

March 2017

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\$ 709.3m
Strategy size ¹	US\$ 967.1m
NAV per share	US\$ 17.8399 (A Inc) US\$ 18.1888 (B Acc) US\$ 15.8120 (B Inc) US\$ 15.0941 (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	IE00B56QS461
Bloomberg ticker A Inc	LGMFMA ID
Bloomberg ticker B Acc	LGMFBA ID
Bloomberg ticker B Inc	LGMFBI ID
Bloomberg ticker E Acc	LGMFCA ID

Administrator

State Street Fund Services (Ireland) Ltd.
78, Sir John Rogerson's Quay
Dublin 2, Ireland

Telephone: +353 1 776 8150
Fax: +353 1 523 3783

Contact details

LGM Investments Limited
95 Wigmore Street London
W1U 1FD, UK

Telephone: +44 (0)20 3650 6600
Fax: +44 (0)20 7495 8651
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

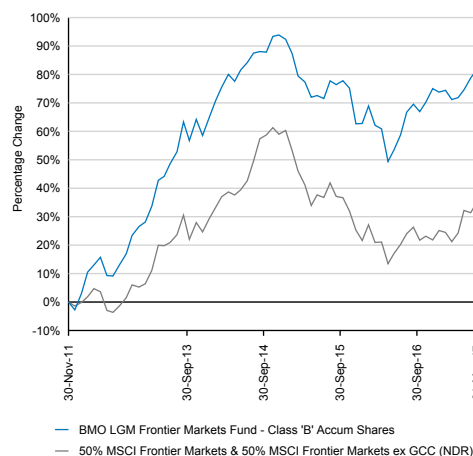
BMO LGM Frontier Markets Fund is a sub-fund of BMO Investments II (Ireland) plc, an umbrella fund with segregated liability between sub-funds authorised by the Central Bank of Ireland as a UCITS (undertaking for collective investment in transferable securities).

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
Commercial International Bank	Egypt	5.4
BGEO Group	Georgia	5.1
Alicorp	Peru	4.3
Sonatel	Senegal	4.3
Famous Brands	South Africa	4.2
United Bank	Pakistan	4.0
Aramex	United Arab Emirates	3.8
Pricesmart Inc	Costa Rica	3.8
Florida Ice & Farm Co	Costa Rica	3.8
Total		47.5
No. of Holdings		42

Risk statistics

	Since Inception
Alpha (annual basis)	7.1%
Annualised volatility (fund)	11.1%
Annualised volatility (benchmark)	11.7%
Sharpe ratio ⁴	1.1
Tracking error (ex-post)	6.7%
Information ratio	0.9
Up market capture ratio	95.5
Down market capture ratio	54.1

¹Total assets of all portfolio managed by LGM following a similar benchmark to the BMO LGM Frontier Markets Fund. 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.

²Dealing 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'.

⁴Risk Free Rate: US T-Bill 3 Month.

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

⁶Calculated over 3 months.

⁷Based on 3 months daily average.

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

⁹ROIC - 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

Performance as at 31 March 2017 (%)

	Fund	Benchmark
Since inception	81.9	35.3
Last month	1.8	3.0
Last 3 months	5.8	8.9
Last 6 months	4.7	8.1
Last 12 months	14.6	12.5
YTD	5.8	8.9
CY 2016	6.8	2.6
CY 2015	-9.3	-14.2
CY 2014	-1.5	1.8
CY 2013	34.7	24.8
Annualised Performance		
1 year	14.6	12.5
2 years	3.0	-0.5
3 years	-0.4	-1.7
5 years	10.0	5.3
Since inception	11.9	5.8

Portfolio characteristics*

	Fund	Benchmark
ROIC (non financials)	23.9%	14.2%
ROE (financials)	25.1%	15.8%
Net debt / Equity (non financials)	15.8%	28.0%
Equity / Assets (financials)	12.2%	11.6%
Dividend Yield	3.4%	4.2%
DPS growth ⁵	10.9%	16.0%
P/E (trailing 12 months)	17.3	15.7
P/E (12 months forward)	15.3	13.8
Weighted avg daily vol (US\$m) ⁶	2.6	4.5
Trading under USD 0.25m / day ⁷	22.0%	7.3%
Turnover rate (12 months) ⁸	18.5%	N/A

Market cap (US\$bn)

	Fund	Benchmark
< 1 bn	14.9%	6.6%
1-5 bn	71.1%	60.3%
> 5 bn	13.9%	33.1%
Weighted Average (US\$bn)	3.0	4.3

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.



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).

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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.

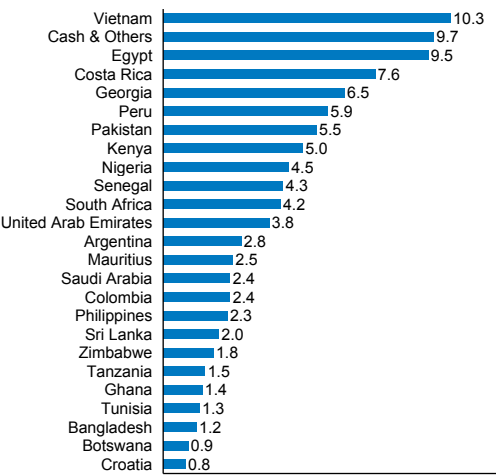
LGM Investments was established in Hong Kong in 1991 and became a wholly owned subsidiary of Bank of Montreal (BMO) in April 2011.It is part of BMO Global Asset Management.

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.

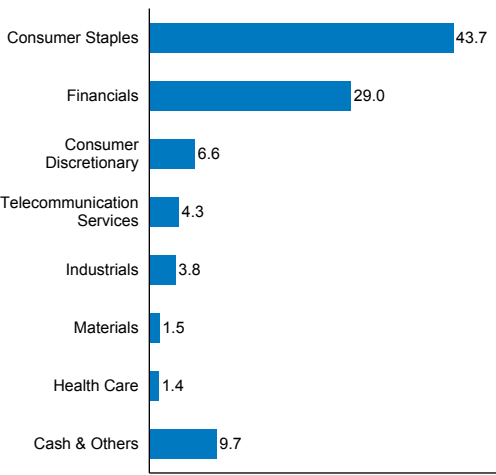
Geographic breakdown (%)^{9,10}



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

With the end of March, we are through the first quarter of a new five-year period managing your portfolio. It will not be easy to replicate the absolute and relative returns achieved over the past five years, but that is our goal and we won't rest until we achieve it. It was a strong first quarter from an absolute return perspective. However, the picture is less satisfying when we consider the very strong benchmark, the bulk of this return coming in January. When we look back at the portfolio's performance, there have been two quarters where there was significant relative underperformance – Q2 2014 and Q1 2017. In both quarters, this underperformance occurred at the same time that the benchmark gained significantly. This is not an overly surprising outcome. Do we expect to trail the index when markets experience significant momentum? – the answer is yes. This is simply the consequence of having more stable and well-capitalised businesses compared with the wider Frontier market and index. We certainly do not like the portfolio to underperform, but we also accept that it will happen and that it is most likely to occur when markets rise strongly over a short period. The good news is that we have demonstrated, time and again, that your portfolio can perform better over the long run than the market. However, what ultimately pays the bills are absolute returns in hard currency, and that is where we focus our efforts.

Over the past year, we have made three new investments, all of them in Africa: Famous Brands, a fast food restaurateur selling burgers across Africa; Unilever Ghana and Tanzania Breweries. Africa is out of favour with international investors, following the hype about its prospects around 2013-2014, and African currencies are much cheaper than they previously were. Most importantly, the valuations of good businesses are more affordable, hence our interest. The combination of affordability and cheap currencies is a great combination for dollar investors, and we are optimistic about the long-term returns we can generate on these investments.

Our most recent investment was Tanzania Breweries (TBL). The company is the market leader in beer production in Tanzania. It is a highly efficient and cash-generative business, not just by African standards but globally. The company delivers a consistent operating margin of around 30%. More impressive still is its consistently high cash conversion, which is close to 100%. Despite strong growth, the company has managed to pay out three quarters of its earnings and still keep a clean balance sheet. We expect TBL to become even more efficient now that the controlling shareholder is ABI. From a valuation perspective, the company confirms our previous point about how the wider market views Africa. We can buy TBL on a 7% free cash flow yield, a dividend yield of close to 6%, and an EV/EBITDA* multiple of around 9 times. Furthermore, we like the fact that the Tanzania schilling has depreciated significantly in recent years, which supports our expected dollar return.

During the past month, we sold our entire holdings in three investments. We sold our shares in Nestle Nigeria and Cadbury Nigeria on valuation grounds, using the proceeds to buy additional shares in Guaranty Trust Bank. Guaranty benefits from a much cheaper valuation. The bank has very strong US dollar positions on its balance sheet which should protect investors in case of further depreciation of the Nigerian naira. We also sold out of Nagacorp, which has been one of the best investments in the portfolio since inception. Sadly, the founder, Dr. Chen, chose to take advantage of minority shareholders during the month. This is something we can't accept as quality investors to whom trust is of fundamental importance. Fortunately, the market did not appreciate that he had made a significant transfer of wealth from minority shareholders to himself, and therefore the share price did not decline.

Finally, we are in close contact with the management of Ledo. The company's share price has been impacted by an ongoing solvency and accounting scandal at its parent company, Agroko. We will update you further on this matter in the next monthly comment.

*EV/EBITDA – enterprise value/earnings before interest, taxes, depreciation and amortization.

As at 31 March 2017

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.