

January 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\$ 614.5m
Strategy size ¹	US\$ 861.7m
NAV per share	US\$ 16.8383 (A Inc) US\$ 17.4555 (B Acc) US\$ 15.2057 (B Inc) US\$ 14.4485 (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	IE00B6QS461
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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Dublin 2, Ireland

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Contact details

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

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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

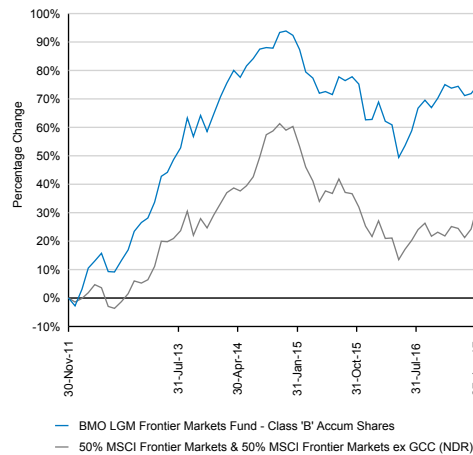
BMO LGM Frontier Markets Fund is a sub-fund of BMO Investments II (Ireland) plc, an umbrella fund with segregated liability between sub-funds authorised by the Central Bank of Ireland as a UCITS (undertaking for collective investment in transferable securities).

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	8.9
Commercial International Bank	Egypt	5.7
BGEO Group	Georgia	5.1
Famous Brands	South Africa	4.5
Florida Ice & Farm Co	Costa Rica	4.4
Alicorp	Peru	4.2
Pricesmart Inc	Costa Rica	4.0
Aramex	United Arab Emirates	3.8
Sonatel	Senegal	3.8
United Bank	Pakistan	3.7
Total		48.0
No. of Holdings		45

Risk statistics

	Since Inception
Alpha (annual basis)	6.9%
Annualised volatility (fund)	11.3%
Annualised volatility (benchmark)	11.8%
Sharpe ratio ⁴	1.0
Tracking error (ex-post)	6.7%
Information ratio	0.8
Up market capture ratio	96.5
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

Performance as at 31 January 2017 (%)

	Fund	Benchmark
Since inception	74.6	32.2
Last month	1.6	6.4
Last 3 months	0.1	6.2
Last 6 months	2.6	7.4
Last 12 months	16.8	16.5
YTD	1.6	6.4
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	17.0	16.6
2 years	0.8	-0.7
3 years	-0.6	-1.3
5 years	11.1	5.8
Since inception	11.4	5.6

Portfolio characteristics*

	Fund	Benchmark
ROIC (non financials)	23.5%	18.6%
ROE (financials)	23.2%	16.0%
Net debt / Equity (non financials)	16.4%	32.1%
Equity / Assets (financials)	11.6%	11.7%
Dividend Yield	3.6%	4.3%
DPS growth ⁵	11.5%	16.1%
P/E (trailing 12 months)	16.5	15.6
P/E (12 months forward)	14.6	13.6
Weighted avg daily vol (US\$m) ⁶	2.8	3.7
Trading under USD 0.25m / day ⁷	20.3%	7.4%
Turnover rate (12 months) ⁸	14.6%	N/A

Market cap (US\$bn)

	Fund	Benchmark
< 1 bn	20.1%	8.0%
1-5 bn	66.9%	60.9%
> 5 bn	13.0%	31.0%
Weighted Average (US\$bn)	2.7	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

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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.

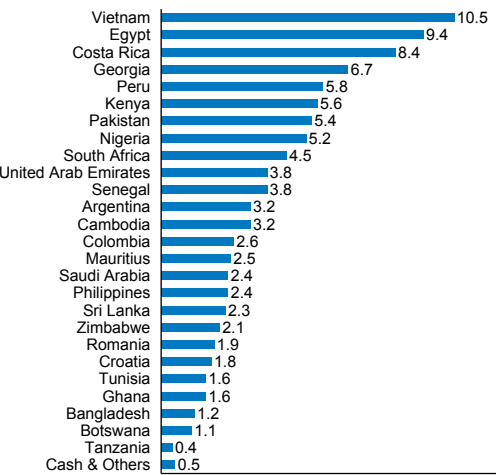
LGM Investments was established in Hong Kong in 1991 and became a wholly owned subsidiary of Bank of Montreal (BMO) in April 2011. It is part of BMO Global Asset Management.

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.

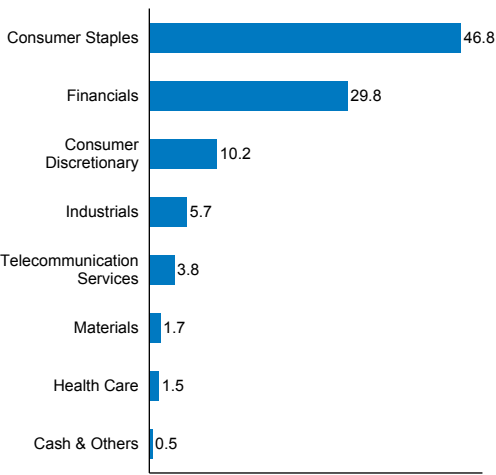
Geographic breakdown (%)^{9,10}



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

2017 has started on a positive note for the portfolio in absolute terms. However, when we compare it to the portfolio's benchmark, the return is disappointing. The frontier index was up strongly during the month. We rarely spend time talking about the benchmark as we firmly believe it distracts us from making the best possible long-term investments on your behalf. The negative relative performance was, however, of a magnitude last seen in May 2014, when MSCI upgraded United Arab Emirates (UAE) and Qatar, hence it deserves a few comments. Three of the biggest markets in the benchmark were up strongly - Kuwait, Morocco and Argentina. We have never found anything suitable in Kuwait or Morocco in which to invest and only one company in Argentina. We remain of the view that Argentina is very interesting if the current administration gets enough time in power to see the results of their reform. Therefore we will continue to devote significant time to the analysis of companies in Argentina. Similar to past periods of large underperformance, we take comfort that it happened in a month where the benchmark was strongly up.

Given the numerous risks of investing in frontier markets, diversification is essential. It is for this reason that despite around 61% of the benchmark being found in the 5 largest countries the same figure for the portfolio is only approximately 41%. On a sector basis, one of the largest concentrations for the portfolio is in the dairy sector with a weight of close to 13%. The decline in skimmed milk powder (SMP) prices from the end of 2014 provided a tailwind for our dairy companies with most seeing strong margin improvement over the last 2 years. Juhayna was the exception but this was due to the currency situation in Egypt. Since the middle of last year, we have seen some of these falls in SMP prices reversed. This should, in theory, also lead to a reversal of some of these margin improvements. However, the benefit of investing in companies with strong market leading positions is that they have the pricing power to pass on some of these increased costs to consumers. During the month we travelled to Vietnam where we met with the CEO of our largest investment in the portfolio, and dairy sector, Vinamilk. Profits in 2017 will be impacted by the higher raw material prices but management believe they can still grow through a combination of continued strong volume growth coupled with price increases, the latter we have not seen for the last few years. Looking back over the past five years, we remain extremely impressed with how this company has developed under the stewardship of Madam Lien. Vinamilk has provided very strong returns for the portfolio since inception and we remain confident that it will continue to be a good investment for portfolio over the next 5 years.

During January we initiated one new investment. We will provide an update as soon as we have reached our desired weight but it will come as little surprise that, like the two new investments last year, it is also located in Africa. Africa remains out of favour with frontier investors but this is positive for us as it provides good opportunities with the current valuations of companies and currencies.

You will also notice when looking at assets under management on the fund fact sheet that we are approaching our strategy hard cap of USD 1 billion. We shall send out a notice when we reach this limit.

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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