

July 2016

For professional investors only

Fund details

Portfolio managers	Thomas Vester, CFA Dafydd Lewis, CFA
Fund type	UCITS
Domicile	Ireland
Benchmark	50% MSCI Frontier Markets 50% MSCI Frontier Markets ex GCC
Inception date	01 December 2011
Fund size	US\$ 603.2m
Strategy size ¹	US\$ 833.9m
NAV per share	US\$ 16.8896 (A Inc) US\$ 17.0196 (B Acc) US\$ 14.9502 (B Inc) US\$ 13.9805 (E Acc)
Min. initial investment	Class A - US\$50,000 Class B - US\$1,000,000 Class E - US\$10,000,000
Dealing day	every fortnight ²
Initial charge	Class A - up to 3% Class B - nil Class E - Contact Investment Manager
Investment management fee	Class A - 2.0% + 20% rel. perf. fee (HWM) Class B - 1.5% + 20% rel. perf. fee (HWM) Class E - Contact Investment Manager

Fund codes by share classes

ISIN A Inc	IE00B54MVM56
ISIN B Acc	IE00B4RLKV41
ISIN B Inc	IE00B5539788
ISIN E Acc	IE00B56QSA61
Bloomberg ticker A Inc	LGMFAI ID
Bloomberg ticker B Acc	LGMFBA ID
Bloomberg ticker B Inc	LGMFBI ID
Bloomberg ticker E Acc	LGMFCA ID

Administrator

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Dealing details

Dealing instructions must be received not later than 4:00 p.m. (Irish time) on the Business Day prior to the Dealing Day (Class A) and four Business Days prior to the Dealing Day (Class B and E). Subscription monies must be received in cleared funds no later than two Business Days after the Dealing Day.

Other details

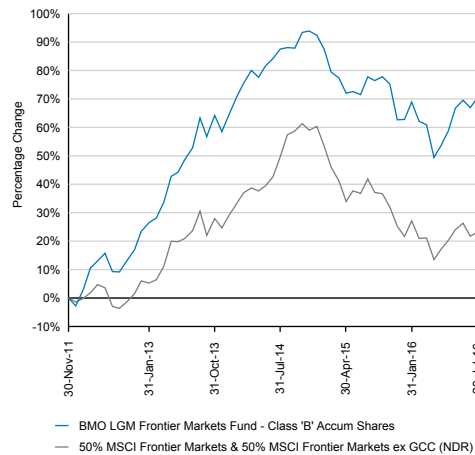
BMO LGM Frontier Markets Fund is a sub-fund of BMO Investments II (Ireland) plc, an umbrella fund with segregated liability between sub-funds authorised by the Central Bank of Ireland as a UCITS (undertaking for collective investment in transferable securities).

Key Investor Information Document and Prospectus are available from the Fund's Investment Manager, LGM Investments Limited.

Investment objective

The Fund aims for long-term capital growth through investment in an actively managed portfolio, primarily invested in equity and equity-related securities of companies in Frontier Markets worldwide. In exceptional circumstances, the Fund may invest in debt securities.

Performance since launch (%)



Performance data of BMO LGM Frontier Markets Fund (class B Acc) are in US\$ terms and net of investment management fee and performance fee. Investors should be aware that past performance should not be considered a guide to future performance.

Top ten holdings

Company Name	Country	% NAV
Vietnam Dairy Products	Vietnam	9.4
Aramex	United Arab Emirates	6.3
Commercial International Bank	Egypt	5.5
BGEO Group	Georgia	4.7
Pricesmart Inc	Costa Rica	3.8
Nagacorp	Cambodia	3.8
Alicorp	Peru	3.5
Guaranty Trust Bank	Nigeria	3.4
Sonatel	Senegal	3.4
Florida Ice & Farm Co	Costa Rica	3.4
Total		47.1
No. of Holdings		44

Risk statistics

	Since Inception
Alpha (annual basis)	8.0%
Annualised volatility (fund)	11.7%
Annualised volatility (benchmark)	12.0%
Sharpe ratio ⁴	1.0
Tracking error (ex-post)	6.2%
Information ratio	1.2
Up market capture ratio	106.6
Down market capture ratio	62.7

¹ Total assets of all portfolio managed by LGM following a similar benchmark to the BMO LGM Frontier Markets Fund as at 31 December 2015. The capacity limit for the Frontier Strategy is US\$1bn. LGM will determine that capacity has been reached when both of the following conditions are met: 1) AUM in the Strategy reaches US\$1bn and 2) AUM as at 31 December 2013 (when we first announced the closure of the Strategy) plus all new flows (net) since that time exceed US\$1bn. As at 31 January 2016, there is some capacity available.

² Dealing Day means "the 15th calendar day of each month (or the immediately preceding Business Day if it is not a Business Day) and the last Business Day of the month or such other day or days as may be determined by the Directors and notified in advance to Shareholders, provided that there shall be at least two such Dealing Days per month at intervals".

⁴ Risk Free Rate: US T-Bill 3 Month.

⁵ Based on dividends received during the latest full calendar year divided by the dividends received during the previous full calendar year.

⁶ Calculated over 3 months.

⁷ Based on 3 months daily average.

⁸ Measured as the lesser of purchases or sales divided by the average strategy size for the rolling 12 months

*ROIC - Return on Invested Capital; ROE - Return on Equity; P/E - Price to Earnings

Source throughout the document: BMO Global Asset Management and Factset. Benchmark data source: MSCI. All MSCI index data is copyright and proprietary to MSCI.

Notice to investors in Switzerland The distribution of [Shares / Units / Interests] in Switzerland will be exclusively made to, and directed at, regulated qualified investors (the "Regulated Qualified Investors"), as defined in Article 10 (3)(a) and (b) of the Swiss Collective Investment Schemes Act of 23 June 2006, as amended ("CISA"). Accordingly, the [Company / Fund / Partnership] has not been and will not be registered with the Swiss Financial Market Supervisory Authority (FINMA) and no Swiss representative or paying agent have been or will be appointed in Switzerland. This [Private Placement Memorandum] and/or any other offering materials relating to the [Shares / Units / Interests] may be made available in Switzerland solely to Regulated Qualified Investors.

This document is directed to those persons who have been classified as "Eligible Counterparties" and "Professional Clients" in accordance with FCA COBS4. It is issued by LGM Investments Limited which is authorised and regulated by the Financial Conduct Authority in the United Kingdom and registered in England and Wales with Company Registration No3029249. Registered Office: 95 Wigmore Street, London, W1U 1FD. VAT Registration No. 662 9409 13

Performance as at 31 July 2016 (%)

	Fund	Benchmark
Since inception	70.2	23.1
Last month	2.0	1.2
Last 3 months	2.1	-0.7
Last 6 months	13.9	8.5
Last 12 months	-2.8	-6.7
YTD	5.8	1.7
CY 2015	-9.3	-14.2
CY 2014	-1.5	1.8
CY 2013	34.7	24.8
CY 2012	37.5	12.7
Annualised Performance		
1 year	-2.9	-6.7
2 years	-6.2	-12.6
3 years	1.2	-1.3
Since inception	12.1	4.6

Portfolio characteristics*

	Fund	Benchmark
ROIC (non financials)	21.1%	17.7%
ROE (financials)	23.2%	15.8%
Net debt / Equity (non financials)	15.1%	28.2%
Equity / Assets (financials)	12.1%	11.7%
Dividend Yield	3.6%	4.4%
DPS growth ⁵	6.5%	5.2%
P/E (trailing 12 months)	16.7	14.9
P/E (12 months forward)	14.2	12.9
Weighted avg daily vol (US\$m) ⁶	2.8	2.5
% trading < US\$0.25m / day ⁷	13.4%	18.2%
Turnover rate (12 months) ⁸	15.0%	N/A

Market cap (US\$bn)

	Fund	Benchmark
< 1 bn	20.4%	9.1%
1-5 bn	61.0%	67.3%
> 5 bn	18.7%	23.6%
Weighted Average (US\$bn)	2.9	3.6

Sources: FactSet, LGM, BMO Global Asset Management, MSCI.

Data historic unless stated otherwise. Data may not be available for all portfolio and benchmark constituents. Please note that dividend yield is based on portfolio holdings and does not reflect the actual yield an investor in the Fund would receive.



Portfolio managers

Thomas Vester, CFA, Chief Investment Officer and Portfolio Manager. Thomas joined LGM in September 2011. Prior to this, he was at BankInvest in Copenhagen for over 6 years, initially specialising in Latin America and then Eastern Europe and was the Portfolio Manager of the BankInvest Eastern European Fund. Thomas has also covered Asian equities and was seconded to BankInvest's Singapore office. From September 2007, he was responsible for the BankInvest Frontier Market mandates. He holds a MSc in Applied Economics and Finance from Copenhagen Business School and has a distinguished academic career including studying at Harvard Business School, London School of Economics, University of Southern California and National University of Singapore. Thomas is an Associate of the Brenthurst Foundation in South Africa. In 2014 Thomas was appointed CIO of LGM.

Dafydd Lewis, CFA, Portfolio Manager. Dafydd graduated with a BSc (Hons) in Economics from the University of Bath. He began his career in HSBC's emerging market equity strategy team in 2005 and relocated to Dubai at the beginning of 2007 to cover Middle Eastern equity markets. In 2008 he joined GAM's emerging market team in Dubai as an investment analyst with a primary focus on global frontier markets. Dafydd joined LGM in December 2011 as an Analyst focusing on Frontier Financials and in 2014 he became Portfolio Manager to support Thomas Vester.

Thomas and Dafydd are supported by a further dedicated Frontier Market analyst. Together they have an average of over 11 years experience and all are based in our London office.

About LGM Investments

LGM Investments is a specialist Asian, Global Emerging (GEM) and Frontier Markets equity manager. Our investment professionals are based in London and Hong Kong.

We are active bottom up stock pickers with a long-term perspective. Quality underpins all our investment thinking and results in nonindex driven, high conviction portfolios with outperformance potential.

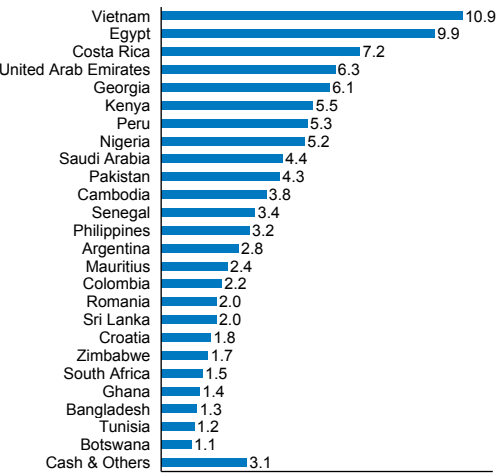
LGM Investments was established in Hong Kong in 1991 and became a wholly owned subsidiary of Bank of Montreal (BMO) in April 2011. It is part of BMO Global Asset Management.

Investment approach

Primary research is the cornerstone of our investment process. We research companies with a long-term view and wait for the opportunity to buy high quality companies without overpaying for their inherent quality.

Our focus on quality companies with sustainable business models generating substantial excess returns over their cost of capital through the cycle leads us towards asset light business models with modest capital needs; robust balance sheets; and proven management teams with disciplined capital management. We seek clear and fair alignment between majority and minority shareholders.

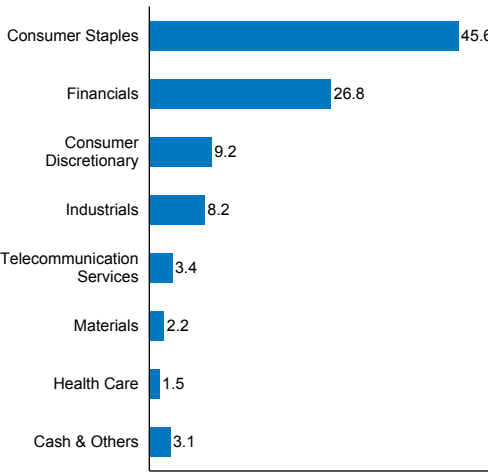
Geographic breakdown (%)^{9,10}



⁹ Other countries include countries with a weighting less than 1%.

¹⁰ Total may not be exact due to rounding.

Sector breakdown (%)¹⁰



Fund manager's commentary

During July, we travelled to South Africa to meet with the management of our latest investment in the quick service restaurant sector (QSR), Famous Brands. Over the years, the company has built a very strong and highly cash generative business led by a capital light franchise model, a suite of admired brands and an integrated manufacturing and logistics operation. This has given it scalability and a first mover advantage. Indeed, it is a testament to the company's business model that all the listed and unlisted competitors that we met were trying to emulate the success that Famous Brands has had. Whilst KFC has done very well in South Africa, international and local brands that have tried to compete directly with Famous Brands have found that the company's scale and strength makes this a difficult task. The economic and political climate in South Africa has not helped and it seems clear to us that some brand consolidation or even exits from the market are inevitable. We came back from the trip only more confident that the company will continue to compound returns at a very high rate in the future and that it will be the long term winner in the South African and wider Pan-African QSR space.

On the same trip, we also took the opportunity to visit our only investment in Zimbabwe, Delta Beverages. Life on the ground continues to get tougher and this is seen clearly in the results coming through from Zimbabwean corporates. The liquidity situation remains very tight and nobody has been able to escape the severe pinch on Zimbabwean consumers, our beer company included. Delta is doing everything it can to protect profitability with a continued focus on efficiency and on product innovation. We have great admiration for the company and the efforts of its management team. At some point, we can envisage ourselves becoming much larger shareholders in this brilliant company, but unfortunately things are unlikely to change fundamentally under the current political leadership and the future transition process also looks unclear.

In last month's report, we discussed Nigeria's decision to let its currency, the naira, devalue. We also questioned whether the naira had found its true equilibrium level. It was therefore good to see that the Central Bank seems to have listened to concerns raised during its July roadshow by allowing the currency to depreciate further. This is a necessity if Nigeria wants to see hard currency once again being converted into naira and to start putting this difficult situation behind it. One currency, which, despite an adjustment in March, has yet to properly reflect the true economic situation, is the Egyptian pound. This is becoming a more significant problem as Egyptian companies are struggling to access much needed foreign currency. This is exemplified by the banks' inability to meet the large pent up loan demand and also by consumer companies having to resort to the black market to satisfy their foreign currency needs, paying a significant premium to the official rate. Whilst President Sisi's government has had many good intentions, the economic situation they have found themselves in has proved much worse than expected and reforms have been slow in coming. It was therefore very positive to see the announcement this month that negotiations have begun with the International Monetary Fund over a potential \$12bn, three-year loan programme. This should bring with it much needed reform targets and, just as importantly, is likely to be linked to a further movement in the currency. It is worth noting that our largest Egyptian investment, Commercial International Bank, is held through the American Depositary Receipts (ADR), which is US dollar denominated and therefore unaffected by any devaluation of the Egyptian pound.

The other big news at the end of the month was that the founding shareholder of Dubai-based logistics company, Aramex, the fund's second largest investment, had sold his shares in the company. The buyer was a Gulf Coast Consortium that, as well as buying Mr Ghandour's 9.9% stake, also appears to have purchased a further 6.55% stake in the company. It is too early to say what their plans are but it seems they have ambitions to build a regional e-commerce platform in the Middle East and in this regard Aramex's strong logistics capabilities would be a good fit. The price they paid, although at a premium to the prevailing market price, was still low in our view and we have discussed before the role that foreign ownership limits have played in keeping this extremely well run company from trading on higher valuations. It would not be a surprise if the company is bought out completely or if, as per the announcement of Australian Posts 4.5% acquisition after month-end, other parties also become interested in buying any shares that might become available. At current prices we would not be sellers of our shares in this great company but we look forward to updating you further in future commentaries.

Risk warning

Investment involves risk. Share prices may fall as well as rise.
Funds invested in emerging markets and in smaller companies may involve a higher degree of risk. Exchange rates and currency fluctuations may affect the value of an investment.
Investment in LGM Funds may be unlawful in some jurisdictions.
This fact sheet is for general information only. Reference should be made to the Fund's offering documents for full details of the risks involved.
Past performance should not be seen as an indication of future performance. The value of investments and income derived from them can go down as well as up as a result of market or currency movements and investors may not get back the original amount invested.

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