

LOM FUNDS SAC LTD.
FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

LOM FUNDS SAC LTD.

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INDEPENDENT AUDITORS' REPORT

To the Shareholders and Board of Directors of
LOM Funds SAC Ltd.

We have audited the accompanying statements of assets and liabilities of LOM Funds SAC Ltd. (the "Company"), which comprises the LOM Money Market Fund USD, LOM Money Market Fund CAD, LOM Money Market Fund GBP, LOM Stable Income Fund, LOM Emerging Market Fund, LOM Fixed Income Fund USD, LOM Fixed Income Fund EUR, LOM Fixed Income Fund GBP, LOM Fixed Income Fund CAD, LOM Equity Growth Fund and LOM Balanced Fund, including the condensed schedules of investments, as of December 31, 2019, and the related statements of operations and changes in net assets for the year then ended (all expressed in the functional currency of each fund), and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of LOM Funds SAC Ltd. as of December 31, 2019, the results of its operations and changes in its net assets for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Deloitte Ltd.

June 24, 2020

LOM FUNDS SAC LTD.

STATEMENTS OF ASSETS AND LIABILITIES

AS OF DECEMBER 31, 2019

	LOM Money Market Fund \$ USD	LOM Money Market Fund \$ CAD	LOM Money Market Fund £ GBP	LOM Stable Income Fund \$ USD	LOM Emerging Market Fund \$ USD
Assets					
Investments in securities, at fair value (cost – \$21,620,304, C\$16,530,757, £3,997,919, \$40,295,180, \$1,373,906)	21,589,253	16,513,548	4,010,805	47,185,451	1,556,728
Cash	714,953	218,826	30,418	635,778	10,527
Dividends receivable	-	-	-	68,592	72
Interest receivable	125,617	113,800	20,666	63,150	-
Prepaid and other assets	1,106	506	222	2,033	1,588
Total Assets	22,430,929	16,846,680	4,062,111	47,955,004	1,568,915
Liabilities					
Management fees payable	27,618	21,677	1,341	182,585	7,689
Accounts payable and accrued liabilities	10,511	6,353	2,098	23,771	801
Total Liabilities	38,129	28,030	3,439	206,356	8,490
Net Assets	22,392,800	16,818,650	4,058,672	47,748,648	1,560,425

See the accompanying notes to the financial statements

LOM FUNDS SAC LTD.

STATEMENT OF ASSETS AND LIABILITIES (CONTINUED)

AS OF DECEMBER 31, 2019

	LOM Fixed Income Fund \$ USD	LOM Fixed Income Fund € EUR	LOM Fixed Income Fund £ GBP	LOM Fixed Income Fund \$ CAD	LOM Equity Growth Fund \$ USD	LOM Balanced Fund \$ USD
Assets						
Investments in securities, at fair value (cost - \$71,473,028, €709,769, £2,319,178, C\$6,041,578 \$23,123,643, \$2,164,816)	72,559,656	720,311	2,353,017	6,081,771	32,747,018	2,641,343
Cash	187,179	9,187	152,686	88,597	192,802	-
Dividends receivable	25,464	-	-	-	10,912	-
Interest receivable	476,759	2,161	38,454	48,577	-	-
Due from Broker	78,804	-	-	-	-	-
Subscription receivable	-	-	-	-	1,967	-
Prepaid and other assets	1,918	62	668	2,526	809	66
Total Assets	73,329,780	731,721	2,544,825	6,221,471	32,953,508	2,641,409
Liabilities						
Derivative liabilities, at fair value (proceeds - \$0, €0, £0, C\$0, \$23,696, \$0)	-	-	-	-	225	-
Bank overdraft	-	-	-	-	-	480,963
Redemptions payable	-	-	-	-	4,477	-
Management fees payable	190,374	-	5,000	16,330	162,207	4,253
Accounts payable and accrued liabilities	35,057	344	1,240	2,939	15,606	1,329
Total Liabilities	225,431	344	6,240	19,269	182,515	486,545
Net Assets	73,104,349	731,377	2,538,585	6,202,202	32,770,993	2,154,864

See the accompanying notes to the financial statements

LOM FUNDS SAC LTD.

CONDENSED SCHEDULES OF INVESTMENTS – LOM MONEY MARKET FUND USD

AS OF DECEMBER 31, 2019

INVESTMENTS IN SECURITIES, AT FAIR VALUE - LEVEL 2	Cost USD	Fair Value USD	% of Net Assets
CORPORATE BONDS			
France			
Industrials	796,451	797,881	3.6%
Utilities	<u>808,825</u>	<u>801,320</u>	<u>3.6%</u>
Total for France	<u>1,605,276</u>	<u>1,599,201</u>	<u>7.2%</u>
United States of America			
Communications	801,353	800,224	3.6%
Consumer Cyclical	1,952,074	1,950,411	8.6%
Consumer Non-Cyclical	800,065	800,031	3.6%
Energy	801,049	800,323	3.6%
Financials	3,330,370	3,314,678	14.8%
Industrial	<u>1,502,245</u>	<u>1,501,639</u>	<u>6.7%</u>
Total for United States of America	<u>9,187,156</u>	<u>9,167,306</u>	<u>40.9%</u>
Canada			
Financials	250,850	250,275	1.1%
Government	<u>807,905</u>	<u>805,953</u>	<u>3.6%</u>
Total for Canada	<u>1,058,755</u>	<u>1,056,228</u>	<u>4.7%</u>
United Kingdom			
Energy	<u>800,625</u>	<u>800,076</u>	<u>3.6%</u>
China			
Financials	<u>2,390,412</u>	<u>2,396,701</u>	<u>10.7%</u>
Netherlands			
Financials	<u>249,847</u>	<u>249,989</u>	<u>1.1%</u>
Hongkong			
Financials	<u>1,619,330</u>	<u>1,614,687</u>	<u>7.2%</u>
Japan			
Financials	<u>701,250</u>	<u>700,106</u>	<u>3.1%</u>
South Korea			
Financials	<u>802,273</u>	<u>801,042</u>	<u>3.6%</u>
Switzerland			
Financials	<u>805,193</u>	<u>802,765</u>	<u>3.6%</u>
New Zealand			
Financials	<u>800,929</u>	<u>800,797</u>	<u>3.6%</u>
British Virgin Islands			
Energy	<u>801,065</u>	<u>800,830</u>	<u>3.6%</u>
Total for CORPORATE BONDS	<u>20,822,111</u>	<u>20,789,728</u>	<u>92.9%</u>
GOVERNMENT BONDS			
United States of America			
Total for GOVERNMENT BONDS	<u>798,193</u>	<u>799,525</u>	<u>3.6%</u>
Total Investment in Securities	<u>21,620,304</u>	<u>21,589,253</u>	<u>96.5%</u>

See the accompanying notes to the financial statements

LOM FUNDS SAC LTD.

CONDENSED SCHEDULES OF INVESTMENTS – LOM MONEY MARKET FUND CAD

AS OF DECEMBER 31, 2019

	Cost CAD	Fair Value CAD	% of Net Assets
INVESTMENTS IN SECURITIES, AT FAIR VALUE - LEVEL 2			
CORPORATE BONDS			
Canada			
Consumer Cyclical	2,404,586	2,402,508	14.3%
Energy	1,610,323	1,607,907	9.6%
Financials	8,812,952	8,801,931	52.3%
Industrials	801,313	800,707	4.8%
Utilities	<u>1,304,605</u>	<u>1,301,425</u>	<u>7.7%</u>
Total for Canada	<u>14,933,779</u>	<u>14,914,478</u>	<u>88.7%</u>
Total for CORPORATE BONDS	<u>14,933,779</u>	<u>14,914,478</u>	<u>88.7%</u>
GOVERNMENT BONDS			
Canada			
Total for GOVERNMENT BONDS	<u>1,596,978</u>	<u>1,599,070</u>	<u>9.5%</u>
Total Investment in Securities	<u>16,530,757</u>	<u>16,513,548</u>	<u>98.2%</u>

See the accompanying notes to the financial statements

LOM FUNDS SAC LTD.

CONDENSED SCHEDULES OF INVESTMENTS – LOM MONEY MARKET FUND GBP

AS OF DECEMBER 31, 2019

Quantity		Cost GBP	Fair Value GBP	% of Net Assets
INVESTMENTS IN SECURITIES, AT FAIR VALUE - LEVEL 2				
CORPORATE BONDS				
United Kingdom				
Financials				
400,000	Clydesdale Bank PLC 2.25% 04/21/2020	401,865	401,814	9.9%
300,000	Santander UK PLC 1.875% 02/17/2020	<u>301,684</u>	<u>300,660</u>	<u>7.4%</u>
	Total for Financials	<u>703,549</u>	<u>702,474</u>	<u>17.3%</u>
Netherlands				
Consumer, Cyclical				
400,000	Volkswagen Financial Services NV 1.75% 04/17/2020	<u>401,025</u>	<u>401,200</u>	<u>9.9%</u>
	Total for CORPORATE BONDS	<u>1,104,574</u>	<u>1,103,674</u>	<u>27.2%</u>
GOVERNMENT BONDS				
United Kingdom				
300,000	United Kingdom Treasury 4.75% 03/07/2020	<u>306,535</u>	<u>302,400</u>	<u>7.5%</u>
	Total for GOVERNMENT BONDS	<u>306,535</u>	<u>302,400</u>	<u>7.5%</u>
	Total for LEVEL 2 investments	<u>1,411,109</u>	<u>1,406,074</u>	<u>34.7%</u>
INVESTMENTS IN SECURITIES, AT FAIR VALUE - LEVEL 1				
MUTUAL FUNDS				
Ireland				
124	Fidelity Institutional Liquidity Fund PLC - The Sterling Fund	<u>2,586,810</u>	<u>2,604,731</u>	<u>64.2%</u>
	Total for MUTUAL FUNDS	<u>2,586,810</u>	<u>2,604,731</u>	<u>64.2%</u>
	Total for LEVEL 1 investments	<u>2,586,810</u>	<u>2,604,731</u>	<u>64.2%</u>
	Total Investment in Securities	<u>3,997,919</u>	<u>4,010,805</u>	<u>98.9%</u>

See the accompanying notes to the financial statements

LOM FUNDS SAC LTD.

CONDENSED SCHEDULES OF INVESTMENTS – LOM STABLE INCOME FUND

AS OF DECEMBER 31, 2019

	Cost USD	Fair Value USD	% of Net Assets
INVESTMENTS IN SECURITIES, AT FAIR VALUE - LEVEL 1			
COMMON STOCKS			
France			
Energy	<u>339,612</u>	<u>331,800</u>	<u>0.7%</u>
United States of America			
Communications	1,348,451	1,655,790	3.5%
Consumer Cyclical	611,505	1,014,168	2.1%
Consumer Non-Cyclical	2,088,168	3,107,505	6.5%
Energy	603,906	662,790	1.4%
Financials	1,743,528	2,274,805	4.8%
Industrial	788,315	1,159,235	2.4%
Technology	1,350,933	2,644,137	5.5%
Utilities	<u>1,593,748</u>	<u>2,091,719</u>	<u>4.4%</u>
Total for United States of America	<u>10,128,554</u>	<u>14,610,149</u>	<u>30.6%</u>
Canada			
Communications	<u>357,095</u>	<u>393,657</u>	<u>0.8%</u>
United Kingdom			
Consumer Non-Cyclical	302,606	314,435	0.7%
Energy	636,920	678,270	1.4%
Utilities	<u>438,835</u>	<u>475,718</u>	<u>1.0%</u>
Total for United Kingdom	<u>1,378,361</u>	<u>1,468,423</u>	<u>3.1%</u>
Panama			
Consumer Cyclical	<u>347,054</u>	<u>355,810</u>	<u>0.7%</u>
Australia			
Financials	<u>80,616</u>	<u>68,004</u>	<u>0.1%</u>
Total for COMMON STOCKS	<u>12,631,292</u>	<u>17,227,843</u>	<u>36.0%</u>
EXCHANGE TRADED FUNDS			
United States of America	<u>5,817,295</u>	<u>6,866,575</u>	<u>14.4%</u>
Ireland	<u>344,429</u>	<u>251,192</u>	<u>0.5%</u>
Total for EXCHANGE TRADED FUNDS	<u>6,161,724</u>	<u>7,117,767</u>	<u>14.9%</u>
PREFERRED STOCKS			
United States of America			
Communications	2,552,219	2,674,065	5.6%
Consumer Cyclical	2,472,537	2,636,038	5.5%
Energy	503,320	515,600	1.1%
Financials	5,498,651	5,839,339	12.2%
Technology	74,775	54,780	0.1%
Utilities	<u>3,664,241</u>	<u>3,894,876</u>	<u>8.2%</u>
Total for United States of America	<u>14,765,743</u>	<u>15,614,698</u>	<u>32.7%</u>
Bermuda			
Consumer Cyclical	997,425	1,071,670	2.2%
Financials	<u>877,304</u>	<u>967,955</u>	<u>2.0%</u>
Total for Bermuda	<u>1,874,729</u>	<u>2,039,625</u>	<u>4.2%</u>
Marshall Island			
Industrial	<u>609,540</u>	<u>655,100</u>	<u>1.4%</u>
Total for PREFERRED STOCKS	<u>17,250,012</u>	<u>18,309,423</u>	<u>38.3%</u>
Total for Level 1 Investments	<u>36,043,028</u>	<u>42,655,033</u>	<u>89.2%</u>

See the accompanying notes to the financial statements

LOM FUNDS SAC LTD.

CONDENSED SCHEDULES OF INVESTMENTS – LOM STABLE INCOME FUND (CONTINUED)

AS OF DECEMBER 31, 2019

INVESTMENTS IN SECURITIES, AT FAIR VALUE - LEVEL 2

ASSET BACKED SECURITIES

United States of America

Financials	<u>238,525</u>	<u>234,986</u>	<u>0.5%</u>
Total for ASSET BACKED SECURITIES	<u>238,525</u>	<u>234,986</u>	<u>0.5%</u>

CORPORATE BONDS

United States of America

Communications	403,040	442,176	0.9%
Energy	363,931	411,234	0.9%
Financials	891,090	995,751	2.1%
Technology	<u>279,775</u>	<u>295,017</u>	<u>0.6%</u>
Total for United States of America	<u>1,937,836</u>	<u>2,144,178</u>	<u>4.5%</u>

United Kingdom

Financials	<u>1,166,158</u>	<u>1,185,637</u>	<u>2.5%</u>
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Switzerland

Financials	<u>301,434</u>	<u>312,516</u>	<u>0.7%</u>
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Norway

Consumer Cyclical	<u>248,972</u>	<u>253,226</u>	<u>0.5%</u>
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Australia

Financials	<u>359,227</u>	<u>399,875</u>	<u>0.8%</u>
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Total for CORPORATE BONDS	<u>4,013,627</u>	<u>4,295,432</u>	<u>9.0%</u>
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Total for Level 2 Investments	<u>4,252,152</u>	<u>4,530,418</u>	<u>9.5%</u>
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Total Investment in Securities	<u>40,295,180</u>	<u>47,185,451</u>	<u>98.7%</u>
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See the accompanying notes to the financial statements

LOM FUNDS SAC LTD.

CONDENSED SCHEDULES OF INVESTMENTS – LOM EMERGING MARKET FUND

AS OF DECEMBER 31, 2019

Quantity		Cost USD	Fair Value USD	% of Net Assets
INVESTMENTS IN SECURITIES, AT FAIR VALUE - LEVEL 1				
COMMON STOCKS				
South Korea				
	Technology	<u>16,035</u>	<u>26,246</u>	<u>1.7%</u>
Taiwan				
	Technology	<u>29,763</u>	<u>58,100</u>	<u>3.7%</u>
Brazil				
	Financials	<u>10,995</u>	<u>13,725</u>	<u>0.9%</u>
Cayman Islands				
	Communications	106,147	113,026	7.2%
	Industrial	11,125	18,187	1.2%
	Technology	<u>35,885</u>	<u>36,797</u>	<u>2.4%</u>
	Total for Cayman Islands	<u>153,157</u>	<u>168,010</u>	<u>10.8%</u>
China				
	Energy	34,290	31,493	2.0%
	Financials	<u>18,295</u>	<u>21,420</u>	<u>1.4%</u>
	Total for China	<u>52,585</u>	<u>52,913</u>	<u>3.4%</u>
Hongkong				
	Communications	<u>18,308</u>	<u>16,908</u>	<u>1.1%</u>
India				
	Financials	<u>17,203</u>	<u>30,180</u>	<u>1.9%</u>
	Total for COMMON STOCKS	<u>298,046</u>	<u>366,082</u>	<u>23.5%</u>
EXCHANGE TRADED FUNDS				
United States of America				
4,600	Emerging Markets Internet & Ecommerce ETF	122,125	162,380	10.4%
3,000	Ishares MSCI Emerging Markets ETF	128,864	134,610	8.6%
1,350	iShares MSCI South Korea ETF	80,039	83,957	5.4%
1,900	JPMorgan Diversified Return Emerging Markets Equity ETF	96,225	108,300	6.9%
4,500	PowerShares S&P Emerging Markets Low Volatility Portfolio	96,638	108,000	6.9%
3,600	Vanguard FTSE Emerging Markets ETF	155,420	160,092	10.3%
2,150	WisdomTree Emerging Markets High Dividend Fund	88,362	98,405	6.3%
	Others	<u>308,187</u>	<u>334,902</u>	<u>21.5%</u>
	Total for EXCHANGE TRADED FUNDS	<u>1,075,860</u>	<u>1,190,646</u>	<u>76.3%</u>
	Total for Level 1 Investments	<u>1,373,906</u>	<u>1,556,728</u>	<u>99.8%</u>
	Total Investment in Securities	<u>1,373,906</u>	<u>1,556,728</u>	<u>99.8%</u>

See the accompanying notes to the financial statements

LOM FUNDS SAC LTD.

CONDENSED SCHEDULES OF INVESTMENTS – LOM FIXED INCOME FUND USD

AS OF DECEMBER 31, 2019

	Cost USD	Fair Value USD	% of Net Assets
INVESTMENTS IN SECURITIES, AT FAIR VALUE - LEVEL 1			
PREFERRED STOCKS			
United States of America			
Communications	1,438,835	1,572,560	2.2%
Consumer Non-Cyclical	655,091	700,584	1.0%
Energy	407,215	412,480	0.6%
Financials	975,570	1,061,775	1.5%
Utilities	<u>4,931,599</u>	<u>5,360,384</u>	<u>7.2%</u>
Total for United States of America	<u>8,408,310</u>	<u>9,107,783</u>	<u>12.5%</u>
Bermuda			
Financials	<u>895,281</u>	<u>915,960</u>	<u>1.2%</u>
Total for PREFERRED STOCKS	<u>9,303,591</u>	<u>10,023,743</u>	<u>13.7%</u>
Total for Level 1 Investments	<u>9,303,591</u>	<u>10,023,743</u>	<u>13.7%</u>
INVESTMENTS IN SECURITIES, AT FAIR VALUE - LEVEL 2			
ASSET BACKED SECURITIES			
United States of America			
Financials	<u>6,996,590</u>	<u>7,008,167</u>	<u>9.6%</u>
Total for ASSET BACKED SECURITIES	<u>6,996,590</u>	<u>7,008,167</u>	<u>9.6%</u>
CORPORATE BONDS			
United States of America			
Basic Materials	983,607	1,036,179	1.4%
Communications	2,517,795	2,501,394	3.4%
Consumer Cyclical	2,866,911	2,885,054	3.9%
Consumer Non-Cyclical	2,057,020	2,095,120	2.9%
Energy	394,747	379,445	0.5%
Financials	12,762,322	12,986,520	17.8%
Government	1,394,269	1,356,980	1.9%
Industrial	2,458,434	2,480,215	3.4%
Technology	<u>2,227,494</u>	<u>2,288,688</u>	<u>3.1%</u>
Total for United States of America	<u>27,662,599</u>	<u>28,009,595</u>	<u>38.3%</u>
United Kingdom			
Energy	1,074,113	993,203	1.3%
Financials	<u>1,375,411</u>	<u>1,443,806</u>	<u>2.0%</u>
Total for United Kingdom	<u>2,449,524</u>	<u>2,437,009</u>	<u>3.3%</u>
Switzerland			
Financials	<u>652,504</u>	<u>677,118</u>	<u>0.9%</u>
Netherlands			
Financials	<u>777,013</u>	<u>784,982</u>	<u>1.1%</u>
Australia			
Financials	<u>2,152,294</u>	<u>2,163,511</u>	<u>3.0%</u>
South Korea			
Financials	<u>847,533</u>	<u>850,128</u>	<u>1.2%</u>
Bermuda			
Financials	<u>1,709,235</u>	<u>1,744,554</u>	<u>2.4%</u>
British Virgin			
Financials	<u>1,484,310</u>	<u>1,455,698</u>	<u>2.0%</u>

See the accompanying notes to the financial statements

LOM FUNDS SAC LTD.

CONDENSED SCHEDULES OF INVESTMENTS – LOM FIXED INCOME FUND USD (CONTINUED)

AS OF DECEMBER 31, 2019

INVESTMENTS IN SECURITIES, AT FAIR VALUE - LEVEL 2

ASSET BACKED SECURITIES

CORPORATE BONDS

Cayman Islands

Communications	1,314,327	1,361,724	1.9%
Consumer Cyclical	979,613	970,825	1.3%
Financials	<u>1,264,866</u>	<u>1,272,587</u>	<u>1.7%</u>

Total for Cayman Islands 3,558,806 3,605,136 4.9%

Canada

Basic Materials	973,365	1,008,590	1.4%
Financials	<u>246,505</u>	<u>250,240</u>	<u>0.3%</u>

Total for Canada 1,219,870 1,258,830 1.7%

Spain

Financials	<u>985,778</u>	<u>976,208</u>	<u>1.3%</u>
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France

Energy	<u>1,015,015</u>	<u>1,021,570</u>	<u>1.4%</u>
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Mexico

Energy	<u>1,573,608</u>	<u>1,512,321</u>	<u>2.1%</u>
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Japan

Financials	<u>833,995</u>	<u>833,918</u>	<u>1.1%</u>
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United Arab Emirates

Financials	<u>1,865,214</u>	<u>1,862,741</u>	<u>2.5%</u>
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Total for CORPORATE BONDS 48,787,298 49,193,319 67.2%

MORTGAGE BACKED SECURITIES

United States of America

Financials	<u>4,312,446</u>	<u>4,222,152</u>	<u>5.8%</u>
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Total for MORTGAGE BACKED SECURITIES 4,312,446 4,222,152 5.8%

GOVERNMENT

Saudi Arabia

	<u>1,068,129</u>	<u>1,099,095</u>	<u>1.5%</u>
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Supranational

	<u>1,004,974</u>	<u>1,013,180</u>	<u>1.4%</u>
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Total for GOVERNMENT 2,073,103 2,112,275 2.9%

Total for Level 2 Investments 62,169,437 62,535,913 85.5%

Total Investment in Securities 71,473,028 72,559,656 99.2%

See the accompanying notes to the financial statements

LOM FUNDS SAC LTD.

CONDENSED SCHEDULES OF INVESTMENTS – LOM FIXED INCOME FUND EUR

AS OF DECEMBER 31, 2019

Quantity		Cost EUR	Fair Value EUR	% of Net Assets
INVESTMENTS IN SECURITIES, AT FAIR VALUE - LEVEL 1				
EXCHANGE TRADED FUNDS				
Ireland				
1,031	iShares EUR Corp Bond Large Cap UCITS ETF	<u>143,323</u>	<u>143,721</u>	<u>19.7%</u>
	Total for EXCHANGE TRADED FUNDS	<u>143,323</u>	<u>143,721</u>	<u>19.7%</u>
MUTUAL FUNDS				
Ireland				
9,301	PIMCO Funds Global Investor Series PLC - Euro Credit Fund	<u>149,942</u>	<u>157,273</u>	<u>21.5%</u>
Luxembourg				
10,113	Fidelity Funds - Core Euro Bond Fund/ 4Y-ACC-EUR	<u>158,645</u>	<u>159,690</u>	<u>21.8%</u>
	Total for MUTUAL FUNDS	<u>308,587</u>	<u>316,963</u>	<u>43.3%</u>
	Total for LEVEL 1 investments	<u>451,910</u>	<u>460,684</u>	<u>63.0%</u>
INVESTMENTS IN SECURITIES, AT FAIR VALUE - LEVEL 2				
CORPORATE BONDS				
France				
	Financials	<u>28,220</u>	<u>27,046</u>	<u>3.7%</u>
United States of America				
	Financials			
50,000	Goldman Sachs Group Inc 1.375% 7/26/2022	<u>51,282</u>	<u>51,773</u>	<u>7.1%</u>
United Kingdom				
	Financials			
50,000	Royal Bank of Scotland PLC 06/14/2022 Floating	<u>47,290</u>	<u>48,353</u>	<u>6.6%</u>
Germany				
	Financials			
50,000	Commerzbank AG 4% 03/23/2026	55,932	56,314	7.7%
	Others	<u>25,200</u>	<u>26,236</u>	<u>3.6%</u>
	Total for Germany	<u>81,132</u>	<u>82,550</u>	<u>11.3%</u>
Ireland				
	Financials			
50,000	GE Capital Euro Funding 05/17/2021 Floating	<u>49,935</u>	<u>49,905</u>	<u>6.8%</u>
	Total for CORPORATE BONDS	<u>257,859</u>	<u>259,627</u>	<u>35.5%</u>
	Total for LEVEL 2 investments	<u>257,859</u>	<u>259,627</u>	<u>35.5%</u>
	Total Investment in Securities	<u>709,769</u>	<u>720,311</u>	<u>98.5%</u>

See the accompanying notes to the financial statements

LOM FUNDS SAC LTD.

CONDENSED SCHEDULES OF INVESTMENTS – LOM FIXED INCOME FUND GBP

AS OF DECEMBER 31, 2019

Quantity		Cost GBP	Fair Value GBP	% of Net Assets
	INVESTMENTS IN SECURITIES, AT FAIR VALUE - LEVEL 2			
	CORPORATE BONDS			
	United Kingdom			
	Communications			
100,000	British Telecom plc 5.75% 12/07/2028	<u>124,375</u>	<u>127,859</u>	<u>5.0%</u>
	Financials			
200,000	Canary Warf Finance II PLC 5.952% 1/22/2035	246,027	290,394	11.4%
200,000	Scottish Windows Ltd 5.5% 06/16/2023	221,965	222,550	8.8%
200,000	Society of Lloyd's 4.75% 10/30/2024	212,223	222,690	8.8%
	Others	409,614	400,261	15.8%
	Total for Financials	<u>1,089,829</u>	<u>1,135,895</u>	<u>44.8%</u>
	Utilities	<u>212,516</u>	<u>210,506</u>	<u>8.3%</u>
	Total for United Kingdom	<u>1,426,720</u>	<u>1,474,260</u>	<u>58.1%</u>
	Germany			
	Basic Materials	<u>100,325</u>	<u>102,760</u>	<u>4.0%</u>
	Netherlands			
	Consumer Cyclical	<u>98,575</u>	<u>102,049</u>	<u>4.0%</u>
	Financials			
100,000	MDC - GMTN BV 6.875% 03/14/2026	<u>130,775</u>	<u>131,740</u>	<u>5.2%</u>
	Total for Netherlands	<u>229,350</u>	<u>233,789</u>	<u>9.2%</u>
	Ireland			
	Financials	<u>112,190</u>	<u>110,528</u>	<u>4.4%</u>
	Bermuda			
	Financials	<u>117,753</u>	<u>121,234</u>	<u>4.8%</u>
	United States of America			
	Financials	<u>99,075</u>	<u>102,652</u>	<u>4.0%</u>
	Spain			
	Communications	<u>112,940</u>	<u>100,849</u>	<u>4.0%</u>
	Italy			
	Consumer Non-Cyclical	<u>120,825</u>	<u>106,945</u>	<u>4.2%</u>
	Total for CORPORATE BONDS	<u>2,319,178</u>	<u>2,353,017</u>	<u>92.7%</u>
	Total for LEVEL 2 investments	<u>2,319,178</u>	<u>2,353,017</u>	<u>92.7%</u>
	Total Investment in Securities	<u>2,319,178</u>	<u>2,353,017</u>	<u>92.7%</u>

See the accompanying notes to the financial statements

LOM FUNDS SAC LTD.

CONDENSED SCHEDULES OF INVESTMENTS – LOM FIXED INCOME FUND CAD

AS OF DECEMBER 31, 2019

INVESTMENTS IN SECURITIES, AT FAIR VALUE - LEVEL 2	Cost CAD	Fair Value CAD	% of Net Assets
CORPORATE BONDS			
United States of America			
Communications	222,135	223,030	3.6%
Consumer Cyclical	198,225	205,780	3.3%
Consumer Non-Cyclical	200,525	200,534	3.2%
Financials	596,837	603,022	9.7%
Technology	<u>198,317</u>	<u>202,586</u>	<u>3.3%</u>
Total for United States of America	<u>1,416,039</u>	<u>1,434,952</u>	<u>23.1%</u>
Canada			
Communications	482,850	480,086	7.8%
Consumer Cyclical	999,301	1,007,400	16.2%
Consumer Non-Cyclical	208,800	204,590	3.3%
Energy	695,802	709,429	11.4%
Financials	1,211,265	1,214,160	19.6%
Industrial	196,865	199,236	3.2%
Technology	<u>830,656</u>	<u>831,918</u>	<u>13.4%</u>
Total for Canada	<u>4,625,539</u>	<u>4,646,819</u>	<u>74.9%</u>
Total for CORPORATE BONDS	<u>6,041,578</u>	<u>6,081,771</u>	<u>98.0%</u>
Total for LEVEL 2 investments	<u>6,041,578</u>	<u>6,081,771</u>	<u>98.0%</u>
Total Investment in Securities	<u>6,041,578</u>	<u>6,081,771</u>	<u>98.0%</u>

See the accompanying notes to the financial statements

LOM FUNDS SAC LTD.

CONDENSED SCHEDULES OF INVESTMENTS – LOM EQUITY GROWTH FUND

AS OF DECEMBER 31, 2019

	Cost USD	Fair Value USD	% of Net Assets
INVESTMENTS IN SECURITIES, AT FAIR VALUE - LEVEL 1			
COMMON STOCKS			
France			
Energy	<u>168,978</u>	<u>165,899</u>	<u>0.5%</u>
United States of America			
Communications	2,803,190	3,836,629	11.7%
Consumer Cyclical	1,143,475	2,182,564	6.7%
Consumer Non-Cyclical	3,179,254	4,954,970	15.1%
Energy	974,146	950,854	2.9%
Financials	2,891,813	4,916,607	15.0%
Industrial	1,706,357	2,303,456	7.0%
Technology	<u>1,859,849</u>	<u>3,239,306</u>	<u>9.9%</u>
Total for United States of America	<u>14,558,084</u>	<u>22,384,386</u>	<u>68.3%</u>
United Kingdom			
Consumer Non-Cyclical	187,667	200,095	0.6%
Energy	<u>153,216</u>	<u>147,450</u>	<u>0.4%</u>
Total for United Kingdom	<u>340,883</u>	<u>347,545</u>	<u>1.0%</u>
Cayman Islands			
Communications	<u>136,272</u>	<u>144,029</u>	<u>0.4%</u>
Panama			
Consumer Cyclical	<u>135,849</u>	<u>152,491</u>	<u>0.5%</u>
Ireland			
Consumer Non-Cyclical	170,290	226,900	0.7%
Industrial	182,926	217,856	0.7%
Technology	<u>347,009</u>	<u>684,353</u>	<u>2.1%</u>
Total for Ireland	<u>700,225</u>	<u>1,129,109</u>	<u>3.5%</u>
Total for COMMON STOCKS	<u>16,040,291</u>	<u>24,323,459</u>	<u>74.2%</u>
EXCHANGE TRADED FUNDS			
United States of America			
Financials	<u>7,083,352</u>	<u>8,423,559</u>	<u>25.7%</u>
Total for EXCHANGE TRADED FUNDS	<u>7,083,352</u>	<u>8,423,559</u>	<u>25.7%</u>
Total for LEVEL 1 investments	<u>23,123,643</u>	<u>32,747,018</u>	<u>99.9%</u>
Total Investment in Securities	<u>23,123,643</u>	<u>32,747,018</u>	<u>99.9%</u>
DERIVATIVE LIABILITIES, AT FAIR VALUE			
OPTIONS			
Panama			
Consumer Cyclical	<u>12,548</u>	<u>150</u>	<u>0.0%</u>
United States of America			
Energy	<u>11,148</u>	<u>75</u>	<u>0.0%</u>
Total for OPTIONS	<u>23,696</u>	<u>225</u>	<u>0.0%</u>
Total Derivative Liabilities, at Fair Value	<u>23,696</u>	<u>225</u>	<u>0.0%</u>

See the accompanying notes to the financial statements

LOM FUNDS SAC LTD.

CONDENSED SCHEDULES OF INVESTMENTS – LOM BALANCED FUND

AS OF DECEMBER 31, 2019

Quantity		Cost USD	Fair Value USD	% of Net Assets
INVESTMENTS IN SECURITIES, AT FAIR VALUE - LEVEL 1				
EXCHANGE TRADED FUNDS				
United States of America				
780	SPDR Gold Shares	101,672	111,462	5.2%
3,460	Vanguard FTSE Emerging Markets ETF	153,180	153,866	7.1%
900	Vanguard Small-Cap Value ETF	120,996	123,363	5.7%
	Others	<u>120,103</u>	<u>123,606</u>	<u>5.8%</u>
	Total for United States of America	<u>495,951</u>	<u>512,297</u>	<u>23.8%</u>
	Total for EXCHANGE TRADED FUNDS	<u>495,951</u>	<u>512,297</u>	<u>23.8%</u>
	Total for Level 1 Investments	<u>495,951</u>	<u>512,297</u>	<u>23.8%</u>
INVESTMENTS IN SECURITIES, AT FAIR VALUE - AT NAV PER SHARE				
MUTUAL FUNDS				
Bermuda				
62,175	LOM Equity Growth Fund	696,127	1,027,030	47.7%
21,625	LOM Fixed Income Fund	343,087	363,326	16.9%
51,412	LOM Stable Income Fund	<u>540,595</u>	<u>592,023</u>	<u>27.4%</u>
	Total for Bermuda	<u>1,579,809</u>	<u>1,982,379</u>	<u>92.0%</u>
Cayman Islands				
412	Marco Polo Pure China Fund	<u>89,056</u>	<u>146,667</u>	<u>6.8%</u>
	Total for Mutual Funds	<u>1,668,865</u>	<u>2,129,046</u>	<u>98.8%</u>
	Total Investments measured at NAV per share	<u>1,668,865</u>	<u>2,129,046</u>	<u>98.8%</u>
	Total Investment in Securities	<u>2,164,816</u>	<u>2,641,343</u>	<u>122.6%</u>

See the accompanying notes to the financial statements

LOM FUNDS SAC LTD.

STATEMENTS OF OPERATIONS

FOR THE YEAR ENDED DECEMBER 31, 2019

	LOM Money Market Fund \$ USD	LOM Money Market Fund \$ CAD	LOM Money Market Fund £ GBP	LOM Stable Income Fund \$ USD	LOM Emerging Market Fund \$ USD
Investment income					
Interest income	516,969	345,746	46,001	262,334	42
Dividends, net of withholding taxes (\$0, C\$0, £0, \$206,009, \$10,618)	11,156	-	-	1,757,026	28,596
Total investment income	528,125	345,746	46,001	2,019,360	28,638
Expenses					
Interest expense	-	494	586	2,260	79
Management fees	107,982	76,479	5,989	665,890	20,310
Audit fees	10,013	4,708	1,798	21,514	744
Miscellaneous expenses	42,123	27,212	7,791	101,349	5,068
Total expenses	160,118	108,893	16,164	791,013	26,201
Management fees waived	(244)	-	(548)	-	-
Net expenses	159,874	108,893	15,616	791,013	26,201
Net investment income/(loss)	368,251	236,853	30,385	1,228,347	2,437
Realized and change in unrealized gain/(loss) on investments					
Net realized gain/(loss) on investments	9,883	(42,840)	(30,601)	(394,777)	2,895
Net change in unrealized gain/ (loss) on investments	(19,309)	(14,370)	15,718	6,879,352	236,398
Net realized and change in unrealized gain/(loss) on investments	(9,426)	(57,210)	(14,883)	6,484,575	239,293
Net increase/(decrease) in net assets resulting from operations	358,825	179,643	15,502	7,712,922	241,730

See the accompanying notes to the financial statements

LOM FUNDS SAC LTD.

STATEMENTS OF OPERATIONS (CONTINUED)

FOR THE YEAR ENDED DECEMBER 31, 2019

	LOM Fixed Income Fund \$ USD	LOM Fixed Income Fund € EUR	LOM Fixed Income Fund £ GBP	LOM Fixed Income Fund \$ CAD	LOM Equity Growth Fund \$ USD	LOM Balanced Fund \$ USD
Investment income						
Interest income	2,348,682	4,093	103,134	193,161	349	81
Dividends, net of withholding taxes (\$0, €0, £1,687, C\$0, \$163,111, \$3,465)	537,338	855	(1,687)	25	403,195	25,568
Total investment income	2,886,020	4,948	101,447	193,186	403,544	25,649
Expenses						
Interest expense	38	310	9	-	7,355	596
Management fees	695,550	-	19,619	60,096	602,286	16,545
Audit fees	31,094	344	1,280	2,500	13,206	1,225
Miscellaneous expenses	142,566	1,293	5,457	14,188	67,362	5,836
Total expenses	869,248	1,947	26,365	76,784	690,209	24,202
Management fees waived	-	-	-	-	-	-
Net expenses	869,248	1,947	26,365	76,784	690,209	24,202
Net investment income/(loss)	2,016,772	3,001	75,082	116,402	(286,665)	1,447
Realized and change in unrealized gain/(loss) on investments						
Net realized gain/(loss) on investments	(470,332)	3,404	(56,227)	(7,318)	986,284	158,751
Net change in unrealized gain/ (loss) on investments	2,733,528	18,822	102,966	93,115	6,295,084	273,066
Net realized and change in unrealized gain/(loss) on investments	2,263,196	22,226	46,739	85,797	7,281,368	431,817
Net increase/(decrease) in net assets resulting from operations	4,279,968	25,227	121,821	202,199	6,994,703	433,264

See the accompanying notes to the financial statements

LOM FUNDS SAC LTD.

STATEMENTS OF CHANGES IN NET ASSETS

FOR THE YEAR ENDED DECEMBER 31, 2019

	LOM Money Market Fund \$ USD	LOM Money Market Fund \$ CAD	LOM Money Market Fund £ GBP	LOM Stable Income Fund \$ USD	LOM Emerging Market Fund \$ USD
Net increase/(decrease) in net assets resulting from operations					
Net investment income/(loss)	368,251	236,853	30,385	1,228,347	2,437
Net realized gain/(loss) on investments	9,883	(42,840)	(30,601)	(394,777)	2,895
Net change in unrealized gain/ (loss) on investments	(19,309)	(14,370)	15,718	6,879,352	236,398
Net increase/(decrease) in net assets resulting from operations	358,825	179,643	15,502	7,712,922	241,730
Capital share transactions					
Issuance of non-restricted, voting Participating Shares	18,622,504	19,605,101	1,790,728	7,403,315	198,910
Redemption of non-restricted, voting Participating Shares	(19,243,584)	(10,348,036)	(1,580,122)	(8,389,263)	(366,599)
Dividends distributed	-	-	-	(1,468,875)	-
Net increase/(decrease) in net assets from capital share transactions	(621,080)	9,257,065	210,606	(2,454,823)	(167,689)
Net increase/(decrease) in net asset during the year	(262,255)	9,436,708	226,108	5,258,099	74,041
Net assets at beginning of year	22,655,055	7,381,942	3,832,564	42,490,549	1,486,384
Net assets at end of year	22,392,800	16,818,650	4,058,672	47,748,648	1,560,425

See the accompanying notes to the financial statements

LOM FUNDS SAC LTD.

STATEMENTS OF CHANGES IN NET ASSETS (CONTINUED)

FOR THE YEAR ENDED DECEMBER 31, 2019

	LOM Fixed Income Fund \$ USD	LOM Fixed Income Fund € EUR	LOM Fixed Income Fund £ GBP	LOM Fixed Income Fund \$ CAD	LOM Equity Growth Fund \$ USD	LOM Balanced Fund \$ USD
Net increase/(decrease) in net assets resulting from operations						
Net investment income/(loss)	2,016,772	3,001	75,082	116,402	(286,665)	1,447
Net realized gain/(loss) on investments	(470,332)	3,404	(56,227)	(7,318)	986,284	158,751
Net change in unrealized gain/ (loss) on investments	2,733,528	18,822	102,966	93,115	6,295,084	273,066
Net increase/(decrease) in net assets resulting from operations	4,279,968	25,227	121,821	202,199	6,994,703	433,264
Capital share transactions						
Issuance of non-restricted, voting Participating Shares	12,879,469	299,460	109,589	1,694,939	3,342,199	81,939
Redemption of non-restricted, voting Participating Shares	(8,007,705)	(404,959)	(301,852)	(789,444)	(3,091,631)	(849,339)
Dividends distributed	-	-	-	-	-	-
Net increase/(decrease) in net assets from capital share transactions	4,871,764	(105,499)	(192,263)	905,495	250,568	(767,400)
Net increase/(decrease) in net asset during the year	9,151,732	(80,272)	(70,442)	1,107,694	7,245,271	(334,136)
Net assets at beginning of year	63,952,617	811,649	2,609,027	5,094,508	25,525,722	2,489,000
Net assets at end of year	73,104,349	731,377	2,538,585	6,202,202	32,770,993	2,154,864

See the accompanying notes to the financial statements

LOM FUNDS SAC LTD.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2019

NOTE 1 - NATURE OF THE COMPANY

ORGANIZATION

LOM Funds SAC Ltd. (the “Company”) was incorporated in Bermuda as a segregated accounts company pursuant to the Companies Act of 1981 (as amended) and registered under the Segregated Accounts Companies Act 2000, as amended, on November 28, 2011, and began operations on January 2, 2012. The names of the segregated accounts each, a “Segregated Account,” collectively (the “Funds”) are as follows:

- LOM Money Market Fund USD
- LOM Money Market Fund CAD
- LOM Money Market Fund GBP
- LOM Stable Income Fund
- LOM Emerging Market Fund
- LOM Fixed Income Fund USD
- LOM Fixed Income Fund EUR
- LOM Fixed Income Fund GBP
- LOM Fixed Income Fund CAD
- LOM Equity Growth Fund
- LOM Balanced Fund

As a segregated accounts company, the Company is permitted to create Segregated Accounts in order to segregate the assets and liabilities that are held within or on behalf of a particular Segregated Account from the assets and liabilities of any other Segregated Account and from the Company’s general assets and liabilities. Segregated Account assets are only available and may only be used to meet liabilities to creditors in respect of a particular Segregated Account and are not available to meet liabilities to creditors in respect of other Segregated Accounts or to general creditors of the Company. As of December 31, 2019, there were eleven Segregated Accounts, all of which are within these financial statements.

Capitalized terms herein have been defined in the company’s Information Memorandum, or in a segregated Account’s Class Supplement unless otherwise noted.

Each Segregated Account has its own investment objective and strategy.

The LOM Money Market Fund USD is a money market fund designed to preserve investors’ capital and liquidity while providing, through active management, a return in line with US Dollar short-term money rates.

The LOM Money Market Fund CAD is a money market fund designed to preserve investors’ capital and liquidity while providing, through active management, a return in line with Canadian Dollar short-term money rates.

LOM FUNDS SAC LTD.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2019

NOTE 1 - NATURE OF THE COMPANY (CONTINUED)

The LOM Money Market Fund GBP is a money market fund designed to preserve investors' capital and liquidity while providing, through active management, a return in line with Pound Sterling short-term money rates.

The investment objective of the LOM Stable Income Fund is to generate premium returns over full market cycles and protect the purchasing power and principal of the LOM Stable Income Fund while providing relatively high levels of monthly current income through the purchase of attractively valued, higher yielding securities.

The investment objective of the LOM Emerging Market Fund is to provide long-term capital appreciation by investing in securities domiciled in and/or deriving the majority of their revenues from emerging market countries as popularly defined. The Fund invests in emerging markets through individual securities, American depository receipts (ADR's) and exchange-traded funds (ETF's).

The investment objective of the LOM Fixed Income Fund USD is to achieve above-average long-term absolute returns while controlling risk through an effective program of diversification when considered prudent and through an asset allocation strategy with an emphasis on fixed income securities with a focus on the United States.

The investment objective of the LOM Fixed Income Fund EUR is to achieve above-average long-term absolute returns while controlling risk through an effective program of diversification when considered prudent and through an asset allocation strategy with an emphasis on fixed income securities with a focus on the European region.

The investment objective of the LOM Fixed Income Fund GBP is to achieve above-average long-term absolute returns while controlling risk through an effective program of diversification when considered prudent and through an asset allocation strategy with an emphasis on fixed income securities with a focus on the UK and European regions.

The investment objective of the LOM Fixed Income Fund CAD is to achieve above-average long-term absolute returns while controlling risk through an effective program of diversification when considered prudent and through an asset allocation strategy with an emphasis on fixed income securities with a focus on Canada.

The investment objective of the LOM Equity Growth Fund is to achieve above-average long-term capital appreciation and dividend income while controlling risk through diversification by company, industry, and region. The LOM Equity Growth Fund invests primarily in the quoted equities of larger capitalisation global companies and in exchange traded funds.

The investment objective of the LOM Balanced Fund is to achieve above-average long-term appreciation of capital while controlling risk by primarily purchasing mutual funds and exchange traded funds, whilst maintaining disciplined and effective money management strategies.

LOM FUNDS SAC LTD.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2019

NOTE 1 - NATURE OF THE COMPANY (CONTINUED)

Each Segregated Account is listed on the Bermuda Stock Exchange.

LOM Asset Management Limited (“LOMAM” or the “Investment Manager”) (a related party to the Company) acts as the Investment Manager and owns 100% of the Organisational Shares (Note 4). Global Custody and Clearing Limited (the “Custodian”) (a related party to the Company) acts as paying agent and custodian to the Company. Certain directors of the Company are also principals, directors and officers of companies affiliated with LOMAM and the Custodian.

The Company is classified as an investment company as defined in Accounting Standards update (“ASU”) 2013-08, Investment Companies (Topic 946): Amendments to the scope, measurement and Disclosure Requirements. The Company applies the guidance set forth in Accounting Standards Codification (“ASC” or “Codification”) Topic 946 Financial Services – Investment Companies (“ASC 946”) in its financial statements and related notes.

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES

The following is a summary of significant accounting policies consistently followed by the Company in the preparation of its financial statements. The policies are in conformity with United States (“U.S.”) generally accepted accounting principles, which require management to make estimates and assumptions that affect the reported amounts, contingent assets and liabilities, and disclosures in the financial statements. Actual results could differ from those estimates. Management has considered the circumstances under which the Company should recognize or make disclosures regarding events or transactions occurring subsequent to the balance sheet date through the date the financial statements were issued. Adjustments or additional disclosures, if any, have been included in these financial statements.

CASH

Cash consists of interest bearing and non interest bearing accounts held by the Custodian, a related party.

INVESTMENT VALUATION AND REVENUE RECOGNITION

Investment transactions are accounted for on a trade date basis.

The Company invests in securities traded on a stock exchange or other market which are valued generally at last trade value and where this is not available at the last mid-market price on the relevant exchange or market or, if not available, at bid value prices (see Note 3).

The Company invests in bonds and other fixed income securities that may not trade on national exchanges. These investments are valued at the last quoted bid price and where this is not available at the last trade value, or if not available, at prices determined by an independent third party pricing source (see Note 3).

LOM FUNDS SAC LTD.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2019

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

INVESTMENT VALUATION AND REVENUE RECOGNITION (CONTINUED)

The Company invests in other investment companies which consist primarily of mutual funds and exchange traded funds (“ETFs”). Mutual funds are valued at the net asset value or bid prices of the fund, as published or otherwise reported by the respective stock exchange or administrator. The other investment companies in which the Company invests will generally value securities at fair value. Investments in ETFs are stated at the last reported sales price on the day of valuation or at the last quoted bid price, if no sale was reported on the valuation date (see Note 3).

Realized and unrealized gains and losses on investments are calculated using the first-in-first-out method, and are reported in the accompanying statements of operations.

INCOME RECOGNITION

Interest income is earned on cash balances, fixed income securities and money market securities. Interest income earned on cash balances is recognized when posted. Interest income on fixed income securities is recognized on an accrual basis based on the stated interest rate of the security. Dividend income is recognized on the ex-dividend date and is presented net of withholding taxes, which are withheld by the Custodian’s clearing brokers.

FOREIGN CURRENCY TRANSLATION

The functional currency for the LOM Money Market Fund CAD is the Canadian Dollar (“CAD”). The functional currency for the LOM Fixed Income Fund EUR is the Euro (“EUR”). The functional currency for the LOM Money Market Fund GBP and LOM Fixed Income Fund GBP is the British Pound (“GBP”) and CAD is the Canadian Dollar (“CAD”). For all other Segregated Accounts, the functional currency is the United States Dollar (“USD”). Investment securities denominated in currencies other than a Segregated Account’s functional currency are translated to the Segregated Account’s functional currency at the date of valuation. Purchases and sales of investment securities and income and expense items denominated in currencies other than Segregated Account’s functional currency are translated to the Segregated Account’s function currency on the respective date of such transactions.

The Company does not isolate that portion of the results of operations resulting from changes in foreign exchange rates on investments from the fluctuations arising from changes in market prices of securities held. Such fluctuations are included with the net realized gain or loss on sale of investments, and the net change in unrealized appreciation or depreciation on investments.

LOM FUNDS SAC LTD.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2019

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

CONDENSED SCHEDULES OF INVESTMENTS

The accompanying condensed schedules of investments present the investments by country. The industry classifications included in the condensed schedules of investments represent management's belief as to the most meaningful presentation of the classification of the Company's investments.

RECENTLY ISSUED ACCOUNTING PRONOUNCEMENTS

For the year ended December 31, 2019, there were no recent accounting pronouncements that would impact the financial statements of the Fund.

NOTE 3 - FAIR VALUE MEASUREMENTS

The Company follows a fair value hierarchy that distinguishes between market data obtained from independent sources (observable inputs) and the Company's own market assumptions (unobservable inputs). These inputs are used in determining the value of the Company's investments and are summarized in the following fair value hierarchy:

- Level 1 – inputs are based upon unadjusted quoted prices for identical instruments traded in active markets. Level 1 non-derivative investments primarily include U.S. treasuries, domestic and international equities, and actively traded mutual funds. Level 1 derivative assets and liabilities include those actively traded on exchanges.
- Level 2 – inputs are based upon quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active, and model-based valuation techniques for which all significant inputs are observable in the market or can be corroborated by observable market data for substantially the full term of the assets or liabilities. Where applicable, these models project future cash flows and discount the future amounts to a present value using market-based observable inputs including interest rate curves, foreign exchange rates, and forward and spot prices for currencies and commodities. Level 2 non-derivative investments consist primarily of corporate notes and bonds, non-U.S. government debt, mortgage-backed securities, agency securities, certificates of deposit, and commercial paper. Level 2 derivative assets and liabilities primarily include certain over-the-counter option contracts.
- Level 3 – inputs are generally unobservable and typically reflect management's estimates of assumptions that market participants would use in pricing the asset or liability. The fair values are therefore determined using model-based techniques, including option pricing models and discounted cash flow models.

LOM FUNDS SAC LTD.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2019

NOTE 3 - FAIR VALUE MEASUREMENTS (CONTINUED)

Securities for which market quotations are not readily available are fair valued as determined by the Investment Manager. Fair value is a market-based measure considered from the perspective of a market participant rather than an entity-specific measure. Therefore, even when market assumptions are not readily available, the Company's own assumptions are set to reflect those that market participants would use in pricing the asset or liability at the measurement date. The Company uses prices and inputs that are current as of the measurement date, including periods of market dislocation. In periods of market dislocation, the observability of prices and inputs may be reduced for many securities. This condition could cause a security to be reclassified to a lower level within the fair value hierarchy.

The use of valuation techniques and the availability of observable inputs can vary from security to security and is affected by a wide variety of factors and other characteristics particular to the transaction. Factors that may be considered when fair valuing a security are: fundamental analytical data relating to the investment in the security; evaluation of the forces that influence the market in which the security is purchased and sold; type of security or asset; financial statements of issuer; special reports prepared by analysts or the Investment Manager; information as to any transactions or offers with respect to the security; and the historical tendency of the security's price to track or respond to general and specific market movements (in terms of indices, sectors, or other market measurements). To the extent that valuation is based on models or inputs that are less observable or unobservable in the market, the determination of fair value requires more judgment. Accordingly, the degree of judgment exercised by the Company in determining fair value is greatest for securities categorized in Level 3.

The inputs or methodology used for valuing securities are not an indication of the risk associated with investing in those securities.

LOM FUNDS SAC LTD.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2019

NOTE 3 - FAIR VALUE MEASUREMENTS (CONTINUED)

The following are the Company's major categories of investment assets measured at fair value as of December 31, 2019:

Description	Level 1	Level 2	Level 3	Total
LOM Money Market Fund USD:	\$ USD	\$ USD	\$ USD	\$ USD
Corporate Bonds	-	20,789,728	-	20,789,728
Government Bonds	-	799,525	-	799,525
Total Investment Assets	-	21,589,253	-	21,589,253

Description	Level 1	Level 2	Level 3	Total
LOM Money Market Fund CAD:	\$ CAD	\$ CAD	\$ CAD	\$ CAD
Corporate Bonds	-	14,914,478	-	14,914,478
Government Bonds	-	1,599,070	-	1,599,070
Total Investment Assets	-	16,513,548	-	16,513,548

Description	Level 1	Level 2	Level 3	Total
LOM Money Market Fund GBP:	£ GBP	£ GBP	£ GBP	£ GBP
Corporate Bonds	-	1,103,674	-	1,103,674
Government Bonds	-	302,400	-	302,400
Investments in Mutual Funds	2,604,731	-	-	2,604,731
Total Investment Assets	2,604,731	1,406,074	-	4,010,805

Description	Level 1	Level 2	Level 3	Total
LOM Stable Income Fund:	\$ USD	\$ USD	\$ USD	\$ USD
Asset Backed Securities	-	234,986	-	234,986
Common Stocks	17,227,843	-	-	17,227,843
Corporate Bonds	-	4,295,432	-	4,295,432
Exchange Traded Funds	7,117,767	-	-	7,117,767
Preferred Stocks	18,309,423	-	-	18,309,423
Total Investment Assets	42,655,033	4,530,418	-	47,185,451

Description	Level 1	Level 2	Level 3	Total
LOM Emerging Market Fund:	\$ USD	\$ USD	\$ USD	\$ USD
Common Stocks	366,082	-	-	366,082
Exchange Traded Funds	1,190,646	-	-	1,190,646
Total Investment Assets	1,556,728	-	-	1,556,728

LOM FUNDS SAC LTD.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2019

NOTE 3 - FAIR VALUE MEASUREMENTS (CONTINUED)

Description	Level 1	Level 2	Level 3	Total
LOM Fixed Income Fund USD:	\$ USD	\$ USD	\$ USD	\$ USD
Asset Backed Securities	-	7,008,167	-	7,008,167
Corporate Bonds	-	49,193,319	-	49,193,319
Government Bonds	-	2,112,275	-	2,112,275
Mortgage Backed Securities	-	4,222,152	-	4,222,152
Preferred Stocks	10,023,743	-	-	10,023,743
Total Investment Assets	10,023,743	62,535,913	-	72,559,656

Description	Level 1	Level 2	Level 3	Total
LOM Fixed Income Fund EUR:	€ EUR	€ EUR	€ EUR	€ EUR
Corporate Bonds	-	259,627	-	259,627
Exchange Traded Funds	143,721	-	-	143,721
Investment in Mutual Funds	316,963	-	-	316,963
Total	460,684	259,627	-	720,311

Description	Level 1	Level 2	Level 3	Total
LOM Fixed Income Fund GBP:	£ GBP	£ GBP	£ GBP	£ GBP
Corporate Bonds	-	2,353,017	-	2,353,017
Total Investment Assets	-	2,353,017	-	2,353,017

Description	Level 1	Level 2	Level 3	Total
LOM Fixed Income Fund CAD:	\$ CAD	\$ CAD	\$ CAD	\$ CAD
Corporate Bonds	-	6,081,771	-	6,081,771
Total Investment Assets	-	6,081,771	-	6,081,771

Description	Level 1	Level 2	Level 3	Total
LOM Equity Growth Fund:	\$ USD	\$ USD	\$ USD	\$ USD
Common Stocks	24,323,459	-	-	24,323,459
Exchange Traded Funds	8,423,559	-	-	8,423,559
Total Investment Assets	32,747,018	-	-	32,747,018
Options	(225)	-	-	(225)
Total Investment Liabilities	(225)	-	-	(225)

LOM FUNDS SAC LTD.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2019

NOTE 3 - FAIR VALUE MEASUREMENTS (CONTINUE)

Description	Level 1	Level 2	Level 3	Total
LOM Balanced Fund:	\$ USD	\$ USD	\$ USD	\$ USD
Exchange Traded Funds	512,297	-	-	512,297
Total Investment Assets	512,297	-	-	512,297
Investments in Mutual funds*				2,129,046
Total Investment Assets				2,641,343

* In accordance with Subtopic 820-10, certain investments that are measured at fair value using the net asset value per share (or its equivalent) practical expedient have not been classified in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the Statements of Assets and Liabilities. Please refer to Note 2.

Industry classifications for these securities are detailed in the respective Condensed Schedules of Investments. Transfers into or out of Level 3 are made as of the beginning of the year. There were no transfers into or out of Level 3 during the year ended December 31, 2019.

The Company, in its normal course of investing and trading activities, enters into exchange traded equity option contracts and futures. Changes in fair value are included as realized gains (losses) or net change in unrealized gains (losses) on investments within the statements of operations. Details for the respective Segregated Account are noted below for the year ended December 31, 2019.

LOM Stable Income Fund

There were \$31,230 of realized gains on 71 option contracts traded and the change in unrealized gains/losses on options was \$Nil.

LOM Equity Growth Fund

There were \$146,253 of realized gains on 304 option contracts traded and the change in unrealized losses on options was \$23,471.

LOM FUNDS SAC LTD.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2019

NOTE 3 - FAIR VALUE MEASUREMENTS (CONTINUED)

VALUATION TECHNIQUES

EQUITY SECURITIES (COMMON STOCKS, MUTUAL FUNDS, PREFERRED STOCKS AND EXCHANGE TRADED FUNDS ("ETFs"))

Equity securities traded on a national securities exchange (or reported on a national market) are stated at the last reported sales price on the day of valuation. To the extent these securities are actively traded and valuation adjustments are not applied, they are categorized in Level 1 of the fair value hierarchy. Open-end mutual funds are valued at the last published price reported on the major market on which the mutual funds are listed and are classified as Level 1.

GOVERNMENT BONDS (U.S. AND FOREIGN)

The fair value of government bonds is generally based on quoted prices in active markets. When quoted prices are not available, fair value is determined based on a valuation model that uses inputs that include interest rate yield curves, cross-currency basis index spreads, and country credit spreads similar to the bond in terms of issuer, maturity and seniority. Government bonds are generally categorized in Levels 1 or 2 of the fair value hierarchy depending on the inputs used and market activity levels for specific securities, based upon independent pricing from known independent pricing services.

MUNICIPAL BONDS

The fair value of municipal bonds is estimated using recently executed transactions, market price quotations and pricing models that factor in, where applicable, interest rates, bond or credit default swap spreads and volatility. Municipal bonds are generally categorized in Level 2 of the fair value hierarchy.

CORPORATE BONDS (U.S. AND FOREIGN)

The fair value of corporate bonds is estimated using recently executed transactions, market price quotations (where available), bond spreads or credit default swap spreads. The spread data used is for the same maturity as the bond. If the spread data does not reference the issuer, then a comparable issuer is used. When observable price quotations are not available, fair value is determined based on cash flow models with yield curves, bond or single name credit default swap spreads and recovery rates based on collateral values as key inputs. To the extent that these inputs are observable the values of corporate bonds are generally categorized as Level 2.

GOVERNMENT AGENCY SECURITIES (U.S. AND FOREIGN)

Government agency securities are normally valued using a model that incorporates market observable data such as reported sales of similar securities, broker quotes, yields, bids, offers, and reference data. Certain securities are valued principally using dealer quotations. To the extent that these inputs are observable, the values of government agency securities are categorized at Level 2.

LOM FUNDS SAC LTD.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2019

NOTE 3 - FAIR VALUE MEASUREMENTS (CONTINUED)

MORTGAGE-BACKED SECURITIES

Mortgage-backed securities are typically fair valued using pricing models based on a security's average life volatility. The models take into account tranche characteristics such as average life of the underlying mortgages, including assumptions regarding pre-payments and default rates, loan to value ratios, ratings, the issuer and tranche type, geographic characteristics, and discount margin for certain floating rate issues. Certain securities are valued principally using dealer quotations.

To the extent that these inputs are observable, the values of mortgage-backed securities are categorized at Level 2.

ASSET-BACKED SECURITIES ("ABS")

Asset-backed securities are interests in pools of loans or other receivables. ABS are created from many types of assets, including auto loans, home equity loans and other receivables. ABS are typically fair valued using estimated expected future cash flows of each security by estimating the expected future cash flows of the underlying collateral and applying those collateral cash flows, together with any credit enhancements such as subordinating interests owned by third parties, to the security. The expected future cash flows of the underlying collateral are determined using the remaining contractual cash flows adjusted for future expected credit losses (including current delinquencies and nonperforming assets, future expected default rates and collateral value by vintage and geographic region) and prepayments.

The expected cash flows of the security are then discounted at the interest rate used to recognize interest income on the security to arrive at a present value amount. Certain securities are valued principally using dealer quotations. To the extent that these inputs are observable, the values of asset-backed securities are categorized at Level 2.

NOTE 4 - CAPITAL STOCK

The authorised share capital of the Company is \$10,001 divided into 100,000,000 Participating Shares of \$0.0001 par value each and 1,000 Organisational Shares of par value \$0.001 each. The rights attached to each class of shares are summarized below.

PARTICIPATING SHARES

The Directors have the power to issue Participating Shares in separate Classes corresponding to a Segregated Account from time to time up to the limit of the authorised capital. The assets and liabilities of each Class of Participating Shares are maintained and accounted for in its own Segregated Account. A Class Supplement is issued in respect of each such Segregated Account.

LOM FUNDS SAC LTD.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2019

NOTE 4 - CAPITAL STOCK (CONTINUED)

PARTICIPATING SHARES (CONT'D)

The Participating Shares have no voting rights and the holder of a Participating Share is not entitled to receive notice of, attend, nor vote at general meetings of Shareholders (except in connection with the variation of class rights). The Participating Shares of each Class have the right to participate equally in any dividends declared by the Company in respect of the Segregated Account to which such Participating Shares relate and are redeemable. In the event of a winding-up of the Company, each holder of a Participating Share is entitled to return of the paid-up par value and a pro-rata share in surplus assets of the relevant Segregated Account after return of the paid-up par value of the Organisational Shares.

ORGANISATIONAL SHARES

Organisational Shares may be issued at par value and to such person as the Directors may determine. Organisational Shares do not, while any Participating Shares are in issue, carry any right to participate in dividends declared by the Company and are not redeemable. The holder of an Organisational Share has the right to receive notice of, attend and vote at general meetings of the Company. In the event of a winding-up of the Company, the holder of an Organisational Share is entitled only to the return of its paid-up par value after the paid-up par value of Participating Share has been returned. All of the Organisational Shares have been issued to and fully paid for by the Investment Manager.

SUBSCRIPTIONS

Participating Shares are available for subscription at the discretion of the Directors on each Subscription Day at the Subscription Price calculated at the close of business on the relevant Valuation Day. The Subscription Day is defined in the relevant Class Supplement. The Subscription Price equals the Net Asset Value per Participating Share as at the Valuation Day on the Subscription Day on which the application is effective (exclusive of any Front End Load). The Participating Shares are issued in registered form. Share certificates are not issued.

FRONT END LOAD

A Front End Load of up to 5% on Subscription Price may be deducted from the Subscription. No Front End Load Fees were charged for the year ended December 31, 2019.

LOM FUNDS SAC LTD.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2019

NOTE 4 - CAPITAL STOCK (CONTINUED)

MINIMUM SUBSCRIPTION

The minimum initial subscription that will be accepted, and the minimum amount for any additional subscriptions for Participating Shares from a new investor will be as follows:

Fund	Minimum Initial Subscription	Minimum Additional Subscription
LOM Money Market Fund USD	USD \$10,000	USD \$1
LOM Money Market Fund CAD	CAD \$10,000	CAD \$1
LOM Money Market Fund GBP	GBP £10,000	GBP £1
LOM Stable Income Fund	USD \$10,000	USD \$1
LOM Emerging Market Fund	USD \$10,000	USD \$1
LOM Fixed Income Fund USD	USD \$10,000	USD \$1
LOM Fixed Income Fund EUR	EUR €10,000	EUR €1
LOM Fixed Income Fund GBP	GBP £10,000	GBP £1
LOM Fixed Income Fund CAD	CAD \$10,000	CAD \$1
LOM Equity Growth Fund	USD \$10,000	USD \$1
LOM Balanced Fund	USD \$10,000	USD \$1

The Directors may determine that the Company accept such lesser amount as they may in any particular case determine.

REDEMPTIONS

PROCEDURE

Participating Shares may be redeemed at the option of the holder on each Redemption Day. Shareholders wishing to redeem all or part of their holding of Participating Shares should send a completed Redemption Request (available from the Administrator) to the Administrator by fax (with original to follow by mail) to be received not later than the time specified in the relevant Class Supplement on the relevant Redemption Day.

Any delay in receipt of the Redemption Request will result in the request being deferred until the next Redemption Day and, in such cases, the Participating Shares will be redeemed at the Redemption Price prevailing on that Redemption day. The Directors reserve the right in their absolute discretion to waive the foregoing notice period.

LOM FUNDS SAC LTD.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2019

NOTE 4 - CAPITAL STOCK (CONTINUED)

A request for the redemption of part of a holding of Participating Shares may be refused, or the holding redeemed in its entirety, if, as a result of such partial redemption, the Net Asset Value of the Participating Shares retained by the holder would be less than the following amounts:

Fund	Holding Limit
LOM Money Market Fund USD	USD \$10,000
LOM Money Market Fund CAD	CAD \$10,000
LOM Money Market Fund GBP	GBP £10,000
LOM Stable Income Fund	USD \$10,000
LOM Emerging Market Fund	USD \$10,000
LOM Fixed Income Fund USD	USD \$10,000
LOM Fixed Income Fund EUR	EUR €10,000
LOM Fixed Income Fund GBP	GBP £10,000
LOM Fixed Income Fund CAD	CAD \$10,000
LOM Equity Growth Fund	USD \$10,000
LOM Balanced Fund	USD \$10,000

REDEMPTION PRICE

The Redemption Price for each Participating Share is equal to the Net Asset Value per Participating Share of the relevant Class on the relevant Redemption Day.

The Net Asset Value per Participating Share is determined as of the close of business on each Valuation Day in accordance with the provisions set out under the Information Memorandum.

PAYMENT OF REDEMPTION PROCEEDS

Redemption proceeds normally will be remitted within a certain number of business days as specified in the relevant Class Supplement, without interest for the period from that date to the payment date. Redemption payments will be made in the currency of the relevant class and will be remitted to the Shareholder by wire transfer (at the expense and risk of the Shareholder) to an account as specified by the Shareholder in his Redemption Request.

GATING

In the event that redemption requests on a particular Redemption Day exceed in aggregate twenty per cent (20%) of the total number of Participating Shares of a particular Segregated Account then in issue, the Directors may reduce the requests rateably amongst all Shareholders seeking to redeem Participating Shares of the relevant Class on the relevant Redemption Day and effect only sufficient redemptions which in aggregate equal twenty per cent (20%) of the number of Participating Shares of the particular Class then in issue. Participating Shares which are not thereby redeemed will be redeemed on the next Redemption Day (subject to further deferral if the deferred requests themselves exceed twenty per cent of the number of Participating Shares then in issue) in priority to any later redemption requests that may have been received. All

LOM FUNDS SAC LTD.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2019

NOTE 4 - CAPITAL STOCK (CONTINUED)

Participating Shares will be redeemed at the Redemption Price prevailing on the Redemption Day on which they are actually redeemed.

Transactions in shares of the Company for the year ended December 31, 2019 were as follows:

	Balance	Shares	Shares	Balance
	December 31, 2018	Issued	Redeemed	December 31, 2019
Fund:				
LOM Money Market Fund USD	1,572,115	1,281,252	(1,325,106)	1,528,261
LOM Money Market Fund CAD	522,514	1,383,218	(729,124)	1,176,608
LOM Money Market Fund GBP	349,648	163,234	(144,031)	368,851
LOM Stable Income Fund	4,239,230	671,321	(764,028)	4,146,523
LOM Emerging Market Fund	135,416	15,962	(30,554)	120,824
LOM Fixed Income Fund USD	4,052,684	784,299	(485,896)	4,351,087
LOM Fixed Income Fund EUR	67,942	23,670	(33,469)	58,143
LOM Fixed Income Fund GBP	249,973	10,140	(27,957)	232,156
LOM Fixed Income Fund CAD	507,062	165,403	(76,320)	596,145
LOM Equity Growth Fund	1,964,728	224,019	(204,848)	1,983,899
LOM Balanced Fund	230,203	6,768	(68,369)	168,602

LOM FUNDS SAC LTD.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2019

NOTE 5 - RELATED PARTY TRANSACTIONS

MANAGEMENT AND PUBLISHING FEES

The Investment Manager is entitled to receive an annual fee of the Company's net asset value for each class of shares, accrued weekly and payable quarterly.

The management fee rate, publishing fee rate, as well as the related amount charged and paid during the year for each Segregated Account is as follows:

Fund	Annual Management Fee Rate as a Percentage of Net Asset Value per Share	Annual Publishing Fee Rate as a Percentage of Net Asset Value per Share	Amount Charged During Year	Amount Payable at Year-end
LOM Money Market Fund USD	0.50%	0.02%	\$112,058	\$28,015
LOM Money Market Fund CAD	0.50%	0.02%	CAD\$79,539	CAD\$21,973
LOM Money Market Fund GBP	0.15%	0.02%	£6,239	£ 1,413
LOM Stable Income Fund	1.50%	0.05%	\$688,086	\$184,651
LOM Emerging Market Fund	2.00%	0.05%	\$21,078	\$7,756
LOM Fixed Income Fund USD	1.00%	0.03%	\$716,416	\$192,294
LOM Fixed Income Fund EUR	0.00%	0.03%	€178	19
LOM Fixed Income Fund GBP	0.75%	0.03%	£20,404	£5,067
LOM Fixed Income Fund CAD	1.00%	0.03%	CAD\$61,899	CAD\$16,495
LOM Equity Growth Fund	2.00%	0.05%	\$617,343	\$163,622
LOM Balanced Fund	0.65%	0.05%	\$17,817	\$4,361

Publishing fees are included in miscellaneous expenses on the Statements of Operations. Publishing fees payable are included in accounts payable and accrued liabilities on the Statements of Assets and Liabilities.

CUSTODIAN FEES

Under the Custody Agreement, the Custodian is entitled to receive a fee of 0.03% per annum of the net asset value of each class of shares for each segregated account, calculated on each valuation day and payable monthly. During 2019, the Custodian charged and was paid by the Company fees totaling as follows:

Fund	Amount Charged During Year	Amount Payable at Year-end
LOM Money Market Fund USD	\$6,479	\$1,657
LOM Money Market Fund CAD	CAD\$4,589	CAD\$1,301
LOM Money Market Fund GBP	£1,198	£313
LOM Stable Income Fund	\$13,318	\$3,652
LOM Emerging Market Fund	\$461	\$115
LOM Fixed Income Fund USD	\$20,866	\$5,711
LOM Fixed Income Fund EUR	€178	€57
LOM Fixed Income Fund GBP	£785	£200
LOM Fixed Income Fund CAD	CAD\$1,803	CAD\$490
LOM Equity Growth Fund	\$9,034	\$2,433
LOM Balanced Fund	\$764	\$196

LOM FUNDS SAC LTD.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2019

NOTE 5 - RELATED PARTY TRANSACTIONS (CONTINUED)

Custodian fees are included in miscellaneous expenses on the Statements of Operations. Custodian fees payable are included in accounts payable and accrued liabilities on the Statements of Assets and Liabilities.

INCENTIVE FEES

The Investment Manager is entitled to an incentive fee equal to 20% of the increase in the value of the net asset value above the prior quarter's net asset value for the LOM Emerging Market Fund, if the Fund shows positive performance and exceeds the 'high water mark' level. This is accrued quarterly if the criteria is met and paid annually. However, effective September 1st 2019, the Fund no longer charged performance fees, thus incentive fees charged during the year was NIL and the amount payable as at December 31, 2019 is NIL.

NOTE 6 - ADMINISTRATION FEES

In accordance with the terms of the contract with Apex Fund Services. (the "Administrator"), the Company is charged administrative fees equal to 0.09% of the combined net asset value of the segregated accounts created under the Company, allocated to each Fund pro-rata based on the net asset value of each Fund in relation to the combined net asset value. During 2019, administration fees amounted to \$178,422.

NOTE 7 - TAXATION

Under current Bermuda law, the Company is not required to pay taxes in Bermuda on either income or capital gains. The Company has received an undertaking from the Bermuda government that, in the event of income or capital gains taxes being imposed, the Company will be exempted from such taxes until March 31, 2035.

It is the Directors' belief that the Company is not engaged in United States trade or business and is not subject to United States income or withholding taxes in respect of the profits and losses of the Company other than the 30% withholding tax on US source equity dividends. Foreign securities held by the Company may be subject to foreign taxation on gains, dividends and interest income received. Foreign taxes, if any, are withheld by the Company's clearing brokers based on the tax laws in the applicable foreign jurisdiction.

In addition, the Directors believe that the Company is not subject to income taxes in any other jurisdiction and that there are no uncertain tax positions that would require recognition in the financial statements. As a result, the Company has made no provision for income taxes in the accompanying financial statements.

The Investment Manager's conclusions regarding uncertain tax positions may be subject to review and adjustment at a later date based upon ongoing analyses of tax laws, regulations and interpretations thereof as well as other factors.

LOM FUNDS SAC LTD.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2019

NOTE 8 - DERIVATIVE FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The Company does not buy or hold derivative financial instruments outside of listed options on equity securities, Treasury futures and options on Treasury futures. Some of the other investment companies in which the Company invests are dealing or trading in these instruments as their principal investment activity or use these instruments as part of their investment strategy. This may result in market or credit risk to the other investment companies in excess of the amount invested in these instruments. However, the Company's risk is limited to the net asset values of its investments in the other investment companies.

NOTE 9 - FAIR VALUE OF FINANCIAL INSTRUMENTS

In addition to the fair values of investments as disclosed in the condensed schedules of investments, the fair values of the Company's other financial instruments, including cash and cash equivalents, accounts payable and accrued expenses approximate their carrying values due to the short term maturity of these financial instruments.

NOTE 10 - GUARANTEES

In the normal course of its operations, the Company enters into contracts or agreements that contain indemnifications and warranties. The Company's maximum exposure under these arrangements is unknown as this would involve future claims that may be made against the Company that have not yet occurred. However, the Company has not had prior claims or losses pursuant to these contracts and expects the risk of loss to be remote.

LOM FUNDS SAC LTD.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2019

NOTE 11 - FINANCIAL HIGHLIGHTS

Financial highlights for the year ended December 31, 2019 are as follows:

	LOM Money Market Fund \$USD	LOM Money Market Fund \$CAD	LOM Money Market Fund £GBP	LOM Stable Income Fund \$USD	LOM Emerging Market Fund \$ USD
Per Share Operating Performance:					
Net asset value per share - beginning	<u>14.41</u>	<u>14.13</u>	<u>10.96</u>	<u>10.02</u>	<u>10.98</u>
Net investment income/(loss)*	0.25	0.22	0.08	0.30	0.02
Net realized and unrealized gain/(loss) on investments	<u>(0.01)</u>	<u>(0.06)</u>	<u>(0.04)</u>	<u>1.56</u>	<u>1.91</u>
Total income from investment operations	0.24	0.16	0.04	1.86	1.93
Less: Distributions	<u>-</u>	<u>-</u>	<u>-</u>	<u>(0.36)</u>	<u>-</u>
Net Asset Value Per Share - Ending	<u><u>14.65</u></u>	<u><u>14.29</u></u>	<u><u>11.00</u></u>	<u><u>11.52</u></u>	<u><u>12.91</u></u>
Total Return before incentive fee	1.68%	1.12%	0.39%	18.58%	17.58%
Total Return after incentive fee	1.68%	1.12%	0.39%	18.58%	17.58%
Ratio to Average Net Assets:					
Total expenses before incentive fee**	0.74%	0.71%	0.39%	1.78%	1.71%
Incentive fee	-	-	-	-	-
Total expenses after incentive fee**	<u>0.74%</u>	<u>0.71%</u>	<u>0.39%</u>	<u>1.78%</u>	<u>1.71%</u>
Net investment income/(loss)**	<u>1.71%</u>	<u>1.55%</u>	<u>0.76%</u>	<u>2.77%</u>	<u>0.16%</u>

LOM FUNDS SAC LTD.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2019

NOTE 11 - FINANCIAL HIGHLIGHTS (CONTINUED)

	LOM Fixed Income Fund \$USD	LOM Fixed Income Fund €EUR	LOM Fixed Income Fund £GBP	LOM Fixed Income Fund \$CAD	LOM Equity Growth Fund \$USD	LOM Balanced Fund \$ USD
Per Share Operating Performance:						
Net asset value per share - beginning	<u>15.78</u>	<u>11.95</u>	<u>10.44</u>	<u>10.05</u>	<u>12.99</u>	<u>10.81</u>
Net investment income/(loss)*	0.48	0.06	0.31	0.20	(0.14)	0.01
Net realized and unrealized gain/(loss) on investments	<u>0.54</u>	<u>0.57</u>	<u>0.18</u>	<u>0.15</u>	<u>3.67</u>	<u>1.96</u>
Total income from investment operations	1.02	0.63	0.49	0.35	3.53	1.97
Less: Distributions	-	-	-	-	-	-
Net Asset Value Per Share - Ending	<u><u>16.80</u></u>	<u><u>12.58</u></u>	<u><u>10.93</u></u>	<u><u>10.40</u></u>	<u><u>16.52</u></u>	<u><u>12.78</u></u>
Total Return before incentive fee	6.46%	5.27%	4.69%	3.48%	27.17%	18.21%
Total Return after incentive fee	6.46%	5.27%	4.69%	3.48%	27.17%	18.21%
Ratio to Average Net Assets:						
Total expenses before incentive fee**	1.25%	0.33%	1.01%	1.28%	2.29%	0.95%
Incentive fee	-	-	-	-	-	-
Total expenses after incentive fee**	<u>1.25%</u>	<u>0.31%</u>	<u>1.01%</u>	<u>1.28%</u>	<u>2.29%</u>	<u>0.95%</u>
Net investment income/(loss)**	<u>2.90%</u>	<u>0.48%</u>	<u>2.87%</u>	<u>1.94%</u>	<u>(0.95%)</u>	<u>0.06%</u>

Financial highlights are calculated for the class of shares taken as a whole. An individual shareholder's return and ratios may vary based on the timing of capital transactions.

Total return is computed using a time-weighted methodology whereby the returns for the individual accounting periods are geometrically linked. The ratios are computed using a weighted-average of the net assets for the year ended December 31, 2019. Interest and dividend income from underlying funds, if any, is included in the net realized and unrealized gain on investment in the accompanying statements of operations and is not included in the net investment loss.

* Net of waived management fees as noted on the Statements of Operations.

** Includes waived management fees of 0.00%, 0.00% and 0.01% for LOM Money Market Fund USD, LOM Money Market Fund CAD and LOM Money Market Fund GBP respectively.

LOM FUNDS SAC LTD.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2019

NOTE 12 - FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS

CREDIT AND LIQUIDITY RISK

The Company is potentially subject to both credit and liquidity risk, principally through its investments in securities. The Company's credit risk is equal to the replacement cost at the then estimated fair value of the instrument. Credit risk arises because the possibility that promised cash flows on securities held will not be paid in full. Credit risk is risk due to uncertainty in a counterparty's (also called an obligor's or creditor's) ability to meet its obligations.

MARKET RISK

Market risk arises primarily from uncertainty around the future prices of financial instruments held by the Company and represents the loss the Company might incur through holding such instruments in the face of price movements. The Investment Manager allocates the Company's portfolio of investments with a view to minimizing the risk associated with particular countries and industry sectors.

CURRENCY RISK

The investments of each Fund are denominated in the related base-currency thus minimizing currency risk. The investments of each Fund are exposed to changes in foreign exchange rates (currency risk) where gains or losses may exceed the related amounts recorded. The fair value may change based on the fluctuations in the exchange rate of these underlying currencies.

NOTE 13 - SUBSEQUENT EVENTS

Subsequent events through until June 24, 2020 have been evaluated by the Investment Manager. The Investment Manager has determined that there were no subsequent events requiring adjustment to or disclosure in the financial statements except for the recent outbreak of the novel coronavirus in many countries which continues to adversely impact global commercial activity and has contributed to significant volatility in financial markets. The global impact of the outbreak has been rapidly evolving, and as cases of the virus have continued to be identified in additional countries, many countries have reacted by instituting quarantines and restrictions on travel. Such actions are creating disruption in global supply chains, and adversely impacting a number of industries, such as transportation, hospitality and entertainment. The outbreak could have a continued adverse impact on economic and market conditions and trigger a period of global economic slowdown. The rapid development and fluidity of this situation precludes any prediction as to the ultimate adverse impact of the novel coronavirus. Nevertheless, the novel coronavirus presents material uncertainty and risk with respect to the Fund's performance and financial results. In addition to the factors described above, other factors described herein that may affect market, economic and geopolitical conditions, and thereby adversely affect our business include, without limitation economic slowdown in the U.S. and internationally, changes in interest rates and/or a lack of availability of credit in the U.S. and internationally, commodity price volatility and changes in law and/or regulation, and uncertainty regarding government and regulatory policy.