

LOM FUNDS SAC LTD.
FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015

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 statements of assets and liabilities of LOM Funds SAC Ltd. (the "Company") which comprises 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 Fixed Income Fund GBP, LOM Equity Growth Fund and LOM Balanced Fund, including the condensed schedules of investments, as of December 31, 2015, and the related statements of operations and changes in net assets for the year then ended (all expressed in functional currency of each fund), with the exception of LOM Fixed Income Fund GBP which has been audited for the period from February 6, 2015 (date of inception) to December 31, 2015, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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 LOM Funds SAC Ltd as of December 31, 2015, 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 Ltd.

June 30, 2016

LOM FUNDS SAC LTD.

STATEMENTS OF ASSETS AND LIABILITIES

AS OF DECEMBER 31, 2015

	LOM Money Market Fund \$ USD	LOM Money Market Fund \$ CAD	LOM Money Market Fund £ GBP	LOM Stable Income Fund \$ USD
Assets				
Investments in securities, at fair value (cost - \$10,150,149, C\$11,085,705, £1,419,665, \$40,482,459)	10,100,625	11,041,656	1,422,169	40,844,540
Cash	944,373	303,973	2,883	7,016
Due from broker	-	-	-	116,368
Dividends receivable	-	-	-	51,619
Interest receivable	80,352	95,341	2,217	60,142
Prepaid and other assets	2,581	1,092	142	2,992
Total assets	11,127,931	11,442,062	1,427,411	41,082,677
Liabilities				
Dividend distribution payable	-	-	-	113,831
Management fees payable	12,670	14,515	632	164,027
Accounts payable and accrued liabilities	2,774	2,801	451	11,987
Total liabilities	15,444	17,316	1,083	289,845
Net assets	11,112,487	11,424,746	1,426,328	40,792,832

See the accompanying notes to the financial statements

LOM FUNDS SAC LTD.

STATEMENTS OF ASSETS AND LIABILITIES (CONTINUED)

AS OF DECEMBER 31, 2015

	LOM Fixed Income Fund \$ USD	LOM Fixed Income Fund €EUR	LOM Fixed Income Fund £ GBP	LOM Equity Growth Fund \$ USD	LOM Balanced Fund \$ USD
Assets					
Investments in securities, at fair value (cost - \$53,575,022, €722,160, £2,754,386, \$16,571,469, \$3,011,572)	52,276,227	702,528	2,668,220	18,959,114	3,420,638
Cash	605,160	26,678	70,231	34,514	65,370
Due from broker	-	-	-	-	-
Dividends receivable	-	-	-	8,793	-
Interest receivable	462,957	15,906	29,874	-	-
Prepaid and other assets	17,981	62	3,919	1,240	498
Total assets	53,362,325	745,174	2,772,244	19,003,661	3,486,506
Liabilities					
Dividend distribution payable	-	-	-	-	-
Management fees payable	143,378	-	6,470	102,369	6,135
Accounts payable and accrued liabilities	13,785	256	1,043	5,478	1,076
Total liabilities	157,163	256	7,513	107,847	7,211
Net assets	53,205,162	744,918	2,764,731	18,895,814	3,479,295

See the accompanying notes to the financial statements

LOM FUNDS SAC LTD.

CONDENSED SCHEDULES OF INVESTMENTS – LOM MONEY MARKET FUND USD

AS OF DECEMBER 31, 2015

Quantity		Cost \$ USD	Fair Value \$ USD	% of Net Assets
INVESTMENTS IN SECURITIES, AT FAIR VALUE				
CORPORATE BONDS				
	Australia			
	Financial			
750,000	Commonwealth Bank of Australia Float 11/01/16**	<u>756,378</u>	<u>753,631</u>	<u>6.8%</u>
	Canada			
	Financial **	<u>500,040</u>	<u>500,000</u>	<u>4.5%</u>
	France			
	Financial			
	Other**	501,920	501,380	4.5%
600,000	Societe Generale 3.5% 1/15/16**	<u>607,720</u>	<u>600,670</u>	<u>5.4%</u>
	France Total	<u>1,109,640</u>	<u>1,102,050</u>	<u>9.9%</u>
	Mexico			
	Communication			
600,000	America Movil SAB DE CV Float 9/12/16**	<u>602,272</u>	<u>602,063</u>	<u>5.4%</u>
	Netherlands			
	Communication **	504,670	503,149	4.6%
	Financial**	<u>507,790</u>	<u>503,176</u>	<u>4.5%</u>
	Netherlands Total	<u>1,012,460</u>	<u>1,006,325</u>	<u>9.1%</u>
	South Korea			
	Financial **	<u>501,025</u>	<u>500,151</u>	<u>4.5%</u>
	Spain			
	Communication **	<u>506,930</u>	<u>501,879</u>	<u>4.5%</u>

* Denotes an investment classified as Level 1

** Denotes an investment classified as Level 2

See the accompanying notes to the financial statements

LOM FUNDS SAC LTD.

CONDENSED SCHEDULES OF INVESTMENTS – LOM MONEY MARKET FUND USD (CONTINUED)

AS OF DECEMBER 31, 2015

	Cost \$ USD	Fair Value \$ USD	% of Net Assets
INVESTMENTS IN SECURITIES, AT FAIR VALUE (cont'd)			
CORPORATE BONDS (cont'd)			
United Kingdom			
Financial **	<u>504,940</u>	<u>504,151</u>	<u>4.5%</u>
United States			
Consumer, Cyclical **	905,501	894,550	8.1%
Consumer, Non-cyclical **	1,023,292	1,020,268	9.2%
Financial **	<u>2,220,021</u>	<u>2,210,966</u>	<u>19.9%</u>
United States Total	<u>4,148,814</u>	<u>4,125,784</u>	<u>37.2%</u>
CORPORATE BONDS Total	<u>9,642,499</u>	<u>9,596,034</u>	<u>86.4%</u>
GOVERNMENT BONDS			
Netherlands **	<u>507,650</u>	<u>504,591</u>	<u>4.5%</u>
Investments in Securities Total	<u>10,150,149</u>	<u>10,100,625</u>	<u>90.9%</u>

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See the accompanying notes to the financial statements

LOM FUNDS SAC LTD.

CONDENSED SCHEDULES OF INVESTMENTS – LOM MONEY MARKET FUND CAD

AS OF DECEMBER 31, 2015

Quantity		Cost \$ CAD	Fair Value \$ CAD	% of Net Assets
INVESTMENTS IN SECURITIES, AT FAIR VALUE				
CORPORATE BONDS				
Canada				
Consumer, Cyclical				
625,000	Toyota 2.25% 4/19/16 **	627,035	626,559	5.5%
	Other**	1,007,985	1,003,253	8.8%
	Financial **	5,835,378	5,822,661	50.9%
	Industrial **	1,519,120	1,505,475	13.2%
Utilities				
575,000	Hydro One Float 12/03/16 **	<u>576,012</u>	<u>575,766</u>	<u>5.0%</u>
	Canada Total	<u>9,565,530</u>	<u>9,533,714</u>	<u>83.4%</u>
Netherlands				
	Financial **	<u>503,790</u>	<u>501,329</u>	<u>4.4%</u>
United Kingdom				
	Financial **	<u>510,395</u>	<u>506,124</u>	<u>4.4%</u>
United States				
	Financial **	<u>505,990</u>	<u>500,489</u>	<u>4.4%</u>
	Investments in Securities Total	<u>11,085,705</u>	<u>11,041,656</u>	<u>96.6%</u>

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LOM FUNDS SAC LTD.

CONDENSED SCHEDULES OF INVESTMENTS – LOM MONEY MARKET FUND GBP

AS OF DECEMBER 31, 2015

Quantity		Cost £ GBP	Fair Value £ GBP	% of Net Assets
INVESTMENTS IN SECURITIES, AT FAIR VALUE				
CORPORATE BONDS				
	Australia			
	Financial			
200,000	Suncorp-Metway Float 10/06/17**	199,906	199,896	14.0%
	Canada			
	Financial			
100,000	National Bank of Canada Float 3/24/16**	100,009	99,991	7.0%
	France			
	Financial			
100,000	Banque Federative du Credit Mutuel SA Float 5/16/16**	100,313	100,186	7.0%
	United Kingdom			
	Financial			
100,000	Yorkshire Building Society Float 3/23/16**	<u>100,950</u>	<u>100,391</u>	<u>7.1%</u>
	CORPORATE BONDS Total	<u>501,178</u>	<u>500,464</u>	<u>35.1%</u>
GOVERNMENT BONDS				
	Germany			
87,000	KFW 1.75 1/22/16 **	<u>87,387</u>	<u>87,063</u>	<u>6.1%</u>
MUTUAL FUNDS				
	Ireland			
41	Fidelity Institutional Liquidity Fund – The Sterling Fund *	<u>831,100</u>	<u>834,642</u>	<u>58.5%</u>
	Investments in Securities Total	<u>1,419,665</u>	<u>1,422,169</u>	<u>99.7%</u>

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LOM FUNDS SAC LTD.

CONDENSED SCHEDULES OF INVESTMENTS – LOM STABLE INCOME FUND

AS OF DECEMBER 31, 2015

	Cost \$ USD	Fair Value \$ USD	% of Net Assets
INVESTMENTS IN SECURITIES, AT FAIR VALUE			
COMMON STOCK			
Australia			
Communications *	280,655	326,838	0.8%
Financial *	<u>465,545</u>	<u>417,243</u>	<u>1.0%</u>
Australia Total	<u>746,200</u>	<u>744,081</u>	<u>1.8%</u>
Bermuda			
Financial *	<u>100,624</u>	<u>106,159</u>	<u>0.3%</u>
Canada			
Communications *	<u>357,095</u>	<u>328,461</u>	<u>0.8%</u>
Germany			
Industrial *	<u>334,887</u>	<u>307,760</u>	<u>0.8%</u>
United Kingdom			
Consumer, Non-cyclical *	233,071	177,540	0.4%
Utilities *	<u>376,772</u>	<u>497,077</u>	<u>1.2%</u>
United Kingdom Total	<u>609,843</u>	<u>674,617</u>	<u>1.6%</u>
United States			
Communications *	893,609	885,210	2.2%
Consumer, Cyclical *	1,909,724	2,038,389	5.0%
Consumer, Non-cyclical *	2,130,335	2,428,080	5.9%
Energy *	1,016,493	804,301	2.0%
Financial *	3,271,530	3,036,005	7.4%
Industrial *	1,263,920	1,517,599	3.7%
Technology *	821,061	812,646	2.0%
Utilities *	<u>1,548,041</u>	<u>1,590,276</u>	<u>3.9%</u>
United States Total	<u>12,854,713</u>	<u>13,112,506</u>	<u>32.1%</u>
COMMON STOCK Total	<u>15,003,362</u>	<u>15,273,584</u>	<u>37.4%</u>

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LOM FUNDS SAC LTD.

CONDENSED SCHEDULES OF INVESTMENTS – LOM STABLE INCOME FUND (CONTINUED)

AS OF DECEMBER 31, 2015

	Cost \$ USD	Fair Value \$ USD	% of Net Assets
INVESTMENTS IN SECURITIES, AT FAIR VALUE (cont'd)			
CORPORATE BONDS			
Canada			
Basic Materials **	<u>301,802</u>	<u>298,410</u>	<u>0.7%</u>
United Kingdom			
Energy **	373,375	390,348	1.0%
Financial **	<u>406,156</u>	<u>420,682</u>	<u>1.0%</u>
United Kingdom Total	<u>779,531</u>	<u>811,030</u>	<u>2.0%</u>
United States			
Communications **	382,142	364,047	0.9%
Energy **	915,058	860,018	2.1%
Financial **	697,775	696,656	1.7%
Technology **	<u>556,650</u>	<u>479,974</u>	<u>1.2%</u>
United States Total	<u>2,551,625</u>	<u>2,400,695</u>	<u>5.9%</u>
CORPORATE BONDS Total	<u>3,632,958</u>	<u>3,510,135</u>	<u>8.6%</u>

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LOM FUNDS SAC LTD.

CONDENSED SCHEDULES OF INVESTMENTS – LOM STABLE INCOME FUND (CONTINUED)

AS OF DECEMBER 31, 2015

	Cost \$ USD	Fair Value \$ USD	% of Net Assets
INVESTMENTS IN SECURITIES, AT FAIR VALUE (cont'd)			
EXCHANGE TRADED FUNDS			
Australia *	482,899	397,814	1.0%
Ireland *	667,920	579,674	1.4%
United States *	<u>4,024,175</u>	<u>4,033,607</u>	<u>9.9%</u>
EXCHANGE TRADED FUNDS Total	<u>5,174,994</u>	<u>5,011,095</u>	<u>12.3%</u>
PREFERRED STOCK			
Bermuda			
Financial *	2,397,757	2,523,289	6.2%
Industrial *	<u>651,739</u>	<u>510,160</u>	<u>1.2%</u>
Bermuda Total	<u>3,049,496</u>	<u>3,033,449</u>	<u>7.4%</u>
United Kingdom			
Financial *	<u>301,141</u>	<u>310,200</u>	<u>0.8%</u>
United States			
Communications *	2,567,334	2,595,944	6.3%
Consumer, Cyclical *	500,500	493,500	1.2%
Energy *	250,250	207,200	0.5%
Financial *	7,058,163	7,252,105	17.8%
Technology *	393,813	425,968	1.1%
Utilities *	<u>2,550,448</u>	<u>2,731,360</u>	<u>6.7%</u>
United States Total	<u>13,320,508</u>	<u>13,706,077</u>	<u>33.6%</u>
PREFERRED STOCK Total	<u>16,671,145</u>	<u>17,049,726</u>	<u>41.8%</u>
Investments in Securities Total	<u>40,482,459</u>	<u>40,844,540</u>	<u>100.1%</u>

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See the accompanying notes to the financial statements

LOM FUNDS SAC LTD.

CONDENSED SCHEDULES OF INVESTMENTS – LOM FIXED INCOME FUND USD

AS OF DECEMBER 31, 2015

	Cost \$ USD	Fair Value \$ USD	% of Net Assets
INVESTMENTS IN SECURITIES, AT FAIR VALUE			
ASSET BACKED SECURITIES**			
Bermuda			
Diversified Pools **	<u>1,375,576</u>	<u>1,347,873</u>	<u>2.6%</u>
United States			
Diversified Pools **	<u>1,524,783</u>	<u>1,501,785</u>	<u>2.7%</u>
ASSET BACKED SECURITIES Total	<u>2,900,359</u>	<u>2,849,658</u>	<u>5.3%</u>
CORPORATE BONDS			
Australia			
Consumer, Cyclical **	690,822	681,289	1.2%
Financial **	<u>1,047,480</u>	<u>985,625</u>	<u>1.9%</u>
Australia Total	<u>1,738,302</u>	<u>1,666,914</u>	<u>3.1%</u>
Bermuda			
Financial **	<u>1,092,669</u>	<u>1,109,803</u>	<u>2.1%</u>
Canada			
Basic Materials **	577,932	571,952	1.1%
Financial **	<u>419,290</u>	<u>419,950</u>	<u>0.8%</u>
Canada Total	<u>997,222</u>	<u>991,902</u>	<u>1.9%</u>
Cayman Islands			
Consumer, Non-cyclical **	<u>959,121</u>	<u>945,430</u>	<u>1.8%</u>
China			
Communications **	1,000,575	1,000,490	1.9%
Energy **	<u>906,418</u>	<u>906,596</u>	<u>1.7%</u>
China Total	<u>1,906,993</u>	<u>1,907,086</u>	<u>3.6%</u>
Luxembourg			
Financial **	<u>1,004,916</u>	<u>972,998</u>	<u>1.8%</u>

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See the accompanying notes to the financial statements

LOM FUNDS SAC LTD.

CONDENSED SCHEDULES OF INVESTMENTS – LOM FIXED INCOME FUND USD (CONTINUED)

AS OF DECEMBER 31, 2015

	Cost \$ USD	Fair Value \$ USD	% of Net Assets
INVESTMENTS IN SECURITIES, AT FAIR VALUE (cont'd)			
CORPORATE BONDS (cont'd)			
Netherlands			
Energy **	985,354	867,948	1.6%
Financial **	<u>2,148,016</u>	<u>2,104,498</u>	<u>4.0%</u>
Netherlands Total	<u>3,133,370</u>	<u>2,972,446</u>	<u>5.6%</u>
South Korea			
Consumer, Non-cyclical **	716,884	717,379	1.3%
Energy **	<u>2,139,771</u>	<u>2,154,430</u>	<u>4.0%</u>
South Korea Total	<u>2,856,655</u>	<u>2,871,809</u>	<u>5.3%</u>
Switzerland			
Financial **	<u>2,101,013</u>	<u>1,995,206</u>	<u>3.8%</u>
United Kingdom			
Energy **	1,677,194	1,638,862	3.1%
Financial **	<u>2,104,656</u>	<u>2,072,453</u>	<u>3.9%</u>
United Kingdom Total	<u>3,781,850</u>	<u>3,711,315</u>	<u>7.0%</u>
United States			
Basic Materials **	1,220,451	1,123,588	2.1%
Communications **	4,733,805	4,642,721	8.7%
Consumer, Cyclical **	2,503,095	2,374,004	4.5%
Consumer, Non-cyclical **	2,673,089	2,520,829	4.7%
Energy **	2,102,048	1,801,371	3.4%
Financial **	2,717,492	2,543,770	4.8%
Industrial **	2,609,159	2,612,322	4.9%
Technology **	2,061,584	2,045,788	3.8%
Utilities **	<u>1,613,152</u>	<u>1,571,390</u>	<u>3.0%</u>
United States Total	<u>22,233,875</u>	<u>21,235,783</u>	<u>39.9%</u>
CORPORATE BONDS Total	<u>41,805,986</u>	<u>40,380,692</u>	<u>75.9%</u>

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LOM FUNDS SAC LTD.

CONDENSED SCHEDULES OF INVESTMENTS – LOM FIXED INCOME FUND USD (CONTINUED)

AS OF DECEMBER 31, 2015

	Cost \$ USD	Fair Value \$ USD	% of Net Assets
INVESTMENTS IN SECURITIES, AT FAIR VALUE (cont'd)			
GOVERNMENT BONDS			
Bermuda **	914,714	896,735	1.7%
South Korea **	<u>206,841</u>	<u>205,456</u>	<u>0.4%</u>
GOVERNMENT BONDS Total	<u>1,121,555</u>	<u>1,102,191</u>	<u>2.1%</u>
MORTGAGE BACKED SECURITIES			
Cayman Islands Diversified Pools **	<u>800,080</u>	<u>799,840</u>	<u>1.5%</u>
United States Diversified Pools **	<u>1,077,963</u>	<u>1,075,728</u>	<u>2.0%</u>
MORTGAGE BACKED SECURITIES Total	<u>1,878,043</u>	<u>1,875,568</u>	<u>3.5%</u>
MUNICIPAL BONDS			
United States **	<u>1,570,983</u>	<u>1,532,206</u>	<u>2.9%</u>
MUTUAL FUNDS			
Luxembourg *	<u>818,801</u>	<u>945,467</u>	<u>1.8%</u>
PREFERRED STOCK			
Bermuda Financial *	<u>1,070,940</u>	<u>1,157,085</u>	<u>2.2%</u>
United Kingdom Financial *	<u>956,430</u>	<u>952,920</u>	<u>1.8%</u>
United States Communications *	789,079	828,600	1.6%
Financial *	<u>662,846</u>	<u>651,840</u>	<u>1.2%</u>
United States Total	<u>1,451,925</u>	<u>1,480,440</u>	<u>2.8%</u>
PREFERRED STOCK Total	<u>3,479,295</u>	<u>3,590,445</u>	<u>6.8%</u>
Investments in Securities Total	<u>53,575,022</u>	<u>52,276,227</u>	<u>98.3%</u>

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See the accompanying notes to the financial statements

LOM FUNDS SAC LTD.

CONDENSED SCHEDULES OF INVESTMENTS – LOM FIXED INCOME FUND EUR

AS OF DECEMBER 31, 2015

Quantity		Cost €EUR	Fair Value €EUR	% of Net Assets
INVESTMENTS IN SECURITIES, AT FAIR VALUE				
CORPORATE BONDS				
	Belgium			
	Consumer, Non-cyclical			
50,000	Anheuser-Busch InBev NV 8.625% 1/30/17 **	<u>57,721</u>	<u>54,470</u>	<u>7.3%</u>
	France			
	Financial			
50,000	BNP Paribas 2.875% 10/24/22 **	<u>53,874</u>	<u>55,395</u>	<u>7.4%</u>
	Luxembourg			
	Basic Materials			
50,000	Glencore Finance Europe 5.25% 3/22/17 **	<u>56,231</u>	<u>49,190</u>	<u>6.6%</u>
	Netherlands			
	Consumer, Non-cyclical			
50,000	BMW Finance NV 1% 1/21/25 **	50,330	47,720	6.4%
50,000	Volkswagen Intl Fin NV 1.875% 5/15/17 **	51,769	50,550	6.8%
	Financial			
50,000	Cooperatieve Rabobank 3.75% 11/9/20 **	52,565	55,150	7.4%
	Industrial			
50,000	Siemens Financieringsmaatschappij NV 5.25% 9/14/66 **	<u>53,543</u>	<u>51,390</u>	<u>6.9%</u>
	Netherlands Total	<u>208,207</u>	<u>204,810</u>	<u>27.5%</u>
	Switzerland			
	Financial			
50,000	UBS AG 6% 4/18/18 **	<u>60,809</u>	<u>56,645</u>	<u>7.6%</u>

* Denotes an investment classified as Level 1

** Denotes an investment classified as Level 2

See the accompanying notes to the financial statements

LOM FUNDS SAC LTD.

CONDENSED SCHEDULES OF INVESTMENTS – LOM FIXED INCOME FUND EUR (CONTINUED)

AS OF DECEMBER 31, 2015

Quantity		Cost €EUR	Fair Value €EUR	% of Net Assets
INVESTMENTS IN SECURITIES, AT FAIR VALUE (cont'd)				
	United States			
	Financial			
50,000	Goldman Sachs 1.375% 7/26/22 **	51,281	50,450	6.8%
50,000	Morgan Stanley 4.5 2/23/16 **	<u>52,527</u>	<u>50,295</u>	<u>6.8%</u>
	United States Total	<u>103,808</u>	<u>100,745</u>	<u>13.6%</u>
	CORPORATE BONDS Total	<u>540,650</u>	<u>521,255</u>	<u>70.0%</u>
GOVERNMENT BONDS				
	Czech Republic			
50,000	Czech Republic 3.875% 5/24/22 **	56,240	60,160	8.1%
	South Korea			
50,000	Export-Import Bank of Korea 4.625% 2/20/17 **	<u>55,270</u>	<u>52,435</u>	<u>7.0%</u>
	GOVERNMENT BONDS Total	<u>111,510</u>	<u>112,595</u>	<u>15.1%</u>
MUTUAL FUNDS				
	Ireland			
4,678	PIMCO GIS - Euro Credit Fund **	<u>70,000</u>	<u>68,678</u>	<u>9.2%</u>
	Investments in Securities Total	<u>722,160</u>	<u>702,528</u>	<u>94.3%</u>

* Denotes an investment classified as Level 1

** Denotes an investment classified as Level 2

See the accompanying notes to the financial statements

LOM FUNDS SAC LTD.

CONDENSED SCHEDULES OF INVESTMENTS – LOM FIXED INCOME FUND GBP

AS OF DECEMBER 31, 2015

Quantity		Cost £ GBP	Fair Value £ GBP	% of Net Assets
INVESTMENTS IN SECURITIES, AT FAIR VALUE				
CORPORATE BONDS				
	Australia			
	Financial **	<u>103,334</u>	<u>101,340</u>	<u>3.7%</u>
	France			
	Consumer, Cyclical **	<u>101,048</u>	<u>100,250</u>	<u>3.6%</u>
	Netherlands			
	Consumer, Cyclical			
200,000	BMW Finance NV 1.75% 11/20/17 **	204,207	200,900	7.3%
200,000	Daimler International Finance BV 3.5% 6/6/19 **	216,837	210,180	7.6%
300,000	Volkswagen Financial Services NV 2.625% 7/22/19 **	<u>314,008</u>	<u>295,950</u>	<u>10.7%</u>
	Netherlands Total	<u>735,052</u>	<u>707,030</u>	<u>25.6%</u>
	Spain			
	Communications			
200,000	Telefonica Emisiones SAU 5.597% 3/12/20 **	<u>225,880</u>	<u>220,220</u>	<u>8.0%</u>
	Sweden			
	Utilities			
300,000	Vattenfall AB 6.125% 12/16/19 **	<u>360,244</u>	<u>342,060</u>	<u>12.4%</u>
	United Kingdom			
	Consumer, Cyclical **	102,363	100,820	3.6%
	Consumer, Non-cyclical **	106,615	103,630	3.7%
	Financial			
300,000	Society of Lloyd's 4.75% 10/30/24 **	312,040	308,460	11.2%
300,000	Canary Wharf Finance II PLC 5.952% 1/22/35 **	369,040	360,270	13.0%
	Industrial			
200,000	Heathrow Funding Ltd. 6.25% 9/10/18 **	228,317	219,120	7.9%
	Utilities **	<u>110,453</u>	<u>105,020</u>	<u>3.8%</u>
	United Kingdom Total	<u>1,228,828</u>	<u>1,197,320</u>	<u>43.2%</u>
	Investments in Securities Total	<u>2,754,386</u>	<u>2,668,220</u>	<u>96.5%</u>

* Denotes an investment classified as Level 1

** Denotes an investment classified as Level 2

See the accompanying notes to the financial statements

LOM FUNDS SAC LTD.

CONDENSED SCHEDULES OF INVESTMENTS – LOM EQUITY GROWTH FUND

AS OF DECEMBER 31, 2015

	Cost \$ USD	Fair Value \$ USD	% of Net Assets
INVESTMENTS IN SECURITIES, AT FAIR VALUE			
COMMON STOCK			
Germany			
Consumer, Cyclical *	167,935	242,585	1.3%
Financial *	217,858	178,710	0.9%
Industrial *	<u>210,048</u>	<u>192,350</u>	<u>1.0%</u>
Germany Total	<u>595,841</u>	<u>613,645</u>	<u>3.2%</u>
Ireland			
Technology *	<u>302,849</u>	<u>418,000</u>	<u>2.2%</u>
South Korea			
Technology *	<u>222,622</u>	<u>212,600</u>	<u>1.1%</u>
Switzerland			
Consumer, Non-cyclical *	<u>246,246</u>	<u>291,245</u>	<u>1.5%</u>
United States			
Communications *	1,679,041	2,076,556	11.0%
Consumer, Cyclical *	2,242,149	2,727,864	14.5%
Consumer, Non-cyclical *	3,152,935	3,800,099	20.1%
Energy *	783,097	651,683	3.5%
Financial *	987,978	1,463,083	7.7%
Industrial *	1,039,174	1,201,370	6.4%
Technology *	<u>1,177,115</u>	<u>1,178,318</u>	<u>6.2%</u>
United States Total	<u>11,061,489</u>	<u>13,098,973</u>	<u>69.4%</u>
COMMON STOCK Total	<u>12,429,047</u>	<u>14,634,463</u>	<u>77.4%</u>

* Denotes an investment classified as Level 1

** Denotes an investment classified as Level 2

See the accompanying notes to the financial statements

LOM FUNDS SAC LTD.

CONDENSED SCHEDULES OF INVESTMENTS – LOM EQUITY GROWTH FUND (CONTINUED)

AS OF DECEMBER 31, 2015

	Cost \$ USD	Fair Value \$ USD	% of Net Assets
INVESTMENTS IN SECURITIES, AT FAIR VALUE (cont'd)			
EXCHANGE TRADED FUNDS			
United States *	<u>3,942,222</u>	<u>4,119,211</u>	<u>21.8%</u>
PREFERRED STOCK*			
Bermuda			
Financial*	<u>200,200</u>	<u>205,440</u>	<u>1.1%</u>
Investments in Securities Total	<u>16,571,469</u>	<u>18,959,114</u>	<u>100.3%</u>

* Denotes an investment classified as Level 1

** Denotes an investment classified as Level 2

See the accompanying notes to the financial statements

LOM FUNDS SAC LTD.

CONDENSED SCHEDULES OF INVESTMENTS – LOM BALANCED FUND

AS OF DECEMBER 31, 2015

Quantity		Cost \$ USD	Fair Value \$ USD	% of Net Assets
INVESTMENTS IN SECURITIES, AT FAIR VALUE				
EXCHANGE TRADED FUNDS				
	United States*	<u>536,539</u>	<u>518,075</u>	<u>14.9%</u>
MUTUAL FUNDS				
Bermuda				
159,114	LOM Equity Growth Fund	1,514,112	1,825,670	52.4%
58,927	LOM Stable Income Fund	<u>604,217</u>	<u>620,087</u>	<u>17.8%</u>
	Bermuda Total	<u>2,118,329</u>	<u>2,445,757</u>	<u>70.2%</u>
	China **	<u>94,869</u>	<u>151,890</u>	<u>4.4%</u>
Luxembourg				
6,317	Franklin Templeton Global Return *	149,603	174,369	5.0%
	Other *	52,232	72,541	2.1%
	Other **	<u>60,000</u>	<u>58,006</u>	<u>1.7%</u>
	Luembourg Total	<u>261,835</u>	<u>304,916</u>	<u>8.8%</u>
	MUTUAL FUNDS Total	<u>2,475,033</u>	<u>2,902,563</u>	<u>83.4%</u>
	Investment in Securities Total	<u>3,011,572</u>	<u>3,420,638</u>	<u>98.3%</u>

* Denotes an investment classified as Level 1

** Denotes an investment classified as Level 2

See the accompanying notes to the financial statements

LOM FUNDS SAC LTD.

STATEMENTS OF OPERATIONS

FOR THE YEAR ENDED DECEMBER 31, 2015

	LOM Money Market Fund	LOM Money Market Fund	LOM Money Market Fund	LOM Stable Income Fund
	\$ USD	\$ CAD	£ GBP	\$ USD
Investment income				
Interest income	296,841	266,423	7,025	156,070
Dividends, net of withholding taxes (\$0, C\$0, £0, \$260,152)	-	-	-	1,740,754
Total investment income	296,841	266,423	7,025	1,896,824
Expenses				
Interest expense	-	434	-	-
Management fee	64,310	64,095	5,617	616,276
Audit fees	9,399	7,329	246	29,317
Miscellaneous expenses	23,127	24,437	7,461	91,486
Total expenses	96,836	96,295	13,324	737,079
Management fees waived	(17,560)	(2,795)	(2,281)	-
Net expenses	79,276	93,500	11,043	737,079
Net investment income/(loss)	217,565	172,923	(4,018)	1,159,745
Realized and unrealized gain/(loss) on investments				
Net realized gain/(loss) on investments	(246,704)	(125,890)	7,486	(1,256,415)
Net change in unrealized appreciation/ (depreciation) on investments	35,226	(24,966)	984	(1,591,831)
Net realized and unrealized gain/(loss) on investments	(211,478)	(150,856)	8,470	(2,848,246)
Net increase/(decrease) in net assets resulting from operations	6,087	22,067	4,452	(1,688,501)

See the accompanying notes to the financial statements

LOM FUNDS SAC LTD.

STATEMENTS OF OPERATIONS (CONTINUED)

FOR THE YEAR ENDED DECEMBER 31, 2015

	LOM Fixed Income Fund \$ USD	LOM Fixed Income Fund €EUR	LOM Fixed Income Fund £ GBP	LOM Equity Growth Fund \$ USD	LOM Balanced Fund \$ USD
Investment income					
Interest income	1,779,358	6,514	157,977	364	108
Dividends, net of withholding taxes (\$0, €0, £0, \$123,765, \$2,369)	307,743	-	-	373,203	30,473
Total Investment income	2,087,101	6,514	157,977	373,567	30,581
Expenses					
Interest expense	-	42	4,389	1,137	636
Management fees	540,006	4,710	38,502	391,739	24,258
Audit fees	26,634	1,017	811	8,640	3,026
Miscellaneous expenses	109,321	1,579	12,163	44,334	15,750
Total expenses	675,961	7,348	55,865	445,850	43,670
Management fees waived	-	-	-	-	-
Net expenses	675,961	7,348	55,865	445,850	43,670
Net investment income/(loss)	1,411,140	(834)	102,112	(72,283)	(13,089)
Realized and unrealized gain/(loss) on investments					
Net realized gain/(loss) on investments	(638,854)	19,091	(108,429)	(388,515)	12,767
Net change in unrealized appreciation/ (depreciation) on investments	(847,752)	(29,674)	(86,166)	(636,984)	(228,050)
Net realized and unrealized gain/(loss) on investments	(1,486,606)	(10,583)	(194,595)	(1,025,499)	(215,283)
Net increase/(decrease) in net assets resulting from operations	(75,466)	(11,417)	(92,483)	(1,097,782)	(228,372)

See the accompanying notes to the financial statements

LOM FUNDS SAC LTD.

STATEMENTS OF CHANGES IN NET ASSETS

FOR THE YEAR ENDED DECEMBER 31, 2015

	LOM Money Market Fund	LOM Money Market Fund	LOM Money Market Fund	LOM Stable Income Fund
	\$ USD	\$ CAD	£ GBP	\$ USD
Net increase/(decrease) in net assets resulting from operations				
Net investment income/(loss)	217,565	172,923	(4,018)	1,159,745
Net realized gain/(loss) on investments	(246,704)	(125,890)	7,486	(1,256,415)
Net change in unrealized appreciation/ (depreciation) on investments	35,226	(24,966)	984	(1,591,831)
Net increase/(decrease) in net assets resulting from operations	6,087	22,067	4,452	(1,688,501)
Capital share transactions				
Issuance of non-restricted, voting Participating Shares	5,746,240	22,430,114	541,978	11,530,272
Redemption of non-restricted, voting Participating Shares	(8,387,600)	(19,230,829)	(6,050,902)	(3,376,854)
Dividends	-	-	-	(1,328,195)
Net increase/(decrease) in net assets from capital share transactions	(2,641,360)	3,199,285	(5,508,924)	6,825,223
Net increase/(decrease) in net assets during the year	(2,635,273)	3,221,352	(5,504,472)	5,136,722
Net assets at beginning of year	13,747,760	8,203,394	6,930,800	35,656,110
Net assets at end of year	11,112,487	11,424,746	1,426,328	40,792,832

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, 2015

	LOM Fixed Income Fund	LOM Fixed Income Fund	LOM Fixed Income Fund	LOM Equity Growth Fund	LOM Balanced Fund
	\$ USD	€EUR	£ GBP	\$ USD	\$ USD
Net increase/(decrease) in net assets resulting from operations					
Net investment income/(loss)	1,411,140	(834)	102,112	(72,283)	(13,089)
Net realized gain/(loss) on investments	(638,854)	19,091	(108,429)	(388,515)	12,767
Net change in unrealized appreciation/ (depreciation) on investments	(847,752)	(29,674)	(86,166)	(636,984)	(228,050)
Net increase/(decrease) in net assets resulting from operations	(75,466)	(11,417)	(92,483)	(1,097,782)	(228,372)
Capital share transactions					
Issuance of non-restricted, voting Participating Shares	7,821,146	456,039	7,812,745	3,856,399	227,357
Redemption of non-restricted, voting Participating Shares	(6,250,921)	(361,022)	(4,955,531)	(2,561,696)	(590,141)
Dividends	-	-	-	-	-
Net increase/(decrease) in net assets from capital share transactions	1,570,225	95,017	2,857,214	1,294,703	(362,784)
Net increase/(decrease) in net assets during the year	1,494,759	83,600	2,764,731	196,921	(591,156)
Net assets at beginning of year	51,710,403	661,318	-	18,698,893	4,070,451
Net assets at end of year	53,205,162	744,918	2,764,731	18,895,814	3,479,295

See the accompanying notes to the financial statements

LOM FUNDS SAC LTD.

NOTES TO THE FINANCIAL STATEMENTS

AS OF DECEMBER 31, 2015

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 names of the segregated accounts each, a “Segregated Account,” collectively (the “Funds”) 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 Fixed Income Fund GBP
- LOM Equity Growth Fund
- LOM Balanced 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, 2015, there were nine 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.

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.

LOM FUNDS SAC LTD.

NOTES TO THE FINANCIAL STATEMENTS

AS OF DECEMBER 31, 2015

NOTE 1 - NATURE OF THE COMPANY (CONTINUED)

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 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 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 investment objective of the LOM Fixed Income Fund GBP 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 UK and European regions.

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 Growth Fund invests primarily in the quoted equities of larger capitalisation global companies and in exchange traded funds.

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.

Each Segregated Account 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 4). 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, 2015

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, 2015

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, and are reported in the accompanying statements 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 and LOM Fixed Income 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.

CONDENSED SCHEDULES OF INVESTMENTS

The accompanying condensed schedules of investments presents the investments by country. The industry classifications included in the condensed schedules 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, 2015

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

RECENTLY ISSUED ACCOUNTING PRONOUNCEMENTS

In January 2016, the FASB issued Accounting Standards Update No. 2016-01, Recognition and Measurement of Financial Assets and Financial Liabilities (“ASU 2016-01”). The update contains limited amendments to the guidance in U.S. GAAP on the classification and measurement of financial instruments. The new standard revises and entity’s accounting related to (1) the classification and measurement of investments in equity securities and (2) the presentation of certain fair value changes for financial liabilities measured at fair value. It also amends certain disclosure requirements associated with the fair value of financial instruments. ASU 2016-01 is effective for annual reporting periods beginning after December 15, 2018. The Fund has reviewed the requirements of ASU 2016-01 and is currently evaluating the impact on the financial statements of the Company.

In May 2015, the FASB issued Accounting Standards Update 2015-07: Disclosures for Investments in Certain Entities That Calculate Net Asset Value per Share (or Its Equivalent) (“ASU 2015-07”). The amendments in this update remove the requirement to categorize within the fair value hierarchy all investments for which fair value is measured using the practical expedient. The amendments also remove the requirement to make certain disclosures for all investments that are eligible to be measured at fair value using the practical expedient. Rather, those disclosures are limited to investments for which the entity has elected to measure the fair value using that practical expedient. Under ASU 2015-07, the Company is permitted to exclude from ASC 820 leveling table and Level 3 rollforward table any investments that are valued at their unadjusted ending NAV. ASU 2015-07 is effective for annual reporting periods ending after December 15, 2016. Management has decided to early adopt ASU 2015-07.

In August 2014, the FASB issued ASU 2014-14, Presentation of Financial Statements (Subtopic 205-40): Going Concern (“ASU 2014-14”). The update provides guidance on management’s responsibility in evaluating whether there is substantial doubt about a Fund’s ability to continue as a going concern and about the related disclosures. For each reporting period, amangement will be required to evaluate whether there are conditions or events that raise substantial doubt about a fund or company’s ability to conitnue as a going conern within on year from the date the financial statements are issued. ASU 2014-14 is effective for annual reporting periods ending after December 15, 2016. Management has reviewed the requirements of ASU 2014-14 and there will be no impact on the financial statements of the Company.

LOM FUNDS SAC LTD.

NOTES TO THE FINANCIAL STATEMENTS

AS OF DECEMBER 31, 2015

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, non-U.S. government debt, 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.
- 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.

LOM FUNDS SAC LTD.

NOTES TO THE FINANCIAL STATEMENTS

AS OF DECEMBER 31, 2015

NOTE 3 - FAIR VALUE MEASUREMENTS (CONTINUED)

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

The following are the Company's major categories of assets measured at fair value as of December 31, 2015:

Description	Level 1	Level 2	Level 3	Total
LOM Money Market Fund USD:	\$ USD	\$ USD	\$ USD	\$ USD
Corporate Bonds	-	9,596,034	-	9,596,034
Government Bonds	-	504,591	-	504,591
Total Investment Assets	-	10,100,625	-	10,100,625

Description	Level 1	Level 2	Level 3	Total
LOM Money Market Fund CAD:	\$ CAD	\$ CAD	\$ CAD	\$ CAD
Corporate Bonds	-	11,041,656	-	11,041,656
Total Investment Assets	-	11,041,656	-	11,041,656

Description	Level 1	Level 2	Level 3	Total
LOM Money Market Fund GBP:	£ GBP	£ GBP	£ GBP	£ GBP
Corporate Bonds	-	500,464	-	500,464
Government Bonds	-	87,063	-	87,063
Mutual Funds	834,642	-	-	834,642
Total Investment Assets	834,642	587,527	-	1,422,169

LOM FUNDS SAC LTD.

NOTES TO THE FINANCIAL STATEMENTS

AS OF DECEMBER 31, 2015

NOTE 3 - FAIR VALUE MEASUREMENTS (CONTINUED)

Description	Level 1	Level 2	Level 3	Total
LOM Stable Income Fund:	\$ USD	\$ USD	\$ USD	\$ USD
Common Stock	15,273,584	-	-	15,273,584
Corporate Bonds	-	3,510,135	-	3,510,135
Exchange Traded Funds	5,011,095	-	-	5,011,095
Preferred Stock	17,049,726	-	-	17,049,726
Total Investment Assets	37,334,405	3,510,135	-	40,844,540

Description	Level 1	Level 2	Level 3	Total
LOM Fixed Income Fund USD:	\$ USD	\$ USD	\$ USD	\$ USD
Asset Backed Securities	-	2,849,658	-	2,849,658
Corporate Bonds	-	40,380,692	-	40,380,692
Government Bonds	-	1,102,191	-	1,102,191
Mortgage Backed Securities	-	1,875,568	-	1,875,568
Municipal Bonds	-	1,532,206	-	1,532,206
Mutual Funds	945,467	-	-	945,467
Preferred Stock	3,590,445	-	-	3,590,445
Total Investment Assets	4,535,912	47,740,315	-	52,276,227

Description	Level 1	Level 2	Level 3	Total
LOM Fixed Income Fund EUR:	€EUR	€EUR	€EUR	€EUR
Corporate Bonds	-	521,255	-	521,255
Government Bonds	-	112,595	-	112,595
Mutual Funds	-	68,678	-	68,678
Total Investment Assets	-	702,528	-	702,528

Description	Level 1	Level 2	Level 3	Total
LOM Fixed Income Fund GBP:	£ GBP	£ GBP	£ GBP	£ GBP
Corporate Bonds	-	2,668,220	-	2,668,220
Total Investment Assets	-	2,668,220	-	2,668,220

Description	Level 1	Level 2	Level 3	Total
LOM Equity Growth Fund:	\$ USD	\$ USD	\$ USD	\$ USD
Common Stock	14,634,463	-	-	14,634,463
Exchange Traded Funds	4,119,211	-	-	4,119,211
Preferred Stock	205,440	-	-	205,440
Total Investment Assets	18,959,114	-	-	18,959,114

LOM FUNDS SAC LTD.

NOTES TO THE FINANCIAL STATEMENTS

AS OF DECEMBER 31, 2015

NOTE 3 - FAIR VALUE MEASUREMENTS (CONTINUED)

Description	Level 1	Level 2	Level 3	Total
	\$ USD	\$ USD	\$ USD	\$ USD
LOM Balanced Fund:				
Exchange Traded Funds	518,075	-	-	518,075
Mutual Funds	246,910	209,896	-	456,806
Investments measured at net asset value*	-	-	-	2,445,757
Total Investment Assets	764,985	209,896		3,420,638

* In accordance with Subtopic 820-10, certain investments that are measured at fair value using the net asset value per share (or its equivalent) practical expedient have not been classified in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the statement of financial position. Please refer to Note 2. Industry classifications for these securities are detailed in the respective Condensed Schedules of Investments. 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, 2015.

The Company, in its normal course of investing and trading activities, enters into exchange traded equity option contracts. Changes in fair value are included as realized gains (losses) or net change in unrealized gains (losses) on investments and options written within the statements of operations. Details for the respective Segregated Account are noted below for the year ended December 31, 2015.

LOM Stable Income Fund

There were \$(10,278) of realized losses on option contracts from 645 option contracts written and \$Nil in change in unrealized losses on options.

LOM Fixed Income Fund USD

There were \$(111,060) of realized losses on option contracts from 420 option contracts written and \$Nil in change in unrealized gains on options.

LOM Equity Growth Fund

There were \$72,034 of realized gains on option contracts from 1,773 option contracts written and \$Nil in change in unrealized gains on options.

LOM Balanced Fund

There were \$915 of realized gains on option contracts from 10 option contracts written and \$Nil in change in unrealized gains on options.

LOM FUNDS SAC LTD.

NOTES TO THE FINANCIAL STATEMENTS

AS OF DECEMBER 31, 2015

VALUATION TECHNIQUES

EQUITY SECURITIES (COMMON STOCKS, MUTUAL FUNDS, PREFERRED STOCKS 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.

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.

LOM FUNDS SAC LTD.

NOTES TO THE FINANCIAL STATEMENTS

AS OF DECEMBER 31, 2015

NOTE 3 - FAIR VALUE MEASUREMENTS (CONTINUED)

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.

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, 2015

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, 2015

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, 2015.

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 Fixed Income Fund GBP	GBP £10,000	GBP £1
LOM Equity Growth Fund	USD \$10,000	USD \$1
LOM Balanced 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, 2015

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 Fixed Income Fund GBP	GBP £10,000
LOM Equity Growth Fund	USD \$10,000
LOM Balanced 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, 2015

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, 2015 were as follows:

	Balance December 31, 2014	Shares Issued	Shares Redeemed	Balance December 31, 2015
Fund:				
LOM Money Market Fund USD	975,968	407,871	(595,320)	788,519
LOM Money Market Fund CAD	589,220	1,610,121	(1,380,146)	819,195
LOM Money Market Fund GBP	635,559	49,662	(554,586)	130,635
LOM Stable Income Fund	3,159,735	1,023,090	(306,213)	3,876,612
LOM Fixed Income Fund USD	3,503,190	523,867	(419,370)	3,607,687
LOM Fixed Income Fund EUR	55,797	38,455	(30,500)	63,752
LOM Fixed Income Fund GBP	-	781,505	(500,738)	280,767
LOM Equity Growth Fund	1,542,921	316,674	(212,751)	1,646,844
LOM Balanced Fund	380,326	21,268	(54,712)	346,882

LOM FUNDS SAC LTD.

NOTES TO THE FINANCIAL STATEMENTS

AS OF DECEMBER 31, 2015

NOTE 5 - RELATED PARTY TRANSACTIONS

MANAGEMENT AND PUBLISHING FEES

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	Annual 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%	0.01%	\$48,036	\$12,764
LOM Money Market Fund CAD	0.50%	0.01%	CAD\$62,582	CAD\$14,615
LOM Money Market Fund GBP	0.50%	0.01%	£3,710	£646
LOM Stable Income Fund	1.50%	0.04%	\$633,325	\$165,542
LOM Fixed Income Fund USD	1.00%	0.02%	\$550,856	\$144,373
LOM Fixed Income Fund EUR	1.00%	0.02%	€1,858	€14
LOM Fixed Income Fund GBP	1.00%	0.02%	£39,529	£6,526
LOM Equity Growth Fund	2.00%	0.04%	\$399,655	\$103,082
LOM Balanced Fund	0.65%	0.04%	\$25,751	\$6,265

Publishing fees are included in miscellaneous expense on the Statements of Operations. Publishing fees payable are included in accounts payable and accrued liabilities on the Statements of Assets and Liabilities.

LOM FUNDS SAC LTD.

NOTES TO THE FINANCIAL STATEMENTS

AS OF DECEMBER 31, 2015

NOTE 5 - RELATED PARTY TRANSACTIONS (CONTINUED)

CUSTODIAN FEES

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 2015, 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	\$5,266	\$843
LOM Money Market Fund CAD	CAD\$5,236	CAD\$890
LOM Money Market Fund GBP	£1,586	£170
LOM Stable Income Fund	\$16,282	\$3,281
LOM Fixed Income Fund USD	\$21,578	\$4,301
LOM Fixed Income Fund EUR	€96	€59
LOM Fixed Income Fund GBP	£2,109	£244
LOM Equity Growth Fund	\$7,894	\$1,536
LOM Balanced Fund	\$1,566	\$284

Custodian fees are included in miscellaneous expenses on the Statements of Operations. Custodian fees payable are included in accounts payable and accrued liabilities on the Statements 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 0.10% 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 2015, administration fees amounted to \$171,619.

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, 2015

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, Treasury futures and options on Treasury futures. 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 condensed schedules 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, 2015

NOTE 11 - FINANCIAL HIGHLIGHTS

Financial highlights for the year ended December 31, 2015 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 Fixed Income Fund GBP***	LOM Equity Growth Fund	LOM Balanced Fund
	\$USD	\$CAD	£GBP	\$USD	\$USD	€EUR	£GBP	\$USD	\$ USD
Per Share Operating Performance:									
Net asset value per share – beginning	<u>\$14.09</u>	<u>C\$13.92</u>	<u>£10.91</u>	<u>\$11.28</u>	<u>\$14.76</u>	<u>€1.85</u>	<u>\$10.00</u>	<u>\$12.12</u>	<u>\$10.70</u>
Net investment income/(loss)*	0.24	0.20	(0.01)	0.32	0.39	(0.01)	0.22	(0.04)	(0.04)
Net realized and unrealized gain/(loss) on investments	<u>(0.24)</u>	<u>(0.17)</u>	<u>0.02</u>	<u>(0.72)</u>	<u>(0.40)</u>	<u>(0.16)</u>	<u>(0.37)</u>	<u>(0.61)</u>	<u>(0.63)</u>
Total income from investment operations	0.00	0.03	0.01	(0.40)	(0.01)	(0.17)	(0.15)	(0.65)	(0.67)
Less: Distributions	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>(0.36)</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
Net Asset Value Per Share - Ending	<u>\$14.09</u>	<u>C\$13.95</u>	<u>£10.92</u>	<u>\$10.52</u>	<u>\$14.75</u>	<u>11.68</u>	<u>9.85</u>	<u>11.47</u>	<u>10.03</u>
Total Return	<u>0.00%</u>	<u>0.17%</u>	<u>0.12%</u>	<u>(3.58%)</u>	<u>(0.09%)</u>	<u>(1.41%)</u>	<u>(1.53%)</u>	<u>(5.36%)</u>	<u>(6.28%)</u>
Ratio to Average Net Assets:									
Total expenses**	<u>0.61%</u>	<u>0.75%</u>	<u>0.28%</u>	<u>1.81%</u>	<u>1.26%</u>	<u>1.00%</u>	<u>1.12%</u>	<u>2.28%</u>	<u>1.17%</u>
Net investment income/(loss)**	<u>1.68%</u>	<u>1.39%</u>	<u>(0.10%)</u>	<u>(0.41%)</u>	<u>2.62%</u>	<u>(0.11%)</u>	<u>2.05%</u>	<u>(0.37%)</u>	<u>(0.35%)</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, 2015. Interest and dividend income from underlying funds, if any, is included in the net realized and unrealized gain on investment in the accompanying statements of operations and is not included in the net investment loss.

* Net of waived management fees as noted on the Statements of Operations.

** Includes waived management fees of 0.14%, 0.02% and 0.06% for LOM Money Market Fund USD, LOM Money Market Fund CAD and LOM Money Market Fund GBP respectively.

*** Launched on February 6, 2015, annualized for the period less than 1 year.

LOM FUNDS SAC LTD.

NOTES TO THE FINANCIAL STATEMENTS

AS OF DECEMBER 31, 2015

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 15, 2016 have been evaluated by the Investment Manager. The Company established a new Segregated Account in January 2016, LOM Emerging Market Fund.

Subsequent to December 31, 2015 until June 15, 2016, the Company received the additional subscriptions and paid additional redemptions as follows:

Fund	Subscriptions	Redemptions
LOM Money Market Fund USD	\$USD 1,499,281	\$USD 355,196
LOM Money Market Fund CAD	\$CAD 940,701	\$CAD 1,540,486
LOM Money Market Fund GBP	£GBP 18,082	£GBP 31,610
LOM Stable Income Fund	\$USD 2,250,387	\$USD 2,820,150
LOM Fixed Income Fund USD	\$USD 5,516,381	\$USD 2,112,811
LOM Fixed Income Fund EUR	€EUR Nil	€EUR 59,199
LOM Fixed Income Fund GBP	£GBP 62,512	£GBP 41,317
LOM Equity Growth Fund	\$USD 739,475	\$USD 961,579
LOM Balanced Fund	\$USD 63,373	\$USD 156,740