

LEON Global Hedge Fund

RAIF V.C.I.C. PLC

January 2024

USD share class | NAV per share: 1043.72



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 55-65% 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.

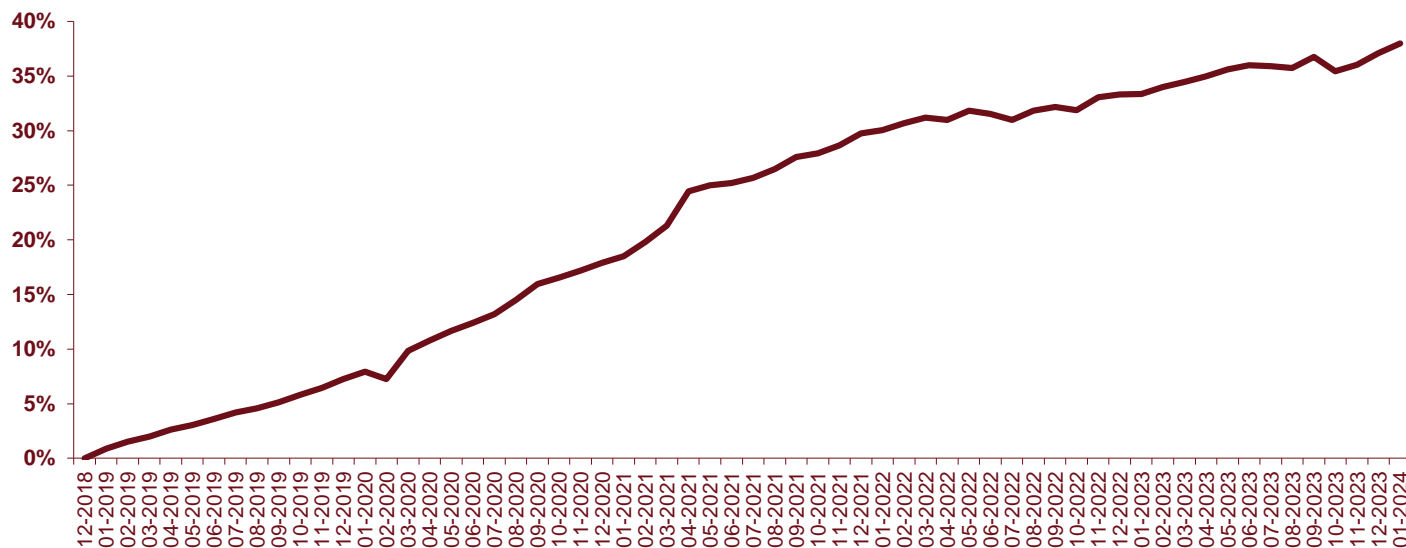
Target Portfolio Attributes

Number of positions:	15-25
Position Limit:	<10% per position
Manager Limit:	<12% per manager
Strategy Class Limit:	<20% per strategy class
Leverage:	>50% Liquid Private Credit strategies
	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	USD 300'000 / EUR 250'000
Subscriptions/NAV	Monthly
Redemptions	Quarterly, with 95 calendar days notice Max. 25% of investor's position per quarter
Launch date	May 2022
Fund manager	LEON MFO Investments Limited (regulated by CySEC, License No. AIFM 37/56/2013)
Depository	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. (depository and fund administration)

Net Performance, USD*



Net Performance, USD*

%	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD	Since incept.
2024	0.7	**											0.7	28.7
2023	0.0	0.5	0.4	0.4	0.5	0.3	-0.1	-0.1	0.7	-1.0	0.4	0.8	2.8	27.8
2022	0.2	0.5	0.4	-0.2	0.6	-0.2	-0.4	0.7	0.2	-0.2	0.9	0.2	2.7	24.3
2021	0.5	1.1	1.2	2.6	0.4	0.2	0.4	0.6	0.9	0.3	0.6	0.9	10.1	21.0
2020	0.6	-0.6	2.4	0.8	0.8	0.6	0.7	1.2	1.2	0.5	0.6	0.6	9.9	9.9
2019	0.9	0.6	0.4	0.6	0.4	0.5	0.6	0.4	0.5	0.7	0.6	0.7	7.2	7.2

* Before May 2022: Net of fees USD 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). Class B launch date: May 23rd, 2022; launch price: 1000.

**Fund Administrator estimate based on position prices available as of last day of the month.

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Monthly Commentary

Since the start of the year, stock markets in the US, Germany, France, and even Japan have broken to the upside, touched all-time highs, or reached levels unseen for years. This surge has been fueled by expectations of overcoming inflation challenges and forthcoming substantial rate cuts. However, hotter than expected inflation data have lifted interest rate expectations higher, especially in the medium part of the curve, and caused some rate-sensitive sectors to correct. Both corporate and government bonds experienced modest declines. The start of the year was marked by volatility in currencies and commodities, with the dollar strengthening against major currencies and oil prices increasing due to geopolitical tensions in the Red Sea.

The uncertain pace of the Federal Reserve's future rate cuts, the growing US budget deficit, and recessionary economy in most of the developed world outside of US create an environment where, in our opinion, allocation to equities should be modest. Fixed income appears more attractive this year, though duration positioning remains key. We prefer to avoid relying on the Fed's actions or succumbing to the Fear of Missing Out ("FOMO") that drives investments into overpriced equities. The private debt portion of our portfolio with collateral-based cashflows brings diversification and acts as a hedge against inflation. The arbitrage portion is expected to perform well this year, as election-related and geopolitical uncertainties are likely to increase market volatility.

The Fund's NAV increased by 0.7% in January as both private credit and most arbitrage strategies contributed positively. We continued adding to the arbitrage portion of our portfolio in January, having raised its weight from 30% to 35%. Most additions were made to our successful existing positions exposed to US rates, multi-asset algo trading, and a unique one focused on Energy stocks. We initiated a new position in a credit long-short strategy as we believe 2024 offers an attractive opportunity set in the corporate credit space.

Key Characteristics

# of positions	25
Liquid Private Credit	14
Arbitrage	11
Net return since incept., % p.a.*	6.5%
Sharpe Ratio since inception *	3.0

Strategy Type, % of portfolio

Liquid Private Credit	60.7
Arbitrage	35.2
Cash	4.1
Total	100.0

Regional Breakdown, % of portfolio

USA	50.8
UK	7.9
Australia	5.8
Europe	6.4
LatAM	4.7
Global	20.1
Cash	4.1
Total	100.0

Strategy Class, % of portfolio

Trade Finance	17.1
Real Estate Bridge Credit	12.4
Litigation Finance	11.4
Credit Arbitrage	11.9
Short-term Consumer Finance	9.3
Receivables	8.8
Market-neutral Algo	7.4
Equity Arbitrage	7.4
Other	10.0
Cash	4.1
Total	100.0

Top-5 Positions

US Trade Finance	6.8
UK Consumer Litigation Finance	6.7
US Healthcare Receivables	6.1
US Trade Finance	5.3
Global Trade Finance	5.1

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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 involved 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.