

# LEON Income Fund

RAIF V.C.I.C. PLC

June 2025

EUR-hedged share class | NAV per share: 897,24



**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.

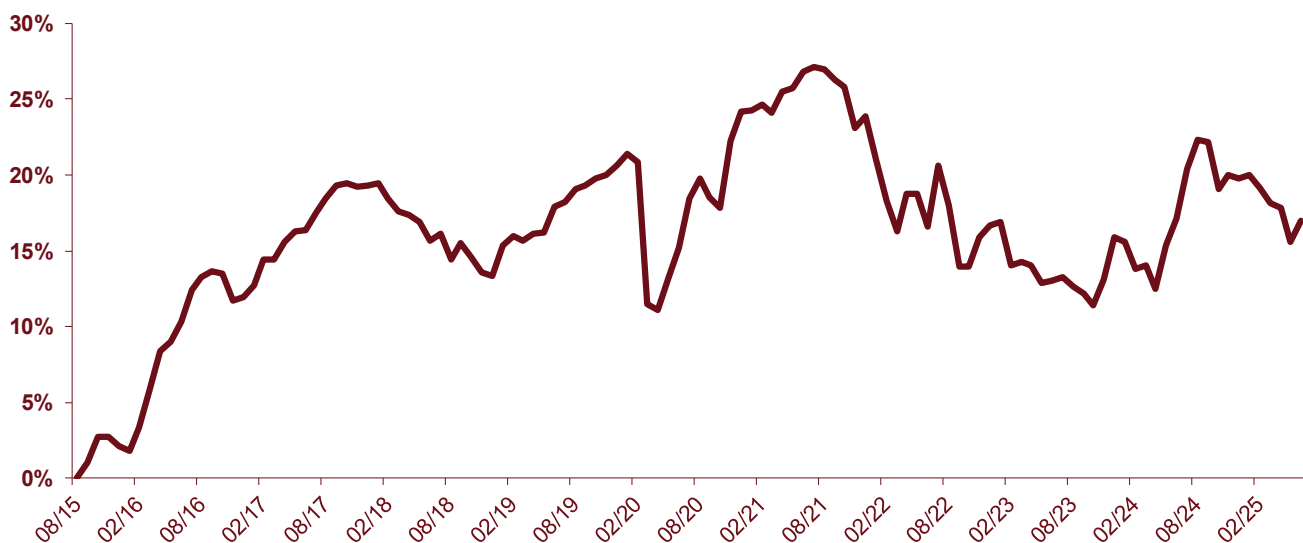
## Target Portfolio Attributes

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	1,2							-2,3	17,0
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.** June turned out to be a relatively calm month for bond markets. Amid a tariff pause declared by the Trump administration, bond yields declined while risky assets continued to rise. However, at the beginning of July, sentiment turned negative again due to renewed escalation of trade tensions. One of the key scenarios for the bond markets in the near term is a further steepening of the yield curve. Short-term rates are expected to decline in line with central bank rate cuts (we expect the US Federal Reserve to start cutting rates this fall, with an even faster pace likely in 2026), while long-term rates may remain stable or even increase due to the persistent threat of tariffs, which could drive inflation higher. In this scenario, maintaining a shorter portfolio duration and a significant share of risk assets (including corporate high-yield bonds) appears reasonable. We believe investors' interest in riskier and pro-cyclical assets (as evidenced by the rally in equity and commodity markets) is justified: despite tough foreign policy actions, the Trump administration remains flexible in mitigating real threats to the US economy and continues to pursue expansionary fiscal policies. The US dollar appears to be excessively oversold: while we share the view that the long-term trend remains downward, we believe holding large positions in other currencies is too risky in the short term following a strong move.

**Portfolio.** We continued to increase the risk-weighted share of portfolio, raising it to 50%. We maintain our view that BB/BBB-rated corporate bonds are the optimal choice given the resilience of the US economy and the expected rate cuts ahead. We continue to hold our position in Mexican government bonds denominated in local currency (as any real tightening of US tariffs will likely force Mexico's central bank to cut rates more aggressively). We also added new bonds to the portfolio, including Veon and the US dental equipment manufacturer Dentsply Sirona.

### Key Characteristics

# of positions	19
Duration	2,1
Average Rating	A
YTM %	7,0
Current Yield %	3,6
Net return since incept., % p.a.*	1,6
Sharpe Ratio since inception *	0,31

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### Country (%)

US	68,4
Europe	13,0
Mexico	8,2
Colombia	2,7
Turkey	2,6
Australia	2,5
South Africa	2,5
Cash	0,0
Israel	0,0
India	0,0
<b>Total</b>	<b>100,0</b>

### Sector (%)

Sovereign	68,3
Financials	9,3
Materials	7,0
Food	5,4
Consumer	2,6
Health Care	2,5
Oil & Gas	2,5
Tech	1,3
<b>Total</b>	<b>100,0</b>

### Top 10 Holdings (%)

UNITED STATES TREASURY	57,5
Mexico Sovereign	8,2
Raiffeisen Bank International AG	2,8
Grupo Nutresa S. A.	2,7
Ulker Biskuvi Sanayi	2,6
Deutsche Bank AG	2,6
Kohl's Corporation	2,6
Citigroup Inc	2,5
Mineral Resources Ltd	2,5
Dentsply Sirona Inc	2,5
<b>Total</b>	<b>86,7</b>

### Duration (%)

0 to 3 years	60,2
3 to 5 years	33,2
5 to 10 years	6,5
Cash	0,0
Less than 0	0,0
10+ years	0,0
<b>Total</b>	<b>100,0</b>

### Credit Quality (%)

AAA	0,0
AA	58,8
A	0,0
BBB	10,9
BB	26,6
B	0,0
Cash	0,0
Lower than B	0,0
Not rated	3,7
<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.