

# LEON Income Fund

RAIF V.C.I.C. PLC

July 2025

EUR-hedged share class | NAV per share: 894,76



**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.

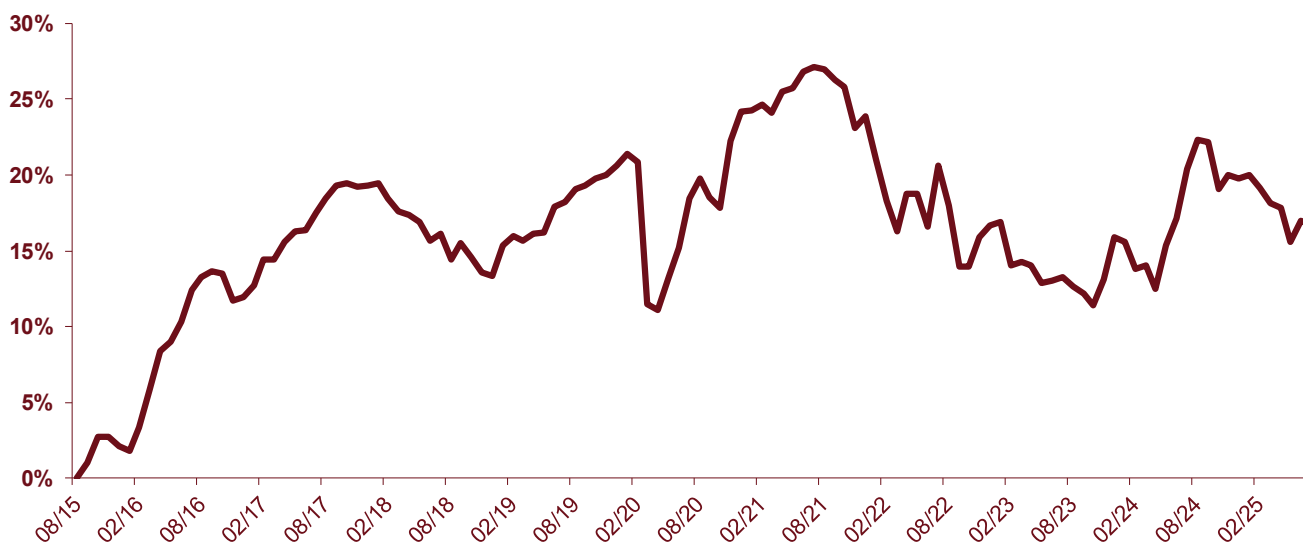
## Target Portfolio Attributes

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	-0,3						-2,6	16,6
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 our view, the key triggers that will shape the bond market through the end of 2025 materialized in July. Notably, the contours of Trump's tariff policy toward major global economies have become clear. While questions remain regarding the full implementation and potential exemptions, investors have likely already priced in the worst-case scenario. We expect the actual introduction of tariffs to cause a modest uptick in U.S. inflation this fall, though this is unlikely to have a significant impact on the markets. Trump has also outlined his intentions regarding the Federal Reserve Chair. While current Chair Jerome Powell will not be dismissed, Trump is expected to pre-select a successor who will begin to influence Fed policy from the sidelines. The future appointee will almost certainly adopt a dovish stance, aligning with Trump's demand for lower interest rates. Meanwhile, the U.S. economy is finally showing signs of cooling, as evidenced by July labor market data. The deterioration in employment figures was anticipated and will likely support a quicker shift by the Fed toward monetary easing. We believe these factors are constructive for sovereign bonds in both the U.S. and Europe. In our view, the U.S. dollar is likely to continue its gradual depreciation against a basket of global currencies. However, the pace of this decline should be more measured going forward, as foreign investors have already largely hedged their dollar exposure. Under these circumstances, we do not see compelling reasons to take active positions in other currencies.

**Portfolio.** The weight of risky part of the portfolio currently accounts for 48% of total assets. We have closed our positions in Mexican local currency bonds. In replace we increased exposure to bonds issued by the Telegram messaging platform, French transportation company CMA CGM, the new bond from telecommunications company VEON, hotel operator Resorts World Las Vegas, and power generation company PacifiCorp. In addition, we extended the portfolio duration to 7 years by adding long-term government bonds of the United States, Germany, and the United Kingdom.

### Key Characteristics

# of positions	19
Duration	7,2
Average Rating	A
YTM %	6,0
Current Yield %	5,2
Net return since incept., % p.a.*	1,6
Sharpe Ratio since inception *	0,30

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### Country (%)

US	54,5
Europe	33,8
Colombia	2,8
Turkey	2,6
South Africa	2,6
Australia	2,6
Cash	1,2
Mexico	0,0
Israel	0,0
India	0,0
<b>Total</b>	<b>100,0</b>

### Sector (%)

Sovereign	53,1
Financials	9,4
Materials	7,1
Consumer	5,7
Food	5,4
Telecom	3,7
Transport	3,6
Tech	3,1
<b>Total</b>	<b>100,0</b>

### Top 10 Holdings (%)

UNITED STATES TREASURY	37,8
United Kingdom Sovereign	6,3
Germany Sovereign	6,3
CMA CGM S.A.	3,6
Telegram Group	3,1
Resorts World Las Vegas	3,1
Raiffeisen Bank International AG	2,8
Grupo Nutresa S.A.	2,8
PacifiCorp	2,7
Deutsche Bank AG	2,7
<b>Total</b>	<b>71,3</b>

### Duration (%)

0 to 3 years	17,5
3 to 5 years	36,7
5 to 10 years	19,1
Cash	1,2
Less than 0	0,0
10+ years	25,6
<b>Total</b>	<b>100,0</b>

### Credit Quality (%)

AAA	0,0
AA	51,8
A	0,0
BBB	2,7
BB	38,8
B	0,0
Cash	1,2
Lower than B	0,0
Not rated	5,6
<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.