

# LEON Global Hedge Fund

RAIF V.C.I.C. PLC

August 2024

EUR-hedged share class | NAV per share: 978.48



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.

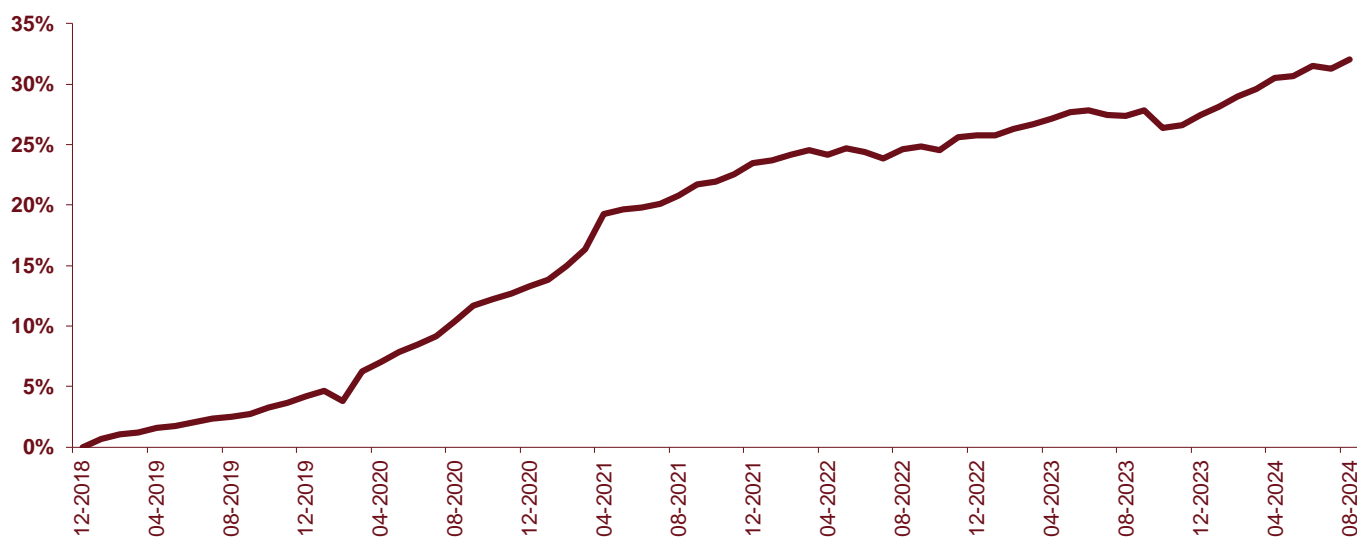
## Target Portfolio Attributes

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	0.6	-0.1	0.6 **					3.6	32.1
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

The rally in risk assets continued in August, as the markets are preparing for the first Fed rate cut in 4 years. The US interest rate curve predicts about 200bps of easing by the end of 2025. For now, US economic data remains in the “soft landing” zone. Should the economy unexpectedly accelerate from here, combined with aggressive easing, we may end up in a “Goldilocks” scenario for most risk assets. However, Chinese and European weakness remain pronounced and even produced a moderate “scare” in commodity prices, in particularly oil and uranium. Even makers of microchips, arguably the key commodity of the 21st century, were affected; leaving Nvidia almost the sole beneficiary of the AI theme year to date.

Unsurprisingly, US equity valuations and flows are storming new highs, while China is on the opposite side of the spectrum. Due to US election uncertainty, equity market is likely to witness violent rotations. Long-duration bonds are doing great but are no longer a screaming buy as at the start of the year, having priced in the Fed easing way in advance. As to credit instruments, spreads remain very compressed while defaults still continue rising, albeit at a non-alarming pace. Private credit has stabilized, with real estate market no longer a threat to collateral values thanks to the looser monetary policy.

The Fund’s NAV rose +0.6 in August (FX-hedged). The drawdown we mentioned in the previous commentary has not yet been recognized and we expect the fund administrator to reflect it in September. In the absence of that, the portfolio performed strongly and should continue to do so. We got some redemption proceeds from a small part of a consumer lending strategy and expect more redemptions in the coming months, including a part of our US bridge lending allocation, a part of our distressed allocation, and full proceeds from the strategy that did badly in August.

### Key Characteristics

# of positions	26
Liquid Private Credit	15
Arbitrage	11
Net return since incept., % p.a.*	4.9%
Sharpe Ratio since inception *	2.2

### Strategy Type, % of portfolio

Liquid Private Credit	58.2
Arbitrage	40.9
Cash	1.0
<b>Total</b>	<b>100.0</b>

### 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
<b>Total</b>	<b>100.0</b>

### Strategy Class, % of portfolio

Credit Arbitrage	16.3
Trade Finance	14.9
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
<b>Total</b>	<b>100.0</b>

### Top-5 Positions

US Trade Finance	6.7
UK Consumer Litigation Finance	6.5
US Receivables	5.8
US Trade Finance	5.2
Interest Rate Arbitrage	5.2

\* 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 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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**Fund administrator:** PwC Fund Services. **Website:** [www.pwc.com.cy](http://www.pwc.com.cy)

## 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.