

LEON Global Hedge Fund

RAIF V.C.I.C. PLC

May 2024

EUR-hedged share class | NAV per share: 968.04



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.

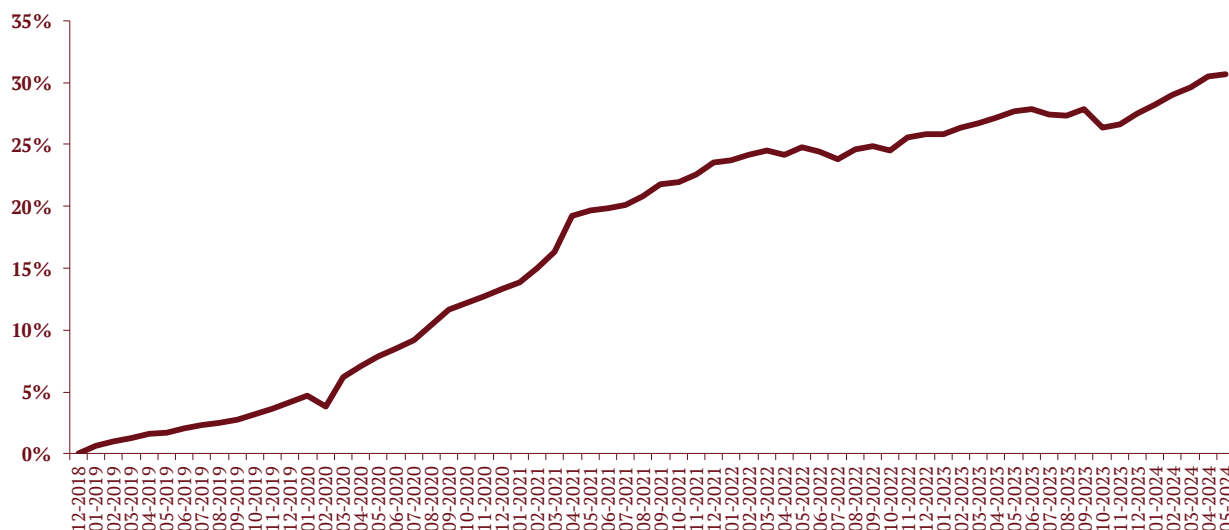
Target Portfolio Attributes

Number of positions:	15-25
Position Limit:	<10% per position
Manager Limit:	<12% per manager
Strategy Class Limit:	<20% per strategy class >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)
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, EUR FX-hedged*



Net Performance, EUR FX-Hedged*

%	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD	Since incept.
2024	0.5	0.7	0.5	0.7	0.1 **								2.5	30.7
2023	-0.0	0.4	0.3	0.4	0.4	0.1	-0.3	-0.1	0.4	-1.2	0.2	0.7	1.3	27.5
2022	0.1	0.4	0.3	-0.3	0.5	-0.3	-0.5	0.6	0.2	-0.3	0.9	0.2	1.9	25.8
2021	0.5	1.0	1.2	2.5	0.3	0.1	0.3	0.5	0.8	0.2	0.5	0.8	9.0	23.5
2020	0.5	-0.8	2.3	0.8	0.8	0.6	0.7	1.1	1.2	0.4	0.5	0.5	8.7	13.3
2019	0.7	0.4	0.2	0.4	0.2	0.3	0.3	0.1	0.3	0.5	0.4	0.5	4.2	4.2

* 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

After a weak April, stocks had a powerful comeback in May, as US 10-year yields declined and earnings were revised upwards. Sovereign bond yields again seem to be driving risky assets – stocks, credit spreads, and commodities. We discussed this stock-bond correlation at length last year, noting that it bodes poorly for a traditional 60/40 portfolio as it loses its defensive characteristics in a drawdown. And a drawdown from here is likely as bond yields struggle to find clear direction. The US consumer shows signs of strain while interest rate cuts are almost out of the picture for now. Emerging markets are shaky, with Mexico and to a lesser extent India suffering from election outcomes perceived as market-unfriendly. Politics are back in play in the US as well, with Trump enjoying a boost in campaign funding following his conviction by a jury in a somewhat controversial trial.

The Fund's NAV increased by 0.1% in May. As an unusually high proportion of our positions have not yet reported their monthly performance as of the time of our NAV calculation, we expect those performance figures to lift our June NAV a bit. Barring any emergencies, we expect to finish the first half of 2024 close to our 6% p.a. target.

We continue reducing our real estate exposure, this time by closing another (already very small) position in UK bridge credit. We are actively researching new arbitrage strategies to augment our portfolio. With interest rates stable for some time now, arbitrage managers in our roster have clearly adapted, and we like the returns we see from our core strategies in volatility and credit arbitrage. We would not exclude some deceleration in 2H 2024 if interest rates start moving strongly, but this is not our base case scenario at all. Moreover, some of the arbitrage strategies we are researching now have exactly the properties of performing strongly in an environment of high interest rate volatility.

Key Characteristics

# of positions	26
Liquid Private Credit	15
Arbitrage	11
Net return since incept., % p.a.*	5.1%
Sharpe Ratio since inception *	2.3

Strategy Type, % of portfolio

Liquid Private Credit	58.2
Arbitrage	40.9
Cash	1.0
Total	100.0

Regional Breakdown, % of portfolio

USA	50.8
Europe	10.7
UK	7.8
Australia	5.7
LatAM	4.8
Global	19.2
Cash	1.0
Total	100.0

Strategy Class, % of portfolio

Trade Finance	14.9
Credit Arbitrage	16.3
Litigation Finance	12.4
Real Estate Bridge Credit	12.1
Short-term Consumer Finance	9.1
Receivables	8.3
Market-neutral Algo	7.3
Equity Arbitrage	7.2
Other	11.5
Cash	1.0
Total	100.0

Top-5 Positions

US Trade Finance	6.7
UK Consumer Litigation Finance	6.5
US Healthcare Receivables	5.8
US Trade Finance	5.2
Global Trade Finance	3.1

* 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 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.