

December 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\$ 610.6m
Strategy size ¹	US\$ 872.2m
NAV per share	US\$ 17.0299 (A Inc) US\$ 17.1836 (B Acc) US\$ 15.0986 (B Inc) US\$ 14.2080 (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	LGMFMAI ID
Bloomberg ticker B Acc	LGMFMBA ID
Bloomberg ticker B Inc	LGMFMBI ID
Bloomberg ticker E Acc	LGMMFCA ID

Administrator

State Street Fund Services (Ireland) Ltd.
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Contact details

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

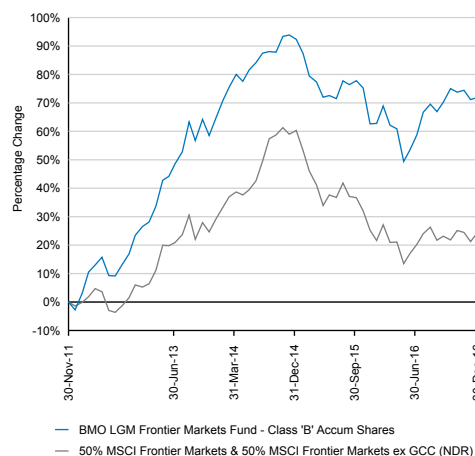
BMO LGM Frontier Markets Fund is a sub-fund of BMO Investments II (Ireland) plc, an umbrella fund with segregated liability between sub-funds authorised by the Central Bank of Ireland as a UCITS (undertaking for collective investment in transferable securities).

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	8.3
Commercial International Bank	Egypt	5.2
BGEO Group	Georgia	4.3
Famous Brands	South Africa	4.1
Florida Ice & Farm Co	Costa Rica	4.1
Pricemart Inc	Costa Rica	4.0
Alicorp	Peru	3.9
Sonatel	Senegal	3.5
Guaranty Trust Bank	Nigeria	3.5
United Bank	Pakistan	3.3
Total		44.0
No. of Holdings		44

Risk statistics

	Since Inception
Alpha (annual basis)	7.5%
Annualised volatility (fund)	11.4%
Annualised volatility (benchmark)	11.7%
Sharpe ratio ⁴	1.0
Tracking error (ex-post)	6.4%
Information ratio	1.0
Up market capture ratio	100.7
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.

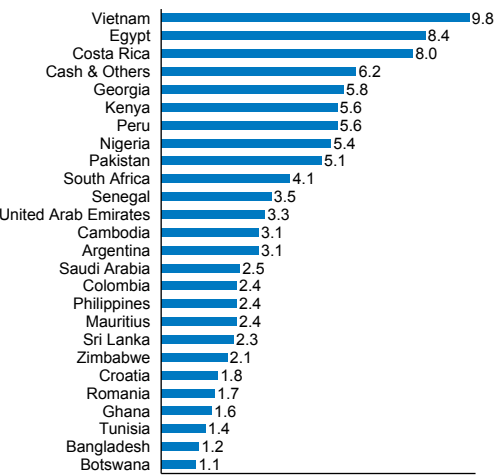
LGM Investments was established in Hong Kong in 1991 and became a wholly owned subsidiary of Bank of Montreal (BMO) in April 2011. It is part of BMO Global Asset Management.

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.

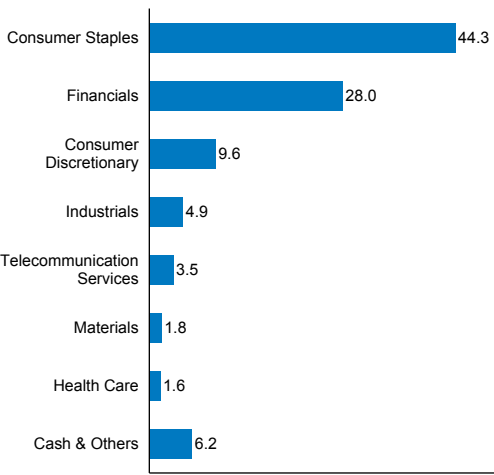
Geographic breakdown (%)^{9,10}



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

With the end of December, we reflect on what turned out to be a very challenging year to invest. The year for us was characterized by further dollar strength, a strong focus on top-down factors by our fellow frontier investors and, in the last part of 2016, a flight away from quality in both emerging and frontier markets. It was therefore satisfying to conclude the year with a high single digit return, significantly ahead of the portfolio's benchmark. The portfolio also remains strongly ahead of its benchmark on a one, three, and five-year basis.

Returning to the so called "rotation" out of quality, a horrible term which to us sounds like something invented by the sell side – the house always wins when you rotate! When Italy borrows 50-year money at 2.85% and blue chip corporates can borrow at nothing (such as Nestle) or just print free money to buy back their own shares or acquire other firms (such as AB Inbev) then something is clearly amiss. This is a problem created by extremely dovish central bank policies in most major developed nations (US, Japan and Europe). However, the idea that quality companies will not reward investors in a world where money is no longer 'free' is, to us, absurd. A great company is one that generates more cash today than it needs to reinvest, thereby creating excess cash which it uses to either pay back investors or make sound long-term acquisitions. Companies that deliver today are quality ones whilst those that might in the future are opportunities or perhaps basket cases. This is a bird in the hand versus two in the bush. We can understand why some investors gave up on this concept when money was free, albeit wrongly, and paid outrageous valuations for other companies - notably tech start-ups. However, if we are re-entering a world where it will cost money to borrow, then it will yet again be the case that a bird in the hand is the better strategy – as it has been on average since capital markets were invented. As such, we will just hold on to our quality stocks. This change in risk appetite did hurt the relative performance of the fund in December but we advise clients once again to look at the long-term numbers.

In December we decided to sell roughly half of the shares we own in Aramex. These shares were sold to a strategic investor at a good premium to the market. We might consider buying back shares in Aramex if the opportunity presents itself, but given the foreign ownership limit it may be difficult. We also sold all our shares in Herfy thereby taking the total number of buy and sell decisions for 2016 to seven: we sold five and bought two. Herfy is a company in which we've been shareholders since the inception of the fund, and it has done well. However, a number of factors led to the sale. First, since we did our due diligence on Famous Brands (and subsequently invested) we understand how much better they are than most other fast food chains including Herfy. Second, we are worried about the longer-term outlook for Saudi Arabia. Given the recent OPEC deal provided a short-term uplift in valuation, we took the opportunity to sell our shares. Third, we are still consolidating the portfolio with the number of holdings likely to go to a range of between 35 and 40. On that note, we will most likely make a new investment in January 2017, which we are making room for with the sale of Herfy. We will update you on the new investment once we have built our position.

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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