

# LEON Income Fund

RAIF V.C.I.C. PLC

April 2025

USD share class | NAV per share: 1045,03



**LEON**  
MFO Investments

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.

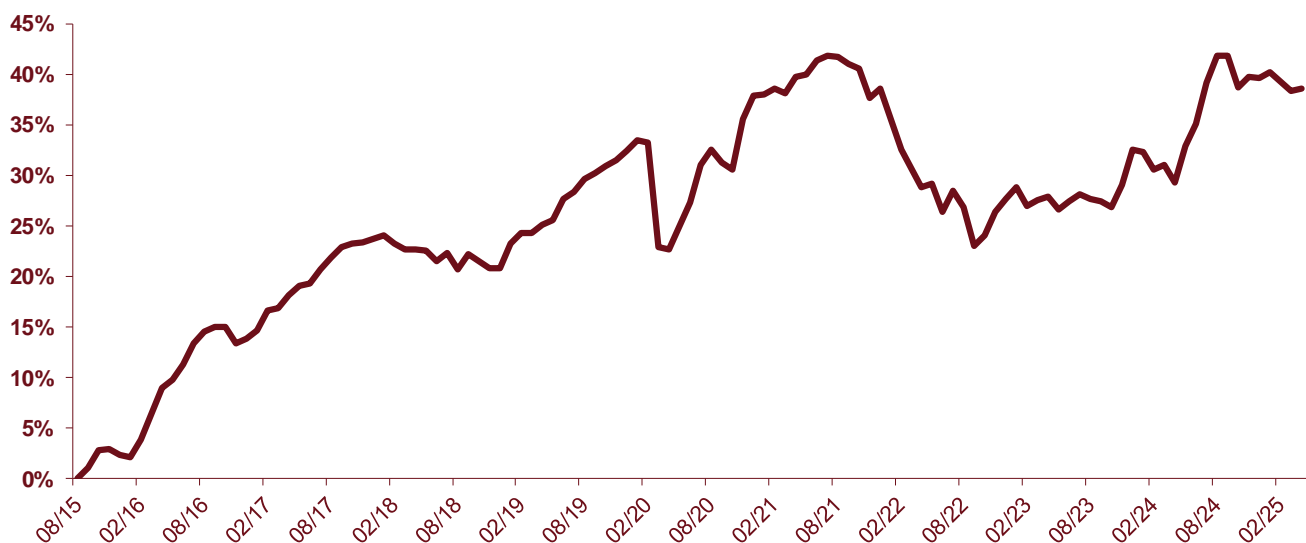
## Target Portfolio Attributes

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)

## Net Performance (USD Share Class)\*



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%	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD	Since incept.
2025	0,4	-0,6	-0,7	0,1									-0,8	38,5
2024	-0,2	-1,3	0,4	-1,3	2,7	1,7	3,0	1,9	0,0	-2,2	0,7	-0,1	5,3	39,6
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 past month was marked by sharp market movements, primarily driven by a wave of news related to Donald Trump's tariff campaign, which can be logically divided into two conflicting narratives. On the one hand, the actual implementation of tariffs is expected to dampen global economic growth (negative for risk assets, positive for bonds). On the other hand, the continuous postponement of tariff threats may help sustain global growth and lead to rising inflation (positive for risk assets, negative for bonds). However, based on actual macroeconomic data (inflation, employment, industrial production), no tangible effects of the tariff campaign have been observed so far (U.S. inflation remains subdued, the labor market is stable). Therefore, we believe it is premature to draw any firm conclusions about the future direction of the situation. In our view, one of the potential consequences of the trade wars could be the strengthening of certain emerging market currencies. Specifically, the Mexican peso (due to continued investment inflows within the framework of U.S.-Mexico friendshoring) and currencies of Southeast Asian countries (such as South Korea, Malaysia, etc.) as part of a rebalancing of central bank and exporter foreign reserves in the context of a weakening U.S. dollar and deteriorating political relations with the U.S. These countries typically exhibit strong financial metrics (low debt levels, trade surpluses, economic growth), hold investment-grade credit ratings, and have room for interest rate cuts. This makes their currencies and local bonds attractive for investment.

**Portfolio.** We believe that the Trump administration's shift to a more moderate approach in its tariff campaign justifies increasing the allocation to risk assets in the portfolio. In particular, corporate bonds—where credit spreads widened in April, yet no clear signs of business deterioration have emerged—and emerging market assets with price appreciation potential (for example, Mexican peso-denominated bonds, which benefit from both currency strengthening prospects and expected rate cuts by the central bank).

### Key Characteristics

# of positions	17
Duration	14,6
Average Rating	A
YTM %	4,8
Current Yield %	4,0
Net return since incept., % p.a.*	3,4
Sharpe Ratio since inception *	0,69

\* 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 (%)

Europe	59,3
US	37,1
Australia	2,5
South Africa	1,2
Israel	0,0
Mexico	0,0
India	0,0
Turkey	0,0
Brazil	0,0
Colombia	0,0
<b>Total</b>	<b>100,0</b>

### Sector (%)

Sovereign	79,0
Financials	11,6
Materials	3,7
Industrials	2,8
Health Care	1,9
Telecom	1,1
Fund	0,0
Auto	0,0
<b>Total</b>	<b>100,0</b>

### Top 10 Holdings (%)

Germany Sovereign	31,8
UNITED STATES TREASURY	30,0
Greece Sovereign	10,2
Spain Sovereign	5,8
Italy Sovereign	5,6
Deutsche Bank AG	5,1
The Boeing Company	2,8
Raiffeisen Bank International AG	2,7
Mineral Resources Ltd	2,5
Citigroup Inc	2,4
<b>Total</b>	<b>99,0</b>

### Duration (%)

0 to 3 years	10,3
3 to 5 years	6,0
5 to 10 years	0,0
Cash	-0,1
Less than 0	0,0
10+ years	83,7
<b>Total</b>	<b>100,0</b>

### Credit Quality (%)

AAA	0,0
AA	61,8
A	5,8
BBB	17,4
BB	15,1
B	0,0
Cash	-0,1
Lower than B	0,0
Not rated	0,0
<b>Total</b>	<b>100,0</b>

## Contacts

**Contacts Fund manager:** LEON MFO Investments Limited.

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

## 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.