well managing this, especially at the end where, from having lost money on Letshego cumulatively as of the March 2020 COVID low, we earned a 58% IRR over the last 2.5 years, making \$2.7 million.

Growth was already waning when a long-tenured CEO left around the end of 2013. A series of CEOs and new strategies led to repeated cycles of hope and disappointment. When the board fired one of these CEOs abruptly in Q2 2022 two years into his tenure, we decided it was time for us also to part ways with the company and its governance challenges. From our September 2022 exit through the end of Q2 2023, the stock had a total return loss of more than 10% while we gained over 25%.

### **Quinenco (Chile)**

Quinenco is a Chilean holding company of various listed and private Chilean and foreign assets. In February 2021, it was selling at just over half of the value of its assets, 90% of which traded publicly. What was to become the most important of these assets was an indirect stake in Hapag-Lloyd, the German-based global container shipping line.

Quinenco owns 66.5% of another Chilean holding company called Vapores. Vapores owns 30% of Hapag-Lloyd. Indirectly, then, Quinenco owns about one-fifth of Hapag-Lloyd. Owning Hapag-Lloyd through Quinenco gave us a double discount. Not only did Quinenco's shares trade at a discount to its listed holdings (including Vapores), Vapores itself traded at a discount to what its stake in Hapag-Lloyd was worth.

Quinenco's other listed assets were also attractive. For example, it owned 26% of Banco de Chile, the leading Chilean bank; 33% of Cervecerias Unidas, the leading Chilean brewery and the Chilean Pepsi bottler; and several others. Without considering the discount at which Vapores traded (i.e., considering only Quinenco's discount to Vapores), we estimated that Hapag-Lloyd was 19% of Quinenco's NAV when we bought. But Hapag-Lloyd bumper earnings dominated Quinenco's income statement in 2022, contributing 90% of net profit.





When we bought Quinenco in February 2021, container shipping rates had begun to explode upward, but Quinenco's stock price and expanding discount did not reflect this. For example, on 22 November 2019 (pre-COVID), the Shanghai Containerized Freight Index was 765, meaning that it cost \$765 on average to ship a container of freight from Shanghai to one of 15 destinations. This rose to \$1,023 on 3 January 2020, then fell to \$818 on 24 April 2020, the COVID low. By 19 February 2021, just before our Quinenco purchase, the Shanghai shipping cost had spiked to \$2,876, but Quinenco's stock price was still below its pre-COVID level. The freight cost peaked at \$5,110 on 7 January 2022.

Even more impressive than the rise in shipping rates were Hapag-Lloyd's explosive profits. The company grew annual EPS 47-fold in three years due to the COVID shipping boom. By year, 2019-2022, EPS were 2.06, 5.27, 51.63, and 96.89, respectively. Bloomberg consensus EPS estimates, though, show a sharp drop going forward to 18.07 in 2023 and 8.19 in 2024, as cyclical persistence and normality returns.

Shanghai freight rates fell throughout 2022, but Quinenco's stock price rose as it caught up to the reality that Hapag-Lloyd's blowout results meant that—with a delay—Quinenco shareholders would eventually receive extraordinary dividends. For example, the Quinenco dividend paid May 2023 was 17 times greater than the same dividend three years earlier and represented an 18.5% yield on the pre-dividend price. We sold into strength intermittently throughout 2022. Our final sale was on 2 March 2023, when the Shanghai freight price was down to \$947. The stock peaked about two months later just before the May dividend. We were more than happy with our exit price and were wary of a trap door stock price that might quickly plunge. Overall, in two years, we made \$3.3 million for a 57% IRR. From our sale through June 30, the stock has a total return slightly below Frontaura's performance.

### **Saigon Western Beer (Vietnam)**

Saigon Western Beer is a regional brewery in Southern Vietnam majority owned by Sabeco, one of the country's top two brewers along with Heineken. International brewer Thai Beverage in turn is the majority owner of Sabeco. For over seven years, this company and stock was a small, steady-eddy performer for us, generally around 1% of our portfolio. Our dilemma was how to exit this illiquid trader. We owned 4.9% of the company and the company's results in 2022 were poor, making buyers scarce. Eventually, our relationship with other holders and Sabeco management allowed us to partake in a sale where Sabeco increased its stake by buying our shares and those of others at a premium. We made \$1.1 million, achieving a 13% IRR.

We thank you for being a Frontaura investor.

Best regards,

Nick Padgett, CFA, and Tim Raschuk, CFA

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## Statistical Appendix

**Figure A1**  
**Frontaura Global Frontier Fund LLC**  
**Annual Frontaura and Index Performance<sup>14</sup>**  
**30 June 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	15%	9%	5%	5%	12%	17%
1 Year	16%	0%	-2%	2%	19%	20%
2 Year	13%	0%	-19%	-24%	-2%	7%
3 Year	72%	47%	12%	7%	29%	51%
5 Year	30%	12%	4%	5%	24%	79%
7 Year	48%	38%	26%	40%	59%	141%
10 Year	52%	57%	30%	34%	69%	235%
15 Year	138%		-19%	31%	64%	371%
Inception to Date	161%		-16%	8%	38%	294%
2 Year CAGR	6.2%	-0.2%	-10.1%	-12.8%	-1.2%	3.4%
3 Year CAGR	19.9%	13.7%	3.8%	2.3%	8.9%	14.6%
5 Year CAGR	5.3%	2.2%	0.8%	0.9%	4.4%	12.3%
7 Year CAGR	5.8%	4.7%	3.4%	4.9%	6.9%	13.4%
10 Year CAGR	4.2%	4.6%	2.7%	3.0%	5.4%	12.9%
15 Year CAGR	5.9%		-1.4%	1.8%	3.4%	10.9%
ITD CAGR	6.3%		-1.1%	0.5%	2.1%	9.2%

<sup>14</sup> 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<sup>15</sup>**  
**30 June 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%	2023 Q2	8%	6%	2%	1%	3%	9%
2015 Q3	-6%	-6%	-11%	-18%	-10%	-6%							
2015 Q4	1%	-1%	-1%	1%	5%	7%							

<sup>15</sup> 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**  
**30 June 2023<sup>16</sup>**

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
<b>2007</b>											0.4%	1.6%	2.0%
<b>2008</b>	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%
<b>2009</b>	-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%
<b>2010</b>	-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%
<b>2011</b>	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%
<b>2012</b>	-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%
<b>2013</b>	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%
<b>2014</b>	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%
<b>2015</b>	-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%
<b>2016</b>	-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%
<b>2017</b>	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%
<b>2018</b>	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%
<b>2019</b>	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%
<b>2020</b>	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%
<b>2021</b>	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%
<b>2022</b>	-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%
<b>2023</b>	2.6%	-0.7%	4.5%	2.5%	0.2%	5.5%							15.5%

<sup>16</sup> 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<sup>17 18</sup>**  
**30 June 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%
Q1 2023	7%	9%	6%	5%	5%	4%	8%	6%
Q2 2023	8%	9%	6%	6%	8%	5%	18%	10%
YTD 2023	15%	18%	13%	12%	13%	10%	27%	17%
1 Year	16%	20%	19%	8%	11%	11%	23%	12%
2 Year	13%	27%	20%	9%	23%	23%	46%	13%
3 Year	72%	78%	68%	63%	77%	68%	130%	67%
5 Year	30%	44%	31%	17%	39%	35%	69%	29%
7 Year	48%	66%	52%	36%	51%	55%	107%	49%
10 Year	52%	108%	91%	44%	81%	82%	121%	62%
15 Year	138%	242%	208%	108%	243%	273%	223%	136%
ITD	161%	266%	266%	102%	246%	327%	226%	144%
2 Year CAGR	6.2%	12.7%	9.8%	4.5%	10.7%	10.8%	21.0%	6.5%
3 Year CAGR	19.9%	21.3%	18.9%	17.6%	21.0%	18.9%	32.0%	18.7%
5 Year CAGR	5.3%	7.6%	5.5%	3.2%	6.8%	6.1%	11.0%	5.2%
7 Year CAGR	5.8%	7.5%	6.2%	4.5%	6.1%	6.5%	11.0%	5.8%
10 Year CAGR	4.2%	7.6%	6.7%	3.7%	6.1%	6.1%	8.2%	4.9%
15 Year CAGR	5.9%	8.5%	7.8%	5.0%	8.6%	9.2%	8.1%	5.9%
ITD CAGR	6.3%	8.6%	8.6%	4.6%	8.3%	9.7%	7.8%	5.9%

<sup>17</sup> USD = US dollar, AUD = Australian dollar, CAD = Canadian dollar, CHF = Swiss franc, EUR = euro, GBP = British pound, JPY = Japanese yen, SGD = Singapore dollar.

<sup>18</sup> 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<sup>19</sup>**  
**30 June 2023**

Country	Holding	Region	Holding
		Sub-Saharan Africa	34%
Philippines	18%	Southeast Asia	31%
Vietnam	9%	Latin America & Caribbean	20%
Côte d'Ivoire	8%	Middle East / North Africa	7%
Colombia	7%	USA (cash & accruals)	4%
United Arab Emirates	6%	South Asia	3%
Peru	6%	Eastern Europe	2%
Rwanda	5%		
Senegal	5%	<b>Sector</b>	<b>Holding</b>
Namibia	5%	Financials	42%
Chile	4%	Consumer Staples	22%
Cambodia	4%	Consumer Discretionary	12%
Nigeria	4%	Cash & accruals (all countries)	7%
USA (cash & accruals)	4%	Communication Services	5%
Tanzania	4%	Real Estate	5%
Argentina	2%	Industrials	3%
Uganda	2%	Energy	3%
Slovenia	2%	Health Care	1%
Pakistan	2%	Utilities	1%
Niger	1%		
Bangladesh	1%	<b>Portfolio Statistics</b>	
Others	1%	Portfolio Price to LTM Earnings	6.3
		Portfolio Price to Book	1.01
		Portfolio LTM Dividend Yield	6.7%
		Weighted Average ROEE	20.1%
		Weighted Median ROEE	18.9%
		Positions	31
		Countries	21
		Weighted Average Market Cap	\$2,137m
		Weighted Median Market Cap	\$783m
		Portfolio Turnover (12 Months)	28%
		Portfolio Turnover (ITD)	30%
		Standard Deviation (36 Months)	15%
		Standard Deviation (ITD)	14%
		Beta to S&P 500 (36 Months)	0.34
		Beta to S&P 500 (ITD)	0.46
		Assets Under Management	\$137m

<sup>19</sup>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 Q2**

5 Best Countries			5 Worst Countries		
Country	Frontaura Return (\$millions) <sup>20</sup>	Frontaura Return (%)	Country	Frontaura Return (\$millions)	Frontaura Return (%)
Philippines	2.4	10%	Cambodia	(2.6)	-31%
Côte d'Ivoire	1.7	18%	Bangladesh	(0.1)	-4%
Namibia	1.5	27%	Ecuador	(0.0)	-13%
Colombia	1.2	14%	Bahrain	(0.0)	-6%
Nigeria <sup>21</sup>	1.1	29%	Niger	0.1	7%

**Figure A7**  
**Frontaura Global Frontier Fund LLC**  
**5 Best and Worst Performing Countries (Percentage Return)**  
**2023 Q2**

5 Best Countries			5 Worst Countries		
Country	Frontaura Return (\$millions)	Frontaura Return (%)	Country	Frontaura Return (\$millions)	Frontaura Return (%)
Uganda	0.9	42%	Cambodia	(2.6)	-31%
Nigeria	1.1	29%	Ecuador	(0.0)	-13%
Namibia	1.5	27%	Bahrain	(0.0)	-6%
Côte d'Ivoire	1.7	18%	Bangladesh	(0.1)	-4%
Colombia	1.2	14%	Tanzania	0.2	5%

<sup>20</sup> 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.

<sup>21</sup> This footnote applies to all Nigeria rows on this page and any similar page. As the prior footnote and its link explain, country returns measure USD total returns on stocks but do not consider USD returns on cash we hold in a country. Cash returns are immaterial unless we hold significant cash in a country, and there is a significant change in that country's FX rate. This [occurred](#) in Nigeria in Q2. Including cash, we estimate that our Q2 total return for Nigeria would be \$0.9 million (+20%) instead of \$1.1 million (+29%) that we show above.



**Figure A8**  
**Frontaura Global Frontier Fund LLC**  
**Performance by Region and Country**  
**2023 Q2**

Region / Country	Frontaura Return (\$millions) <sup>22</sup>	Frontaura Return (%)	MSCI Small Cap Return (%) <sup>23</sup>	MSCI Standard Return (%)
<b>Sub-Saharan Africa</b>	<b>6.7</b>	<b>16%</b>		
Côte d'Ivoire	1.7	18%	--	--
Namibia	1.5	27%	--	--
Nigeria <sup>24</sup>	1.1	29%	-8%	-26%
Uganda	0.9	42%	--	--
Rwanda	0.7	10%	--	--
Senegal	0.5	7%	--	8%
Tanzania	0.2	5%	--	--
Niger Republic	0.1	7%	--	--
<b>Latin America &amp; Caribbean</b>	<b>2.8</b>	<b>11%</b>		
Colombia	1.2	14%	23%	12%
Peru	1.0	12%	--	6%
Argentina	0.4	13%	35%	36%
Chile	0.3	5%	10%	2%
Ecuador	(0.0)	-13%	--	--
<b>Middle East / North Africa</b>	<b>1.0</b>	<b>10%</b>		
United Arab Emirates	1.0	11%	9%	6%
Bahrain	(0.0)	-6%	29%	9%
<b>Southeast Asia</b>	<b>0.8</b>	<b>2%</b>		
Philippines	2.4	10%	-3%	-1%
Vietnam	1.0	8%	17%	3%
Cambodia	(2.6)	-31%	--	--
<b>South Asia</b>	<b>0.3</b>	<b>7%</b>		
Pakistan	0.3	12%	--	1%
Bangladesh	(0.1)	-4%	0%	-1%
<b>Eastern Europe</b>	<b>0.1</b>	<b>5%</b>		
Slovenia	0.1	5%	2%	8%

<sup>22</sup> The Frontaura Return footnote on the first attribution table on a prior page applies to all Frontaura Return columns on this page.

<sup>23</sup> 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.

<sup>24</sup> The Nigeria footnote on the first attribution table on a prior page applies to the Nigeria row on this page.



**Figure A9**  
**Frontaura Global Frontier Fund LLC**  
**Significant Quarterly Country Mix Changes<sup>25</sup>**  
**2023 Q2**

Country	Percentage Point Change	Explanation
Argentina	+2	Re-entered country Q2 2023
Slovenia	+2	Entered country Q2 2023

**Figure A10**  
**Frontaura Global Frontier Fund LLC**  
**Significant Annual Country Mix Changes**  
**12 Months through 30 June 2023**

Country	Percentage Point Change	Explanation
Colombia	+4	Added position Q1 2023, increased size of existing positions
Philippines	+3	Relative outperformance
Argentina	+2	Re-entered country Q2 2023
Slovenia	+2	Entered country Q2 2023
Egypt	-2	Exited positions and country 2H 2022
Cambodia	-3	Relative underperformance
Rwanda	-3	Decreased size of existing positions

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<sup>25</sup> 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<sup>26</sup>**  
**30 June 2023**

	Companies	Countries	Change from Prior Quarter		Change from Prior Year	
			Companies	Countries	Companies	Countries
Positions	31	21	0	+2	-3	-2
Top 5	30%	48%	-4	-1	-4	+2
Top 10	50%	73%	-5	-3	-6	+3
Top 20	78%	96%	-3	+2	0	+3
Top 20 + USA (Cash)	82%	100%	-5	0	-2	+1

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<sup>26</sup> 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.