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LOM Equity Growth Fund Manager's Report | Q2 2025

Fund Information

Fund Manager
LOM Asset Management Ltd.

Portfolio Managers
Bryan Dooley, CFA

Domiciled
Bermuda

Exchange
Bermuda Stock Exchange

Inception Date
03/13/2000

Dealing Terms
Daily (5:00 AST)

Settlement Terms
Trade +1

ID ISIN
BMG556251186

Bloomberg Ticker
LOMEQGA BH

Fund Size
$107,051,000

Management Fee
1.75%

Administration Costs
0.31%

Sales Fee
May be applicable

Over the second quarter of 2025, the LOM Equity Growth Fund rose 11.11% as markets rebounded from a sharp tariff-related selloff in early April.

Global macroeconomic activity in Q2 was shaped by a mix of resilient consumer spending, persistent inflation and escalating geopolitical tensions. In the United States, GDP growth remained positive but decelerated from the robust pace seen in late 2024. The Federal Reserve maintained its policy rate in the 4.25%–4.50% range, citing sticky core inflation, tariff uncertainty and a still-tight labor market. Meanwhile, consumer confidence wavered slightly in June amid concerns over rising energy prices due to the conflict in the Middle East, which also contributed to increased market volatility and a brief spike in crude oil prices.

Global equities rebounded sharply in Q2 2025, with the S&P 500 posting a 10.9% total return over the quarter, despite a swift -12.1% selloff from April 2 to April 8 following the "Liberation Day" tariff announcements. Markets quickly regained footing as resilient corporate earnings, rising expectations for Federal Reserve rate cuts and the postponement of tariff negotiation deadlines reignited investor optimism. The S&P 500 ended the quarter at a record high on June 30, completing one of the fastest market recoveries in history.

Market leadership remained concentrated, with mega-cap technology stocks once again propelling the S&P 500 index higher. The equal weighted S&P 500 index returned 5.5% over the quarter lagging the market weighted index. Sector performance was broadly positive with 8 of 11 GICS sectors finishing the quarter in the green. Information Technology and Communication Services led the rally returning 23.7% and 18.5%, respectively. Conversely, defensive sectors such as Energy and Healthcare underperformed the market declining -8.6% and -7.2%, respectively.

Global equities also advanced as investors sought diversification amid a declining dollar. The Dollar index fell -7.1%, providing a tailwind to international returns in USD terms. Major indices recorded gains: Europe's Euro Stoxx 50 increased 4.9% in EUR and 12.2% in USD; Japan's Nikkei 225 increased 13.8% in JPY and 18.3% in USD and UK's FTSE 100 increased 3.2% in GBP and 9.6% in USD.

In this environment, the LOM Equity Growth Fund continues to focus on high quality, wide moat issues in our security selection process. We also have a position in small and mid-cap sectors which stand to benefit if interest rates drift lower later in the year.

Equity Growth Fund Performance through 30 June 2025

		Annualized Returns		
	Q2	1 Year	3 Year	5 Year
LOM Equity Growth Fund	+11.11%	+11.97%	+16.71%	+13.98%
MSCI World Stock Index	+10.96%	+14.66%	+16.13%	+12.83%