

June 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\$ 590.0m
Strategy size ¹	US\$ 802.3m
NAV per share	US\$ 16.5676 (A Inc) US\$ 16.6902 (B Acc) US\$ 14.6606 (B Inc) US\$ 13.6583 (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	LGFMFAI ID
Bloomberg ticker B Acc	LGFMFBA ID
Bloomberg ticker B Inc	LGFMFBI ID
Bloomberg ticker E Acc	LGFMFCA 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

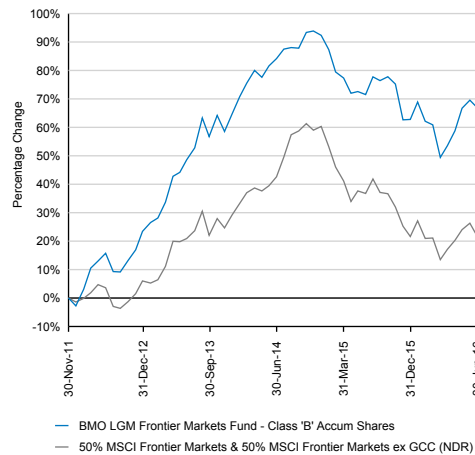
BMO LGM Frontier Markets Fund is a sub-fund of BMO Investments II (Ireland) plc, an umbrella fund with segregated liability between sub-funds authorised by the Central Bank of Ireland as a UCITS (undertaking for collective investment in transferable securities).

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	9.1
Commercial International Bank	Egypt	5.3
Aramex	United Arab Emirates	5.2
Pricesmart Inc	Costa Rica	4.7
BGEO Group	Georgia	4.6
Guaranty Trust Bank	Nigeria	3.8
Nagacorp	Cambodia	3.8
Sonatel	Senegal	3.5
Florida Ice & Farm Co	Costa Rica	3.4
Universal Robina Corp	Philippines	3.4
Total		46.8
No. of Holdings		44

Risk statistics

	Since Inception
Alpha (annual basis)	8.0%
Annualised volatility (fund)	11.8%
Annualised volatility (benchmark)	12.1%
Sharpe ratio ⁴	1.0
Tracking error (ex-post)	6.2%
Information ratio	1.1
Up market capture ratio	105.8
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 30 June 2016 (%)

	Fund	Benchmark
Since inception	66.9	21.7
Last month	-1.5	-3.6
Last 3 months	5.1	1.2
Last 6 months	3.8	0.5
Last 12 months	-6.1	-10.9
YTD	3.8	0.5
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	-6.1	-10.9
2 years	-5.7	-12.4
3 years	2.1	-0.1
Since inception	11.8	4.4

Portfolio characteristics*

	Fund	Benchmark
ROIC (non financials)	21.1%	17.4%
ROE (financials)	23.3%	15.9%
Net debt / Equity (non financials)	14.0%	26.6%
Equity / Assets (financials)	12.4%	12.1%
Dividend Yield	3.8%	4.7%
DPS growth ⁵	5.7%	4.4%
P/E (trailing 12 months)	16.9	14.6
P/E (12 months forward)	14.0	12.8
Weighted avg daily vol (US\$m) ⁶	2.8	3.0
% trading < US\$0.25m / day ⁷	17.1%	19.7%
Turnover rate (12 months) ⁸	13.9%	N/A

Market cap (US\$bn)

	Fund	Benchmark
< 1 bn	20.7%	9.9%
1-5 bn	61.3%	68.3%
> 5 bn	18.1%	21.7%
Weighted Average (US\$bn)	2.8	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, CIO and Portfolio Manager, 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, 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 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.

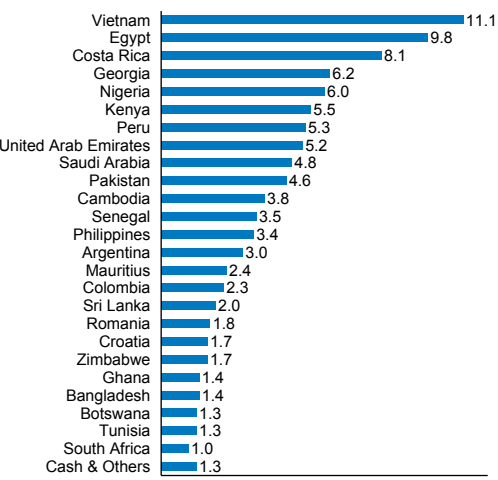
LGM Investments was established in Hong Kong in 1991 and became a wholly owned subsidiary of Bank of Montreal (BMO) in April 2011. It is part of BMO Global Asset Management.

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.

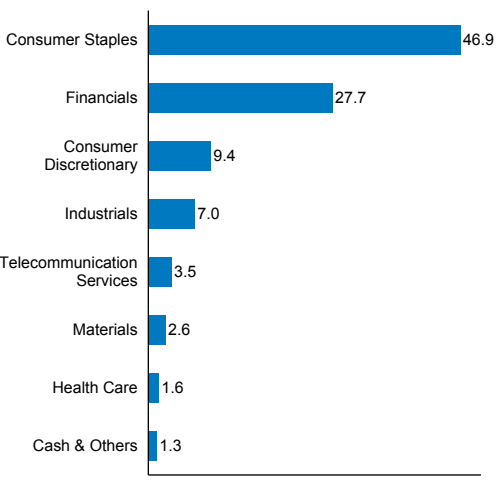
Geographic breakdown (%)^{9,10}



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

June turned out to be a more eventful month than the average, even for a frontier market fund. 'Brexit' was undoubtedly the biggest event and had the largest impact on asset prices. However, we suspect that most readers of this fact sheet will have been inundated about this topic and its implications. Therefore, we will keep our commentary here to the point that despite the resulting falls in our markets during the last week of June the impact on the frontier market and your fund should be very limited. The fund's companies are predominantly focused on their domestic markets and the countries where they are located generally have limited relationships with the UK. The fund ended the month very slightly down in absolute terms, which is clearly not satisfying, but we take some comfort from the fact that the fund performed significantly better than its benchmark.

The largest domestic event during the month occurred in Nigeria where the central bank finally let the local currency – the Naira – devalue. It has been widely understood that the Naira was overvalued, but equally widely understood that President Buhari is incredibly stubborn on this topic. It therefore came as a surprise when the "independent" central bank was allowed to devalue and let the Naira float. At the time of writing we still question whether the Naira has found its true equilibrium level and we suspect that it has a bit further to fall. The impact of the devaluation on the fund is limited by our relatively low investments in Nigeria and the fact that the majority of our investment is in Guaranty Trust Bank. With its significant long dollar position, Guaranty was well positioned in the event of such a devaluation.

During June we made the second new investment of 2016. For readers of our fact sheets it should not come as a surprise to learn that this company is located in Africa, just like our first new investment of the year, Unilever Ghana. Africa is very much out of favour with frontier and emerging market (EM) investors and we believe this makes it a good hunting ground to search for great businesses selling at attractive valuations. Over the last year we have spent considerable time on the fast food sector. The fund only has one investment in this space, Herfy in Saudi Arabia. However, we have always looked for more opportunities because this is an industry which has shown over and over again that with the right offering and management you can earn 'supernormal' returns for a very prolonged period of time. Famous Brands is a company that has, for years, kept popping up on our screens because it generates better returns than almost anyone globally in this sector. We have not looked at it more in the past because the bulk of its cash flows come from South Africa. However, with its strongly growing pan-African operation we now feel it has reached a scale where it can be considered for the frontier fund. In our work on African quick service restaurants (QSR) it has become clear that Famous Brands is going to be the long-term winner and the only real challenger for first place is American Yum! Brands. After researching the business for a long time, 'Brexit', which triggered a sharp fall in the South African Rand, provided us with an opportunity to become shareholders in this excellent business. We fully understand that South Africa is not part of our universe and we want to be crystal clear that this is not going to be the start of a trend to buy companies outside the universe. However, we also feel strongly that not owning a company that will be the most successful QSR on the African continent over the next ten years would be a huge mistake, especially when it trades on an undemanding valuation by QSR standards. In many ways African QSR is as frontier as it gets! We would encourage any of our investors who want more clarity on the rationale for this investment to write to us and we shall respond quickly.

During July we will travel to South Africa to meet with the management of Famous Brands and we will also stop by the ever troubled Zimbabwe to meet with the management of Delta, who continually impress us with their ability to generate strong cash flows in a very difficult operating environment.

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.