

LOM EQUITY GROWTH FUND LTD.

FINANCIAL STATEMENTS

For the Year Ended December 31, 2007

# LOM EQUITY GROWTH FUND LTD.

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## INDEPENDENT AUDITORS' REPORT

To the Shareholders of  
LOM Equity Growth Fund Ltd.

We have audited the accompanying statements of assets and liabilities of LOM Equity Growth Fund Ltd. (the "Fund"), including the schedules of investments, as of December 31, 2007, and the related statements of operations, changes in net assets and cash flows and the financial highlights for the year then ended. These financial statements and financial highlights are the responsibility of the Fund's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements and financial highlights are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements and financial highlights referred to above present fairly, in all material respects, the financial position of LOM Equity Growth Fund Ltd. as of December 31, 2007, and the results of its operations, changes in its net assets, its cash flows and its financial highlights for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

*Marcum & Kliegman LLP*

August 11, 2008

# LOM EQUITY GROWTH FUND LTD.

## STATEMENTS OF ASSETS AND LIABILITIES

December 31, 2007

	Class A US \$	Class B EURO €
<u>ASSETS</u>		
Investments in securities, at fair value (cost of US \$6,788,123 and EUR €4,584,760 for Class A and B, respectively)	\$8,988,466	€ 5,015,072
Cash and cash equivalents	<u>135,327</u>	<u>122,949</u>
 TOTAL ASSETS	 9,123,793	 5,138,021
 <u>LIABILITIES</u>		
Accounts payable and accrued expenses	<u>32,420</u>	<u>36,490</u>
 NET ASSETS	 <u>\$9,091,373</u>	 <u>€ 5,101,531</u>
 Number of Participating Shares in issue Class A and B, respectively	 <u>782,232.63</u>	 <u>394,967.14</u>
 Net asset value per Participating Share Class A and B, respectively	 <u>\$11.62234</u>	 <u>€12.91634</u>

Approved by the Board of Directors:

\_\_\_\_\_  
Director

\_\_\_\_\_  
Director

*The accompanying notes are an integral part of these financial statements.*

# LOM EQUITY GROWTH FUND LTD.

## SCHEDULE OF INVESTMENTS - USD CLASS A

December 31, 2007

Shares	Description	Cost	Percentage of Net Assets	Fair Value
<u>INVESTMENTS IN SECURITIES</u>				
<u>COMMON STOCKS</u>				
United States				
Basic Materials				
400	Praxair Inc.	\$ 15,794	0.39%	\$ 35,484
Consumer Discretionary				
1,000	McDonald's Corp.	43,656	0.65%	58,910
500	Reynolds American Inc.	26,597	0.36%	32,980
1,100	The Walt Disney Co.	18,794	0.39%	35,508
		<u>89,047</u>	<u>1.40%</u>	<u>127,398</u>
Consumer Staples				
600	Altria Group Inc.	19,780	0.50%	45,348
400	Archer Daniels Midland Co.	14,115	0.20%	18,572
1,725	CVS Corporation	39,605	0.75%	68,569
550	Kellogg Company	25,649	0.32%	28,837
350	Kimberly-Clark Corporation	23,006	0.27%	24,269
415	Kraft Foods Inc-A	13,688	0.15%	13,541
900	Kroger Co.	18,026	0.26%	24,039
750	PepsiCo Inc.	32,329	0.63%	56,925
1,060	Procter & Gamble Company	49,939	0.86%	77,825
110	TreeHouse Foods Inc.	3,176	0.03%	2,529
		<u>239,313</u>	<u>3.97%</u>	<u>360,454</u>
Energy				
500	Anadarko Petroleum Company	22,671	0.36%	32,845
300	Apache Corp.	23,986	0.35%	32,262
1,010	Chevron Corporation	62,170	1.04%	94,263
600	Chesapeake Energy Corp. Com	19,945	0.26%	23,520
300	Constellation Energy Group	19,225	0.34%	30,759
160	Entergy Corp.	14,726	0.21%	19,123
1,400	Exxon Mobil Corp.	97,331	1.44%	131,166
630	FPL Group Inc.	28,250	0.47%	42,701
400	Hess Corp.	20,178	0.44%	40,344
380	Marathon Oil Corporation	18,089	0.25%	23,127
800	Occidental Petroleum Corporation	42,074	0.68%	61,592
290	Sempra Energy	14,924	0.20%	17,945
140	Transocean Inc.	15,557	0.22%	20,030
		<u>399,126</u>	<u>6.26%</u>	<u>569,677</u>
	Subtotal (Forward)	<u>\$ 743,280</u>	<u>12.02%</u>	<u>\$ 1,093,013</u>

*The accompanying notes are an integral part of these financial statements.*

# LOM EQUITY GROWTH FUND LTD.

## SCHEDULE OF INVESTMENTS - USD CLASS A, Continued

December 31, 2007

Shares	Description	Cost	Percentage of Net Assets	Fair Value
<u>INVESTMENTS IN SECURITIES, Continued</u>				
<u>COMMON STOCKS, Continued</u>				
Subtotal (Forward)		\$ 743,280	12.02%	\$ 1,093,013
United States				
Financial				
250	Aflac Inc.	12,048	0.17%	15,658
250	ACE Ltd.	14,459	0.17%	15,445
200	Ameriprise Financial Inc.	10,953	0.12%	11,022
450	Cigna Corp.	16,330	0.27%	24,179
120	Franklin Resources	16,418	0.15%	13,732
200	Hartford Financial Services Group, Inc.	16,563	0.19%	17,438
300	Jpmorgan Chase & Co.	13,492	0.14%	13,095
500	Loews Corporation	20,771	0.28%	25,170
530	Lincoln National Corporation	30,343	0.34%	30,857
2,400	Metlife, Inc.	89,979	1.63%	147,888
820	Prudential Financial Inc.	54,130	0.84%	76,293
300	The Bank of New York Company Inc.	14,281	0.16%	14,628
400	Travelers Cos Inc.	17,653	0.24%	21,520
2,040	Wells Fargo & Co.	60,473	0.68%	61,588
450	iShares MSCI Canada Index Fund	12,096	0.16%	14,454
800	Consumer Staples SPDR	21,775	0.25%	23,040
2,575	Diamonds Trust Series I	344,145	3.75%	341,316
200	Energy Select Sector Spdr	14,877	0.17%	15,870
2,000	Health Care Select Sector	68,533	0.78%	70,620
1,100	IShares DJ US Medical Service	63,793	0.73%	66,682
100	iShares FTSE/Xinhua China 25	17,618	0.19%	17,045
250	IShares MSCI Brazil	18,152	0.22%	20,175
3,717	IShares MSCI Emerging Market	299,374	6.15%	558,665
200	IShares MSCI Pacific Ex-Japan Index Fund	35,033	0.34%	30,856
2,100	Powershares Water Resources	43,295	0.49%	44,940
1,000	Short S&P 500 Proshares	63,119	0.67%	60,770
500	SPDR Oil & Gas Equip & Serv	19,764	0.22%	20,290
800	SPDR S&P Biotech ETF	44,210	0.52%	47,488
880	Streettracks Gold Trust	60,648	0.80%	72,565
500	Technology Select Sect SPDR	11,827	0.15%	13,330
500	Vanguard Emerging ETF	45,427	0.57%	52,150
5,650	Vanguard Info Tech ETF	335,157	3.74%	339,678
		1,906,736	25.28%	2,298,447
Subtotal (Forward)		\$ 2,650,016	37.30%	\$ 3,391,460

*The accompanying notes are an integral part of these financial statements.*

# LOM EQUITY GROWTH FUND LTD.

## SCHEDULE OF INVESTMENTS - USD CLASS A, Continued

December 31, 2007

Shares	Description	Cost	Percentage of Net Assets	Fair Value
<u>INVESTMENTS IN SECURITIES, Continued</u>				
<u>COMMON STOCKS, Continued</u>				
	Subtotal (Forward)	\$ 2,650,016	37.30%	\$ 3,391,460
United States				
Healthcare				
400	Abbott Laboratories	16,761	0.25%	22,460
500	Aetna Inc.	20,577	0.32%	28,865
350	Alberto-Culver Company	11,561	0.09%	8,589
250	Baxter International Inc.	13,673	0.16%	14,513
200	Cephalon Inc.	14,559	0.16%	14,352
270	Colgate-Palmolive Company	16,342	0.23%	21,049
213	Covidien Ltd.	7,753	0.10%	9,434
340	Express Scripts Inc.	13,408	0.27%	24,820
260	Henry Schein Inc.	12,059	0.18%	15,964
400	Johnson & Johnson	26,253	0.29%	26,680
350	Sally Beauty Holdings Inc.	4,561	0.03%	3,168
		<u>157,507</u>	2.08%	<u>189,894</u>
Industrial				
350	Arrow Electronics Inc.	11,275	0.15%	13,748
213	Tyco Electronics Ltd.	7,138	0.09%	7,909
213	Tyco International Ltd.	9,529	0.09%	8,445
		<u>27,942</u>	0.33%	<u>30,102</u>
Technology				
440	Amphenol Corporation	12,141	0.22%	20,403
133	Aqua America Inc.	2,755	0.03%	2,820
400	Automatic Data processing	16,402	0.20%	17,812
100	Broadridge Financial Solution	4,101	0.02%	2,243
450	Cerner Corp.	17,332	0.28%	25,380
1,440	Chubb Corporation	62,334	0.86%	78,595
300	FactSet Research Systems Inc.	12,587	0.18%	16,710
1,450	General Dynamics Corporation	57,077	1.42%	129,036
250	Global Payments	11,491	0.13%	11,630
1,000	Hewlett-Packard Company	24,857	0.56%	50,480
700	Intel Corporation	14,564	0.21%	18,662
320	International Business Machines Corporation (IBM)	27,178	0.38%	34,592
		<u>262,819</u>	4.49%	<u>408,363</u>
	Subtotal (Forward)	\$ 3,098,284	44.22%	\$ 4,019,819

*The accompanying notes are an integral part of these financial statements.*

# LOM EQUITY GROWTH FUND LTD.

## SCHEDULE OF INVESTMENTS - USD CLASS A, Continued

December 31, 2007

Shares	Description	Cost	Percentage of Net Assets	Fair Value
<u>INVESTMENTS IN SECURITIES, Continued</u>				
<u>COMMON STOCKS, Continued</u>				
	Subtotal (Forward)	\$ 3,098,284	44.22%	\$ 4,019,819
United States				
Technology, continued				
800	Microsoft	23,818	0.31%	28,480
300	Northrop Grumman Corporation	19,754	0.26%	23,592
1,000	Oracle Corp.	18,897	0.25%	22,580
400	Paychex Inc.	16,983	0.16%	14,488
1,150	Raytheon Company	49,154	0.77%	69,805
340	Thermo Electron Corporation	12,829	0.22%	19,611
1,100	United Technologies Corporation	52,824	0.93%	84,194
		<u>194,259</u>	2.90%	262,750
Utilities				
1,895	AT&T Inc.	47,834	0.87%	78,756
400	Edison International	16,799	0.23%	21,348
950	Verizon Communications Inc.	30,599	0.46%	41,506
		<u>95,232</u>	1.56%	141,610
Other				
84	Citadel Broadcasting Corp	1,443	0.00%	173
520	Costco Wholesale Corporation	26,960	0.40%	36,275
115	Embarq Corporation	2,043	0.06%	5,696
620	General Mills Inc.	31,200	0.39%	35,340
250	Harris Corp.	12,600	0.17%	15,670
47	Idearc Inc.	1,669	0.01%	825
800	Motorola Inc.	14,883	0.14%	12,832
		<u>90,798</u>	1.17%	106,811
	Total United States	3,478,573	49.84%	4,530,990
Asia				
Automobiles				
2,000	Hino Motors	10,910	0.14%	13,016
400	Toyota Boshoku Corp.	9,791	0.14%	12,999
500	Toyota Motor Corporation	23,933	0.30%	27,036
		<u>\$ 44,634</u>	0.58%	\$ 53,051

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# LOM EQUITY GROWTH FUND LTD.

## SCHEDULE OF INVESTMENTS - USD CLASS A, Continued

December 31, 2007

Shares	Description	Cost	Percentage of Net Assets	Fair Value
<u>INVESTMENTS IN SECURITIES, Continued</u>				
<u>COMMON STOCKS, Continued</u>				
Consumer Discretionary				
200	Astellas Pharma Inc.	\$ 7,739	0.10%	\$ 8,719
2,000	Itochu Corp/First Section	19,816	0.22%	19,552
1,000	Kirin Brewery Co Ltd.	14,624	0.16%	14,690
1,000	Mitsui & Co., Ltd.	18,131	0.23%	21,172
100	Nintendo Co., Ltd.	17,074	0.66%	59,890
200	Ono Pharmaceuticals Co., Ltd.	11,647	0.10%	9,346
300	Takeda Pharmaceutical Company Limited	15,542	0.20%	18,262
220	Yamada Denki Co., Ltd.	20,665	0.28%	25,150
		<u>125,238</u>	1.95%	<u>176,781</u>
Consumer Staples				
500	Canon Inc.	21,774	0.26%	23,276
Funds				
5,869	Franklin Templeton Inv Asia	86,073	2.08%	189,213
3,199	Fidelity Funds	81,578	1.64%	148,999
1,107	JP Morgan Funds Singapore	24,615	0.46%	42,261
		<u>192,266</u>	4.18%	<u>380,473</u>
Industrial				
1,000	Asahi Breweries Ltd.	14,721	0.19%	16,937
1,000	Bank of Kyoto Ltd.	12,000	0.13%	11,871
1,500	Bank of Yokohama Ltd.	12,060	0.12%	10,528
2	East Japan Railway	16,025	0.18%	16,508
200	Fanuc Ltd.	11,729	0.21%	19,480
5	Fuji Television Network Inc.	10,216	0.09%	8,281
200	JFE Holdings, Inc.	12,519	0.11%	10,134
3	Japan Tobacco Inc.	9,709	0.20%	17,940
3	KDDI Corp.	21,184	0.25%	22,345
5	Keyence Corporation	994	0.01%	1,234
700	Komatsu Ltd.	14,781	0.21%	19,050
300	Millea Holdings Inc.	11,567	0.11%	10,125
2,000	Mitsui Osk Lines Ltd.	15,068	0.28%	25,532
1,000	Mitsui Sumitomo Insurance Co.	12,629	0.11%	9,740
1,000	Nikon Corp.	24,082	0.38%	34,645
1,000	Nippon Yusen Kabushiki Kaisha	7,281	0.09%	7,950
1,000	Sekisui House Ltd.	15,427	0.12%	10,814
200	Shin-Etsu Chemical Co., Ltd.	13,158	0.14%	12,569
1,000	Sompo Japan Insurance Inc.	9,272	0.10%	9,051
1,000	Toshiba Corporation	7,543	0.08%	7,493
400	Yamatake Corp.	9,029	0.12%	10,922
		<u>\$ 260,994</u>	3.23%	<u>\$ 293,149</u>

*The accompanying notes are an integral part of these financial statements.*

# LOM EQUITY GROWTH FUND LTD.

## SCHEDULE OF INVESTMENTS - USD CLASS A, Continued

December 31, 2007

Shares	Description	Cost	Percentage of Net Assets	Fair Value
<u>INVESTMENTS IN SECURITIES, Continued</u>				
<u>COMMON STOCKS, Continued</u>				
	Subtotal (Forward)	\$ 644,906	10.19%	\$ 926,730
Asia				
Mutual Funds				
5,308	Schroeder Int Hong Kon Eq-Bac	186,828	2.06%	187,591
Other				
3,000	All Nippon Airways	10,960	0.12%	11,092
500	Mitsubishi Estate Co., Ltd.	13,452	0.13%	12,063
4,000	Osaka Gas Co., Ltd.	16,166	0.17%	15,791
300	Square Enix Co., Ltd.	8,262	0.10%	9,185
		48,840	0.52%	48,131
	Total Asia	880,574	12.79%	1,162,452
Australia				
Mutual Funds				
1,063	Baring Australia Fund	155,025	1.63%	147,782
Europe				
Basic Materials				
300	BAYER AG	17,675	0.30%	27,291
600	BHP Billiton plc (LN)	14,051	0.20%	18,412
300	Rio Tinto plc (LSE)	17,007	0.35%	31,661
80	Sygenta AG	8,833	0.22%	20,361
		57,566	1.07%	97,725
Consumer Discretionary				
810	British American Tobacco p.l.c.	14,960	0.35%	31,597
150	Christian Dior SA	16,321	0.22%	19,675
500	GlaxoSmithKline plc	13,478	0.14%	12,693
400	InBev NV	24,656	0.37%	33,265
300	Inditex	16,099	0.20%	18,392
900	Novartis AG	43,828	0.54%	49,306
125	PPR	15,086	0.22%	20,061
1,100	Reckitt Benckiser Plc	34,506	0.70%	63,624
140	Roche holdings Genuss	23,091	0.27%	24,158
150	Sonova Holdings AG-REG	14,435	0.19%	16,925
3,300	Tesco Plc	25,500	0.34%	31,261
		241,960	3.54%	320,957
	Subtotal (Forward)	\$ 299,526	4.61%	\$ 418,682

*The accompanying notes are an integral part of these financial statements.*

# LOM EQUITY GROWTH FUND LTD.

## SCHEDULE OF INVESTMENTS - USD CLASS A, Continued

December 31, 2007

Shares	Description	Cost	Percentage of Net Assets	Fair Value
<u>INVESTMENTS IN SECURITIES, Continued</u>				
<u>COMMON STOCKS, Continued</u>				
	Subtotal (Forward)	\$ 299,526	4.61%	\$ 418,682
Europe				
Consumer Staples				
300	Allianz Ag-Reg	53,054	0.71%	64,766
100	Continental AG	13,810	0.14%	12,984
200	Holcim Ltd.	16,038	0.24%	21,402
124	Nestle SA	34,279	0.63%	56,884
500	Unilever	14,026	0.21%	18,757
		<u>131,207</u>	1.93%	174,793
Diversified				
2,000	IFL Investments SpA	13,892	0.21%	18,830
150	MAN AG	8,790	0.27%	24,958
350	Xstrata plc	12,579	0.27%	24,662
		<u>35,261</u>	0.75%	68,450
Energy				
2,000	BP plc	22,078	0.27%	24,414
70	CIE Generale De Geophysique	14,884	0.22%	19,915
3,650	Eni S.p.A	86,345	1.47%	133,400
200	Fugro NV-CVA	16,097	0.17%	15,407
650	Gaz de France	24,432	0.42%	37,934
400	OMV AG	22,607	0.36%	32,343
200	Q cell AG	21,293	0.31%	28,538
200	Technip SA Designs	17,981	0.17%	15,903
1,360	Total SA	43,559	1.24%	112,764
		<u>\$ 269,276</u>	4.63%	<u>\$ 420,618</u>

*The accompanying notes are an integral part of these financial statements.*

# LOM EQUITY GROWTH FUND LTD.

## SCHEDULE OF INVESTMENTS - USD CLASS A, Continued

December 31, 2007

Shares	Description	Cost	Percentage of Net Assets	Fair Value
<u>INVESTMENTS IN SECURITIES, Continued</u>				
<u>COMMON STOCKS, Continued</u>				
Financial				
440	Assicurazioni Generale	\$ 17,689	0.22%	\$ 19,901
2,000	Aviva PLC	27,698	0.29%	26,717
260	Axa	6,761	0.11%	10,390
300	Barclays PLC Spons ADR	18,728	0.13%	12,111
400	BNP Paribas	24,622	0.48%	43,315
750	Credit Suisse Group	49,263	0.50%	45,058
150	Deutsche Bank AG	18,467	0.22%	19,581
105	EURAZEO	15,704	0.15%	13,443
700	HBOS plc	11,627	0.11%	10,212
312	ING Groep N.V.	13,569	0.13%	12,177
200	KBC Groep NV	25,364	0.31%	28,071
10,000	Legal & General Group Plc	28,040	0.29%	25,923
7,600	Old Mutual PLC	25,026	0.28%	25,283
1,400	Resolution Plc	16,290	0.22%	19,785
410	Societe Generale	44,902	0.65%	59,179
800	Schroders Plc	20,805	0.23%	20,675
150	Swiss Re-Reg	14,209	0.12%	10,646
926	UBS AG	26,819	0.47%	42,806
180	Zurich Financial Services AG	42,260	0.58%	52,800
		447,843	5.49%	498,073
Europe				
Industrial				
50	Alstom	11,038	0.12%	10,724
2,000	Balfour Beatty	14,292	0.22%	19,740
500	Finmeccanica SpA	12,327	0.18%	16,027
300	Mittal Steel Co Nv	16,630	0.26%	23,281
200	Schindler Holding-Part Cert	12,257	0.14%	12,880
800	Suez SA	21,175	0.60%	54,357
800	Thales SA	30,555	0.52%	47,563
40	Vallourec SA	12,008	0.12%	10,805
700	Weir group PLC	12,375	0.12%	11,247
		\$ 142,657	2.28%	\$ 206,624

*The accompanying notes are an integral part of these financial statements.*

# LOM EQUITY GROWTH FUND LTD.

## SCHEDULE OF INVESTMENTS - USD CLASS A, Continued

December 31, 2007

Shares	Description	Cost	Percentage of Net Assets	Fair Value
<u>INVESTMENTS IN SECURITIES, Continued</u>				
<u>COMMON STOCKS, Continued</u>				
Mutual Funds				
2,100	TECDAX EX - Sector Fund - Technology	\$ 26,741	0.32%	\$ 28,862
400	DJ Stoxx 600 Basic Resrcs Ex	39,413	0.45%	41,231
		<u>66,154</u>	<u>0.77%</u>	<u>70,093</u>
Other				
1,314	3i Group plc	30,735	0.29%	26,162
220	Accor SA	15,700	0.19%	17,558
250	Adidas AG	14,537	0.20%	18,577
330	Beiersdorf AG	15,696	0.28%	25,436
675	Bouygues SA	31,544	0.62%	56,135
120	Casino Guichard Perrrachon	11,184	0.14%	13,024
120	Cumerio	--	0.05%	4,991
1,000	Diageo plc	16,248	0.24%	21,437
300	E.ON AG	22,565	0.70%	63,707
625	Filtrona Plc	4,173	0.03%	2,512
480	Fresenius AG	32,598	0.44%	39,848
3,600	Koninklijke (Royal) KPN NV	33,915	0.72%	65,340
284	Merck Kgaa	29,732	0.41%	36,865
220	Michelin (CGDE)-B	15,138	0.28%	25,197
75	Neopost SA	5,079	0.08%	7,713
500	Nokia Oyj	11,893	0.21%	19,195
216	Pernod Ricard SA	28,269	0.55%	49,824
15	Porsche AG	14,737	0.33%	30,265
2,000	Rolls-Royce Group PLC	19,815	0.24%	21,675
80,800	Rolls-Royce Group B shr Ent	--	0.00%	--
150	RWE AG	18,721	0.23%	21,117
350	Sanofi-Aventis	29,248	0.35%	32,161
1,800	Smith & Nephew Plc	16,688	0.23%	20,722
2,893	Stagecoach Group PLC	12,217	0.18%	16,365
600	United internet AG	12,471	0.16%	14,558
480	Veolia Environnement	17,188	0.48%	43,735
400	Vinci SA	10,682	0.33%	29,559
250	Vivendi SA	9,670	0.13%	11,446
4,000	Vodafone Group PLC	14,284	0.16%	14,911
		<u>494,727</u>	<u>8.25%</u>	<u>750,035</u>
	Subtotal (Forward)	<u>\$ 1,886,651</u>	<u>28.68%</u>	<u>\$ 2,607,368</u>

*The accompanying notes are an integral part of these financial statements.*

# LOM EQUITY GROWTH FUND LTD.

## SCHEDULE OF INVESTMENTS - USD CLASS A, Continued

December 31, 2007

Shares	Description	Cost	Percentage of Net Assets	Fair Value
<u>INVESTMENTS IN SECURITIES, Continued</u>				
<u>COMMON STOCKS, Continued</u>				
	Subtotal (Forward)	\$ 1,886,651	28.68%	\$ 2,607,368
	Europe			
	Technology			
356	ASML Holding NV	13,397	0.12%	11,250
150	BASF AG	8,658	0.24%	22,117
200	Dassault Systemes sa	11,159	0.13%	11,815
150	Siemens AG-REG	14,402	0.26%	23,739
		<u>47,616</u>	<u>0.75%</u>	<u>68,921</u>
	Utilities			
1,500	BG Group plc	20,422	0.38%	34,239
9,900	BT Group plc	42,835	0.59%	53,590
500	France Telecom SA	11,695	0.20%	17,960
4,750	International Power PLC	13,636	0.47%	42,757
2,700	National Grid PLC	34,811	0.49%	44,696
1,000	Scottish & Southern Energy	23,420	0.36%	32,513
830	Telefonica S.A.	13,669	0.30%	26,908
		<u>160,488</u>	<u>2.79%</u>	<u>252,663</u>
	Total Europe	<u>2,094,755</u>	<u>32.22%</u>	<u>2,928,952</u>
	Canada			
	Basic Materials			
1,000	Sino Forest Corp.	7,393	0.24%	21,472
	Energy			
650	Power Corp. of Canada	17,974	0.29%	26,124
	Financial			
500	Sun Life Financial	22,878	0.31%	27,897
	Other			
1,500	I Shares CDN S&P/TSX 60 Index	118,963	1.34%	121,772
600	Onex Corporation	11,988	0.23%	21,025
		<u>130,951</u>	<u>1.57%</u>	<u>142,797</u>
	Total Canada	<u>179,196</u>	<u>2.40%</u>	<u>218,290</u>
	TOTAL INVESTMENTS IN SECURITIES	<u>\$ 6,788,123</u>	<u>98.87%</u>	<u>\$ 8,988,466</u>

*The accompanying notes are an integral part of these financial statements.*

# LOM EQUITY GROWTH FUND LTD.

## SCHEDULE OF INVESTMENTS - EUR CLASS B

December 31, 2007

Shares	Description	Cost	Percentage of Net Assets	Fair Value
<u>INVESTMENTS IN SECURITIES</u>				
<u>COMMON STOCKS</u>				
Asia				
Consumer Discretionary				
200	Astellas Pharma Inc.	€ 6,124	0.12%	€ 5,977
3,000	All Nippon Airways Co., Ltd.	8,456	0.15%	7,604
300	Takeda Pharmaceutical Company Limited	12,866	0.25%	12,519
220	Yamada Denki Co., Ltd.	15,441	0.34%	17,241
79	Daiichi Sankyo Co., Ltd.	1,399	0.03%	1,668
200	Ono Pharmaceutical Co., Ltd.	8,666	0.13%	6,407
1,000	Kirin Brewery Co., Ltd.	11,007	0.20%	10,071
100	Nintendo Co., Ltd.	13,347	0.80%	41,056
300	Square Enix Co., Ltd.	6,375	0.12%	6,296
		<u>83,681</u>	<u>2.14%</u>	<u>108,839</u>
Consumer Staples				
700	Canon Inc.	22,073	0.44%	22,338
Financial				
Sumitomo Mitsui Financial Group, Inc.				
1,000	Bank of Kyoto Ltd/ The First Section	8,983	0.16%	8,138
1,500	Bank of Yokohama Ltd.	9,502	0.14%	7,217
400	Millea Holdings Inc.	11,707	0.18%	9,254
		<u>30,192</u>	<u>0.48%</u>	<u>24,609</u>
Industrial				
1,200	Asahi Breweries Ltd.	13,977	0.27%	13,933
3	Japan Tobacco Inc.	9,118	0.24%	12,298
200	Shin-Etsu Chemical Co., Ltd.	10,494	0.17%	8,616
2	East Japan Railway Co.	11,761	0.22%	11,316
700	Komatsu Ltd.	11,177	0.26%	13,059
		<u>56,527</u>	<u>1.16%</u>	<u>59,222</u>
	Subtotal (Forward)	€ <u>192,473</u>	<u>4.21%</u>	€ <u>215,008</u>

*The accompanying notes are an integral part of these financial statements.*

# LOM EQUITY GROWTH FUND LTD.

## SCHEDULE OF INVESTMENTS - EUR CLASS B, Continued

December 31, 2007

Shares	Description	Cost	Percentage of Net Assets	Fair Value
<u>INVESTMENTS IN SECURITIES, Continued</u>				
<u>COMMON STOCKS, Continued</u>				
	Subtotal (Forward)	€ 192,473	4.21%	€ 215,008
	Asia			
	Industrial, continued			
1,000	Nippon Yusen Kabushiki Kaisha	5,468	0.11%	5,450
200	Fanuc Ltd.	10,216	0.26%	13,354
1,000	Toshiba Corp.	5,531	0.10%	5,137
400	Yamatake Corp.	6,967	0.15%	7,487
1,000	Mitsui Sumitomo Insurance Co.	9,914	0.13%	6,677
2,000	Mitsui Osk Lines Ltd.	11,829	0.34%	17,502
3	KDDI Corp.	16,358	0.30%	15,318
		<u>66,283</u>	1.39%	<u>70,925</u>
	Mutual Funds			
5,694	Schroder ISF - Hong Kong Equity	137,126	2.71%	137,986
	Other Equities			
1,000	Sekisu House Ltd.	11,479	0.15%	7,413
5,000	Osaka Gas Co., Ltd.	14,818	0.27%	13,532
800	Toyota Motor Corporation	27,307	0.58%	29,654
2,000	Hino Motors Ltd.	8,418	0.17%	8,923
400	Toyota Boshoku Corp.	7,179	0.17%	8,911
1,000	Mitsui & Co., Ltd.	13,763	0.28%	14,514
1,000	Nikon Corp.	18,281	0.47%	23,750
5	Fuji Television Network	7,498	0.11%	5,674
500	Mitsubishi Estate Co., Ltd.	9,873	0.16%	8,269
2,000	Itochu Corp.	14,744	0.26%	13,403
2,137	GAM Japan Inc - JPY Class	233,287	3.83%	195,503
		<u>366,647</u>	6.45%	<u>329,546</u>
	Total Asia	€ 762,529	14.77%	€ 753,465

*The accompanying notes are an integral part of these financial statements.*



# LOM EQUITY GROWTH FUND LTD.

## SCHEDULE OF INVESTMENTS - EUR CLASS B, Continued

December 31, 2007

Shares	Description	Cost	Percentage of Net Assets	Fair Value
<u>INVESTMENTS IN SECURITIES, Continued</u>				
<u>COMMON STOCKS, Continued</u>				
Australia				
8,892	Fidelity Funds - Australia Fund	€ 184,747	5.57%	€ 283,913
Europe				
Consumer Discretionary				
1,030	Novartis AG_Reg Shs	48,540	0.76%	38,672
4,600	Tesco PLC	27,008	0.59%	29,870
150	PPR	14,323	0.32%	16,500
850	Reckitt Benckiser plc	23,140	0.66%	33,701
500	GlaxoSmithKline Plc	9,532	0.17%	8,701
500	British American Tobacco PLC	7,990	0.26%	13,368
350	Sanofi-Aventis	21,292	0.43%	22,043
600	InBev NV	25,679	0.67%	34,200
300	Compagnie Financiere Richemont AG	9,704	0.28%	14,093
220	Christian Dior SA	18,737	0.39%	19,778
300	Accor SA	16,758	0.32%	16,410
300	Initex	12,418	0.25%	12,606
100	Continental AG	10,282	0.17%	8,899
		245,403	5.27%	268,841
Consumer Staples				
300	Holcim Ltd - Reg	18,768	0.43%	22,001
160	Nestle SA - Registered	43,992	0.99%	50,303
150	Sonova Holdings AG	10,209	0.23%	11,599
420	Allianz AG-REG	59,401	1.22%	62,147
500	Unilever plc	10,819	0.25%	12,858
		143,189	3.12%	158,908
	Subtotal (Forward)	€ 388,592	8.39%	€ 427,749

*The accompanying notes are an integral part of these financial statements.*

# LOM EQUITY GROWTH FUND LTD.

## SCHEDULE OF INVESTMENTS - EUR CLASS B, Continued

December 31, 2007

Shares	Description	Cost	Percentage of Net Assets	Fair Value
<u>INVESTMENTS IN SECURITIES, Continued</u>				
<u>COMMON STOCKS, Continued</u>				
	Subtotal (Forward)	€ 388,592	8.39%	€ 427,749
	Europe			
	Diversified			
250	Man AG	10,626	0.56%	28,510
2,000	IFIL Investments SpA	10,910	0.25%	12,906
350	Xstrata plc	6,906	0.33%	16,905
		<u>28,442</u>	1.14%	<u>58,321</u>
	Energy			
1,560	Total SA	80,769	1.74%	88,655
200	Technip SA Designs	12,718	0.21%	10,900
200	Q Cell AG	15,060	0.38%	19,560
350	OMV AG	15,070	0.38%	19,397
4,100	Eni SpA	95,201	2.01%	102,705
200	Fugro NV	11,384	0.21%	10,560
500	Gaz de France	14,776	0.39%	20,000
70	CIE Generale De Geophysique	11,340	0.27%	13,650
3,300	BP plc Ord. USD0.25	29,215	0.54%	27,613
		<u>285,533</u>	6.13%	<u>313,040</u>
	Financial			
750	Credit Suisse Group - Reg	37,751	0.61%	30,880
960	UBS AG Registered	34,359	0.60%	30,414
260	Zurich Financial Services AG	66,321	1.02%	52,268
150	Swiss Re-Reg	10,580	0.14%	7,296
750	BNP Paribas SA	46,976	1.09%	55,665
300	Barclays PLC - Spons ADR	14,224	0.16%	8,301
850	Standard Chartered plc	14,238	0.42%	21,326
300	KBC Groep NV	29,347	0.57%	28,860
440	Assicurazioni Generale	13,283	0.27%	13,640
320	Deutsche Bank AG	27,644	0.56%	28,630
105	EURAZEO	11,692	0.18%	9,214
625	Societe Generale - A	58,728	1.21%	61,831
400	ING Groep N.V	11,735	0.21%	10,700
10,000	Legal & General Group Plc	21,636	0.35%	17,769
700	HBOS plc	6,551	0.14%	7,000
2,000	Aviva plc	14,613	0.36%	18,314
1,800	Resolution Plc	16,452	0.34%	17,437
800	Schroders Plc	15,491	0.28%	14,172
8,500	Old Mutual PLC	21,278	0.38%	19,383
28,700	Ishares Plc -Ishares FTSE 100	267,143	4.94%	251,965
2,700	Ishares Msci Japan Fund	28,302	0.48%	24,301
		<u>768,344</u>	14.31%	<u>729,366</u>
	Subtotal (Forward)	€ 1,470,911	29.96%	€ 1,528,476

*The accompanying notes are an integral part of these financial statements.*

# LOM EQUITY GROWTH FUND LTD.

## SCHEDULE OF INVESTMENTS - EUR CLASS B, Continued

December 31, 2007

Shares	Description	Cost	Percentage of Net Assets	Fair Value
<u>INVESTMENTS IN SECURITIES, Continued</u>				
<u>COMMON STOCKS, Continued</u>				
	Subtotal (Forward)	€ 1,470,911	29.96%	€ 1,528,476
Europe				
Industrial				
50	Alstom	7,739	0.14%	7,350
950	Thales SA	28,938	0.76%	38,713
700	Weir Group PLC	8,676	0.15%	7,710
200	JFE Holdings Inc	9,503	0.14%	6,947
850	Suez SA	21,238	0.78%	39,585
40	Vallourec SA	8,419	0.15%	7,406
2,000	Balfour Beatty plc	11,138	0.27%	13,531
		<u>95,651</u>	<u>2.39%</u>	<u>121,242</u>
Mutual Funds				
1,611	JPMorgan Funds - Euroland Equity Fund	91,070	1.68%	85,485
1,098	JPMorgan Funds - Singapore Fund	19,317	0.56%	28,730
1,501	Baring Australia Fund Eur	149,025	2.78%	141,795
2,600	DAXEX Growth-large Cap	191,227	3.89%	198,250
400	DJ Stoxx 600 Basic Resources Ex	28,296	0.55%	28,260
1,800	DOW Jones Euro Stoxx 50 Ex	78,995	1.56%	79,776
2400	TECDAX EX - Sector Fund - technology	22,043	0.44%	22,608
500	LYXOR ETF CAC 40	29,147	0.55%	28,095
4,300	Lyxor ETF DJ Euro Stoxx 50	189,866	3.71%	189,458
3,660	Fidellity Funds Euro Bl Chip	72,025	1.43%	72,769
2,194	Schroder Intl Selct Fd- Jpn Eqty	231,806	4.14%	211,399
5,193	Franklin Templeton Asia investments	64,671	2.25%	114,759
19,037	INVESCO UK Equity Fund Class A	167,809	3.23%	164,996
		<u>1,335,297</u>	<u>26.77%</u>	<u>1,366,380</u>
Europe				
Other Equities				
210	Roche Holding Genuss	37,144	0.49%	24,835
300	Rio Tinto Plc (LSE)	12,957	0.43%	21,703
200	Schindler Holding - Part Cert	9,205	0.17%	8,827
250	Adidas AG	10,823	0.25%	12,733
200	Dassault Systems SA	8,308	0.16%	8,098
300	Mittal Steel corp	12,373	0.31%	15,957
264	Pernod Richard	32,579	0.82%	41,738
400	Vinci S.A	13,931	0.40%	20,260
450	Beiersdorf AG	16,934	0.47%	23,774
600	BHP Billiton plc (LN) Cmn Stock	10,454	0.25%	12,621
		<u>164,708</u>	<u>3.75%</u>	<u>190,546</u>
	Subtotal (Forward)	€ 3,066,567	62.86%	€ 3,206,644

*The accompanying notes are an integral part of these financial statements.*

**LOM EQUITY GROWTH FUND LTD.**  
**SCHEDULE OF INVESTMENTS - EUR CLASS B, Continued**  
**December 31, 2007**

Shares	Description	Cost	Percentage of Net Assets	Fair Value
<u>INVESTMENTS IN SECURITIES, Continued</u>				
<u>COMMON STOCKS, Continued</u>				
	Subtotal (Forward)	€ 3,066,567	62.86%	€ 3,206,644
	Europe			
	Other Equities, continued			
1,450	AXA	35,226	0.78%	39,716
500	Bouygues SA	19,633	0.56%	28,500
250	Michelin (CGDE)-B	13,402	0.38%	19,625
1,000	Finmeccanica Spa	17,355	0.43%	21,970
3,600	Koninklijke KPN NV	27,794	0.88%	44,784
600	United Internet AG	8,743	0.20%	9,978
4,000	Vodafone Group PLC	10,110	0.20%	10,221
3,214	Stagecoach Group PLC	10,282	0.24%	12,463
1,272	3i Group plc	18,805	0.34%	17,359
284	Merck Kga	23,031	0.50%	25,267
100	Neopost SA	8,062	0.14%	7,049
120	Casino Guichard Perrrachon	8,399	0.18%	8,927
22	Porsche AG	17,101	0.60%	30,424
680	Veolia Environnement	24,042	0.83%	42,466
690	Fresenius AG-PFD	36,760	0.77%	39,261
1	Mitchells & Butlers PLC	4	0.00%	3
1,800	Smith & Nephew Plc	13,125	0.28%	14,205
1,800	Diageo plc	22,615	0.52%	26,450
		314,489	7.83%	398,668
	Europe			
	Technology			
250	Vivendi SA	7,531	0.15%	7,845
160	Siemens AG-REG	11,638	0.34%	17,355
300	BAYER AG	13,424	0.37%	18,705
195	BASF AG	11,152	0.39%	19,707
355	ASML Holding NV	9,482	0.15%	7,689
500	Nokia Oyj	8,855	0.26%	13,156
80,800	Rolls-Royce Group B Shares	--	0.00%	--
2,000	Rolls-Royce Group plc	14,742	0.29%	14,858
		76,824	1.95%	99,315
	Subtotal (Forward)	€ 3,457,880	72.62%	€ 3,704,627

*The accompanying notes are an integral part of these financial statements.*

# LOM EQUITY GROWTH FUND LTD.

## SCHEDULE OF INVESTMENTS - EUR CLASS B, Continued

December 31, 2007

Shares	Description	Cost	Percentage of Net Assets	Fair Value
<u>INVESTMENTS IN SECURITIES, Continued</u>				
<u>COMMON STOCKS, Continued</u>				
	Subtotal (Forward)	€ 3,457,880	72.62%	€ 3,704,627
	Utilities			
700	France Telecom SA	12,877	0.34%	17,234
280	E.On AG	20,982	0.80%	40,754
150	RWE AG	13,251	0.28%	14,476
800	Telefonica S.A.	10,644	0.35%	17,776
4,000	International power PLC	11,890	0.48%	24,681
2,700	National Grid Plc	21,551	0.60%	30,638
1,450	Scottish & Southern Energy	19,743	0.63%	32,316
14,000	BT Group plc	45,086	1.02%	51,955
1,200	Royal Bank of Scotland Group Plc	--	0.14%	7,249
2,300	BG Group plc	23,580	0.71%	35,988
		179,604	5.35%	273,067
	Total Europe	3,637,484	77.98%	3,977,694
	TOTAL INVESTMENTS IN SECURITIES	€ 4,584,760	98.31%	€ 5,015,072

*The accompanying notes are an integral part of these financial statements.*

# LOM EQUITY GROWTH FUND LTD.

## STATEMENTS OF OPERATIONS

For the Year Ended December 31, 2007

	Class A US \$	Class B EURO €
<u>INVESTMENT INCOME</u>		
Interest	\$ 11,199	€ 3,001
Dividends	<u>181,321</u>	<u>106,429</u>
TOTAL INVESTMENT INCOME	192,520	109,430
<u>EXPENSES</u>		
Management fees	148,829	81,402
Professional fees	18,099	18,099
Administration fees	5,903	3,234
Custodian fees	4,961	3,017
Miscellaneous	<u>11,598</u>	<u>6,820</u>
TOTAL EXPENSES	<u>189,390</u>	<u>112,572</u>
NET INVESTMENT GAIN (LOSS)	3,130	(3,142)
<u>REALIZED AND UNREALIZED GAIN (LOSS) ON INVESTMENTS</u>		
Net realized gain on sale of investments	796,776	461,613
Net change in unrealized appreciation of investments	<u>273,354</u>	<u>(377,569)</u>
NET REALIZED AND UNREALIZED GAIN ON INVESTMENTS	<u>1,070,130</u>	<u>84,044</u>
NET INCREASE IN NET ASSETS RESULTING FROM OPERATIONS	<u>\$1,073,260</u>	<u>€ 80,902</u>

*The accompanying notes are an integral part of these financial statements.*

# LOM EQUITY GROWTH FUND LTD.

## STATEMENTS OF CHANGES IN NET ASSETS

For the Year Ended December 31, 2007

	Class A US \$	Class B EURO €
<u>INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS</u>		
Net investment gain (loss)	\$ 3,130	€ (3,142)
Net realized gain on sale of investments	796,776	461,613
Net change in unrealized appreciation of investments	<u>273,354</u>	<u>(377,569)</u>
 NET INCREASE IN NET ASSETS RESULTING FROM OPERATIONS	 <u>1,073,260</u>	 <u>80,902</u>
<u>INCREASE (DECREASE) IN NET ASSETS FROM CAPITAL SHARE TRANSACTIONS</u>		
Proceeds from issuance of 114,078.50 Class A and 46,965.03 Class B shares	1,295,335	616,393
Payment on redemption of 229,193.27 Class A and 98,171.77 Class B shares	<u>(2,666,950)</u>	<u>(1,321,769)</u>
 NET DECREASE IN NET ASSETS RESULTING FROM CAPITAL SHARE TRANSACTIONS	 <u>(1,371,615)</u>	 <u>(705,376)</u>
 NET DECREASE IN NET ASSETS	 (298,355)	 (624,474)
<u>NET ASSETS - Beginning</u>	<u>9,389,728</u>	<u>5,726,005</u>
<u>NET ASSETS - Ending</u>	<u>\$ 9,091,373</u>	<u>€ 5,101,531</u>

*The accompanying notes are an integral part of these financial statements.*

# LOM EQUITY GROWTH FUND LTD.

## STATEMENTS OF CASH FLOWS

For the Year Ended December 31, 2007

	Class A US \$	Class B EURO €
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>		
Net increase in net assets resulting from operations	\$ 1,073,260	€ 80,902
Adjustments to reconcile net increase in net assets resulting from operations to net cash provided by operating activities:		
Purchase of investment securities	(5,500,240)	(2,891,102)
Proceeds from sale of investment securities	6,807,117	3,624,078
Net realized gain on sale of investments	(796,776)	(461,613)
Net change in unrealized appreciation of investments	(273,354)	377,569
Changes in operating assets and liabilities:		
Other assets	41,977	896
Accounts payable and accrued expenses	<u>(126)</u>	<u>9,523</u>
 TOTAL ADJUSTMENTS	 <u>278,598</u>	 <u>659,351</u>
 NET CASH PROVIDED BY OPERATING ACTIVITIES	 1,351,858	 740,253
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>		
Proceeds from issuance of shares	1,295,335	616,393
Payment on redemption of shares	<u>(2,666,950)</u>	<u>(1,321,769)</u>
 NET CASH USED IN FINANCING ACTIVITIES	 <u>(1,371,615)</u>	 <u>(705,376)</u>
 NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	 (19,757)	 34,877
 <u>CASH AND CASH EQUIVALENTS – Beginning</u>	 <u>155,084</u>	 <u>88,072</u>
<u>CASH AND CASH EQUIVALENTS – Ending</u>	<u>\$ 135,327</u>	<u>€ 122,949</u>

*The accompanying notes are an integral part of these financial statements.*



# LOM EQUITY GROWTH FUND LTD.

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 1 - Organization and Operations

LOM Equity Growth Fund Ltd. (the “Fund”) is an open-ended investment company which was incorporated as an exempt company under the laws of the Cayman Islands on March 13, 2000. The Fund is registered as a regulated mutual fund pursuant to Section 4(3) of the Mutual Funds Law with the Cayman Islands Monetary Authority. The Fund is listed on the Bermuda Stock Exchange.

The objective of the Fund is to achieve above average long-term appreciation of capital while controlling risk through an effective program of diversification and investing primarily in quoted equities of large capitalized companies globally.

Dundee Leeds Management Services (Cayman) Ltd. (the “Administrator”) acts as Administrator, Registrar and Transfer Agent for the Fund (see Note 12). LOM Asset Management Limited (“LOMAM”) (a related party to the Fund) acts as Investment Manager and owns 100% of the Management Shares (Note 3). Lines Overseas Management, Ltd. (a related party to the Fund) acts as paying agent and custodian to the Fund.

Certain directors of the Fund are also principals, directors and officers of companies affiliated with LOMAM.

### NOTE 2 - Summary of Significant Accounting Policies

The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America. The following is a summary of the significant accounting and reporting policies used in preparing the financial statements.

#### Investment Valuation and Revenue Recognition

Investment transactions are accounted for on a trade date basis. Investments in securities traded on a national securities exchange or reported on a national market are valued at the last reported sales price on the date of the valuation. Investments in other investment companies are valued at the net asset value or bid prices of the fund, as published or otherwise reported by the fund. Investments in exchange-traded funds are stated at the last reported sales price on the date of valuation or at the last quoted bid price, if no sale was reported on the valuation date.

Realized gains and losses on investments are calculated using the First-in-First-out (“FIFO”) method, which approximates the average cost method, and are reported in the accompanying statement of operations.

# LOM EQUITY GROWTH FUND LTD.

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 2 - Summary of Significant Accounting Policies, continued

Interest income is recognized on an accrual basis. Dividend income is recognized on the ex-dividend date and is presented net of withholding taxes.

#### Foreign Currency Translation

The Fund's functional currency is U.S. dollars for the Class A participating shares and Euros for the Class B participating shares. Bermuda dollars trade at par with U.S. dollars. Investment securities and other assets and liabilities denominated in foreign currencies are translated into U.S. dollar amounts at the date of valuation. Purchases and sales of investment securities and income and expense items denominated in foreign currencies are translated into U.S. dollar or Euros amounts on the respective dates of such transactions.

The Fund does not isolate that portion of the results of operations resulting from changes in foreign exchange rates on investments from the fluctuations arising from changes in market prices of securities held. Such fluctuations are included with the net realized gain or loss on sale of investments and the net change in unrealized appreciation on investments.

Realized and unrealized foreign exchange gains and losses arise from sales of foreign currencies, currency gains or losses realized between the trade and settlement dates on securities transactions and changes in the fair values of assets and liabilities, other than investments in securities, resulting from changes in exchange rates.

#### Cash and Cash Equivalents

The Fund considers all short-term investments with original maturities of three months or less to be cash equivalents.

Cash and cash equivalents include an investment in the Class A and B shares of LOM Money Market Fund Limited, a related party investment company by virtue of a common investment manager and directors. Such investments generally have no usage and withdrawal restrictions. At December 31, 2007, the value of the Class A investment was \$110,979 (representing 2.65 shares of the USD Class, 1,696.06 of the CAD class and 56.92 of the EUR class), and the value of the Class B investment was €75,816 (representing 6,228.58 shares of the Euro Class) of LOM Money Market Fund Ltd.

#### Use of Estimates

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of increases and decreases in net assets from operations during the reporting period. Actual results could differ from those estimates.

# LOM EQUITY GROWTH FUND LTD.

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 2 - Summary of Significant Accounting Policies, continued

#### Recently Issued Accounting Pronouncements

In September 2006, the Financial Accounting Standards Board (“FASB”) issued Statement of Financial Accounting Standards No. 157, “Fair Value Measurements” (“SFAS 157”). SFAS 157 defines fair value, establishes a framework for measuring fair value in generally accepted accounting principles and expands disclosure about fair value measurements. SFAS 157, with limited exceptions, is effective for financial statements issued for fiscal years beginning after November 15, 2007. The Investment Manager is in the process of evaluating the impact of the adoption of SFAS 157 on the Fund and does not expect the adoption to have a material impact on the Fund’s financial statements, however, additional disclosures will be required about the inputs used to develop the measurements of fair value and the effect of certain measurements reported in the statements of operations for a fiscal period.

In February 2007, the FASB issued SFAS No. 159, “The Fair Value Option for Financial Assets and Financial Liabilities” (“SFAS 159”). SFAS 159 expands opportunities to use fair value measurements in financial reporting and permits entities to choose to measure many financial instruments and certain other items at fair value. SFAS 159 is effective beginning January 1, 2008, and permits earlier application. The Fund is currently evaluating the effect of this pronouncement on its financial statements.

In March 2008, the FASB issued SFAS No. 161 “Disclosures about Derivative Instruments and Hedging Activities” (“SFAS 161”), which requires disclosures about the fair value of derivative instruments and their gains or losses in tabular format as well as disclosures regarding credit-risk-related contingent features in derivative agreements, counterparty credit risk and strategies and objectives for using derivative instruments. SFAS 161 amends and expands SFAS No. 133 and is effective prospectively beginning January 1, 2009. The Fund is currently evaluating the effect of the adoption of this pronouncement on its financial statements.

### NOTE 3 - Capital Stock

The Fund has an authorized share capital stock of \$25,000 (Class A US \$) and €25,000 (Class B EURO €) divided into 24,999,000 non-voting redeemable Class A Participating Shares, 1,000 Management Shares and 25,000,000 non-voting redeemable Class B Participating Shares of a par value of \$0.001 (Class A Participating and Management Shares) and €0.001 (Class B Participating Shares) each. Participating Shares are offered for sale to investors with rights to participate in the profits of the Fund but no voting rights.

Management Shares have voting rights but no right to participate in the profits of the Fund, and no dividends may be declared or paid on the Management Shares. Except for repayment of amounts paid in for the Management Shares, LOMAM may not receive any distribution of assets of the Fund in liquidation or dissolution of the Fund.

# LOM EQUITY GROWTH FUND LTD.

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 3 - Capital Stock, continued

The Investment Manager owns 100% of the Management Shares.

Shares are subscribed for and redeemed on each Dealing Day at a value as calculated at close of business on each Dealing Day. The Dealing Day is the last business day of each week, or such other days as the Directors may determine. The minimum initial subscription is \$50,000 for Class A and EURO €50,000 for Class B.

At December 31, 2007, LOM Nominees Limited ("LOM Nominees") held all of the shares of the Fund. LOM nominee is the registered holder of all the shares of the Fund. During the year ended December 31, 2007, LOM Nominees bought 114,078.50 and sold 229,193.27 Class A shares and bought 46.965.03 and sold 98,171.77 Class B shares of the Fund.

### NOTE 4 - Related Party Transactions

#### Management Fee

The Investment Manager is entitled to receive an annual fee of 1.50% of the Fund's net asset value for each class of shares, accrued weekly and payable quarterly.

Management fees incurred and paid during the year ended December 31, 2007 totaled \$148,829 and €81,402.

#### Custodian Fee

Under the Custody Agreement dated March 31, 2000, the Custodian is entitled to receive a fee of 0.05% per annum of the net asset value of the Fund, calculated and payable on a weekly basis, subject to a minimum fee of \$3,000 per year in respect of Class A and €3,000 per year in respect of Class B. During 2007, the Custodian charged and was paid by the Fund fees totaling \$4,961 and €3,017, respectively.

### NOTE 5 - Administration Fees

In accordance with the terms of the contract with the Administrator, the Fund is charged administrative fees equal to the greater of 0.05% of the combined net asset value of the Fund and the Fund's related party investment companies or \$115,000, allocated to the Fund and the Fund's related party investment companies pro-rata based on the net asset value of each investment company in relation to the combined net asset value. During 2007, Administration fees amounted to \$5,903 and €3,234.

# LOM EQUITY GROWTH FUND LTD.

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 6 - Taxation

Under current Cayman Islands law the Fund is not required to pay income taxes in the Cayman Islands on income, profits or capital gains. The Fund obtained an exemption from the Cayman Islands authorities on March 14, 2000, from such taxes for a period of 20 years. The Fund is also not subject to income taxes under current Bermuda law.

It is Management's belief that the fund is not engaged in United States trade or business and is not subject to United States income or withholding taxes in respect of the profits and losses of the Fund other than the 30% withholding tax on US source dividends. In addition, management believes the Fund is not subject to income taxes in any other jurisdiction. As a result, Management has made no provision for income taxes in these financial statements.

The Fund adopted Financial Accounting Standards Board's Interpretation No. 48, "Accounting for Uncertainty in Income Taxes, an interpretation of FASB Statement No. 109" ("FIN 48"), effective January 1, 2007. FIN 48 clarifies the accounting for uncertainty in income taxes recognized in financial statements and requires the impact of a tax position to be recognized in the financial statements if that position is more likely than not of being sustained by the taxing authority. FIN 48 is to be applied to all open tax years as of the date of effectiveness. FIN 48 also provides guidance on derecognition, classification, interest and penalties, accounting in interim periods, disclosure and transition. Since the Fund is not required to pay income taxes in the Cayman Island or the United States, there are no open tax years and no uncertain tax positions are required to be recorded at December 31, 2007.

### NOTE 7 - Derivative Financial Instruments and Risk Management

The Fund does not buy or hold derivative financial instruments. Some of the other investment companies in which the Fund invests are dealing or trading in these instruments as their principal investment activity or use these instruments as part of their investment strategy. This may result in market or credit risk to the other investment companies in excess of the amount invested in these instruments. However, the Fund's risk is limited to the net asset values of its investments in the other investment companies.

### NOTE 8 - Fair Value of Financial Instruments

In addition to the fair values of investments as disclosed in the schedule of investments, the fair values of the Fund's other financial instruments, including cash and cash equivalents, accounts payable and accrued expenses approximate their carrying values due to the short term maturity of these financial instruments.

# LOM EQUITY GROWTH FUND LTD.

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 9 - Guarantees

In the normal course of its operations, the Fund enters into contracts that contain indemnifications and warranties. The Fund's maximum exposure under these arrangements is unknown as this would involve future claims that may be made against the Fund that have not yet occurred. However, the Fund has not had prior claims or losses pursuant to these contracts and expects the risk of loss to be remote.

### NOTE 10 - Financial Highlights

Financial highlights for the year ended December 31, 2007 are as follows:

	Class A US \$	Class B EURO €
<u>Per Share Operating Performance:</u>		
Net asset value per share, beginning	\$10.464	€12.834
Net investment gain (loss)	0.003	(0.003)
Net realized and unrealized gain on investments	<u>1.155</u>	<u>0.085</u>
Net asset value per share, ending	<u>\$11.622</u>	<u>€12.916</u>
<u>Total Return</u>	10.92%	1.50%
<u>Ratio to Average Net Assets:</u>		
Total expenses	1.93%	2.09%
Net investment gain (loss)	0.03%	(0.06)%

Financial highlights are calculated for the class of shares taken as a whole. An individual shareholder's return and ratios may vary based on the timing of capital transactions.

Total return is computed using a time-weighted methodology whereby the returns for the individual accounting periods are geometrically linked. The ratios are computed using a weighted-average of the net assets for the year ended December 31, 2007. Interest and dividend income from underlying funds, if any, is included in the net realized and unrealized gain on investment in the accompanying statement of operations and is not included in the net investment loss.

# LOM EQUITY GROWTH FUND LTD.

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 11 - Financial Instruments

#### Credit and Liquidity Risk

The Fund is potentially subject to both credit and liquidity risk, principally with LOM Money Market Fund and investments in securities. The Fund's credit risk is equal to the replacement cost at the then estimated fair value of the instrument. Credit risk arises because the possibility that promised cash flows on securities held by the fund (such as other funds, deposits and bonds) will not be paid in full. Credit risk is risk due to uncertainty in a counterparty's (also called an obligor's or credit's) ability to meet its obligations. As the Fund places a portion of its cash with LOM Money Market Fund, management believes that the risk of incurring losses with LOM Money Market Fund is remote and that such losses, if any, would not be material.

### NOTE 12 - Subsequent Events

As of January 1, 2008, the Fund terminated Dundee Leeds Management Services (Cayman) Ltd. and appointed Bermuda Commercial Bank Ltd. as the new Administrator.

During the period from January 1, 2008 to May 31, 2008, the Fund received redemption requests for US \$1,072,777 and € 439,654 and subscription requests for US \$368,243 and € 172,570.