LOM ASSET MANAGEMENT LIMITED

LOM Equity Growth Fund Manager's Report Q2 2020

July 3, 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 +3

ID ISIN
BMG556251186

Bloomberg Ticker
LOMEQGA BH

Fund Size
$30,208,007.31

Management Fee
2.00%

Administration Costs
0.30%

Sales Fee
May be applicable

LOM Asset Management
The LOM Building
27 Reid Street
Hamilton, HM11
Bermuda
(441)295-6999
www.lom.com
asset@lom.com

Following the first quarter's pandemic-related plunge, global markets recovered strongly in the second quarter as countries began emerging from lockdown and returned to work. In this more constructive environment, the Fund gained 28.29% while the MSCI World Index recovered by 25.30%. Initial gains in the consumer staples and health care sectors were followed by a recovery in consumer discretionary stocks and the information technology sector.

In terms of the broader macro environment, the global economic resurgence from March's lows has been almost as dramatic as its sharp deterioration in Q1. The widely followed purchasing manager index (PMI) has shown strength in both manufacturing and services on a forward-looking basis. In June it was reported that the manufacturing PMI increased by 22.0% to 52.6 from 43.1 in the prior month after tumbling by over 18% from February to April. Similarly, U.S. single family home sales increased by 16.5% from April to May, although sales remain below levels seen at the beginning of the year.

Progress has also been positive but slower on the employment front. The post-World War II record unemployment rate of just 3.53% suddenly spiked to a new high of 14.7% for the month of June - over four percent higher than the elevated level experienced in the depths of the 2008 Great Recession. At the same time, continuing claims for American unemployment insurance hit at an all-time high of 24.9 million in May. However, that number has been gradually improving as the economy slowly reopens.

The largest sector overweights in the Fund remain Information Technology and Healthcare. However, several holdings, such as Amazon, Facebook and Alphabet, while not officially considered Tech companies per se, are clearly enabled by advanced technology infrastructures and continue to thrive as disruptive, capital light entities.

Equity Growth Fund Performance through 7/03/20

	Annualized Returns			
	Q2 2020	1 Year	3 Year	5 Year
LOM Equity Growth Fund	28.29%	0.64%	4.99%	4.56%
MSCI World Stock Index	25.30%	2.17%	5.11%	4.96%