LEON Global Hedge Fund

RAIF V.C.I.C. PLC

September 2023

EUR-hedged share class | NAV per share: 947.21

LEON MFO Investments

The Fund's objective is to generate consistent uncorrelated returns from investments in a diversified portfolio of hedge funds. The Fund employs a flexible absolute return strategy, with about 65% of the portfolio invested in short-term liquid Private Credit strategies with strong collaterals, and the remainder in Arbitrage and other uncorrelated strategies. The Fund prioritizes niche opportunities with direct institutional-level access to managers, building on a vast network accumulated since 2009.

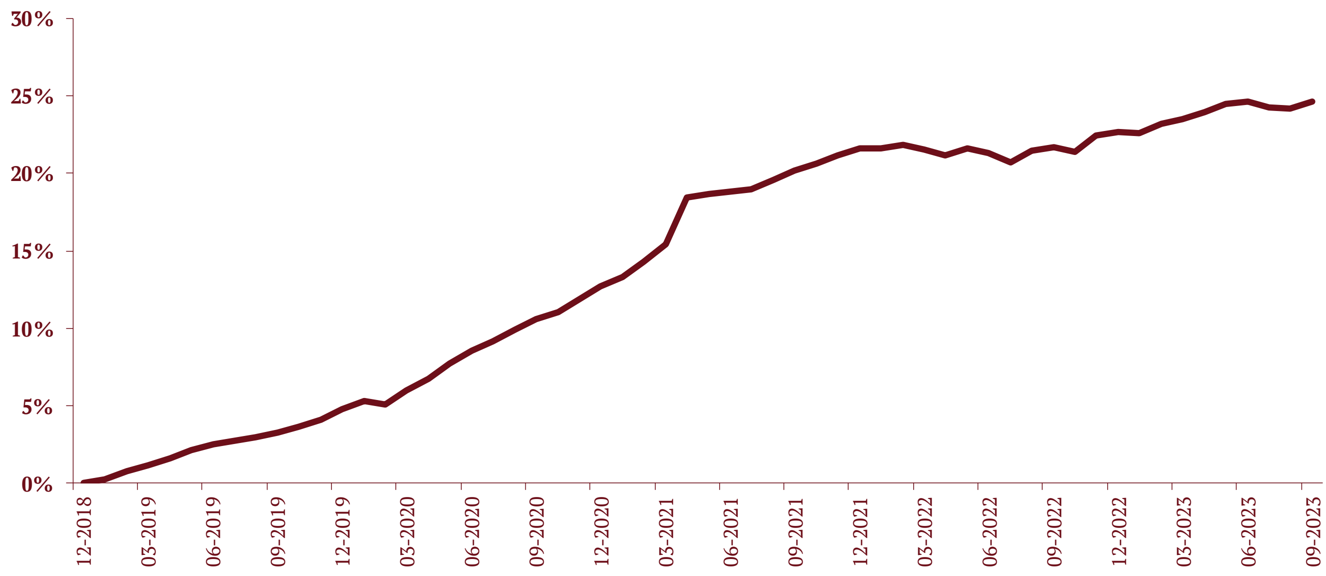
Target Portfolio Attributes

Number of positions:	15-25
Position Limit:	<10% per position
Manager Limit:	<12% per manager
Strategy Class Limit:	<20% per strategy class >50% Liquid Private Credit strategies
Leverage:	None

Fund Terms

Legal form	Cyprus-domiciled RAIF, V.C.I.C.
Share classes	B: USD (CYF000002362, LEGHRVB CY) A: EUR (CYF000002354, LEGHRVA CY)
Min Investment	EUR 250'000 / USD 300'000
Subscriptions/NAV	Monthly
Redemptions	Quarterly, with 95 calendar days notice Max. 25% of investor's position per quarter
Launch date	March 2023 (class A: EUR)
Fund manager	LEON MFO Investments Limited (regulated by CySEC, License No. AIFM 37/56/2013)
Depositary	EFG Luxembourg
Fund Admin	PricewaterhouseCoopers
Fees	Management fee: 1,0% of AUM p.a. Perf. fee: 10% (3% hurdle, HWM)
Other expenses	0,3% of AUM p.a. (depositary and fund administration)

Net Performance, EUR FX-hedged*



Net Performance, EUR FX-Hedged*

%	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	**YTD**	**Since incept.**
2023	-0.0	0.4	0.3	0.4	0.4	0.1	-0.3	-0.1	0.4 **				**1.6**	**24.6**
2022	0.0	0.1	-0.3	-0.3	0.4	-0.3	-0.5	0.6	0.2	-0.3	0.9	0.2	**0.8**	**22.6**
2021	0.5	0.9	1.0	2.6	0.2	0.1	0.1	0.5	0.5	0.3	0.4	0.4	**7.9**	**21.6**
2020	0.5	-0.2	0.9	0.7	0.9	0.8	0.5	0.7	0.6	0.4	0.8	0.7	**7.5**	**12.7**
2019	0.3	0.6	0.3	0.5	0.5	0.4	0.2	0.2	0.3	0.4	0.5	0.7	**4.8**	**4.8**

* Before May 2022: Net of fees EUR performance of a discretionary strategy managed by the Fund's team on individual accounts since December 2018. Starting from June 2022: The audited net track record of LEON Global Hedge Fund RAIF, class B (USD), less modeled cost of hedge from USD to EUR, pending launch of Class A. Starting from March 2023: The audited net track record of LEON Global Hedge Fund RAIF, class A (EUR). Class A launch date: March 1st, 2023; launch price: 935.98.
**Fund Administrator estimate based on position prices available as of last day of the month.

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Monthly Commentary

September was a poor month for risk assets. All major equity and bond indices declined 2-4%. Notably, bonds and equities remain positively correlated for now, which makes bonds a poor hedge for a diversified portfolio, unlike the previous 30 years. Moreover, the most widespread alternative asset class, Real estate, is also a questionable diversifier as of late, due to low transaction liquidity and in many regions lower prices. No wonder: real estate is ultimately a play on interest rates and credit availability, both of which have acted as headwinds recently. The emergence of work-from-home has boosted residential RE at the expense of commercial real estate since 2020, but this effect may be fading.

What asset class can be a true diversifier, if bonds or real estate are not doing the job? We firmly believe uncorrelated hedge funds should be a core part of the Alternatives allocation of any well-constructed portfolio now. Studies show that adding uncorrelated high-return high-risk components to a portfolio not only increases overall returns, but also risk-adjusted returns, i.e. returns can be improved with the same amount of risk taken. This is particularly true when there is no clear trend in equity markets.

The Fund's NAV increased by 0.4% in September as both private credit and arbitrage contributed positively. The write-down of the receivables strategy we warned about in our previous commentary has been delayed. Thus, we were able to show minimal gains for the quarter. The problematic consumer finance strategy continues to recover. Among the arbitrage strategies, our top performer in recent months is a unique one focused on Energy stocks. We have mentioned previously that we are not huge fans of Equity long-short managers, as most of this lot demonstrates a significant correlation to equity market moves, and also true skill ("alpha") is hard to find (and sustain). However, this particular sector is so "out of fashion" (not least due to poorly applied ESG considerations) that a dedicated specialist can really shine, while also running a genuine market-neutral portfolio. We did not trade in September as we continue to work on multiple portfolio rebalancing ideas. The goal is to improve both liquidity and performance at the cost of a slightly higher fund volatility.

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Key Characteristics	
# of positions	25
Liquid Private Credit	15
Arbitrage	10
Net return since incept., % p.a.*	4.7%
Sharpe Ratio since inception *	2.6

Strategy Type, % of portfolio	
Liquid Private Credit	70.1
Arbitrage	29.5
Cash	0.4
Total	**100.0**

Regional Breakdown, % of portfolio	
USA	57.9
UK	7.8
Europe	2.4
Other	11.3
Global	20.3
Cash	0.4
Total	**100.0**

Strategy Class, % of portfolio	
Trade Finance	17.7
Real Estate Bridge Credit	13.6
Receivables	11.7
Litigation Finance	11.5
Short-term Consumer Finance	10.1
Credit Arbitrage	6.7
Equity Arbitrage	6.9
Market-neutral Algo	6.7
Other	14.7
Cash	0.4
Total	**100.0**

Top-5 Positions	
US Healthcare Receivables	6.9
UK Consumer Litigation Finance	6.6
US Trade Finance	6.2
US Trade Finance	5.9
Global Trade Finance	5.6

* Before May 2022: Net of fees EUR performance of a discretionary strategy managed by the Fund's team on individual accounts since December 2018. Starting from June 2022: The actual track record of LEON Global Hedge Fund RAIF, class B (USD), after cost of hedge from USD to EUR. Starting from March 2023: The actual track record of LEON Global Hedge Fund RAIF, class A (EUR).

Contacts

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Risk Disclosure Statement

This document is addressed to professional and well-informed investors only. Every type of financial instruments has its own characteristics and entails different risks, depending on the nature of each investments. A general description of the nature and the risks of financial instruments are summarized in the risk disclosure statement of the Company which could be accessed through the following link: https://leoninvestments.com.cy/wp-content/uploads/2020/04/leon-mfo-risk-disclosure-final-10.04.2020-v1.0.pdf. It should be noted the Company's risk disclosure statement does not disclose all the associated risks or other important aspects of the financial instruments and it should not be considered as investment advice or recommendation for the provision of any service or investment in any financial instrument. There are no guarantees of profit nor of avoiding losses, when trading in financial instruments. The clients of the Company or its prospective clients/investors should not carry out any transaction in any financial instruments, unless he/she is fully aware of their nature, the risks nvolved and the extent of his/her exposure to these risks. In case of uncertainty as to the meaning of any of the warnings described in the aforementioned risk disclosure statement, the client or the prospective client/investor must seek an independent financial, legal and/or tax advice before taking any investment decision. **Sustainability Risks:** The RAIF is not expected to qualify as sustainable. The External Manager is committed to integrating sustainability risks into its investment decision-making process and in its investment advice to the minimum extent, as required by Regulation (EU) 2019/2088 ("SFDR") and Commission Delegated Regulation (EU) 2022/1288. However, the External Manager does not consider the principal adverse impacts of its investment decisions or of its investment advice on sustainability factors. The External Manager may reassess its consideration in the future in regards to adverse impacts and sustainability objectives.