

# LEON Income Fund

RAIF V.C.I.C. PLC

October 2025

USD share class | NAV per share: 1072,47



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.

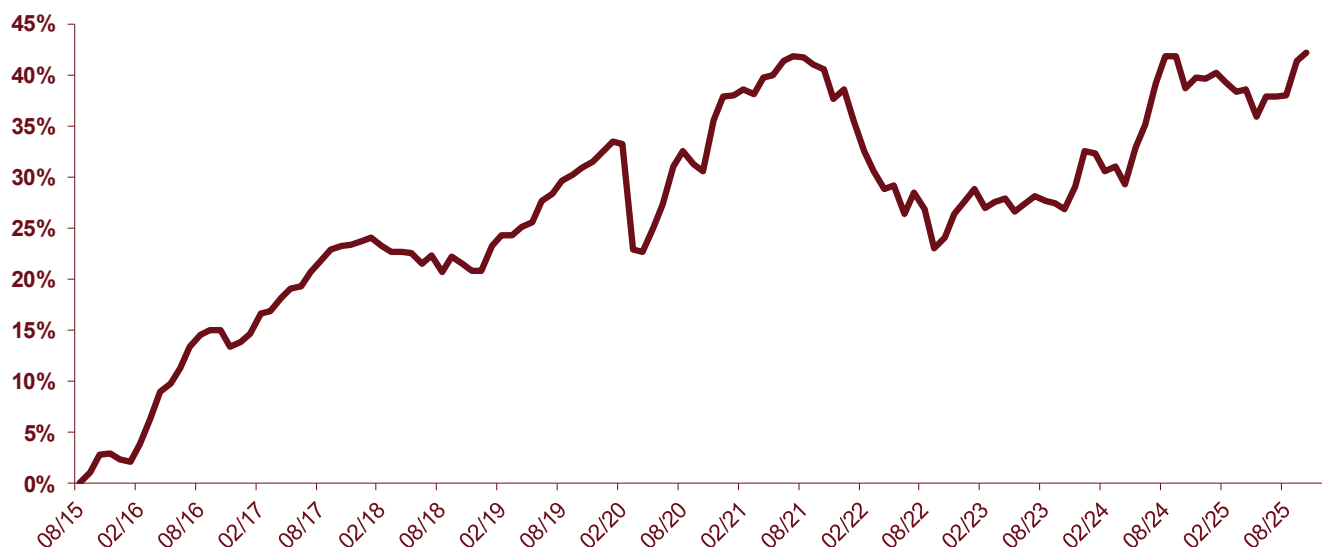
## Target Portfolio Attributes

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)\*



## Net Performance (USD Share Class)\*

%	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD	Since incept.
2025	0,4	-0,6	-0,7	0,1	-1,8	1,4	0,0	0,0	2,5	0,5			1,8	42,2
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.

# LEON Income Fund

RAIF V.C.I.C. PLC

October 2025



LEON  
MFO Investments

## Monthly Commentary

**Bond Markets.** The bond market remained largely unchanged in October. In our view, the key drivers have not shifted and are likely to remain relevant for at least another 1–2 quarters. The U.S. Federal Reserve once again cut interest rates. Analysts interpreted the regulator's statement as hawkish and lowered expectations for a December rate cut. Nevertheless, we continue to believe that the Fed will stay on its current course and keep easing rates over the next 1–1.5 years due to several factors. First, following the U.S.–China trade agreement, a renewed surge in inflation appears unlikely. Second, the economy outside the AI sector remains sluggish, as evidenced by labor market data. Third, the growing U.S. dollar liquidity deficit has a structural nature and requires continued policy easing. It is worth noting, however, that we do not expect the start of a full-scale QE program, unlike the most optimistic investors. In our opinion, the Fed has learned the lessons of uncontrolled money printing during the COVID-19 era and the subsequent inflation surge. Therefore, liquidity easing will likely be selective and gradual, without providing clear benefits to risk assets. The main risk, in our view, remains excessive capital expenditures in the Big Tech/AI segment, which cannot be justified under the current level of monetization and computing efficiency. The debt burden in this segment continues to grow and reminds us of the U.S. shale boom peak in 2014, when American oil producers heavily invested in extraction without regard for profitability. We believe that, in the near term, it remains prudent to gradually increase the share of defensive assets (long-term U.S. Treasuries) by further reducing exposure to risk assets.

**Portfolio.** We have reduced the weight of the portfolio's risk assets to 43% of total holdings amid the prolonged U.S. government shutdown and rising credit risks in the AI sector. Among the new positions, we purchased bonds of the Argentine oil and gas company Tecpetrol, the French logistics operator CMA CGM, and the automaker Renault. The freed-up funds were allocated to additional purchases of long-term U.S. government bonds (portfolio duration – 10).

### Key Characteristics

# of positions	16
Duration	9,7
Average Rating	A
YTM %	5,7
Current Yield %	3,4
Net return since incept., % p.a.*	3,5
Sharpe Ratio since inception *	0,71

\* 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 (%)

US	55,1
Europe	21,5
Cash	7,6
Argentina	6,5
South Africa	3,2
Turkey	3,1
Colombia	3,0
Australia	0,0
Mexico	0,0
Israel	0,0
<b>Total</b>	<b>100,0</b>

### Sector (%)

Sovereign	49,5
Oil & Gas	9,9
Cash	7,6
Consumer	5,5
Industrials	4,6
Telecom	3,9
Transport	3,8
Tech	3,4
Materials	3,2
Food	3,0
<b>Total</b>	<b>100,0</b>

### Top 10 Holdings (%)

UNITED STATES TREASURY	49,5
CMA CGM S.A.	3,8
DNO ASA	3,4
Telegram Group	3,3
0	3,3
Tecpetrol S.A.	3,2
YPF S.A.	3,2
Pampa Energia	3,1
Aydem Energy	3,0
Grupo Nutresa S.A.	2,9
<b>Total</b>	<b>78,8</b>

### Duration (%)

0 to 3 years	7,7
3 to 5 years	24,7
5 to 10 years	10,4
Cash	7,6
Less than 0	0,0
10+ years	49,5
<b>Total</b>	<b>100,0</b>

### Credit Quality (%)

AAA	0,0
AA	49,5
A	2,7
BBB	0,0
BB	26,9
B	6,5
Cash	7,6
Lower than B	0,0
Not rated	6,7
<b>Total</b>	<b>100,0</b>

## Contacts

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

**E-mail:** [marketing@leonmfo.com](mailto:marketing@leonmfo.com) **Website:** [www.leoninvestments.com.cy](http://www.leoninvestments.com.cy)

**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.