

LOM FUNDS SAC LTD.
FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2012

LOM FUNDS SAC LTD.

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INDEPENDENT AUDITORS' REPORT

To the Shareholders and Board of Directors of
LOM Funds SAC Ltd.

We have audited the accompanying statement of assets and liabilities of LOM Funds SAC Ltd. (the "Company") which comprise the LOM Money Market Fund USD, LOM Money Market Fund CAD, LOM Money Market Fund GBP, LOM Stable Income Fund, LOM Fixed Income Fund USD, LOM Fixed Income Fund EUR, LOM Balanced Fund and LOM Equity Growth Fund, including the schedule of investments, as of December 31, 2012, and the related statements of operations and changes in net assets for the year then ended (all expressed in functional currency of each fund). These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

Auditors' Responsibility

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 are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2012, and the results of its operations and changes in its net assets for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

Deloitte + Touche Ltd.

June 28, 2013

LOM FUNDS SAC LTD.

STATEMENTS OF ASSETS AND LIABILITIES

AS OF DECEMBER 31, 2012

	LOM Balanced Fund \$ USD	LOM Equity Growth Fund \$ USD	LOM Fixed Income Fund € EUR	LOM Fixed Income Fund \$ USD
Assets				
Investments in securities, at fair value (cost – \$5,290,512, \$9,839,281, €852,999, \$46,976,869)	5,728,544	10,589,588	866,545	47,797,311
Cash	98,777	654,977	156,184	532,977
Due from broker	-	-	-	-
Dividends receivable	-	2,439	-	2,461
Interest receivable	-	-	20,632	316,234
Prepaid and other assets	1,867	3,374	485	31,904
Total assets	5,829,188	11,250,378	1,043,846	48,680,887
Liabilities				
Securities sold, at fair value (proceeds - \$0, \$0, €0, \$0)	-	-	-	-
Due to broker	-	-	-	-
Management fee payable	10,250	43,227	2,438	113,007
Accounts payable and accrued liabilities	9,211	13,752	1,573	45,011
Total liabilities	19,461	56,979	4,011	158,018
Net assets	5,809,727	11,193,399	1,039,835	48,522,869

See the accompanying notes to the financial statements

LOM FUNDS SAC LTD.

STATEMENTS OF ASSETS AND LIABILITIES (CONTINUED)

AS OF DECEMBER 31, 2012

	LOM Money Market Fund \$ CAD	LOM Money Market Fund £ GBP	LOM Money Market Fund \$ USD	LOM Stable Income Fund \$ USD
Assets				
Investments in securities, at fair value (cost - \$11,551,509, £519,270, \$27,677,891, \$28,282,237)	11,511,908	519,290	27,621,170	29,134,355
Cash	935,018	10,621	5,871,012	588,522
Due from broker	-	-	-	22,960
Dividends receivable	-	-	-	72,778
Interest receivable	89,901	2,218	138,846	9,154
Prepaid and other assets	3,518	303	15,177	10,240
Total assets	12,540,345	532,432	33,646,205	29,838,009
Liabilities				
Securities sold short, at fair value (proceeds - \$0, \$0, £0, \$2,833)	-	-	-	1,250
Due to broker	-	-	-	117,131
Management fee payable	16,416	184	14,626	106,394
Accounts payable and accrued liabilities	17,624	88	21,587	22,622
Total liabilities	34,040	272	36,213	247,397
Net assets	12,506,305	532,160	33,609,992	29,590,612

See the accompanying notes to the financial statements

LOM FUNDS SAC LTD.

SCHEDULE OF INVESTMENTS – LOM BALANCED FUND

AS OF DECEMBER 31, 2012

Quantity		Cost	Fair Value	% of Net Assets
	INVESTMENTS IN SECURITIES, AT FAIR VALUE	\$ USD	\$ USD	
	HEDGE FUNDS			
	Bermuda			
250	LOM Pangea Alternative Fund ***	57,103	47,049	0.8%
	MUTUAL FUNDS			
	Bermuda			
216,573	LOM Equity Growth Fund **	1,860,267	2,052,054	35.3
26,136	LOM Fixed Income Fund EUR **	369,098	394,645	6.8
33,688	LOM Fixed Income Fund USD **	468,889	487,802	8.4
139,786	LOM Stable Income Fund **	1,404,919	1,483,784	25.5
	Total Bermuda	4,103,173	4,418,285	76.0
	United Kingdom			
918	Schroder Global Property Securities Fund *	96,553	121,767	2.1
	Ireland			
12,282	PIMCO Global Real Return Fund *	201,911	217,509	3.7
	United States			
13,291	Franklin Templeton Global Total Return Fund *	314,724	376,924	6.5
	TOTAL MUTUAL FUNDS	4,716,361	5,134,485	88.3
	EXCHANGE TRADED FUNDS			
	Canada			
4	Horizons BetaPro NYMEX Natural Gas Bull *	91	48	0.0%

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See the accompanying notes to the financial statements

LOM FUNDS SAC LTD.

SCHEDULE OF INVESTMENTS – LOM BALANCED FUND

AS OF DECEMBER 31, 2012

Quantity		Cost	Fair Value	% of Net Assets
	INVESTMENTS IN SECURITIES, AT FAIR VALUE (cont'd)	\$ USD	\$ USD	
	EXCHANGE TRADED FUNDS (cont'd)			
	United States			
2,095	iShares Dow Jones US Real Estate Index *	119,017	135,484	2.3%
1,483	iShares S&P GSCI Commodity Index *	48,909	48,628	0.8
1,890	PowerShares DB Oil *	53,997	49,026	0.8
1,158	SPDR Gold Trust *	183,790	187,620	3.2
1,918	Vanguard REIT *	111,244	126,204	2.2
	Total United States	<u>516,957</u>	<u>546,962</u>	<u>9.3</u>
	TOTAL EXCHANGE TRADED FUNDS	<u>517,048</u>	<u>547,010</u>	<u>9.3</u>
	TOTAL INVESTMENTS IN SECURITIES, AT FAIR VALUE	<u>\$ 5,290,512</u>	<u>\$ 5,728,544</u>	<u>98.4%</u>

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LOM FUNDS SAC LTD.

SCHEDULE OF INVESTMENTS – LOM EQUITY GROWTH FUND

AS OF DECEMBER 31, 2012

Quantity	INVESTMENTS IN SECURITIES, AT FAIR VALUE	Cost \$ USD	Fair Value \$USD	% of Net Assets
COMMON STOCK				
Ireland				
	Consumer, Non-cyclical			
3,660	Covidien PLC *	192,138	211,328	1.9%
	Industrial			
4,650	Eaton Corp PLC *	202,415	251,937	2.3
	Technology			
23	Accenture PLC *	1,224	1,530	0.0
	Total Ireland	<u>395,777</u>	<u>464,795</u>	<u>4.2</u>
Switzerland				
	Consumer, Non-cyclical			
239	Novartis AG *	13,663	15,129	0.1
United States				
	Basic Materials			
5,460	EI du Pont de Nemours & Co *	249,959	245,583	2.2
	Communications			
6,527	Walt Disney Co *	244,763	324,979	2.9
	Consumer, Cyclical			
6,754	CVS Caremark Corp *	275,428	326,556	2.9
8,388	Johnson Controls Inc *	262,209	257,260	2.3
3,000	McDonald's Corp *	294,696	264,630	2.4
	Consumer, Non-cyclical			
3,506	Abbott Laboratories *	197,142	229,643	2.1
2,978	Becton Dickinson and Co *	222,516	232,850	2.1
4,412	Coca-Cola Co *	154,354	159,935	1.4
3,558	Johnson & Johnson *	233,334	249,416	2.2
4,445	PepsiCo Inc *	294,926	304,171	2.7
4,050	Procter & Gamble Co *	270,176	274,955	2.5

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LOM FUNDS SAC LTD.

SCHEDULE OF INVESTMENTS – LOM EQUITY GROWTH FUND

AS OF DECEMBER 31, 2012

Quantity	INVESTMENTS IN SECURITIES, AT FAIR VALUE (cont'd)	Cost \$ USD	Fair Value \$USD	% of Net Assets
	COMMON STOCK (cont'd)			
	United States (cont'd)			
	Energy			
2,297	Apache Corp *	208,062	180,315	1.6%
2,262	Chevron Corp *	240,677	244,613	2.1
2,761	ConocoPhillips *	153,374	160,110	1.4
3,080	Exxon Mobil Corp *	261,061	266,574	2.4
1,380	Phillips 66 *	47,820	73,278	0.7
	Financial			
1,163	BlackRock Inc *	207,290	240,401	2.1
6,947	JPMorgan Chase & Co *	230,988	305,453	2.7
6,690	MetLife Inc *	217,593	220,369	2.0
8,864	Wells Fargo & Co *	244,292	302,972	2.7
	Industrial			
2,006	Caterpillar Inc *	181,744	179,755	1.6
1,588	Union Pacific Corp *	168,233	199,643	1.8
3,458	United Technologies Corp *	252,745	283,591	2.5
	Technology			
500	Apple Inc *	343,813	266,087	2.4
13,500	Intel Corp *	321,039	278,370	2.5
1,257	International Business Machine *	231,137	240,778	2.2
8,736	Microsoft Corp *	226,787	233,336	2.1
4,411	QUALCOMM Inc *	241,282	272,863	2.4
	Total United States	6,477,440	6,818,486	60.9
	TOTAL COMMON STOCK	6,886,880	7,298,410	65.2
	PREFERRED STOCK			
	Bermuda			
	Financial			
8,000	Maiden Holdings Ltd 8.25% *	200,200	208,080	1.9
	TOTAL PREFERED STOCK	200,200	208,080	1.9

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LOM FUNDS SAC LTD.

SCHEDULE OF INVESTMENTS – LOM EQUITY GROWTH FUND

AS OF DECEMBER 31, 2012

Quantity		Cost \$ USD	Fair Value \$ USD	% of Net Assets
	INVESTMENTS IN SECURITIES, AT FAIR VALUE (cont'd)			
	EXCHANGE TRADED FUNDS			
	United States			
3,921	iShares Core S&P Mid-Cap *	343,519	398,766	3.6%
16,829	iShares DJ EPAC Dividend *	499,653	566,632	5.1
3,577	iShares S&P Global Materials *	204,604	223,384	2.0
3,977	Vanguard FTSE All World ex-US *	308,496	361,470	3.2
254	Vanguard FTSE Emerging Markets *	9,705	11,311	0.1
10,000	Vanguard MSCI EAFE *	305,825	352,300	3.1
4,037	Vanguard REIT *	234,146	265,635	2.4
15,800	WisdomTree Emerging Markets *	846,253	903,600	8.0
	Total United States	<u>2,752,201</u>	<u>3,083,098</u>	<u>27.5</u>
	TOTAL EXCHANGE TRADED FUNDS	<u>2,752,201</u>	<u>3,083,098</u>	<u>27.5</u>
	TOTAL INVESTMENTS IN SECURITIES, AT FAIR VALUE	<u><u>9,839,281</u></u>	<u><u>10,589,588</u></u>	<u><u>94.6%</u></u>

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LOM FUNDS SAC LTD.

SCHEDULE OF INVESTMENTS – LOM FIXED INCOME FUND EUR

AS OF DECEMBER 31, 2012

Quantity	INVESTMENTS IN SECURITIES, AT FAIR VALUE	Cost € EUR	Fair Value € EUR	% of Net Assets
	CORPORATE BONDS			
	Australia			
	Financial			
50,000	National Australia Bank Ltd 4.75% 7/15/2016 **	55,626	56,730	5.5%
	Bermuda			
	Consumer, Non-cyclical			
50,000	Bacardi Ltd 7.75% 4/9/2014 **	55,475	54,280	5.2
	France			
	Financial			
50,000	Cie Financement Foncier 4.125% 10/25/2017 **	54,545	57,220	5.5
50,000	Societe de Financement Local 5.25% 2/6/2017 **	56,503	57,530	5.5
	Total France	111,048	114,750	11.0
	Germany			
	Industrial			
50,000	Siemens AG 5.25% 9/14/2066 **	53,630	55,500	5.3
	Ireland			
	Financial			
50,000	General Electric Co FRN 4/3/2014 **	48,003	49,930	4.8
	Netherlands			
	Consumer, Non-cyclical			
50,000	Heineken Holding NV 7.125% 4/7/2014 **	55,099	53,930	5.2

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LOM FUNDS SAC LTD.

SCHEDULE OF INVESTMENTS – LOM FIXED INCOME FUND EUR

AS OF DECEMBER 31, 2012

Quantity		Cost € EUR	Fair Value € EUR	% of Net Assets
	INVESTMENTS IN SECURITIES, AT FAIR VALUE (cont'd)			
	CORPORATE BONDS (cont'd)			
	Spain			
	Financial			
50,000	Banco Bilbao Vizcaya Argentari FRN 1/22/2013 **	49,054	49,985	4.8%
50,000	Banco Santander SA 2.875% 9/20/2013 **	50,310	50,320	4.8
	Total Spain	99,364	100,305	9.6
	Switzerland			
	Basic Materials			
50,000	Glencore International PLC 5.25% 3/22/2017 **	56,231	56,185	5.4
	United Kingdom			
	Financial			
50,000	Aon PLC 6.25% 7/1/2014 **	53,580	53,670	5.2
	United States			
	Communications			
50,000	AT&T Inc 6.125% 4/2/2015 **	56,050	56,000	5.4
	Consumer, Cyclical			
50,000	BMW US Capital LLC 5% 5/28/2015 **	55,281	54,960	5.3
	Financial			
50,000	Goldman Sachs Group Inc FRN 5/18/2015 **	43,398	48,980	4.7
50,000	Morgan Stanley 4.5% 2/23/2016 **	52,527	53,710	5.2
50,000	Zurich Insurance Group AG 6.5% 10/14/2015 **	57,687	57,615	5.5
	Total United States	264,943	271,265	26.1
	TOTAL CORPORATE BONDS	852,999	866,545	83.3
	TOTAL INVESTMENTS IN SECURITIES, AT FAIR VALUE	852,999	866,545	83.3%

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See the accompanying notes to the financial statements

LOM FUNDS SAC LTD.

SCHEDULE OF INVESTMENTS – LOM FIXED INCOME FUND USD

AS OF DECEMBER 31, 2012

Quantity	INVESTMENTS IN SECURITIES, AT FAIR VALUE	Cost \$ USD	Fair Value \$USD	% of Net Assets
	PREFERRED SHARES			
	Germany			
	Financial			
26,100	Allianz SE 8.375% *	669,532	662,940	1.4%
	United States			
	Utilities			
7,500	Entergy Corp 5.25% 7/1/2052 *	187,525	196,650	0.4
14,650	NextEra Energy Inc 5.625% 6/15/2072 *	380,938	381,193	0.8
	Total United States	568,463	577,843	1.2
	TOTAL PREFERRED SHARES	1,237,995	1,240,783	2.6
	MUTUAL FUNDS			
	Bermuda			
142,057	LOM Money Market Fund USD *	2,000,000	2,000,000	4.1
	United States			
	Franklin Templeton Global Total Return Fund *	818,801	971,501	2.0
34,256				
	TOTAL MUTUAL FUNDS	2,818,801	2,971,501	6.1
	CORPORATE BONDS			
	Australia			
	Financial			
	Australia & New Zealand Bank			
750,000	2.4% 11/23/2016 **	755,694	788,640	1.6
	Commonwealth Bank of Australia			
800,000	3.25% 3/17/2016 **	830,515	854,160	1.8
830,000	Macquarie Group Ltd 5% 2/22/2017 **	888,824	903,256	1.9
700,000	Westpac Banking Corp 1.25% 12/15/2017 **	699,568	699,006	1.4
725,000	Westpac Banking Corp 4.2% 2/27/2015 **	762,805	775,750	1.6
	Total Australia	3,937,406	4,020,812	8.3

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LOM FUNDS SAC LTD.

SCHEDULE OF INVESTMENTS – LOM FIXED INCOME FUND USD

AS OF DECEMBER 31, 2012

Quantity		Cost \$ USD	Fair Value \$USD	% of Net Assets
	INVESTMENTS IN SECURITIES, AT FAIR VALUE (cont'd)			
	CORPORATE BONDS (cont'd)			
	Brazil			
	Basic Materials			
750,000	Samarco Mineracao SA 4.125% 11/1/2022 **	750,450	761,250	1.6%
795,000	Petrobras International Finance Co 6.125% 10/6/2016 **	896,000	895,591	1.8
	Total Brazil	<u>1,646,450</u>	<u>1,656,841</u>	<u>3.4</u>
	Canada			
	Basic Materials			
795,000	Barrick Gold Corp 5.75% 10/15/2016 **	909,988	912,263	1.9
	Financial			
600,000	Toronto-Dominion Bank 2.375% 10/19/2016 **	607,225	626,418	1.3
	Total Canada	<u>1,517,213</u>	<u>1,538,681</u>	<u>3.2</u>
	France			
	Financial			
345,000	Cie Financement Foncier 2.125% 4/22/2013 **	344,350	346,677	0.7
350,000	Credit Agricole Groupe FRN 7/21/2014 **	333,266	351,092	0.7
525,000	Dexia SA FRN 4/29/2014 **	489,114	514,554	1.1
375,000	Renault SA FRN 4/11/2014 **	358,848	372,503	0.8
425,000	Societe Generale SA FRN 12/13/2013 **	393,556	427,400	0.9
	Total France	<u>1,919,134</u>	<u>2,012,226</u>	<u>4.2</u>

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LOM FUNDS SAC LTD.

SCHEDULE OF INVESTMENTS – LOM FIXED INCOME FUND USD

AS OF DECEMBER 31, 2012

Quantity		Cost \$ USD	Fair Value \$ USD	% of Net Assets
	INVESTMENTS IN SECURITIES, AT FAIR VALUE (cont'd)			
	CORPORATE BONDS (cont'd)			
	Luxembourg			
	Financial			
690,000	NORD/LB Covered Finance Banks 5.375% 6/5/2017 **	746,379	748,650	1.5%
	Netherlands			
	Financial			
695,000	Cooperatieve Centrale Raiffeis 3.375% 1/19/2017 **	731,811	744,554	1.5
775,000	ING Groep NV FRN 10/18/2013 **	757,633	780,100	1.6
250,000	LeasePlan Corp NV 3% 10/23/2017 **	249,887	251,987	0.5
	Total Netherlands	1,739,331	1,776,641	3.6
	South Korea			
	Financial			
860,000	Republic of Korea 3.75% 10/20/2016 **	873,068	924,018	1.9
	Spain			
	Financial			
250,000	Banco Bilbao Vizcaya Argentari 3.25% 5/16/2014 **	236,452	249,673	0.5
660,000	Banco Bilbao Vizcaya Argentari FRN 5/16/2014 **	634,262	656,040	1.4
500,000	Banco Santander SA 2.485% 1/18/2013 **	491,692	499,235	1.0
675,000	Banco Santander SA 2.991% 10/7/2013 **	651,029	673,872	1.4
	Total Spain	2,013,435	2,078,820	4.3
	Switzerland			
	Energy			
850,000	Transocean Ltd 4.95% 11/15/2015 **	886,063	927,724	1.9

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LOM FUNDS SAC LTD.

SCHEDULE OF INVESTMENTS – LOM FIXED INCOME FUND USD

AS OF DECEMBER 31, 2012

Quantity		Cost \$ USD	Fair Value \$ USD	% of Net Assets
	INVESTMENTS IN SECURITIES, AT FAIR VALUE (cont'd)			
	CORPORATE BONDS (cont'd)			
	United Arab Emirates			
	Utilities			
450,000	Abu Dhabi National Energy Co 6.6% 8/1/2013 **	474,869	463,230	1.0%
	United States			
	Basic Materials			
900,000	Newmont Mining Corp 3.5% 3/15/2022 **	886,252	924,426	1.9
	Communications			
700,000	AT&T Inc 1.7% 6/1/2017 **	698,313	711,662	1.5
860,000	AT&T Inc 5.625% 6/15/2016 **	987,557	985,328	2.0
775,000	News Corp 7.6% 10/11/2015 **	913,024	891,785	1.8
	Consumer, Cyclical			
475,000	Johnson Controls Inc 7.125% 7/15/2017 **	578,900	584,013	1.2
	Consumer, Non-cyclical			
575,000	CR Bard Inc 1.375% 1/15/2018 **	574,327	575,828	1.2
675,000	Kimberly-Clark Corp 7.5% 11/1/2018 **	893,601	898,499	1.9
	Financial			
500,000	Capital One Financial Corp 10.25% 8/15/2039 **	503,225	500,000	1.0
750,000	Citigroup Inc 1.2806% 6/11/2013 **	731,404	740,003	1.5
700,000	General Electric Co 3.875% 11/26/2014 **	733,323	733,250	1.5
500,000	General Electric Co 6.375% 11/15/2067 **	530,053	526,250	1.1
675,000	General Electric Co FRN 12/20/2013 **	673,975	679,388	1.4
535,000	Genworth Financial Inc 5.875% 5/3/2013 **	541,307	540,350	1.1
775,000	Goldman Sachs Group Inc FRN 7/22/2015 **	695,551	758,942	1.6
400,000	Hartford Financial Services Gr FRN 8/15/2013 **	389,817	399,600	0.8
800,000	HSBC Holdings PLC FRN 1/15/2014 **	751,320	797,544	1.6
875,000	JPMorgan Chase & Co 5.7% 11/15/2014 **	948,899	949,095	2.0
750,000	Loews Corp 5.25% 3/15/2016 **	821,496	836,850	1.7
720,000	Morgan Stanley FRN 10/15/2015 **	591,565	695,016	1.4
620,000	Wells Fargo & Co 4.875% 2/1/2015 **	650,031	667,492	1.4

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LOM FUNDS SAC LTD.

SCHEDULE OF INVESTMENTS – LOM FIXED INCOME FUND USD

AS OF DECEMBER 31, 2012

Quantity		Cost \$ USD	Fair Value \$ USD	% of Net Assets
	INVESTMENTS IN SECURITIES, AT FAIR VALUE (cont'd)			
	CORPORATE BONDS (cont'd)			
	United States (cont'd)			
	Industrial			
	General Dynamics Corp 1%			
740,000	11/15/2017 **	735,456	734,598	1.5%
900,000	Snap-on Inc 4.25% 1/15/2018 **	955,382	1,005,633	2.1
	Stanley Black & Decker Inc 2.9%			
250,000	11/1/2022 **	249,835	252,623	0.5
	Technology			
750,000	Hewlett-Packard Co 3% 9/15/2016 **	771,607	755,970	1.6
500,000	Oracle Corp 2.5% 10/15/2022 **	499,440	504,545	1.0
720,000	Texas Instruments Inc 3.95% 4/15/2015 **	776,997	773,535	1.6
	Total United States	<u>18,082,657</u>	<u>18,422,225</u>	<u>37.9</u>
	TOTAL CORPORATE BONDS	<u>33,836,005</u>	<u>34,569,869</u>	<u>71.2</u>
	GOVERNMENT BONDS			
	Canada			
750,000	Province of Ontario, Canada 2.45%			
	6/29/2022 **	<u>750,692</u>	<u>759,855</u>	<u>1.6</u>
	United States			
	Federal Home Loan Banks 5.625%			
785,000	6/13/2016 **	886,644	909,211	1.9
	United States Treasury Note 1.375%			
500,000	9/30/2018 *	507,570	513,672	1.1
	United States Treasury Note 1.5%			
750,000	8/31/2018 *	<u>765,695</u>	<u>776,133</u>	<u>1.6</u>
	Total United States	<u>2,159,909</u>	<u>2,199,016</u>	<u>4.6</u>
	TOTAL GOVERNMENT BONDS	<u>2,910,601</u>	<u>2,958,871</u>	<u>6.1</u>

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*** Denotes an investment classified as Level 3

See the accompanying notes to the financial statements

LOM FUNDS SAC LTD.

SCHEDULE OF INVESTMENTS – LOM FIXED INCOME FUND USD

AS OF DECEMBER 31, 2012

Quantity		Cost \$ USD	Fair Value \$ USD	% of Net Assets
	INVESTMENTS IN SECURITIES, AT FAIR VALUE (cont'd)			
	ASSET BACKED SECURITIES			
	United States			
	Diversified Pools			
	Bayview Financial Acquisition			
3,839	BAYV 2006-C 1A1 **	3,820	3,837	0.0%
	CAI International Inc CAI			
835,833	2012-1A A **	835,737	848,240	1.7
	Citibank South Dakota NA COMNI			
525,000	2009-A14A A14 **	550,857	546,074	1.1
	Cronos Containers Program CRNN			
487,500	2012-2A A **	483,179	501,779	1.0
466,667	Textainer Ltd TMCL 2012-1A A **	466,655	485,571	1.0
	Triton Container Finance TCF			
470,833	2012-1A A **	470,822	488,781	1.0
	Total United States	2,811,070	2,874,282	5.8
	TOTAL ASSET BACKED SECURITIES	2,811,070	2,874,282	5.8
	MORTGAGE BACKED SECURITIES			
	United States			
	Diversified Pools			
	Commercial Mortgage Asset Trust			
281,399	CMAT 1999-C1 A4 **	287,760	281,751	0.6
588,847	Fannie Mae FN 735745 **	647,709	630,435	1.3
502,579	Fannie Mae FNR 2008-81 KI **	29,841	21,674	0.0
2,792,090	Freddie Mac FHR 3739 PI **	215,843	69,802	0.1
	JP Morgan Chase CMBS JPMCC			
165,257	2005-CB11 ASB **	171,267	169,698	0.3
	Morgan Stanley Capital I Inc MSC			
115,220	2005-T19 AAB **	119,249	118,137	0.2
	Wachovia Bank CMBS WBCMT			
53,804	2006-C25 APB1 **	54,372	54,144	0.1
	Total United States	1,526,041	1,345,641	2.6
	TOTAL MORTGAGE BACKED SECURITIES	1,526,041	1,345,641	2.6

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LOM FUNDS SAC LTD.

SCHEDULE OF INVESTMENTS – LOM FIXED INCOME FUND USD

AS OF DECEMBER 31, 2012

Quantity		Cost \$ USD	Fair Value \$ USD	% of Net Assets
	INVESTMENTS IN SECURITIES, AT FAIR VALUE (cont'd)			
	MUNICIPAL BONDS			
	United States			
	Louisiana Local Government Environment Facility and Community Development Authority 2.35% 11/1/2014 **	405,636	405,200	0.8%
400,000				
	New Jersey Economic Development Authority FRN 6/15/2013 **	624,739	627,688	1.3
625,000				
	North Texas Tollway Authority 2.441% 9/1/2013 **	306,981	303,375	0.6
300,000				
	San Jose Redevelopment Agency 5.1% 8/1/2020 **	499,000	500,101	1.0
500,000				
	Total United States	1,836,356	1,836,364	3.7
	TOTAL MUNICIPAL BONDS	1,836,356	1,836,364	3.7%
	TOTAL INVESTMENTS IN SECURITIES, AT FAIR VALUE	46,976,869	47,797,311	98.2%

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See the accompanying notes to the financial statements

LOM FUNDS SAC LTD.

SCHEDULE OF INVESTMENTS – LOM MONEY MARKET FUND CAD

AS OF DECEMBER 31, 2012

Quantity		Cost \$ CAD	Fair Value \$ CAD	% of Net Assets
	INVESTMENTS IN SECURITIES, AT FAIR VALUE			
	CORPORATE BONDS			
	Canada			
	Consumer, Cyclical			
500,000	BMW Canada Inc 3.22% 3/28/2013 **	505,090	502,150	4.0%
500,000	Canadian Tire Corp Ltd 5.027% 2/20/2013 **	503,925	502,250	4.0
	Financial			
375,000	American Express Co 5.9% 4/2/2013 **	384,488	378,825	3.0
500,000	Bank of Montreal FRN 6/21/2013 **	500,280	500,350	4.0
500,000	Bank of Nova Scotia 5.04% 4/8/2013 **	508,365	504,935	4.0
500,000	Canadian Imperial Bank of Comm FRN 7/19/2013 **	500,250	500,950	4.0
500,000	Cards II Trust FRN 3/20/2013 **	499,640	500,100	4.0
500,000	General Electric Co 5.15% 6/6/2013 **	509,690	507,800	4.1
500,000	John Deere Financial Inc 2.3% 1/14/2013 **	501,615	500,050	4.0
500,000	National Bank of Canada FRN 10/10/2013 **	500,255	500,085	4.0
500,000	Royal Bank of Canada FRN 7/16/2013 **	500,180	500,425	4.0
	Total Canada	5,413,778	5,397,920	43.1
	Supra National			
	Government			
559,000	European Bank for Reconstruction 0.5% 4/23/2013 **	556,490	557,340	4.5
	TOTAL CORPORATE BONDS	5,970,268	5,955,260	47.6
	GOVERNMENT BONDS			
	Canada			
500,000	Government of Canada 1.75% 3/1/2013 **	500,785	500,615	4.0
500,000	Canada Housing Trust FRN 6/15/2013 **	500,540	500,350	4.0
240,000	City of Montreal, Canada 5.45% 4/25/2013 **	245,992	242,808	1.9
500,000	City of Toronto, Canada 6.11% 5/6/2013 **	512,140	508,181	4.1
500,000	City of Winnipeg, Canada 9.375% 2/11/2013 **	515,990	503,750	4.0

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LOM FUNDS SAC LTD.

SCHEDULE OF INVESTMENTS – LOM MONEY MARKET FUND CAD

AS OF DECEMBER 31, 2012

Quantity		Cost \$ CAD	Fair Value \$ CAD	% of Net Assets
	INVESTMENTS IN SECURITIES, AT FAIR VALUE (cont'd)			
	GOVERNMENT BONDS (cont'd)			
	Canada (cont'd)			
	Province of Alberta, Canada FRN			
500,000	6/15/2013 **	500,465	500,250	4.0%
	Province of Manitoba, Canada 5.5%			
150,000	4/17/2013 **	153,115	151,737	1.2
	Province of Nova Scotia, Canada 4.5%			
500,000	6/1/2013 **	508,320	506,830	4.1
	Province of Ontario, Canada 5.5%			
260,000	4/17/2013 **	265,646	263,050	2.1
	Province of Quebec, Canada 4.375%			
224,000	2/4/2013 **	226,262	224,563	1.8
	Province of Quebec, Canada FRN			
500,000	9/16/2013 **	500,240	500,120	4.0
500,000	Province of Quebec, Canada 0% 2/15/2013 **	498,950	499,400	4.0
	TOTAL GOVERNMENT BONDS	<u>4,928,445</u>	<u>4,901,654</u>	<u>39.2</u>
	MUTUAL FUNDS			
	Canada			
44	Fidelity Liquidity Fund - Canadian Dollar *	<u>652,796</u>	<u>654,994</u>	<u>5.2</u>
	TOTAL INVESTMENTS IN SECURITIES, AT FAIR VALUE	<u>11,551,509</u>	<u>11,511,908</u>	<u>92.0%</u>

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See the accompanying notes to the financial statements

LOM FUNDS SAC LTD.

SCHEDULE OF INVESTMENTS – LOM MONEY MARKET FUND GBP

AS OF DECEMBER 31, 2012

Quantity		Cost £ GBP	Fair Value £ GBP	% of Net Assets
	INVESTMENTS IN SECURITIES, AT FAIR VALUE			
	MUTUAL FUNDS			
	Ireland			
18	Fidelity Liquidity Fund - Sterling *	368,108	368,580	69.2%
	CORPORATE BONDS			
	Germany			
	Financial			
50,000	KFW FRN 2/15/2013 **	50,097	50,003	9.4
	Ireland			
	Financial			
50,000	General Electric Co 6% 4/11/2013 **	50,905	50,669	9.5
	TOTAL CORPORATE BONDS	101,002	100,672	18.9
	GOVERNMENT BONDS			
	France			
50,000	CADES FRN 6/30/2014 **	50,160	50,038	9.4
	TOTAL INVESTMENTS IN SECURITIES, AT FAIR VALUE	519,270	519,290	97.5%

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LOM FUNDS SAC LTD.

SCHEDULE OF INVESTMENTS – LOM MONEY MARKET FUND USD

AS OF DECEMBER 31, 2012

Quantity	INVESTMENTS IN SECURITIES, AT FAIR VALUE	Cost \$ USD	Fair Value \$ USD	% of Net Assets
CORPORATE BONDS				
Australia				
Financial				
	National Australia Bank Ltd FRN			
250,000	1/8/2013 **	250,040	250,013	0.7%
200,000	Westpac Banking Corp FRN 8/23/2013 **	200,266	200,400	0.6
	Total Australia	<u>450,306</u>	<u>450,413</u>	<u>1.3</u>
France				
Financial				
500,000	BNP Paribas SA FRN 4/8/2013 **	500,140	500,030	1.5
500,000	Cie Financement Foncier 2.125% 4/22/2013 **	503,210	502,430	1.5
1,050,000	Dexia SA 2% 3/5/2013 **	1,053,044	1,051,166	3.1
	Total France	<u>2,056,394</u>	<u>2,053,626</u>	<u>6.1</u>
Germany				
Financial				
490,000	Deutsche Bank AG 4.875% 5/20/2013 **	501,139	497,845	1.5
Government				
1,000,000	FMS Wertmanagement FRN 4/25/2013 **	999,810	1,000,440	3.0
	Total Germany	<u>1,500,949</u>	<u>1,498,285</u>	<u>4.5</u>
Netherlands				
Financial				
250,000	ING Groep NV 2.65% 1/14/2013 **	251,125	250,125	0.7
1,050,000	ING Groep NV FRN 3/15/2013 **	1,053,372	1,051,628	3.1
	Total Netherlands	<u>1,304,497</u>	<u>1,301,753</u>	<u>3.8</u>

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LOM FUNDS SAC LTD.

SCHEDULE OF INVESTMENTS – LOM MONEY MARKET FUND USD

AS OF DECEMBER 31, 2012

Quantity	INVESTMENTS IN SECURITIES, AT FAIR VALUE	Cost \$ USD	Fair Value \$ USD	% of Net Assets
	CORPORATE BONDS (cont'd)			
	New Zealand Financial			
625,000	Australia & New Zealand Bank 6.2% 7/19/2013 **	650,240	643,875	1.9
	South Korea Financial			
1,300,000	Korea Development Bank 5.3% 1/17/2013 **	1,314,590	1,301,950	3.9
	Supra National Government			
1,350,000	Central American Bank for Economic Integration 6.75% 4/15/2013 **	1,377,040	1,372,275	4.1
	Switzerland Financial			
1,000,000	Credit Suisse Group AG 5% 5/15/2013 **	1,028,300	1,015,800	3.0
	United Kingdom Financial			
98,000	Royal Bank of Scotland FRN 8/23/2013 **	99,105	98,882	0.3
	United States Consumer, Non-cyclical			
450,000	Cargill Inc 5.2% 1/22/2013 **	451,903	450,744	1.3
	Financial			
180,000	American International Group 4.9% 1/17/2013 **	181,962	180,270	0.5
392,000	Berkshire Hathaway Inc FRN 2/11/2013 **	392,788	392,000	1.2

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LOM FUNDS SAC LTD.

SCHEDULE OF INVESTMENTS – LOM MONEY MARKET FUND USD

AS OF DECEMBER 31, 2012

Quantity		Cost \$ USD	Fair Value \$ USD	% of Net Assets
	INVESTMENTS IN SECURITIES, AT FAIR VALUE (cont'd)			
	CORPORATE BONDS (cont'd)			
	United States (cont'd)			
	Utilities			
1,000,000	Southern Co FRN 1/15/2013 **	1,000,269	1,000,120	3.0%
	Total United States	2,026,922	2,023,134	6.0
	TOTAL CORPORATE BONDS	11,808,343	11,759,993	34.9%
	GOVERNMENT BONDS			
	France			
	Government			
1,000,000	CADES FRN 7/2/2014 **	1,003,260	1,003,025	3.0
	Japan			
	Government			
	Development Bank of Japan			
1,000,000	FRN 1/28/2013 **	1,000,170	1,000,118	3.0
	TOTAL GOVERNMENT BONDS	2,003,430	2,003,143	6.0
	ASSET BACKED SECURITIES			
	United States			
	Financial			
	Avis Budget Group Inc AESOP			
333,333	2009-2A A **	338,112	334,740	1.0
	TOTAL ASSET BACKED SECURITIES	338,112	334,740	1.0

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LOM FUNDS SAC LTD.

SCHEDULE OF INVESTMENTS – LOM MONEY MARKET FUND USD

AS OF DECEMBER 31, 2012

Quantity		Cost \$ USD	Fair Value \$ USD	% of Net Assets
	INVESTMENTS IN SECURITIES, AT FAIR VALUE (cont'd)			
	MUNICIPAL BONDS			
	United States			
	Government			
	Atlanta Urban Residential Financial Authority FRN 9/1/2027 ^{(1)**}	400,000	400,000	1.2%
400,000				
875,000	City of Santa Rosa CA VRN 5/1/2040 ^{(1)**}	875,000	875,000	2.6
	City of West Palm Beach FL FRN 10/1/2038 ^{(1)**}	1,000,040	1,000,000	3.0
1,000,000				
1,000,000	County of Clark NV FRN 7/1/2022 ^{(1)**}	1,000,000	1,000,000	3.0
250,000	Illinois Finance Authority FRN 3/1/2030 ^{(1)**}	253,075	251,078	0.7
	Maricopa County Industrial Development FRN 5/15/2037 ^{(1)**}	445,040	445,000	1.3
445,000				
	St Johns County School Board 4% 7/1/2013 ^{(1)**}	204,650	202,442	0.6
200,000				
1,100,000	State of Illinois 3.321% 1/1/2013 ^{(1)**}	1,108,587	1,100,000	3.3
	Texas Transportation Commission FRN 4/1/2026 ^{(1)**}	1,500,000	1,500,000	4.5
1,500,000				
445,000	Utah Housing Corp FRN 1/1/2032 ^{(1)**}	445,000	445,000	1.3
	Washington State Housing Finance Authority FRN 11/1/2021 ^{(1)**}	810,040	810,000	2.4
810,000				
	Washington State Housing Finance Authority FRN 7/1/2045 ^{(1)**}	800,040	800,000	2.4
800,000				
	Total United States	8,841,472	8,828,520	26.3
	TOTAL MUNICIPAL BONDS	8,841,472	8,828,520	26.2

⁽¹⁾ These municipal bonds have a resetting seven day put option at the discretion of the Investment Manager

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LOM FUNDS SAC LTD.

SCHEDULE OF INVESTMENTS – LOM MONEY MARKET FUND USD

AS OF DECEMBER 31, 2012

Quantity		Cost \$ USD	Fair Value \$ USD	% of Net Assets
	INVESTMENTS IN SECURITIES, AT FAIR VALUE (cont'd)			
	COMMERCIAL PAPER			
	Chile			
	Financial			
1,000,000	Banco Santander Chile CP 5/14/13 **	994,965	998,111	3.0%
	Honk Kong			
	Financial			
1,000,000	Bank of China Ltd/Hong Kong CP 4/22/13 **	997,679	998,200	3.0
	United States			
	Financial			
1,000,000	Abbey National North America LLC CP 2/15/13 **	997,590	999,591	3.0
700,000	Credit Agricole North America Inc CP 3/28/13 **	698,535	699,229	2.1
1,000,000	Kookmin Bank CP 2/15/13 **	997,765	999,643	3.0
	Total United States	2,693,890	2,698,463	8.1
	TOTAL COMMERCIAL PAPER	4,686,534	4,694,774	14.1
	TOTAL INVESTMENTS IN SECURITIES, AT FAIR VALUE	27,677,891	27,621,170	82.3%

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LOM FUNDS SAC LTD.

SCHEDULE OF INVESTMENTS – LOM STABLE INCOME FUND

AS OF DECEMBER 31, 2012

Quantity	INVESTMENTS IN SECURITIES, AT FAIR VALUE	Cost \$ USD	Fair Value \$ USD	% of Net Assets
	COMMON STOCK			
	Australia			
	Communications			
100,000	Telstra Corp Ltd *	350,720	454,306	1.5%
	Financial			
18,000	Westpac Banking Corp *	393,769	487,281	1.6
	Total Australia	<u>744,489</u>	<u>941,587</u>	<u>3.1</u>
	Canada			
	Communications			
6,000	BCE Inc *	253,605	257,778	0.9
	Energy			
8,700	Canadian Oil Sands Ltd *	169,698	176,850	0.6
	Total Canada	<u>423,303</u>	<u>434,628</u>	<u>1.5</u>
	France			
	Communications			
20,000	France Telecom SA *	254,152	221,000	0.7
	Hong Kong			
	Communications			
2,200	China Mobile Ltd *	106,678	129,184	0.4
	Netherlands			
	Energy			
10,500	Royal Dutch Shell PLC *	385,819	361,933	1.2
	South Africa			
	Basic Materials			
16,000	Gold Fields Ltd *	197,487	199,840	0.7

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LOM FUNDS SAC LTD.

SCHEDULE OF INVESTMENTS – LOM STABLE INCOME FUND

AS OF DECEMBER 31, 2012

Quantity		Cost \$ USD	Fair Value \$ USD	% of Net Assets
	INVESTMENTS IN SECURITIES, AT FAIR VALUE (cont'd)			
	COMMON STOCK (cont'd)			
	Switzerland			
	Consumer, Non-cyclical			
4,000	Novartis AG *	216,907	253,200	0.9%
	United Kingdom			
	Consumer, Non-cyclical			
13,000	AstraZeneca PLC *	606,994	614,405	2.1
	Utilities			
33,000	National Grid PLC *	342,656	376,845	1.3
	Total United Kingdom	949,650	991,250	3.4
	United States			
	Basic Materials			
6,064	Southern Copper Corp *	181,080	229,583	0.8
	Communications			
10,500	AT&T Inc *	340,900	353,955	1.2
30,000	Tellabs Inc *	101,153	68,400	0.2
	Consumer, Cyclical			
5,000	McDonald's Corp *	446,981	441,050	1.5
	Consumer, Non-cyclical			
9,120	Altria Group Inc *	289,765	286,733	1.0
2,500	Eli Lilly & Co *	98,567	123,300	0.4
3,000	Johnson & Johnson *	207,110	210,300	0.7
7,500	Pfizer Inc *	162,300	188,095	0.6
3,000	Procter & Gamble Co *	188,382	203,670	0.7
36,000	RR Donnelley & Sons Co *	407,324	323,640	1.1
8,500	Sysco Corp *	246,417	269,110	0.9
	Financial			
10,500	American Capital Agency Corp *	352,138	303,450	1.0
18,000	Annaly Capital Management Inc *	293,859	252,720	0.9
10,000	First Trust MLP and Energy Inc *	200,200	206,500	0.7
28,000	Hercules Technology Growth Cap *	277,254	311,640	1.1
15,000	ING Asia Pacific High Dividend *	212,850	235,800	0.8
6,228	JPMorgan Chase & Co *	199,243	273,840	0.9

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LOM FUNDS SAC LTD.

SCHEDULE OF INVESTMENTS – LOM STABLE INCOME FUND

AS OF DECEMBER 31, 2012

Quantity		Cost \$ USD	Fair Value \$ USD	% of Net Assets
	INVESTMENTS IN SECURITIES, AT FAIR VALUE (cont'd)			
	COMMON STOCK (cont'd)			
	United States (cont'd)			
	Industrial			
3,000	3M Co *	262,336	278,550	1.0%
15,000	General Electric Co *	304,748	314,850	1.1
4,451	Norfolk Southern Corp *	257,201	275,250	0.9
	Technology			
13,400	CA Inc *	351,648	294,532	1.0
16,000	Intel Corp *	392,658	329,920	1.1
7,000	Microsoft Corp *	193,249	186,968	0.6
	Utilities			
7,000	American Electric Power Co Inc *	279,127	298,760	1.0
3,000	Entergy Corp *	197,616	191,250	0.6
10,000	Exelon Corp *	417,018	297,400	1.0
11,000	PPL Corp *	313,848	314,927	1.1
	Total United States	7,174,972	7,064,193	23.9
	TOTAL COMMON STOCK	10,453,457	10,596,815	35.8
	CORPORATE BONDS			
	Luxembourg			
	Basic Materials			
300,000	ArcelorMittal 6.125% 6/1/2018 **	303,067	303,375	1.0
	United Kingdom			
	Financial			
200,000	Friends Life Group 7.875% **	200,200	212,369	0.7
	United States			
	Financial			
250,000	American International Group 5.875% 8/15/2022 **	249,103	265,002	0.9
	TOTAL CORPORATE BONDS	752,370	780,746	2.6

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LOM FUNDS SAC LTD.

SCHEDULE OF INVESTMENTS – LOM STABLE INCOME FUND

AS OF DECEMBER 31, 2012

Quantity	INVESTMENTS IN SECURITIES, AT FAIR VALUE (cont'd)	Cost \$ USD	Fair Value \$ USD	% of Net Assets
PREFERRED STOCK				
Bermuda				
Financial				
14,000	Arch Capital Group Ltd 6.75% *	356,946	375,620	1.3%
14,000	Maiden Holdings Ltd 8.25% *	350,350	364,140	1.2
8,500	PartnerRe Ltd 7.25% *	219,499	229,755	0.8
	Total Bermuda	926,795	969,515	3.3
Netherlands				
Financial				
18,000	ING Groep NV 8.5% *	411,228	460,620	1.6
United Kingdom				
Financial				
16,000	Aviva PLC 8.25% 12/1/2041 *	405,377	444,800	1.5
United States				
Communications				
16,000	CenturyLink Inc 7.5% 9/15/2051 *	421,518	431,520	1.5
15,100	Comcast Corp 5% 12/15/2061 *	377,878	395,469	1.3
Financial				
13,650	Affiliated Managers Group Inc 5.25% 10/15/2022 *	341,591	344,744	1.2
15,000	Aflac Inc 5.5% 9/15/2052 *	375,375	381,750	1.3
10,740	American Financial Group Inc 5.75% 8/25/2042 *	269,187	272,044	0.9
15,000	BB&T Corp 5.2% *	373,821	368,550	1.2
18,000	Citigroup Inc 7.125% 7/31/2031 *	440,243	456,840	1.5
15,000	Deutsche Bank AG 8.05% *	348,580	409,650	1.4
8,375	Everest Re Group Ltd 6.2% 3/29/2034 *	210,539	210,464	0.7
10,000	General Electric Co 4.875% 10/15/2052 *	250,250	254,900	0.9
16,800	General Electric Co 6.05% 2/6/2047 *	430,325	441,000	1.5
17,500	JPMorgan Chase & Co 6.7% 4/2/2040 *	448,019	447,125	1.5
11,519	Lehman Brothers Holdings Inc 7.875% 2/15/2032 *	302,783	301,567	1.0
16,000	Morgan Stanley 6.6% 10/15/2066 *	398,369	400,640	1.4

* Denotes an investment classified as Level 1

** Denotes an investment classified as Level 2

*** Denotes an investment classified as Level 3

See the accompanying notes to the financial statements

LOM FUNDS SAC LTD.

SCHEDULE OF INVESTMENTS – LOM STABLE INCOME FUND

AS OF DECEMBER 31, 2012

Quantity		Cost \$ USD	Fair Value \$ USD	% of Net Assets
	INVESTMENTS IN SECURITIES, AT FAIR VALUE (cont'd)			
	PREFERRED STOCK (cont'd)			
	United States (cont'd)			
	Financial (cont'd)			
	Prudential Financial Inc 5.75%			
12,500	12/15/2052 *	312,813	318,750	1.1
11,100	Stifel Financial Corp 5.375% 12/31/2022 *	277,222	284,160	1.0
15,650	Torchmark Corp 5.875% 12/15/2052 *	391,641	395,945	1.3
10,000	Wells Fargo & Co 5.125% *	250,250	249,000	0.8
	Technology			
13,000	Pitney Bowes Inc 5.25% 11/27/2022 *	325,325	328,250	1.1
	Utilities			
14,000	DTE Energy Co 5.25% 12/1/2062 *	351,950	352,800	1.2
11,100	Entergy Corp 4.9% 12/1/2052 *	277,778	275,836	0.9
15,000	Entergy Corp 5.25% 7/1/2052 *	375,040	393,300	1.3
15,000	NextEra Energy Inc 5.125% 11/15/2072 *	375,375	376,349	1.3
	Total United States	<u>7,925,872</u>	<u>8,090,653</u>	<u>27.3</u>
	TOTAL PREFERRED STOCK	<u>9,669,272</u>	<u>9,965,588</u>	<u>33.7</u>
	EXCHANGE TRADED FUNDS			
	Australia			
8,000	Russell High Dividend Australia Shares *	<u>182,409</u>	<u>205,259</u>	<u>0.7</u>
	United States			
86,000	First Trust DJ Global Select Dividend *	1,959,240	2,082,920	7.0
12,000	iShares DJ EPAC Dividend *	363,620	404,040	1.4
15,300	iShares DJ Select Dividend *	848,528	875,772	3.0
12,000	iShares High Dividend Equity *	726,791	705,120	2.4
10,500	iShares S&P Global Utilities *	439,449	432,915	1.5
49,000	iShares S&P US Preferred Stock *	1,860,453	1,941,380	6.6
20,000	WisdomTree Emerging Markets *	<u>1,026,648</u>	<u>1,143,800</u>	<u>3.9</u>
	Total United States	<u>7,224,729</u>	<u>7,585,947</u>	<u>25.8</u>
	TOTAL EXCHANGE TRADED FUNDS	<u>7,407,138</u>	<u>7,791,206</u>	<u>26.5</u>
	TOTAL INVESTMENTS IN SECURITIES, AT FAIR VALUE	<u>\$ 28,282,237</u>	<u>\$ 29,134,355</u>	<u>98.6%</u>

* Denotes an investment classified as Level 1

** Denotes an investment classified as Level 2

*** Denotes an investment classified as Level 3

See the accompanying notes to the financial statements

LOM FUNDS SAC LTD.

SCHEDULE OF INVESTMENTS – LOM STABLE INCOME FUND

AS OF DECEMBER 31, 2012

Quantity		Proceeds \$ USD	Fair Value \$ USD	% of Net Assets
	SECURITIES SOLD SHORT, AT FAIR VALUE			
	OPTIONS			
	United States			
	Consumer, Cyclical			
25	McDonald's Corp 1/19/13 \$90 Call *	\$ 2,833	\$ 1,250	0.0%

** Denotes an investment classified as Level 1*

*** Denotes an investment classified as Level 2*

**** Denotes an investment classified as Level 3*

See the accompanying notes to the financial statements

LOM FUNDS SAC LTD.

STATEMENTS OF OPERATIONS

FOR THE YEAR ENDED DECEMBER 31, 2012

	LOM Balanced Fund \$ USD	LOM Equity Growth Fund \$ USD	LOM Fixed Income Fund € EUR	LOM Fixed Income Fund \$ USD
Investment income				
Interest income	358	2,743	9,936	1,339,661
Dividends, net of withholding taxes (\$2,855, \$88,650, €0, \$0)	57,427	256,409	-	16,160
Other income	-	-	-	784
Total income	57,785	259,152	9,936	1,356,605
Expenses				
Interest expense	97	322	273	1,434
Management fee	44,595	173,259	7,382	431,253
Audit fees	4,407	6,118	973	23,182
Miscellaneous expenses	16,073	26,593	2,523	97,416
Total expenses	65,172	206,292	11,151	553,285
Net investment income/(loss)	(7,387)	52,860	(1,215)	803,320
Realized and unrealized gain/(loss) on investments				
Net realized gain/(loss) on sale of investments	68,175	348,729	18,991	(200,057)
Net change in unrealized appreciation/ (depreciation) on investments	440,774	750,307	27,963	1,079,500
Net realized and unrealized gain/(loss) on investments	508,949	1,099,036	46,954	879,443
Net increase in net assets resulting from operations	501,562	1,151,896	45,739	1,682,763

See the accompanying notes to the financial statements

LOM FUNDS SAC LTD.

STATEMENTS OF OPERATIONS (CONTINUED)

FOR THE YEAR ENDED DECEMBER 31, 2012

	LOM Money Market Fund	LOM Money Market Fund	LOM Money Market Fund	LOM Stable Income Fund
	\$ CAD	£ GBP	\$ USD	\$ USD
Investment income				
Interest income	448,108	2,724	497,365	14,424
Dividends, net of withholding taxes (\$0, £0, \$0, \$238,917)	-	-	-	1,095,696
Other income	-	-	-	1,093
Total income	448,108	2,724	497,365	1,111,213
Expenses				
Interest expense	544	-	5,335	1,227
Management fee	82,487	1,117	101,761	341,228
Audit fees	11,741	83	22,019	6,645
Miscellaneous expenses	34,554	508	87,894	48,393
Total expenses	129,326	1,708	217,009	397,493
Net investment income/(loss)	318,782	1,016	280,356	713,720
Realized and unrealized gain/(loss) on investments				
Net realized gain/(loss) on sale of investments	(211,647)	(399)	(144,513)	300,356
Net change in unrealized appreciation/ (depreciation) on investments	(23,129)	170	(56,343)	859,805
Net realized and unrealized gain/(loss) on investments	(234,776)	(229)	(200,856)	1,160,161
Net increase in net assets resulting from operations	84,006	787	79,500	1,873,881

See the accompanying notes to the financial statements

LOM FUNDS SAC LTD.

STATEMENTS OF CHANGES IN NET ASSETS

FOR THE YEAR ENDED DECEMBER 31, 2012

	LOM Balanced Fund \$ USD	LOM Equity Growth Fund \$ USD	LOM Fixed Income Fund € EUR	LOM Fixed Income Fund \$ USD
Net increase in net assets resulting from operations				
Net investment income/(loss)	(7,387)	52,860	(1,215)	803,320
Net realized gain/(loss) on sale of investments	68,175	348,729	18,991	(200,057)
Net change in unrealized appreciation/ (depreciation) on investments	440,774	750,307	27,963	1,079,500
Net increase in net assets resulting from operations	501,562	1,151,896	45,739	1,682,763
Capital share transactions				
Issuance of Non-restricted, voting Participating Shares	594,839	1,746,696	738,255	11,048,965
Redemption of non-restricted, voting Participating Shares	(3,339,303)	(2,737,197)	(1,526,333)	(6,913,612)
Dividends distributed	-	-	-	-
Net increase/(decrease) in net assets from capital share transactions	(2,744,464)	(990,501)	(788,078)	4,135,353
Net increase/(decrease) in net asset during the year	(2,242,902)	161,395	(742,339)	5,818,116
Initial transfer of net assets at beginning of year	8,052,629	11,032,005	1,782,174	42,704,753
Net assets at end of year	5,809,727	11,193,400	1,039,835	48,522,869

See the accompanying notes to the financial statements

LOM FUNDS SAC LTD.

STATEMENTS OF CHANGES IN NET ASSETS (CONTINUED)

FOR THE YEAR ENDED DECEMBER 31, 2012

	LOM Money Market Fund	LOM Money Market Fund	LOM Money Market Fund	LOM Stable Income Fund
	\$ CAD	£ GBP	\$ USD	\$ USD
Net increase in net assets resulting from operations				
Net investment income/(loss)	318,782	1,016	280,356	713,720
Net realized gain/(loss) on sale of investments	(211,647)	(399)	(144,513)	300,356
Net change in unrealized appreciation/ (depreciation) on investments	(23,129)	170	(56,343)	859,805
Net increase in net assets resulting from operations	84,006	787	79,500	1,873,881
Capital share transactions				
Issuance of non-restricted, voting Participating Shares	4,251,103	302,238	27,117,807	16,772,706
Redemption of non-restricted, voting Participating Shares	(13,578,242)	(76,636)	(33,704,826)	(641,696)
Dividends distributed	-	-	-	(755,301)
Net increase/(decrease) in net assets from capital share transactions	(9,327,139)	225,602	(6,587,019)	15,375,709
Net increase/(decrease) in net asset during the year	(9,243,133)	226,389	(6,507,519)	17,249,590
Initial transfer of net assets at beginning of year	21,749,438	305,771	40,117,511	12,341,022
Net assets at end of year	12,506,305	532,160	33,609,992	29,590,612

See the accompanying notes to the financial statements

LOM FUNDS SAC LTD.

NOTES TO THE FINANCIAL STATEMENTS

AS OF DECEMBER 31, 2012

NOTE 1 - NATURE OF THE COMPANY

ORGANIZATION

LOM Funds SAC Ltd. (the “Company”) was incorporated in Bermuda as a segregated accounts company pursuant to the Companies Act of 1981 (as amended) and registered under the Segregated Accounts Companies Act 2000, as amended, on November 28, 2011, and began operations on January 2, 2012. The Company received its initial transfer of assets from the LOM Funds SPC Ltd., LOM Fixed Income Fund Ltd., LOM Balanced Fund Ltd., LOM Money Market Fund Ltd., and LOM Equity Growth Fund Ltd. (the “Former Companies”), which transferred all of their assets and liabilities over at fair value. The shareholders in the Former Companies were subscribed into the Company pro-rata into the respective segregated accounts within the Company as was their holdings in the Former Companies. The names of the segregated accounts each, a “Segregated Account,” collectively (the “Funds”) are as follows:

- LOM Balanced Fund
- LOM Equity Growth Fund
- LOM Fixed Income Fund EUR
- LOM Fixed Income Fund USD
- LOM Money Market Fund CAD
- LOM Money Market Fund GBP
- LOM Money Market Fund USD
- LOM Stable Income Fund

As a segregated accounts company, the Company is permitted to create Segregated Accounts in order to segregate the assets and liabilities that are held within or on behalf of a particular Segregated Account from the assets and liabilities of any other Segregated Account and from the Company’s general assets and liabilities. Segregated Account assets are only available and may only be used to meet liabilities to creditors in respect of a particular Segregated Account and are not available to meet liabilities to creditors in respect of other Segregated Accounts or to general creditors of the Company. As of December 31, 2012, there were eight Segregated Accounts, all of which are within these financial statements.

Capitalized terms herein have been defined in the company’s Information Memorandum, or in a segregated Account’s Class Supplement unless otherwise noted.

Each Segregated Account has its own investment objective and strategy.

The LOM Money Market Fund USD is a money market fund designed to preserve investors capital and liquidity while providing, through active management, a return in line with US Dollar short-term money rates

LOM FUNDS SAC LTD.

NOTES TO THE FINANCIAL STATEMENTS

AS OF DECEMBER 31, 2012

NOTE 1 - NATURE OF THE COMPANY (CONTINUED)

The LOM Money Market Fund CAD is a money market fund designed to preserve investors' capital and liquidity while providing, through active management, a return in line with Canadian Dollar short-term money rates. The LOM Money Market Fund GBP is a money market fund designed to preserve investors capital and liquidity while providing, through active management, a return in line with Pound Sterling short-term money rates. The LOM Money Market Fund USD, LOM Money Market Fund CAD and LOM Money Market Fund GBP are listed on the Bermuda Stock Exchange.

The investment objective of the LOM Stable Income Fund is to generate premium returns over full market cycles and protect the purchasing power and principal of the LOM Stable Income Fund while providing relatively high levels of monthly current income through the purchase of attractively valued, higher yielding securities. The LOM Stable Income Fund is listed on the Bermuda Stock Exchange.

The investment objective of the LOM Fixed Income Fund USD is to achieve above-average long-term absolute returns while controlling risk through an effective program of diversification when considered prudent and through an asset allocation strategy with an emphasis on fixed income securities with a focus on the United States. The investment objective of the LOM Fixed Income Fund EUR is to achieve above-average long-term absolute returns while controlling risk through an effective program of diversification when considered prudent and through an asset allocation strategy with an emphasis on fixed income securities with a focus on the European region. The LOM Fixed Income Fund USD and LOM Fixed Income Fund EUR are listed on the Bermuda Stock Exchange.

The investment objective of the LOM Balanced Fund is to achieve above-average long-term appreciation of capital while controlling risk by primarily purchasing mutual funds and exchange traded funds, whilst maintaining disciplined and effective money management strategies. The LOM Balanced Fund is listed on the Bermuda Stock Exchange.

The investment objective of the LOM Equity Growth Fund is to achieve above-average long-term capital appreciation and dividend income while controlling risk through diversification by company, industry, and region. The LOM Equity Fund will invest primarily in the quoted equities of larger capitalisation global companies and in exchange traded funds. The LOM Equity Growth Fund is listed on the Bermuda Stock Exchange.

LOM Asset Management Limited ("LOMAM" or the "Investment Manager") (a related party to the Company) acts as the Investment Manager and owns 100% of the Organisational Shares (Note 5). Global Custody and Clearing Limited (the "Custodian") (a related party to the Company) acts as paying agent and custodian to the Company.

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

LOM FUNDS SAC LTD.

NOTES TO THE FINANCIAL STATEMENTS

AS OF DECEMBER 31, 2012

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES

The following is a summary of significant accounting policies consistently followed by the Company in the preparation of its financial statements. The policies are in conformity with United States (“U.S.”) generally accepted accounting principles, which require management to make estimates and assumptions that affect the reported amounts, contingent assets and liabilities, and disclosures in the financial statements. Actual results could differ from those estimates. Management has considered the circumstances under which the Company should recognize or make disclosures regarding events or transactions occurring subsequent to the balance sheet date through the date the financial statements were issued. Adjustments or additional disclosures, if any, have been included in these financial statements.

CASH

Cash consists of interest bearing and non interest bearing accounts held by the Custodian, a related party.

INVESTMENT VALUATION AND REVENUE RECOGNITION

Investment transactions are accounted for on a trade date basis.

The Company invests in securities traded on a stock exchange or other market which are valued generally at last trade value and where this is not available at the last mid-market price on the relevant exchange or market or, if not available, at bid value prices (see Note 3).

The Company invests in bonds and other fixed income securities that may not trade on national exchanges. These investments are valued at the last quoted bid price and where this is not available at the last trade value, or if not available, at prices determined by an independent third party pricing source (see Note 3).

The Company invests in other investment companies which consist primarily of mutual funds and exchange traded funds (“ETFs”). Mutual funds are valued at the net asset value or bid prices of the fund, as published or otherwise reported by the respective stock exchange or administrator. The other investment companies in which the Company invests will generally value securities at fair value. Investments in ETFs are stated at the last reported sales price on the day of valuation or at the last quoted bid price, if no sale was reported on the valuation date (see Note 3).

LOM FUNDS SAC LTD.

NOTES TO THE FINANCIAL STATEMENTS

AS OF DECEMBER 31, 2012

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

INVESTMENT VALUATION AND REVENUE RECOGNITION (CONTINUED)

Realized and unrealized gains and losses on investments are calculated using the first-in-first-out method, which approximates the average cost method, and are reported in the accompanying statement of operations.

INCOME RECOGNITION

Interest income is earned on cash balances, fixed income securities and money market securities. Interest income earned on cash balances is recognized when posted. Interest income on fixed income securities is recognized on an accrual basis based on the stated interest rate of the security. Dividend income is recognized on the ex-dividend date and is presented net of withholding taxes, which are withheld by the Custodian's clearing brokers.

FOREIGN CURRENCY TRANSLATION

The functional currency for the LOM Money Market Fund CAD is the Canadian Dollar ("CAD"). The functional currency for the LOM Fixed Income Fund EUR is the Euro ("EUR"). The functional currency for the LOM Money Market Fund GBP is the British Pound ("GBP"). For all other Segregated Accounts, the functional currency is the United States Dollar ("USD"). Investment securities denominated in currencies other than a Segregated Account's functional currency are translated to the Segregated Account's functional currency at the date of valuation. Purchases and sales of investment securities and income and expense items denominated in currencies other than Segregated Account's functional currency are translated to the Segregated Account's function currency on the respective date of such transactions.

The Company 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 or depreciation on investments.

SCHEDULE OF INVESTMENTS

The accompanying schedule of investments presents the investments by country. The industry classifications included in the schedule of investments represent management's belief as to the most meaningful presentation of the classification of the Company's investments.

LOM FUNDS SAC LTD.

NOTES TO THE FINANCIAL STATEMENTS

AS OF DECEMBER 31, 2012

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

RECENTLY ISSUED ACCOUNTING PRONOUNCEMENTS

In December 2011, Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2011-11, *Disclosures about Offsetting Assets and Liabilities*. The ASU requires enhanced disclosures about financial instruments and derivative instruments that are either offset when rights of setoff exist or subject to an enforceable master netting agreement or similar agreement. These additional disclosures include the following quantitative information about such instruments: (i) the gross amounts of those recognized assets and recognized liabilities, (ii) the amounts offset to determine the net amounts presented in the statement of assets and liabilities, (iii) the net amounts presented in the statement of assets and liabilities, (iv) the amounts subject to a master netting arrangement or similar agreement, (v) the amounts related to financial collateral (including cash collateral), and (vi) the net amount after deducting the amounts in (iv) from the amounts in (iii). The disclosures are effective for fiscal years beginning on or after January 1, 2013. The Company is currently evaluating the impact of these disclosures on its financial statements.

NOTE 3 - FAIR VALUE MEASUREMENTS

The Company follows a fair value hierarchy that distinguishes between market data obtained from independent sources (observable inputs) and the Company's own market assumptions (unobservable inputs). These inputs are used in determining the value of the Company's investments and are summarized in the following fair value hierarchy:

- Level 1 – inputs are based upon unadjusted quoted prices for identical instruments traded in active markets. Level 1 non-derivative investments primarily include U.S. treasuries, domestic and international equities, and actively traded mutual funds. Level 1 derivative assets and liabilities include those actively traded on exchanges.
- Level 2 – inputs are based upon quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active, and model-based valuation techniques for which all significant inputs are observable in the market or can be corroborated by observable market data for substantially the full term of the assets or liabilities. Where applicable, these models project future cash flows and discount the future amounts to a present value using market-based observable inputs including interest rate curves, foreign exchange rates, and forward and spot prices for currencies and commodities. Level 2 non-derivative investments consist primarily of corporate notes and bonds, mortgage-backed securities, agency securities, certificates of deposit, and commercial paper. Level 2 derivative assets and liabilities primarily include certain over-the-counter option contracts.

LOM FUNDS SAC LTD.

NOTES TO THE FINANCIAL STATEMENTS

AS OF DECEMBER 31, 2012

NOTE 3 - FAIR VALUE MEASUREMENTS (CONTINUED)

- Level 3 – inputs are generally unobservable and typically reflect management's estimates of assumptions that market participants would use in pricing the asset or liability. The fair values are therefore determined using model-based techniques, including option pricing models and discounted cash flow models.

Securities for which market quotations are not readily available are fair valued as determined by the Investment Manager. Fair value is a market-based measure considered from the perspective of a market participant rather than an entity-specific measure. Therefore, even when market assumptions are not readily available, the Company's own assumptions are set to reflect those that market participants would use in pricing the asset or liability at the measurement date. The Company uses prices and inputs that are current as of the measurement date, including periods of market dislocation. In periods of market dislocation, the observability of prices and inputs may be reduced for many securities. This condition could cause a security to be reclassified to a lower level within the fair value hierarchy.

The use of valuation techniques and the availability of observable inputs can vary from security to security and is affected by a wide variety of factors and other characteristics particular to the transaction. Factors that may be considered when fair valuing a security are: fundamental analytical data relating to the investment in the security; evaluation of the forces that influence the market in which the security is purchased and sold; type of security or asset; financial statements of issuer; special reports prepared by analysts or the Investment Manager; information as to any transactions or offers with respect to the security; and the historical tendency of the security's price to track or respond to general and specific market movements (in terms of indices, sectors, or other market measurements). To the extent that valuation is based on models or inputs that are less observable or unobservable in the market, the determination of fair value requires more judgment. Accordingly, the degree of judgment exercised by the Company in determining fair value is greatest for securities categorized in Level 3.

The inputs or methodology used for valuing securities are not an indication of the risk associated with investing in those securities.

LOM FUNDS SAC LTD.

NOTES TO THE FINANCIAL STATEMENTS

AS OF DECEMBER 31, 2012

NOTE 3 - FAIR VALUE MEASUREMENTS (CONTINUED)

The following are the Company's major categories of assets measured at fair value as of December 31, 2012:

Description	Level 1	Level 2	Level 3	Total
LOM Money Market Fund - USD:	\$ USD	\$ USD	\$ USD	\$ USD
Investment Assets:				
Commercial Paper	-	4,694,774	-	4,694,774
Government Bonds	-	2,003,143	-	2,003,143
Corporate Bonds	-	11,759,993	-	11,759,993
Municipal Bonds	-	8,828,520	-	8,828,520
Asset Based Securities	-	334,740	-	334,740
Total Investment Assets	-	27,621,170	-	27,621,170

Description	Level 1	Level 2	Level 3	Total
LOM Money Market Fund - CAD:	\$ CAD	\$ CAD	\$ CAD	\$ CAD
Investment Assets:				
Money Market Funds	654,994	-	-	654,994
Government Bonds	-	4,901,654	-	4,901,654
Corporate Bonds	-	5,955,260	-	5,955,260
Total Investment Assets	654,994	10,856,914	-	11,511,908

Description	Level 1	Level 2	Level 3	Total
LOM Money Market Fund - GBP:	£ GBP	£ GBP	£ GBP	£ GBP
Investment Assets:				
Mutual Funds	368,580	-	-	368,580
Government Bonds	-	50,038	-	50,038
Corporate Bonds	-	100,672	-	100,672
Total Investment Assets	368,580	150,710	-	519,290

Description	Level 1	Level 2	Level 3	Total
LOM Stable Income Fund:	\$ USD	\$ USD	\$ USD	\$ USD
Investment Assets:				
Common Stock	10,596,815	-	-	10,596,815
Exchange Traded Funds	7,791,206	-	-	7,791,206
Preferred Stock	9,965,588	-	-	9,965,588
Corporate Bonds	-	780,746	-	780,746
Total Investment Assets	28,352,359	780,746	-	29,134,355

Securities Sold Short	\$ USD	\$USD	\$USD	\$USD
Options	1,250	-	-	1,250
Total Securities Sold Short	1,250	-	-	1,250

LOM FUNDS SAC LTD.

NOTES TO THE FINANCIAL STATEMENTS

AS OF DECEMBER 31, 2012

NOTE 3 - FAIR VALUE MEASUREMENTS (CONTINUED)

Description	Level 1	Level 2	Level 3	Total
LOM Fixed Income Fund USD	\$ USD	\$ USD	\$ USD	\$ USD
Investment Assets:				
Mutual Funds	2,971,501	-	-	2,971,501
Government Bonds	1,289,805	1,669,066	-	2,958,871
Corporate Bonds	-	34,569,869	-	34,569,869
Municipal Bonds	-	1,836,364	-	1,836,364
Mortgage Backed Securities	-	1,345,641	-	1,345,641
Asset Backed Securities	-	2,874,282	-	2,874,282
Preferred Stock	1,240,783	-	-	1,240,783
Total Investment Assets	5,502,089	42,295,222	-	47,797,311

Description	Level 1	Level 2	Level 3	Total
LOM Fixed Income Fund EUR:	€ EUR	€ EUR	€ EUR	€ EUR
Investment Assets:				
Corporate Bonds	-	866,545	-	866,545
Total Investment Assets	-	866,545	-	866,545

Description	Level 1	Level 2	Level 3	Total
LOM Balanced Fund:	\$ USD	\$ USD	\$ USD	\$ USD
Investment Assets:				
Hedge Funds	-	-	47,049	47,049
Mutual Funds	716,200	4,418,285	-	5,134,485
Exchange Traded Funds	547,010	-	-	547,010
Total Investment Assets	1,263,210	4,418,285	47,049	5,728,544

Description	Level 1	Level 2	Level 3	Total
LOM Equity Growth Fund:	\$ USD	\$ USD	\$ USD	\$ USD
Investment Assets:				
Common Stock	7,298,410	-	-	7,298,410
Exchange Traded Funds	3,083,098	-	-	3,083,098
Preferred Stock	208,080	-	-	208,080
Total Investment Assets	10,589,588	-	-	10,589,588

Industry classifications for these securities are detailed in the schedule of investments.

LOM FUNDS SAC LTD.

NOTES TO THE FINANCIAL STATEMENTS

AS OF DECEMBER 31, 2012

NOTE 3 - FAIR VALUE MEASUREMENTS (CONTINUED)

The changes in investment assets measured at fair value for which the Company has used Level 3 inputs to determine fair value are as follows:

LOM Stable Income Fund	
Balance, transferred in, January 2, 2012	\$ 57,103
Realized and unrealized losses, net	(10,054)
Balance December 31, 2012	<u>\$ 47,049</u>
Change in Unrealized losses on investments still held at December 31, 2012	<u>\$ (10,054)</u>

Transfers into or out of Level 3 are made as of the beginning of the year. There were no transfers into or out of Level 3 during the year ended December 31, 2012

The Fund, in its normal course of investing and trading activities, enters into exchange traded equity option contracts. Details for the respective Segregated Account Company are noted below.

LOM Stable Income Fund

Changes in fair value are included as realized gains (losses) or net change in unrealized gains (losses) on investments and options written within the statement of operations. During the year, the Fund recognized \$52,681 of realized gains on option contracts from 748 option contracts written, and \$5,297 in changes in unrealized gains on options.

LOM Equity Growth Fund

Changes in fair value are included as realized gains (losses) or net change in unrealized gains (losses) on investments and options written within the statement of operations. During the year, the Fund recognized \$78,822 of realized gains on option contracts from 670 option contracts written, and \$nil in changes in unrealized gains on options.

VALUATION TECHNIQUES

EQUITY SECURITIES (COMMON STOCKS, MUTUAL FUNDS AND EXCHANGE TRADED FUNDS (“ETFs”))

Equity securities traded on a national securities exchange (or reported on a national market) are stated at the last reported sales price on the day of valuation. To the extent these securities are actively traded and valuation adjustments are not applied, they are categorized in Level 1 of the fair value hierarchy. Open-end mutual funds are valued at the last published price reported on the major market on which the mutual funds are listed and are classified as Level 1.

LOM FUNDS SAC LTD.

NOTES TO THE FINANCIAL STATEMENTS

AS OF DECEMBER 31, 2012

NOTE 3 - FAIR VALUE MEASUREMENTS (CONTINUED)

GOVERNMENT BONDS (U.S. AND FOREIGN)

The fair value of government bonds is generally based on quoted prices in active markets. When quoted prices are not available, fair value is determined based on a valuation model that uses inputs that include interest rate yield curves, cross-currency basis index spreads, and country credit spreads similar to the bond in terms of issuer, maturity and seniority. Government bonds are generally categorized in Levels 1 or 2 of the fair value hierarchy depending on the inputs used and market activity levels for specific securities, based upon independent pricing from known independent pricing services.

MUNICIPAL BONDS

The fair value of municipal bonds is estimated using recently executed transactions, market price quotations and pricing models that factor in, where applicable, interest rates, bond or credit default swap spreads and volatility. Municipal bonds are generally categorized in Level 2 of the fair value hierarchy.

CORPORATE BONDS (U.S. AND FOREIGN)

The fair value of corporate bonds is estimated using recently executed transactions, market price quotations (where available), bond spreads or credit default swap spreads. The spread data used is for the same maturity as the bond. If the spread data does not reference the issuer, then data that references a comparable issuer is used. When observable price quotations are not available, fair value is determined based on cash flow models with yield curves, bond or single name credit default swap spreads and recovery rates based on collateral values as key inputs. To the extent that these inputs are observable the values of corporate bonds are generally categorized as Level 2.

GOVERNMENT AGENCY SECURITIES (U.S. AND FOREIGN)

Government agency securities are normally valued using a model that incorporates market observable data such as reported sales of similar securities, broker quotes, yields, bids, offers, and reference data. Certain securities are valued principally using dealer quotations. To the extent that these inputs are observable, the values of government agency securities are categorized at Level 2.

LOM FUNDS SAC LTD.

NOTES TO THE FINANCIAL STATEMENTS

AS OF DECEMBER 31, 2012

NOTE 3 - FAIR VALUE MEASUREMENTS (CONTINUED)

MORTGAGE-BACKED SECURITIES

Mortgage-backed securities are typically fair valued using pricing models based on a security's average life volatility. The models take into account tranche characteristics such as average life of the underlying mortgages, including assumptions regarding pre-payments and default rates, loan to value ratios, ratings, the issuer and tranche type, geographic characteristics, and discount margin for certain floating rate issues. Certain securities are valued principally using dealer quotations. To the extent that these inputs are observable, the values of mortgage-backed securities are categorized at Level 2.

ASSET-BACKED SECURITIES ("ABS")

Asset-backed securities are interests in pools of loans or other receivables. ABS are created from many types of assets, including auto loans, home equity loans and other receivables. ABS are typically fair valued using estimated expected future cash flows of each security by estimating the expected future cash flows of the underlying collateral and applying those collateral cash flows, together with any credit enhancements such as subordinating interests owned by third parties, to the security. The expected future cash flows of the underlying collateral are determined using the remaining contractual cash flows adjusted for future expected credit losses (including current delinquencies and nonperforming assets, future expected default rates and collateral value by vintage and geographic region) and prepayments.

The expected cash flows of the security are then discounted at the interest rate used to recognize interest income on the security to arrive at a present value amount. Certain securities are valued principally using dealer quotations. To the extent that these inputs are observable, the values of asset-backed securities are categorized at Level 2.

LOM FUNDS SAC LTD.

NOTES TO THE FINANCIAL STATEMENTS

AS OF DECEMBER 31, 2012

NOTE 4 - CAPITAL STOCK

The authorised share capital of the Company is \$10,001 divided into 100,000,000 Participating Shares of \$0.0001 par value each and 1,000 Organisational Shares of par value \$0.001 each. The rights attached to each class of shares are summarized below.

PARTICIPATING SHARES

The Directors have power to issue Participating Shares in separate Classes corresponding to a Segregated Account from time to time up to the limit of the authorised capital. The assets and liabilities of each Class of Participating Shares are maintained and accounted for in its own Segregated Account. A Class Supplement is issued in respect of each such Segregated Account.

The Participating Shares have no voting rights and the holder of a Participating Share is not entitled to receive notice of, attend, nor vote at general meetings of Shareholders (except in connection with the variation of class rights). The Participating Shares of each Class have the right to participate equally in any dividends declared by the Company in respect of the Segregated Account to which such Participating Shares relate and are redeemable. In the event of a winding-up of the Company, each holder of a Participating Share is entitled to return of the paid-up par value and a pro-rata share in surplus assets of the relevant Segregated Account after return of the paid-up par value of the Organisational Shares.

ORGANISATIONAL SHARES

Organisational Shares may be issued at par value and to such person as the Directors may determine. Organisational Shares do not, while any Participating Shares are in issue, carry any right to participate in dividends declared by the Company and are not redeemable. The holder of an Organisational Share has the right to receive notice of, attend and vote at general meetings of the Company. In the event of a winding-up of the Company, the holder of an Organisational Share is entitled only to the return of its paid-up par value after the paid-up par value of Participating Share has been returned. All of the Organisational Shares have been issued to and fully paid for by the Investment Manager.

SUBSCRIPTIONS

Participating Shares are available for subscription at the discretion of the Directors on each Subscription Day at the Subscription Price calculated at the close of business on the relevant Valuation Day. The Subscription Day is defined in the relevant Class Supplement. The Subscription Price equals the Net Asset Value per Participating Share as at the Valuation Day on the Subscription Day on which the application is effective (exclusive of any Front End Load).

The Participating Shares are issued in registered form. Share certificates are not issued.

LOM FUNDS SAC LTD.

NOTES TO THE FINANCIAL STATEMENTS

AS OF DECEMBER 31, 2012

NOTE 4 - CAPITAL STOCK (CONTINUED)

FRONT END LOAD

A Front End Load of up to 5% on Subscription Price may be deducted from the Subscription. No Front End Load Fees were charged for the year ended December 31, 2012.

MINIMUM SUBSCRIPTION

The minimum initial subscription that will be accepted, and the minimum amount for any additional subscriptions for Participating Shares from a new investor will be as follows:

Fund	Minimum Initial Subscription	Minimum Additional Subscription
LOM Money Market Fund-USD	USD \$10,000	USD \$1
LOM Money Market Fund-CAD	CAD \$10,000	CAD \$1
LOM Money Market Fund-GBP	GBP £10,000	GBP £1
LOM Stable Income Fund	USD \$10,000	USD \$1
LOM Fixed Income Fund-USD	USD \$10,000	USD \$1
LOM Fixed Income Fund-EUR	EUR €10,000	EUR €1
LOM Balanced Fund	USD \$10,000	USD \$1
LOM Equity Growth Fund	USD \$10,000	USD \$1

The Directors may determine that the Company accept such lesser amount as they may in any particular case determine.

REDEMPTIONS

PROCEDURE

Participating Shares may be redeemed at the option of the holder on each Redemption Day. Shareholders wishing to redeem all or part of their holding of Participating Shares should send a completed Redemption Request (available from the Administrator) to the Administrator by fax (with original to follow by mail) to be received not later than the time specified in the relevant Class Supplement on the relevant Redemption Day.

Any delay in receipt of the Redemption Request will result in the request being deferred until the next Redemption Day and, in such cases, the Participating Shares will be redeemed at the Redemption Price prevailing on that Redemption day. The Directors reserve the right in their absolute discretion to waive the foregoing notice period.

LOM FUNDS SAC LTD.

NOTES TO THE FINANCIAL STATEMENTS

AS OF DECEMBER 31, 2012

NOTE 4 - CAPITAL STOCK (CONTINUED)

A request for the redemption of part of a holding of Participating Shares may be refused, or the holding redeemed in its entirety, if, as a result of such partial redemption, the Net Asset Value of the Participating Shares retained by the holder would be less than the following amounts:

Fund	Holding Limit
LOM Money Market Fund-USD	USD \$10,000
LOM Money Market Fund-CAD	CAD \$10,000
LOM Money Market Fund-GBP	GBP £10,000
LOM Stable Income Fund	USD \$10,000
LOM Fixed Income Fund-USD	USD \$10,000
LOM Fixed Income Fund-EUR	EUR €10,000
LOM Balanced Fund	USD \$10,000
LOM Equity Growth Fund	USD \$10,000

REDEMPTION PRICE

The Redemption Price for each Participating Share is equal to the Net Asset Value per Participating Share of the relevant Class on the relevant Redemption Day.

The Net Asset Value per Participating Share is determined as of the close of business on each Valuation Day in accordance with the provisions set out under the Information Memorandum.

PAYMENT OF REDEMPTION PROCEEDS

Redemption proceeds normally will be remitted within a certain number of business days as specified in the relevant Class Supplement, without interest for the period from that date to the payment date. Redemption payments will be made in the currency of the relevant class and will be remitted to the Shareholder by wire transfer (at the expense and risk of the Shareholder) to an account as specified by the Shareholder in his Redemption Request.

LOM FUNDS SAC LTD.

NOTES TO THE FINANCIAL STATEMENTS

AS OF DECEMBER 31, 2012

NOTE 4 - CAPITAL STOCK (CONTINUED)

GATING

In the event that redemption requests on a particular Redemption Day exceed in aggregate twenty per cent (20%) of the total number of Participating Shares of a particular Segregated Account then in issue, the Directors may reduce the requests rateably amongst all Shareholders seeking to redeem Participating Shares of the relevant Class on the relevant Redemption Day and effect only sufficient redemptions which in aggregate equal twenty per cent (20%) of the number of Participating Shares of the particular Class then in issue. Participating Shares which are not thereby redeemed will be redeemed on the next Redemption Day (subject to further deferral if the deferred requests themselves exceed twenty per cent of the number of Participating Shares then in issue) in priority to any later redemption requests that may have been received. All Participating Shares will be redeemed at the Redemption Price prevailing on the Redemption Day on which they are actually redeemed.

Transactions in shares of the Company for the year ended December 31, 2012 were as follows:

	Initial transfer on January 1, 2012	Shares Issued	Shares Redeemed	Balance December 31, 2012
Fund:				
LOM Money Market Fund USD	2,647,571	1,779,289	(2,222,897)	2,203,963
LOM Money Market Fund CAD	1,584,389	309,230	(986,941)	906,678
LOM Money Market Fund GBP	28,119	27,734	(7,034)	48,819
LOM Stable Income Fund	1,232,759	1,616,560	(61,617)	2,787,702
LOM Fixed Income Fund USD	3,068,202	770,529	(487,689)	3,351,042
LOM Fixed Income Fund EUR	163,565	65,432	(138,127)	90,870
LOM Balanced Fund	903,553	63,865	(358,234)	609,184
LOM Equity Growth Fund	1,284,351	191,084	(294,086)	1,181,349

LOM FUNDS SAC LTD.

NOTES TO THE FINANCIAL STATEMENTS

AS OF DECEMBER 31, 2012

NOTE 5 - RELATED PARTY TRANSACTIONS

MANAGEMENT FEE

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

The management fee rate, publishing fee rate, as well as the related amount charged and paid during the year for each Segregated Account is as follows:

Fund	Annual Management Fee Rate as a Percentage of Net Asset Value per Share	Publishing Fee Rate as a Percentage of Net Asset Value per Share	Amount Charged During Year	Amount Payable at Year-end
LOM Money Market Fund - USD	0.50%/0.2%*	0.01%	\$USD 105,614	\$USD 16,700
LOM Money Market Fund CAD	0.50%	0.01%	\$CAD 83,669	\$CAD 17,598
LOM Money Market Fund - GBP	0.50%	0.01%	£GBP 1,117	£GBP 184
LOM Stable Income Fund	1.50%	0.04%	\$USD 350,387	\$USD 115,493
LOM Fixed Income Fund USD	1.00%	0.02%	\$USD 439,888	\$USD 121,372
LOM Fixed Income Fund EUR	1.00%	0.02%	€EUR 7,530	€EUR 2,586
LOM Balanced Fund	0.65%	0.04%	\$USD 47,339	\$USD 12,994
LOM Equity Growth Fund	1.50%	0.04%	\$USD 177,879	\$USD 47,556

* Charged to Institutional/Retail series

Publishing fee is included expenses are included in miscellaneous expense on the Statement of Operations. Publishing fees payable are included in accounts payable and accrued liabilities on the Statement of Assets and Liabilities.

LOM FUNDS SAC LTD.

NOTES TO THE FINANCIAL STATEMENTS

AS OF DECEMBER 31, 2012

NOTE 5 - RELATED PARTY TRANSACTIONS (CONTINUED)

CUSTODIAN FEE

Under the Custody Agreement, the Custodian is entitled to receive a fee of 0.05% per annum of the net asset value of each class of shares for each segregated account, calculated on each valuation day and payable monthly. During 2012, the Custodian charged and was paid by the Company fees totaling as follows:

Fund	Amount Charged During Year	Amount Payable at Year-end
LOM Money Market Fund USD	\$USD 19,265	\$USD 2,035
LOM Money Market Fund CAD	\$CAD 8,290	\$CAD 1,650
LOM Money Market Fund - GBP	£GBP 130	£GBP 15
LOM Stable Income Fund	\$USD 11,374	\$USD 3,546
LOM Fixed Income Fund USD	\$USD 22,525	\$USD 5,650
LOM Fixed Income Fund EUR	€EUR 369	€EUR 122
LOM Balanced Fund	\$USD 3,430	\$USD 786
LOM Equity Growth Fund	\$USD 5,775	\$USD 1,441

Custodian fee expenses are included in miscellaneous expense on the Statement of Operations. Custodian fees payable are included in accounts payable and accrued liabilities on the Statement of Assets and Liabilities.

NOTE 6 - ADMINISTRATION FEES

In accordance with the terms of the contract with Apex Fund Services Ltd. (the “Administrator”), the Company is charged administrative fees equal to 0.09% of the combined net asset value of the segregated accounts (“Funds”) created under the Company, allocated to each Fund pro-rata based on the net asset value of each Fund in relation to the combined net asset value. During 2012, administration fees amounted to \$126,701.

NOTE 7 - TAXATION

Under current Bermuda law, the Company is not required to pay taxes in Bermuda on either income or capital gains. The Company has received an undertaking from the Bermuda government that, in the event of income or capital gains taxes being imposed, the Company will be exempted from such taxes until March 31, 2035.

It is the Directors belief that the Company 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 Company other than the 30% withholding tax on US source equity dividends. Foreign securities held by the Company may be subject to foreign taxation on gains, dividends and interest income received. Foreign taxes, if any, are withheld by the Company’s clearing brokers based on the tax laws in the applicable foreign jurisdictions.

LOM FUNDS SAC LTD.

NOTES TO THE FINANCIAL STATEMENTS

AS OF DECEMBER 31, 2012

NOTE 7 – TAXATION (CONTINUED)

In addition, the Directors believe that the Company is not subject to income taxes in any other jurisdiction and that there are no uncertain tax positions that would require recognition in the financial statements. As a result, Company has made no provision for income taxes in the accompanying financial statements.

The Investment Manager's conclusions regarding uncertain tax positions may be subject to review and adjustment at a later date based upon ongoing analyses of tax laws, regulations and interpretations thereof as well as other factors.

NOTE 8 - DERIVATIVE FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The Company does not buy or hold derivative financial instruments outside of listed options on equity securities. Some of the other investment companies in which the Company 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 Company's risk is limited to the net asset values of its investments in the other investment companies.

NOTE 9 - 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 Company'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.

NOTE 10 - GUARANTEES

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

LOM FUNDS SAC LTD.

NOTES TO THE FINANCIAL STATEMENTS

AS OF DECEMBER 31, 2012

NOTE 11 - FINANCIAL HIGHLIGHTS

Financial highlights for the year ended December 31, 2012 are as follows:

	LOM Money Market Fund - USD	LOM Money Market Fund - CAD	LOM Money Market Fund - GBP	LOM Stable Income Fund	LOM Fixed Income Fund - USD	LOM Fixed Income Fund - EUR	LOM Balanced Fund	LOM Equity Growth Fund
	\$USD	\$CAD	£GBP	\$USD	\$USD	€EUR	\$USD	\$ USD
Per Share Operating Performance:								
Net asset value per share - beginning	<u>15.11</u>	<u>13.73</u>	<u>10.87</u>	<u>10.01</u>	<u>13.92</u>	<u>10.90</u>	<u>8.91</u>	<u>8.59</u>
Net investment income/(loss)	0.36	0.26	0.03	0.33	0.27	(0.02)	(0.01)	0.04
Net realized and unrealized gain on investments	<u>(0.26)</u>	<u>(0.20)</u>	<u>0.00</u>	<u>0.62</u>	<u>0.30</u>	<u>0.57</u>	<u>0.64</u>	<u>0.84</u>
Total income from investment operations	0.10	0.06	0.03	0.95	0.57	0.55	0.63	0.88
Less: Distributions	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>(0.35)</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
Net Asset Value Per Share - Ending	<u>\$ 15.25</u>	<u>\$ 13.79</u>	<u>\$ 10.90</u>	<u>\$10.61</u>	<u>\$ 14.49</u>	<u>\$ 11.45</u>	<u>\$ 9.54</u>	<u>\$ 9.47</u>
Total Return	<u>0.68 %</u>	<u>0.48 %</u>	<u>0.24 %</u>	<u>6.03 %</u>	<u>4.03 %</u>	<u>5.02 %</u>	<u>7.01 %</u>	<u>10.31 %</u>
Ratio to Average Net Assets:								
Total expenses	<u>0.56 %</u>	<u>0.78 %</u>	<u>0.54 %</u>	<u>1.84 %</u>	<u>1.29 %</u>	<u>1.47 %</u>	<u>0.96 %</u>	<u>1.80 %</u>
Net investment income/(loss)	<u>0.73 %</u>	<u>1.91 %</u>	<u>0.32 %</u>	<u>3.30 %</u>	<u>1.87 %</u>	<u>(0.16)%</u>	<u>(0.11) %</u>	<u>0.46 %</u>

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, 2012. 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 FUNDS SAC LTD.

NOTES TO THE FINANCIAL STATEMENTS

AS OF DECEMBER 31, 2012

NOTE 12 - FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS

CREDIT AND LIQUIDITY RISK

The Company is potentially subject to both credit and liquidity risk, principally through its investments in securities. The Company'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 will not be paid in full. Credit risk is risk due to uncertainty in a counterparty's (also called an obligor's or creditor's) ability to meet its obligations.

MARKET RISK

Market risk arises primarily from uncertainty around the future prices of financial instruments held by the Company and represents the loss the Company might incur through holding such instruments in the face of price movements. The Investment Manager allocates the Company's portfolio of investments with a view to minimizing the risk associated with particular countries and industry sectors.

CURRENCY RISK

The investments of each Fund are denominated in the related base-currency thus minimizing currency risk. The investments of each Fund are exposed to changes in foreign exchange rates (currency risk) where gains or losses may exceed the related amounts recorded. The fair value may change based on the fluctuations in the exchange rate of these underlying currencies.

NOTE 13 - SUBSEQUENT EVENTS

Subsequent events through until June 28, 2013 have been evaluated by the Investment Manager. Subsequent to December 31, 2012 until May 20, 2013, the Company received the additional subscriptions and paid additional redemptions as follows:

Fund	Subscriptions	Redemptions
LOM Money Market Fund USD	\$USD 506,385	\$USD 6,287,625
LOM Money Market Fund CAD	\$CAD nil	\$CAD 2,528,718
LOM Money Market Fund - GBP	£GBP 2,504	£GBP 18,527
LOM Stable Income Fund	\$USD 10,327,998	\$USD 340,435
LOM Fixed Income Fund USD	\$USD 2,834,505	\$USD 7,308,748
LOM Fixed Income Fund EUR	€EUR 76,114	€EUR nil
LOM Balanced Fund	\$USD 238,008	\$USD 112,457
LOM Equity Growth Fund	\$USD 420,426	\$USD 333,738