

November 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\$ 621.0m
Strategy size ¹	US\$ 888.9m
NAV per share	US\$ 16.9624 (A Inc) US\$ 17.1129 (B Acc) US\$ 15.0341 (B Inc) US\$ 14.1981 (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	LGFMFAI ID
Bloomberg ticker B Acc	LGFMFBA ID
Bloomberg ticker B Inc	LGFMFBI ID
Bloomberg ticker E Acc	LGFMFCA ID

Administrator

State Street Fund Services (Ireland) Ltd.
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Contact details

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Email: info@lgminvestments.com
Website: www.lgminvestments.com

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

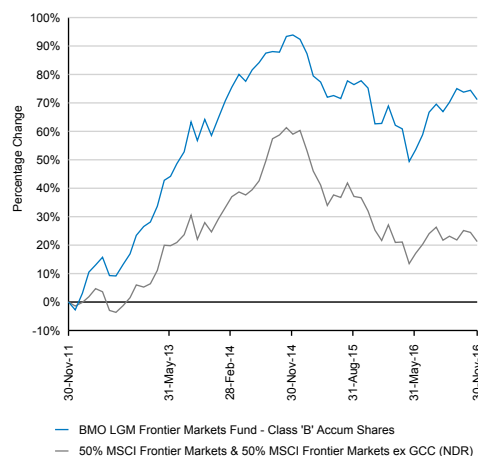
BMO LGM Frontier Markets Fund is a sub-fund of BMO Investments II (Ireland) plc, an umbrella fund with segregated liability between sub-funds authorised by the Central Bank of Ireland as a UCITS (undertaking for collective investment in transferable securities).

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	8.8
Aramex	United Arab Emirates	6.2
Commercial International Bank	Egypt	5.2
Pricesmart Inc	Costa Rica	4.3
BGEO Group	Georgia	4.2
Florida Ice & Farm Co	Costa Rica	3.9
Alicorp	Peru	3.8
Famous Brands	South Africa	3.8
Nagacorp	Cambodia	3.3
Sonatel	Senegal	3.3
Total		46.8
No. of Holdings		45

Risk statistics

	Since Inception
Alpha (annual basis)	8.0%
Annualised volatility (fund)	11.4%
Annualised volatility (benchmark)	11.7%
Sharpe ratio ⁴	1.0
Tracking error (ex-post)	6.4%
Information ratio	1.1
Up market capture ratio	102.8
Down market capture ratio	57.4

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 Prospectus (Swiss Version), Key Investor Information Document, Articles of Association, Annual and Interim Reports in German, as well as further information, can be obtained free of charge from our Swiss Representative: Carnegie Fund Services S.A., 11, rue du Général Dufour, CH-1204 Geneva, Switzerland, Web: www.carnegie-fund-services.ch. The paying agent in Switzerland is Banque Cantonale de Genève, 17, quai de l'île, CH-1204 Geneva. The current prices can be found at: www.fundinfo.com.

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



Other details

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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.

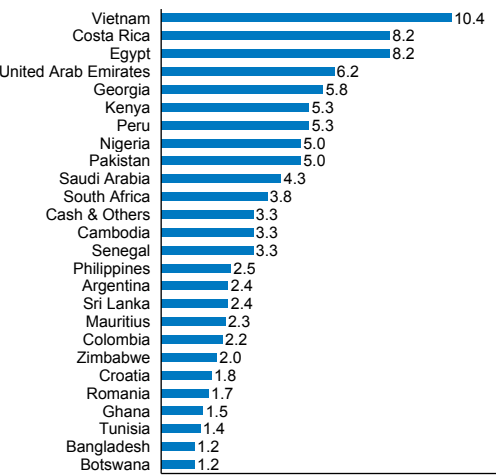
LGM Investments was established in Hong Kong in 1991 and became a wholly owned subsidiary of Bank of Montreal (BMO) in April 2011. It is part of BMO Global Asset Management.

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.

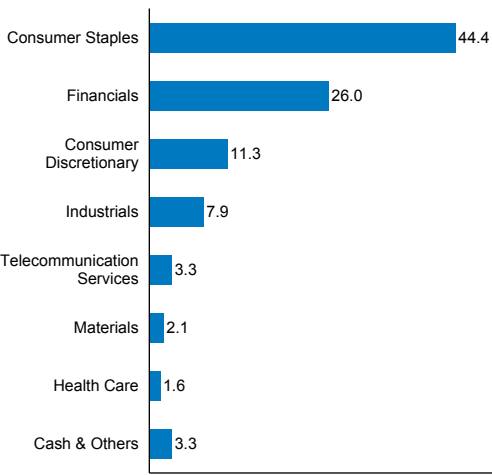
Geographic breakdown (%)^{9,10}



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

¹⁰Total may not be exact due to rounding.

Sector breakdown (%)¹⁰



Fund manager's commentary

November marks the five-year anniversary since launching the Frontier portfolio. We want to thank our loyal and long-term investors; you have continued to trust us with your capital, which has enabled us to do what we enjoy most; find great companies located in remote parts of the world.

These companies are characterised by sustainable business models, strong management teams, and unleveraged balance sheets with owners who respect that minority shareholders need to have their fair share of the cash flows. When we look at the returns for the five-year period, it shows that our philosophy and process has worked. The annualised dollar return has been 11.3% since inception (in USD, net of fees). This is also over a period where there has been significant USD strength.

Since inception, the net annualised alpha of the fund has been 7.1%. This is a satisfying result, especially as it has come with a down market capture of around 57%. It is interesting to observe that the alpha of the fund has been far more stable than the absolute return. We have been fortunate to outperform in most periods (1, 3, 5 years annualised). However, the absolute return has been less consistent with the bulk being generated in 2012, 2013 and to some extent in 2016 (without knowing how December will end). Overall, it has been a period of many extraordinary events and, most importantly, a period characterised by lack of investor appetite for emerging markets over all.

As mentioned above, the annualised absolute return since inception has been satisfying. This is amplified when considered that these returns have been achieved without leverage at portfolio level and with very little use of borrowing in the underlying companies in which we invest. Many private equity funds etc. have achieved better returns over the same period, and have far greater multiples. However, this should be considered in the context of the very significant use of leverage by many of these funds to achieve the results. This brings us to the outlook for global rates and the historic victory of Trump in the US. This may or may not herald a turning point in the "declining yield super cycle". We certainly don't pretend to know. However, we are of the firm view that many leveraged fund models and the blue chip corporate model of borrowing money to buy back their own shares will struggle (to put it mildly) if we do see a trend towards higher yields. Again, we do not know if we have turned the corner on rates, what we do know is that your portfolio has performed well in last five years in a declining rate environment. It is therefore ironic that we would intuitively expect the portfolio to do even better when rates start to go up from a relative perspective, given our focus on buying solid, unleveraged business models. This gives us a great deal of comfort.

Where we are less comfortable is in the ability of frontier markets to generate a double digit annualised USD return over the next five years. Bottom-up we are very positive, but we are concerned about starting another five years in a world where money is still 'free' (or perhaps was until the election of Trump). Where we have conviction is our expectation that frontier markets will deliver more attractive returns versus other global equities. This is driven in a large part by the strong currency adjustments we have seen in the past 24 months.

We have spent most of this commentary talking about five year results, which leaves us little room for November specific events. However, we need to mention that the long awaited IMF deal for Egypt was finally signed in November as Egypt launched a sound monetary and fiscal reform agenda. We applaud this news and we expect it should be positive for returns going forward, especially as the Egyptian currency now looks to be one of the cheapest in our universe.

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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