

# LEON Income Fund

RAIF V.C.I.C. PLC

May 2025

EUR-hedged share class | NAV per share: 886,82



**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.

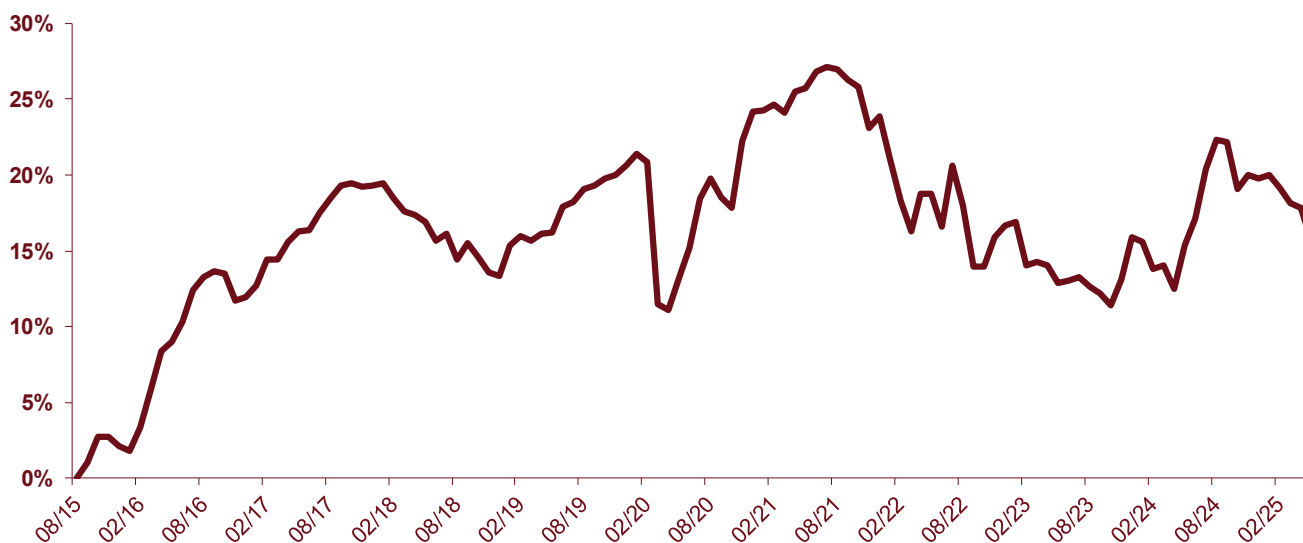
## Target Portfolio Attributes

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
limit	<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	April 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 (EUR-hedged Share Class)\*



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%	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD	Since incept.
2025	0,2	-0,7	-0,8	-0,2	-1,9								-3,5	15,6
2024	-0,3	-1,5	0,2	-1,4	2,5	1,6	2,7	1,6	-0,1	-2,5	0,8	-0,2	3,3	19,8
2023	0,2	-2,5	0,2	-0,2	-1,0	0,1	0,3	-0,6	-0,4	-0,7	1,5	2,5	-0,6	15,9
2022	-2,3	-2,3	-1,7	2,1	0,0	-1,9	3,5	-2,2	-3,4	-0,0	1,7	0,7	-5,8	16,6
2021	0,1	0,3	-0,4	1,1	0,2	0,9	0,3	-0,1	-0,6	-0,4	-2,1	0,6	-0,3	23,8
2020	0,7	-0,4	-7,8	-0,3	1,9	1,7	2,8	1,1	-1,1	-0,6	3,8	1,6	3,0	24,2
2019	1,8	0,6	-0,2	0,4	0,1	1,4	0,3	0,7	0,2	0,4	0,2	0,5	6,4	20,6
2018	0,1	-0,9	-0,7	-0,2	-0,4	-1,1	0,4	-1,5	1,0	-0,8	-0,8	-0,3	-5,0	13,3
2017	0,7	1,5	0,0	1,0	0,6	0,1	1,0	0,8	0,7	0,1	-0,2	0,1	6,6	19,3
2016	-0,3	1,6	2,4	2,4	0,6	1,3	1,8	0,8	0,3	-0,2	-1,6	0,2	9,6	11,9
2015									1,0	1,7	0,0	-0,6	2,1	2,1

\* Until April 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.** In May, bond markets in most developed countries continued to face pressure. Notably, sell-offs occurred in U.S. government bonds (driven by Trump's tariff campaign and the prospect of a more deficit-heavy federal budget) and Japanese government bonds (due to weak investor demand and simultaneous reduction in bond purchases by the Bank of Japan). Conversely, we remain optimistic about Eurozone bonds, particularly German bonds, amid the European Central Bank's ongoing rate cuts and slowing inflation. Euro-denominated bonds also serve as the primary alternative for investors seeking to diversify away from the U.S. dollar, creating additional demand that we expect to support bond prices. We maintain a bearish outlook on the U.S. dollar, as its depreciation aligns with U.S. authorities' efforts to address the trade balance deficit. Our portfolio retains a 50% allocation to the euro and an 8% allocation to the Mexican peso, though we manage this exposure tactically, noting that the consensus view on a weaker U.S. dollar among investors poses risks of overcrowded positioning. We anticipate continued strength in corporate bond markets, as major economies pursue fiscal stimulus to drive growth.

**Portfolio.** We further increased the corporate bonds allocation in our bond portfolio to 40%. New additions include Mexican government bonds in local currency (supported by the potential for currency appreciation via renewed institutional carry trade and bond price gains from anticipated rate cuts by Mexico's central bank) and select high-coupon corporate bonds recently issued by U.S. retailer Kohl's, messaging platform Telegram, Colombian food producer Nutresa, and Norwegian oil company DNO. As a tactical move, we initiated a position in Romanian government bonds, which declined during the election period but are poised for recovery following the victory of a pro-European candidate.

### Key Characteristics

# of positions	19
Duration	7,8
Average Rating	A
YTM %	4,4
Current Yield %	2,8
Net return since incept., % p.a.*	1,5
Sharpe Ratio since inception *	0,29

\* Until April 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	39,9
US	30,3
Cash	15,1
Mexico	4,7
Colombia	2,6
Turkey	2,6
Australia	2,5
South Africa	2,3
Israel	0,0
India	0,0
<b>Total</b>	<b>100,0</b>

### Sector (%)

Sovereign	55,9
Cash	15,1
Financials	9,0
Materials	6,6
Food	5,2
Industrials	2,6
Consumer	2,5
Health Care	1,9
<b>Total</b>	<b>100,0</b>

### Top 10 Holdings (%)

Germany Sovereign	30,9
UNITED STATES TREASURY	18,9
Mexico Sovereign	4,7
Raiffeisen Bank International AG	2,8
The Boeing Company	2,6
Grupo Nutresa S.A	2,6
Ulker Biskuvi Sanayi	2,6
Kohl's Corporation	2,5
Deutsche Bank AG	2,5
Mineral Resources Ltd	2,5
<b>Total</b>	<b>72,7</b>

### Duration (%)

0 to 3 years	31,3
3 to 5 years	14,2
5 to 10 years	3,9
Cash	15,1
Less than 0	0,0
10+ years	35,5
<b>Total</b>	<b>100,0</b>

### Credit Quality (%)

AAA	0,0
AA	49,9
A	0,0
BBB	11,8
BB	23,2
B	0,0
Cash	15,1
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.