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## Letter From The President

Dear Investors,

Welcome to the 4th edition of the Bermuda Stock Exchange Domestic Issuers "Blue Book". Herein you will find helpful and informative details regarding all of Bermuda's local companies, including financial results, earnings estimates, share price forecasts, and stock recommendations.

The world is now emerging from the greatest financial crisis in generations, bringing with it both incredible opportunity and potentially vast changes. Currently, there is strong political will to lay blame for the crisis and to set the regulatory framework for a system better protected from future calamities. In the face of tremendous adversity, worldwide financial markets have rallied strongly from their lows of last March. The unprecedented bailout packages and vast mounts of liquidity injected into the system appear to have "righted the ship" for the time being. However, we are starting to see the ramifications of these actions in the form of large government deficits and sovereign debt concerns, notably in some European Union constituents.

Following a decade of exceptionally strong growth, the BSX Domestic Issuers have experienced their most difficult two years on record. The RG/BSX Index has now fallen 38.4% year-to-date and 39.4% year-on-year. Much of this decline was due to the high index weighting of Butterfield Bank, which suffered greatly from their investments in U.S. mortgage-related securities. Likewise, the Bermudian insurance industry experienced a severe downturn, resulting in a negative impact on our local economy.

LOM has maintained a strong capital structure, with a debt-free balance sheet and no exposure to mortgage-related bonds. We currently have cash and equivalents of \$4.3 million and net equity of \$19.0 million. Our financial diligence has provided us the ability to focus on future opportunities. We are currently adding staff to our sales and asset management divisions to better serve our clientele. We are making preparations to roll out an online trading system – the first of its kind in the offshore world. As always, LOM is here to provide our clients with expert investment advice. Our organization continues to hold our clients' interests above all else by offering them service that is efficient, timely, and knowledgeable.

We recommend that investors deploy their wealth gradually, prudently, and with the advice of a qualified professional. Please feel free to use this publication as you wish, and should you require further information on these BSX listed companies or any other financial instrument, please contact us at (441) 292-5000 or by e-mail at [info@lom.com](mailto:info@lom.com).

Thank You and Kindest Regards,



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