

Key Information Document

INCOME Class A Investment Shares of Income Compartment

An Investment Compartment of Leon Income Fund RAIF V.C.I.C. Plc



Alert: You are about to purchase a product that is not simple and may be difficult to understand

Purpose

This document provides key information about this investment product. It is not marketing material. This document is required by law to help investors understand the nature, risks, costs, potential gains and losses of this product, and to help you compare with other products.

Product

Name of Product	INCOME Class A Investment Shares (EUR)
Name of Product Manufacturer	Leon MFO Investments Limited
Regulator	Cyprus Securities and Exchange Commission (the "CySEC") Registration Number: RAIF98
ISIN:	CYF000002198 (EUR class A shares)
Website:	www.leoninvestments.com.cy
Phone Number	+(357) 25268120
KID Published Date	November 15, 2024

What is the product?

Type

The product is INCOME Class A Investment Shares (denominated in EUR), a share class of INCOME which is an open-ended investment compartment (the "Investment Compartment") of LEON INCOME FUND RAIF V.C.I.C. PLC (the "Company"). The Company operates as a Registered Alternative Investment Fund with one (1) investment compartment in the form of a variable capital investment company, in accordance with the Alternative Investment Funds Law 124(I)/2018, as amended from time to time (the "AIF Law"). The Company is externally managed by LEON MFO INVESTMENTS LIMITED (the "External Manager"), a private company limited by shares which is authorized to operate as an alternative investment fund manager (license No. AIFM 37/56/2013), in accordance with the Alternative Investment Fund Managers Law 56(I)/2013, as amended from time to time. The Company issues investment shares, which are allocated to the Investment Compartment, and carry non-voting rights, in accordance with the Company's prospectus and relevant offering supplement. Neither the Company nor the Investment Compartment are listed in any regulated exchange market or multilateral facility.

Objective

The Investment Compartment's objective is to manage a portfolio of fixed income assets which will generate long-term capital appreciation for investors as well as produce periodic income. The Investment Compartment's investment strategy is to invest in a balanced portfolio of leading income generating assets traded in the global markets. To achieve this, the External Manager adopts a flexible asset allocation strategy through investments in a diversified portfolio of corporate, sovereign bonds and investment funds, such as ETFs and mutual funds investing in fixed income. By means of mitigating the impact of possible currency fluctuations, the External Manager may pursue hedging strategies to reduce the possibility of loss suffered in/by (a) the value of the currency of investments denominated in a currency other than the designated base currency of the Investment Compartment (denominated in USD) and (b) by Investors investing in classes of investment shares whose base currency is different from the base currency of the Investment Compartment.

Intended Retail Investor

Apart from professional investors (as defined in the Second Appendix of the Investment Services and Activities and Regulated Markets Law 87(I)/2017 as amended from time to time), this product is also suitable for retail investors who (i) have medium risk appetite; (ii) qualify as well-informed investors (as defined in the AIF Law); (iii) who understand the Investment Compartment's risks; and (iv) who are seeking returns over the medium to long term horizon. The investor's objective for this investment should be aligned with the objective of the product as outlined above and in the Investment Compartment's offering supplement.

Terms of the Product

This investment has no maturity date. There are circumstances under which the External Manager may be entitled to terminate the investment in the Investment Compartment unilaterally. Circumstances under which the termination of the Investment can occur include, inter alia, the investment being held for the benefit of an ineligible investor or being acquired in breach of any applicable laws or the termination of the investment would eliminate the exposure of the Company to any tax and/or regulatory adverse consequences.

What are the risks and what could I get in return?

1	2	3	4	5	6	7
Lower risk Typically, lower rewards						Higher risk Typically higher rewards

The above indicator illustrates the risk category of the fund. The risk category shown is not guaranteed and may shift over time. The risk indicator is calculated using historical data which, however, may not be a reliable indicator for the future. The risk/reward indicator illustrates the fluctuations of the performance of the specific investment strategy based on the data from the last 5 years. The classification of the fund in the specific risk category due to the low to medium previous price fluctuation of its assets. The following risks are materially relevant to the fund and may be not adequately captured by the indicator:

- **Credit risk:**
 - The risk that an issuer of a bond may default on its obligations to pay interest and repay the principal.
- **Operational risk:**
 - The risk due to human error or omission, system disruptions or external events.
- **Derivative instruments risk:**
 - The risk linked to the use of financial derivatives whose value depends on the value of an underlying asset.

For more detailed information of all the risks the fund is exposed to, please refer to the section Risk Factors section in the Prospectus.

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.

Performance Scenarios

Assuming an investment of €10,000

Scenarios		1 year holding period	2 years holding period	3 years holding period
Unfavorable scenario	Amount you might get back	9,545.40	9,281.10	9,103.79
	Average net return each year	-4.55%	-2.77%	-1.91%
Moderate scenario	Average net return each year	10,225.56	10,433.47	10,640.15
	Amount you might get back	+2.26%	+2.03%	+1.98%
Favorable scenario	Average net return each year	10,767.06	11,469.68	12,164.25
	Amount you might get back	+7.67%	+6.53%	+6.06%
Stress scenario	Average net return each year	8,723.01	7,985.92	7,270.38
	Amount you might get back	-12.77%	-8.45%	-8.96%

This table shows the amount an investor could get back over the next 1, 2 and 3 years, through different scenarios, assuming an initial investment of €10,000. The scenarios demonstrate various performance scenarios and can be compared with scenarios of other investment products. These are estimates of future performance based on evidence from the past but are not an exact indicator of future performance. The fund's returns may vary depending on market conditions and the period you hold this investment.

The figures do not include any costs that payable to your advisor or distributor, nor consider your personal tax situation, which may affect your net return.

What happens if LEON MFO Investments Limited is unable to pay out?

In the event of default of the Investment Compartment, there will be a direct impact on investors. Deposits by collective investment schemes are excluded from the Cyprus Deposit Guarantee and Resolution of Credit and Other Institutions Scheme. The Investors in the Investment Compartment are not protected by any investor compensation or guarantee scheme.

What are the costs?

The Reduction in Yield ("RIY") shows what impact the total costs you pay will have on the investment return you might get. The total costs consider, one-off, ongoing, and incidental costs. The amounts shown here are the cumulative costs of the product itself, for one holding period. The figures assume you invest €10,000. The figures are estimates and may change in the future.

Cost over time

The person selling you or advising you about this product may charge you other costs and they will provide you with information about these costs and their impact on your investment over time. If you redeem after:

Assuming an investment of €10,000

Scenarios	If you redeem after		
	1 year	2 years	3 years
Total Costs	€227.13	€354.60	€487.70
Impact on return (RIY) per year	-2.27%	-1.77%	-1.63%

Cost structure

The table below shows the impact of the various costs on the investment return at the end of the recommended holding period (RHP); and the meaning of the different cost categories:

One-off costs	Subscription fee	up to 1%	The Distributor may charge a small fee for conducting KYC/AML checks and for onboarding. No exit / redemption fee.
	Redemption fee	0%	
Ongoing costs	Management fee	1.0%	Cost paid to the Fund Manager for managing the fund.
	Administration, Depositary & other fees	0.3%	The costs payable to the Fund Administrator, the Depositary and Auditor of the fund.
Incidental costs	Performance fee	varies	Performance fee of 10% is paid only from return above the 3% hurdle, with a High Water Mark feature.

How long should I hold it and can I take money out early?

There is no minimum holding period nor a lock-up period for this product, however, the recommended holding period is 3 years indicating the time the investor should be prepared to hold in anticipation for the portfolio's risk and reward profile to materialize. This product may be redeemed on monthly basis i.e. on the first business day of each month and any other date the External Manager may determine at its absolute discretion, upon consideration of a request for an ad-hoc redemption. Any transactions with respect to the investment shares held in the Investment Compartment may be subject to dealing charges and taxes.

How can I complain?

Investors who wish to file a complaint in relation to, inter alia, the conduct of the External Manager, the person advising on, or selling the product etc., must do so by submitting their complaint in writing, along with any relevant information as follows:

- (a) Either via email to compliance@leonmfo.com
- (b) Through post to the External Manager's address: Noble Centre, Spyrou Kyprianou Ave. 47, Office 202, Mesa Geitonia 4003, Limassol, Cyprus. The letter shall be addressed to the External Manager's Compliance Officer.

If the complaint is not resolved to the Investor's satisfaction, the Financial Ombudsman may also be contacted either through email complaints@financialombudsman.gov.cy, phone +(357) 22848900 or post. Address: 13 Lord Byron Avenue, CY-1096 Nicosia, Cyprus.

Other relevant information

Copies of the Company's prospectus and the offering supplement of the Investment Compartment, the memorandum and articles, the latest annual report, if published, the latest half-yearly report, if published after the latest annual report, and information on the latest NAV per investment share and historic performance (if any) of the Investment Compartment may be obtained, free of charge, from prospective investors or existing investment shareholders either through a durable medium or from the registered office of the External Manager at Noble Centre, Spyrou Kyprianou Ave. 47, Office 202, Mesa Geitonia 4003, Limassol, Cyprus, upon request from the directors of the External Manager, or from any other persons authorized to represent the External Manager. For further inquiries please send e-mail to: marketing@leonmfo.com

Without prejudice to ad-hoc reviews, this Key Information Document is reviewed at least every 12 months following the date of its latest publication date.

Issued in Cyprus by the External Manager.