

LEON Income Fund

RAIF V.C.I.C. PLC



LEON

MFO Investments

October 2024

USD share class | NAV per share: 1046,11

The Fund's objective is to generate long-term capital gains and income from investments in corporate and sovereign bonds. The Fund follows a strategy with a focus on efficient allocation among different bond types through the economic cycle. The Fund is not benchmark-constrained and it is flexible in terms of duration, sector or country allocation. The portfolio is mainly invested in high-quality bonds with average portfolio rating above BB, based on a proven in-house research process.

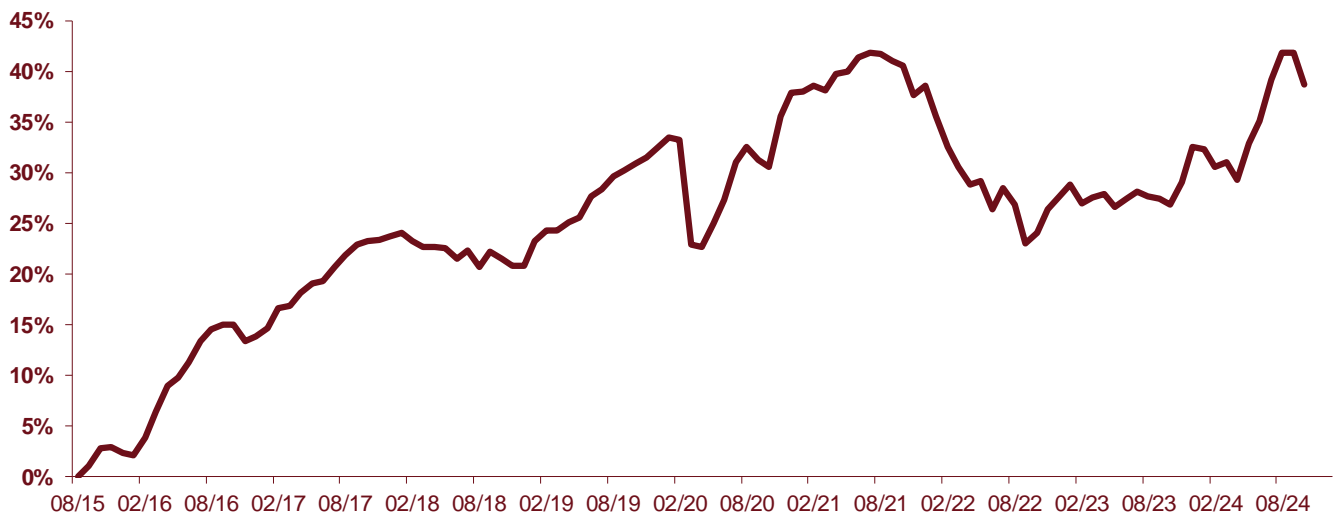
Target Portfolio Attributes

Number of positions	30-40
Average credit rating	BB or higher
Position limit	<5% per issuer
Sector limit	<30% per industry
Country limit	>50% US <10% per other countries
Leverage	None

Fund Terms

Legal form	Cyprus-domiciled RAIF, V.C.I.C.
Share classes	EUR (CYF000002198), FX-hedged USD (CYF000002347)
Bloomberg codes	EUR-hedged class: LENIFRA CY USD class: LENIFRB CY
Min Investment	USD 150.000 / EUR 125.000
Launch Date	March 2022
Liquidity	Monthly redemptions, no penalties
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 Share Class)*



Net Performance (USD Share Class)*

%	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD	Since incept.
2024	-0,2	-1,3	0,4	-1,3	2,7	1,7	3,0	1,9	0,0	-2,2			4,6	38,7
2023	0,9	-1,5	0,5	0,3	-1,0	0,6	0,6	-0,4	-0,2	-0,5	1,8	2,6	3,8	32,5
2022	-2,2	-2,2	-1,5	-1,3	0,3	-2,2	1,6	-1,3	-3,0	0,8	1,9	1,1	-7,8	27,7
2021	0,1	0,4	-0,4	1,2	0,2	0,9	0,3	-0,1	-0,5	-0,3	-2,0	0,7	0,5	38,5
2020	0,8	-0,2	-7,7	-0,3	2,0	1,8	2,9	1,2	-1,0	-0,5	3,9	1,6	4,1	37,8
2019	2,0	0,8	0,0	0,7	0,3	1,7	0,6	0,9	0,4	0,6	0,4	0,7	9,5	32,4
2018	0,3	-0,6	-0,5	0,0	-0,1	-0,9	0,7	-1,3	1,2	-0,6	-0,5	0,0	-2,3	20,9
2017	0,8	1,7	0,2	1,1	0,8	0,2	1,2	0,9	0,9	0,3	0,1	0,2	8,6	23,7
2016	-0,2	1,6	2,5	2,4	0,7	1,4	2,0	0,9	0,5	-0,0	-1,4	0,3	11,2	13,8
2015									1,1	1,7	0,1	-0,6	2,4	2,4

* Until March 2022 it is net performance of similar strategy managed by the Fund's team on individual accounts, afterward - LEON Income Fund official track record.

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Monthly Commentary

Bond Markets. The bond market decline continued until the U.S. elections. Donald Trump's win marked a turning point: the market anticipates that the new administration may significantly worsen the U.S. national debt situation. However, it is worth noting that some of Trump's recent initiatives (such as the Department of Government Efficiency, DOGE, with Elon Musk's involvement) do not appear all that negative for U.S. credit quality. Also, Trump's stance on increasing domestic oil production could potentially slow inflation. Macroeconomic factors seem relatively favorable for bonds. For instance, at its November meeting, the Federal Reserve continued to lower interest rates. October's labor market data was also weak, largely due to hurricanes and Boeing strikes. Inflation for October remained stable, indicating no risk of a second wave of price increases. One of the main risks remains the imposition of new tariffs against key U.S. trading partners, which could drive up prices. However, during Trump's first term, the start of the trade war (summer 2018) almost entirely coincided with the peak in government bond yields. This time, the impact of tariffs may be even smaller.

Portfolio. We believe that the main market movement triggered by Donald Trump's election as U.S. President has already occurred. The yield on 10-year U.S. Treasuries has increased by 80 basis points since mid-September (following the Federal Reserve's decision), making long-term bonds more attractive for purchase. We plan to maintain the portfolio's duration at the benchmark level or above. Conversely, credit spreads on corporate bonds have fallen to a 10-year low, which keeps this market segment less appealing. We continue to utilize selective tactical ideas, such as bonds from Intel or the French group ELO (formerly Auchan).

Key Characteristics

# of positions	15
Duration	0,9
Average Rating	A
YTM %	2,0
Current Yield %	1,8
Net return since incept., % p.a.*	3,6
Sharpe Ratio since inception *	0,72

* Until March 2022 it is net performance of similar strategy managed by the Fund's team on individual accounts, afterward - LEON Income Fund official track record.

Country (%)

Cash	67,6
US	15,6
Europe	10,5
Australia	2,6
Israel	2,3
South Africa	1,3
Mexico	0,0
India	0,0
Turkey	0,0
Brazil	0,0
Total	100,0

Sector (%)

Cash	67,6
Financials	9,7
Consumer	5,6
Fund	5,0
Sovereign	4,5
Materials	4,0
Food	2,5
Telecom	1,1
Total	100,0

Top 10 Holdings (%)

iShares Convertibles ETF (ICVT)	5,0
Brandywine Operating Partnership	2,7
Mineral Resources Ltd	2,6
Dave & Buster's Entertainment In	2,6
Deutsche Bank AG	2,6
UBS Group AG	2,5
ELO S.A	2,3
Israel	2,2
UNITED STATES TREASURY	1,8
Lloyds Banking Group plc	1,8
Total	26,3

Duration (%)

0 to 3 years	20,5
3 to 5 years	7,8
5 to 10 years	1,8
Cash	67,6
Less than 0	0,0
10+ years	2,3
Total	100,0

Credit Quality (%)

AAA	0,0
AA	2,2
A	2,3
BBB	4,4
BB	20,8
B	2,6
Cash	67,6
Lower than B	0,0
Not rated	0,0
Total	100,0

Contacts

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Risk Disclosure Statement

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. This presentation is addressed to professional and well-informed investors only.

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.