LOM ASSET MANAGEMENT LIMITED

LOM Equity Growth Fund Manager's Report Q2 2021

July 2, 2021

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
$54,582,989.62

Management Fee
2.00%

Administration Costs
0.17%

Sales Fee
May be applicable

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Over the second quarter of 2021, global equity markets continued their strong emergence from last year's pandemic induced recession. During Q2, the LOM Equity Growth Fund gained 7.59%, modestly outperforming it stated benchmark, the MSCI World Stock index which advanced by 7.19%.

Equity market gains were widely distributed across industries in the quarter with the largest winners being the Information Technology (11.56%) and Communications Services sectors (10.72%). Laggards during the period were the Industrials (4.48%), Consumer Staples (3.83%), and Utilities (-0.37%) sectors.

In Q2, investor focus shifted from whether we are recovering from the pandemic towards how the Federal Reserve is managing the risk of supporting the labor market and avoiding runaway inflation. This has been causing some rotation among sectors and styles boxes such as growth and value.

Global economic growth prospects brightened over the second quarter as the world continued to slowly reopen. In the U.S., progress has been surprisingly strong with the Atlanta Fed recently forecasting Q2 growth to come in at a very robust +10.0% annualized pace. At June's Federal Open Market Committee (FOMC) meeting, the Fed's updated Summary of Economic Projections placed the median estimate of calendar 2021 real gross domestic product (GDP) at +7.0%, a half point increase from the prior projection. Economic output had nearly achieved pre-pandemic levels this spring and is expected to go higher, but in a more volatile fashion.

The global recovery will likely remain strong but somewhat uneven and dependent on the effectiveness of vaccination programs and public health policies. Already, we have seen ongoing fits and starts such as rising COVID-19 case counts in the UK, Russia and elsewhere, owing to the "delta variant" which has caused concerns among healthcare professionals.

Global growth is now expected to be 5.8% this year after a series of sharp upwards revisions from earlier projections. The vaccine rollout in many of the advanced economies has been driving the improvement as has America's massive fiscal stimulus. World GDP growth is expected to be 4.4% next year but total global income could still be about three trillion less by end 2022 than was expected before the crisis hit. As the recovery continues to unfold, we continue to look for value and growth opportunities on a selective basis.

Equity Growth Fund Performance through 7/2/21

	Annualized Returns			
	Q2 2021	1 Year	3 Year	5 Year
LOM Equity Growth Fund	7.59%	41.28%	13.84%	14.23%
MSCI World Stock Index	7.19%	36.94%	13.34%	12.89%