

LEON Income Fund

RAIF V.C.I.C. PLC

September 2025

EUR-hedged share class | NAV per share: 913,17



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.

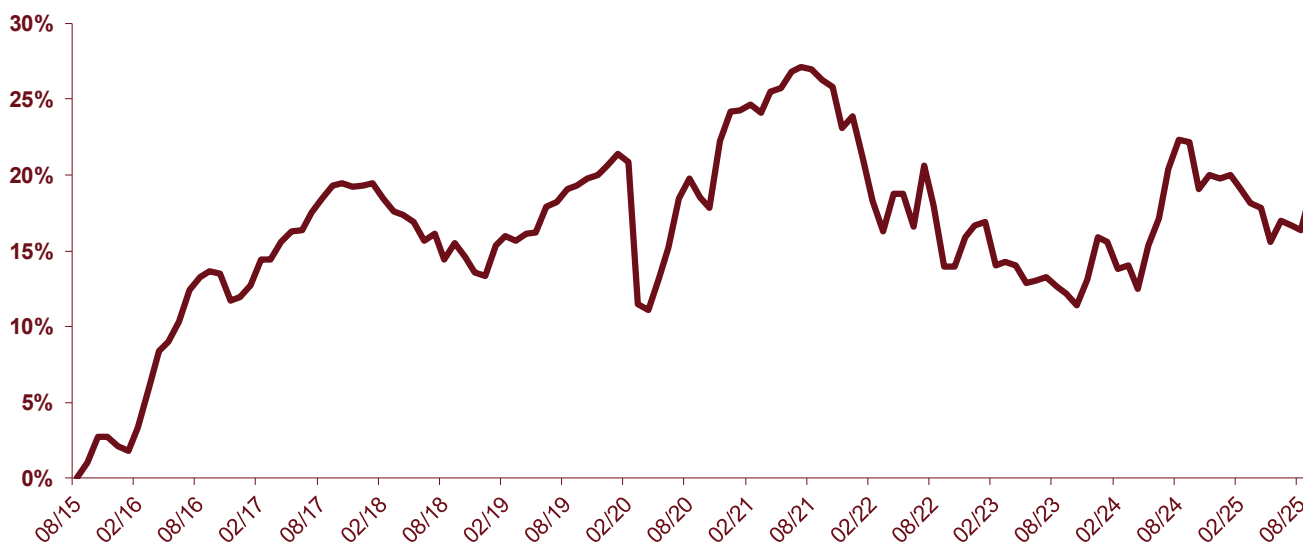
Target Portfolio Attributes

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)*



Net Performance (EUR-hedged Share Class)*

%	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	-0,2	2,3				-0,6	19,0
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. September was a positive month for bond markets. For the first time in 2025, the U.S. Federal Reserve cut its policy rate. The regulator highlighted the need to support a weakening labor market, while the inflationary risk stemming from tariffs is still viewed as temporary. We are confident that rate cuts will continue in the upcoming meetings. The U.S. government shutdown prevented the release of September labor market data; however, private estimates from ADP remain weak. An important development for global bond markets has been the situation in France. The country's fiscal crisis has evolved into a political one, and we see no clear path to resolution: debt levels and the tax burden remain high, while the single euro exchange rate prevents fiscal adjustment through currency devaluation. The European Union may ultimately support France, but doing so would require coordinated — and politically challenging — efforts, serving as another test of the region's resilience. In this context, we expect a decline in the euro, which has already appreciated by more than 12% since the start of the year. We also believe that, for the first time in several years (since the REIT issues in 2021–2022), a genuine credit risk is emerging in the U.S. financial system, linked to weaker borrowers. In our view, this risk is concentrated in the massive debt financing of AI data center construction. At present, the cash flows of major tech companies are no longer sufficient to cover capital expenditures, and starting from 2026, debt levels are expected to rise rapidly. We believe investors should closely monitor this situation.

Portfolio. The weight of risky part of the portfolio is 55% of total assets. We closed our positions in the bonds of chemical companies Celanese and Sasol, as well as in CAF (Corporación Andina de Fomento). As replacements, we opened positions in the bonds of Argentine companies: oil producer YPF, utility company Pampa Energia, and telecommunications operator Telecom Argentina. We also extended the portfolio's duration to 10 by adding U.S. government bonds (as of October 8).

Key Characteristics

# of positions	19
Duration	2,4
Average Rating	A
YTM %	6,0
Current Yield %	4,3
Net return since incept., % p.a.*	1,7
Sharpe Ratio since inception *	0,34

* 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 (%)

US	60,7
Europe	19,7
Argentina	9,7
Turkey	3,1
Colombia	3,0
Australia	2,6
Cash	1,2
South Africa	0,0
Mexico	0,0
Israel	0,0
Total	100,0

Sector (%)

Sovereign	44,1
Consumer	14,1
Oil & Gas	9,7
Financials	8,0
Telecom	7,1
Transport	3,8
Tech	3,3
Industrials	3,1
Food	3,0
Materials	2,6
Total	100,0

Top 10 Holdings (%)

UNITED STATES TREASURY	44,1
CMA CGM S.A.	3,8
DNO ASA	3,3
Telegram Group	3,3
Telecom Argentina	3,3
Resorts World Las Vegas	3,3
YPF S.A.	3,2
Pampa Energia	3,2
Aydem Energy	3,1
Grupo Nutresa S.A.	3,0
Total	73,5

Duration (%)

0 to 3 years	47,9
3 to 5 years	36,2
5 to 10 years	14,8
Cash	1,2
Less than 0	0,0
10+ years	0,0
Total	100,0

Credit Quality (%)

AAA	0,0
AA	44,1
A	2,6
BBB	0,0
BB	32,7
B	12,8
Cash	1,2
Lower than B	0,0
Not rated	6,6
Total	100,0

Contacts

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Fund administrator: PwC Fund Services. **Website:** 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.