LOM ASSET MANAGEMENT LIMITED

LOM Equity Growth Fund Manager's Report Q4 2020

January 6, 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

$38,583,539.01

Management Fee

2.00%

Administration Costs

0.17%

Sales Fee

May be applicable

LOM Asset Management
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Over the fourth quarter of 2020, global equity markets continued to rebound off their spring lows despite a resurgence in Covid-19 cases in the U.S. and U.K. and renewed lockdowns in many countries. Ongoing massive fiscal and monetary stimulus, improving profits and an apparent end to the American election drama fueled risk appetite and led to strong markets going into year end. Over Q4 the LOM Equity Growth Fund gained 15.88%. Top performing sectors during the quarter included Energy (+30.1%) , Financial Services (+23.8%), and Communications (+15.6%.)

Despite heightened political and pandemic volatility, developed markets registered respectable performance for the quarter and for the year as a whole. During 2020, the MSCI World Equity Index advanced by 14.1% and the Dow Jones Industrial Average improved by 7.2%. Emerging markets (EM's), led by China, caught up to developed markets late in the year finishing on an upstroke despite the asset class lagging early in the year. But still, important sectors such as restaurants, travel, physical retailing and hospitality continue to be challenged.

Widespread innovation, a rebounding economy and ultra-low interest rates are expected to support profit growth as we proceed into 2021. The average Wall Street estimate calls for S&P 500 profit growth of 22%, from $138 in 2020 to $168 in 2021. Notably, this estimate exceeds the 2019 level of $161. The International Monetary Fund (IMF) expects global GDP growth to rebound by 5.2% in 2021 after declining 4.4% in 2020 from the prior year.

In 2020, China was the only major economy to avoid recession, advancing by approximately 1.9% due to their more efficient lockdown and faster reopening. China's single party, authoritarian government gave them a global advantage despite the ongoing trade war with the U.S. However, more countries are expected to get back on track this year as the approved vaccines get rolled out. To some extent the speed of global inoculation and herd immunity has become critical for economic growth and risk market performance in general.

Equity Growth Fund Performance through 12/31/20

	Annualized Returns			
	Q4 2020	1 Year	3 Year	5 Year
LOM Equity Growth Fund	15.88%	10.93%	8.27%	9.81%
MSCI World Stock Index	13.63%	13.22%	8.54%	10.10%