LOM ASSET MANAGEMENT LIMITED

LOM Balanced Fund Manager's Report Q3 2020

October 2, 2020

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
Friday (5:30 AST)

Settlement Terms
Trade +5

ID ISIN
BMG556251004

Bloomberg Ticker
LOMBALF BH

Fund Size
$1,970,929.82

Management Fee
0.65%

Administration Costs
0.17%

Sales Fee
May be applicable

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The Balanced Fund experienced another solid quarter, gaining 9.28% while the benchmark returned 5.88%. Our tactical overweight in equities, technology, and companies with smaller market capitalizations in March continued to deliver strong outperformance for the fund.

Expectations of a Coronavirus vaccine successfully completing Phase 3 trials appear to be baked into market expectations. News sources are more focused on when this will come to pass and how to distribute the vaccine.

Concerns of an overheating market led to a claw back of returns in September. As earlier gains in technology, health care and communications services weakened, we saw relative strength coming out of the industrial and financial sectors. Smaller market cap and value companies also showed stronger relative performance in September.

In the United States, the focus has shifted to the national elections. Polling data suggests the Democrats have a strong likelihood of winning. As we learned in the 2016 election, there may be underreporting of Trump support leading into the final month. The first presidential debate took place on September 30th. After the President contracted the Coronavirus, it seems unlikely the second scheduled debate will occur.

The bond market remained relatively stable in the third quarter after a volatile first half of the year. The Treasury yield curve continued to steepen slightly with short term yields moved lower and long-term yields rising. Corporate spreads continued their tightening trend in July and then flattened in August and September. Overall, the spread between the BBB rated bonds and the ten-year Treasury has narrowed by about 20 basis points during the third quarter.

Balanced Fund Performance through 10/02/2020

Fund	Q3 2020	Annualized Returns 1 Year	3Year	5 Year
LOM Balanced Growth Fund	9.28%	6.87%	3.62%	5.61%
Custom Benchmark	5.88%	6.26%	4.33%	4.55%