LEON Dynamic Allocation Fund

May 2026

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Risk disclosure statement

Information about External Manager

LEON MFO Investments Limited (the **"External Manager"** or the **"Company"**) is a private company limited by shares, registered and incorporated under the Laws of Cyprus with registration number HE 326316 and authorized as an Alternative Investment Fund Manager (the **"AIFM"**) by the Cyprus Securities and Exchange Commission (the **"CySEC"**) in accordance with the provisions of the Alternative Investment Fund Managers Law of 2013, as amended, with authorization number AIFM 37/56/2013. The content of this presentation has been prepared by the Company and every effort has been made to ensure that the information contained in the presentation is clear and free from any material misstatement. The purpose of this presentation is to provide you with information and to test the interest in a Registered Alternative Investment Fund (the **"RAIF"**) which is managed by the External Manager with the investment objective of generating income from investments in corporate and sovereign bonds. The document does not constitute an offer or an invitation to subscribe to units or shares in the RAIF and the information presented herein should not be relied upon because it is incomplete and may be subject to change.

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.

ESG matters

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.

Market Outlook and Portfolio Positioning

Market Outlook

- We maintain a constructive outlook on risk assets. The primary drivers of growth—namely, the IT capital expenditure cycle, the reindustrialization of major global economies, and elevated fiscal spending—remain firmly in place.

- A key development for the markets was the first Federal Open Market Committee (FOMC) meeting chaired by Kevin Warsh. His forward guidance on inflation proved more hawkish than anticipated, signaling unequivocally that the U.S. central bank will not tolerate any loss of control over price dynamics. The most notable implications of this stance include:

  - ✓ A flattening of the U.S. Treasury yield curve, reflected in declining short-term bond prices and rising long-term bond prices. In our view, this repricing is a logical response to the Fed's more restrictive policy bias. Moreover, this dynamic bolsters the case for accumulating high-quality long-duration bonds, as the risk of unanchored inflation—previously a critical concern for such instruments—has now materially receded. We therefore see this as a favorable environment for extending portfolio duration.

  - ✓ An appreciation of the U.S. dollar (DXY) against major currencies, accompanied by a corresponding decline in commodity prices. We consider the dollar's upside to be limited, as policy rates in other major economies (e.g., the Eurozone, Japan) are also on an upward trajectory, thereby keeping interest rate differentials broadly stable. Furthermore, investor positioning in currency futures had already skewed bullish on the dollar ahead of the meeting, which constrains the scope for further meaningful appreciation.

- We continue to view excessive concentration in AI-beneficiary sectors—particularly semiconductor manufacturers—as the primary risk to global equity markets. The cumulative volume of leveraged positions (including margin ETFs and options) in these names has reached an all-time high. This poses a significant source of potential volatility should future earnings expectations for these companies fail to materialize.

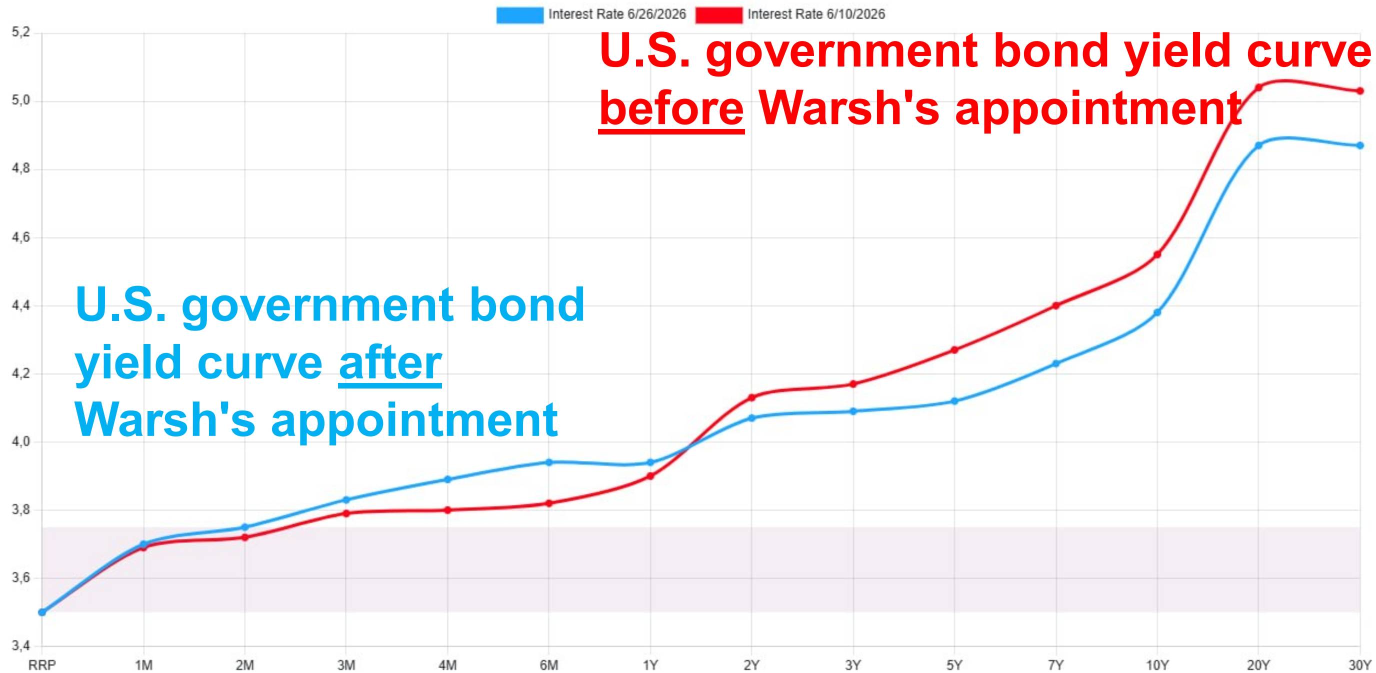
Portfolio composition

- **Fixed income is the core part of our portfolio**. In addition to our anchor positions in high-yield bonds, we have added long-dated U.S. Treasuries and investment-grade corporate bonds. In our assessment, the Fed's hawkish signal has materially reduced the risk of uncontrolled inflation—and, by extension, an unchecked rise in yields. This is a constructive development that supports the case for purchasing long-term bonds, which offer a higher locked-in coupon and stand to appreciate in price should U.S. inflation decelerate.

- **Our equity allocation remains neutral.** We see little rationale for a significant overweight position, given the Fed's restrictive monetary stance and the extreme overvaluation/overheating in the semiconductor sector, which carries substantial weight in major equity indices. Instead, we prefer to maintain a selective approach, focusing on a limited number of thematic opportunities—primarily within commodities.

As a 06-29-2026	% of portfolio
Fixed Income	**82%**
US Treasuries	30%
Investment Grade Bonds	20%
High Yield Bonds	32%
Equities	**18%**
Broad US Market ETFs	10%
Thematic ETFs	4%
Individual Equities	4%
Other	-

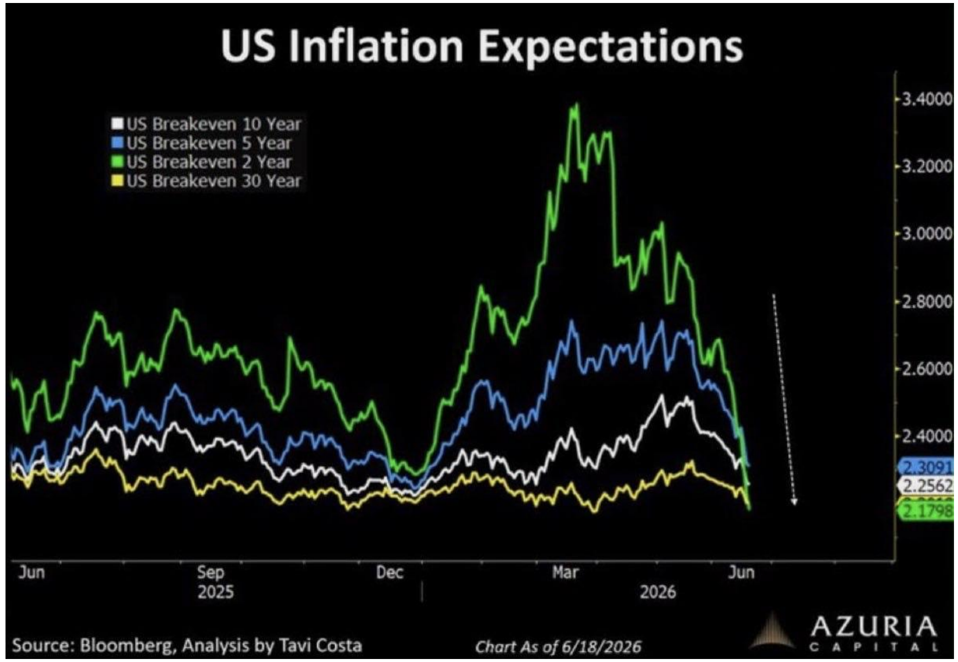
Bonds: we are increasing the duration of the portfolio



Yields decreased after Warsh's appointment, which is positive for long–term bonds

- The position of the new head of the Federal Reserve, Warsh, regarding inflation turned out to be tougher than investors expected. This is positive for long–term bonds, as the main risk - loss of control over inflation – is not realized.
- This creates support for the price of long-term bonds. Therefore, we increase their weight in the portfolio to obtain a higher coupon yield than that of short-term bonds and money market funds.
- We maintain a balanced portfolio structure: both US government bonds (reliability) and corporate bonds (increased coupon yield, low risk of falling prices).

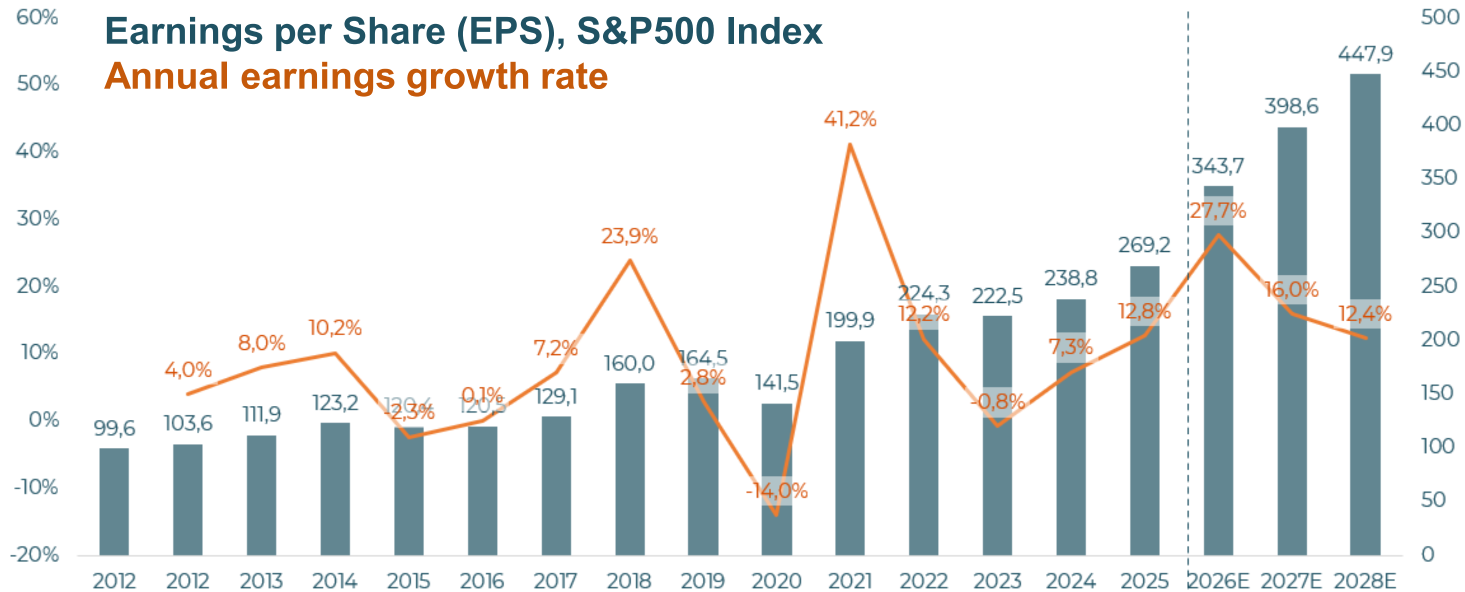
Inflation expectations in the US are declining



- Contrary to the widespread expectations among analysts of a U.S. Federal Reserve rate hike in 2026, investor inflation expectations are declining markedly. The primary visible driver is the drop in oil prices, supported by the stabilization of the situation in Iran. Furthermore, the inflationary effect stemming from CapEx growth in the technology sector remains limited in scope and does not materially feed through to broader inflation components such as food, housing, and the like. U.S. job creation data also remain at comfortable levels, exhibiting no signs of overheating.

- In our view, the stabilization of U.S. inflation over the second and third quarters of 2026 should enable the Fed to forgo further rate increases—a development that would carry positive implications across all major asset classes. We therefore see the prevailing concerns over a potential rate hike as excessive.

Equities: Preference for Broad-Market Exposure



- U.S. corporate earnings growth remains on track and, by current projections, is set to reach its fastest annual pace in 2026 since 2012 (excluding the post-COVID-19 recovery in 2021). This earnings momentum is underpinned by persistently high levels of investment in the technology sector, resilient consumer demand, and sustained U.S. fiscal spending. In our view, these trends are likely to persist.

- At the same time, we observe a clear rotation of activity not only across individual sectors, but also within them—for instance, from software producers to hardware manufacturers within the technology space. The nature of these rotations is often difficult to forecast with confidence (recent examples include the outbreak of the U.S.–Iran conflict and the sharp rally in memory-chip producers). Consequently, we maintain a core anchor position in a broad U.S. market ETF—namely, the Invesco S&P 500 Equal Weight ETF (RSP US).

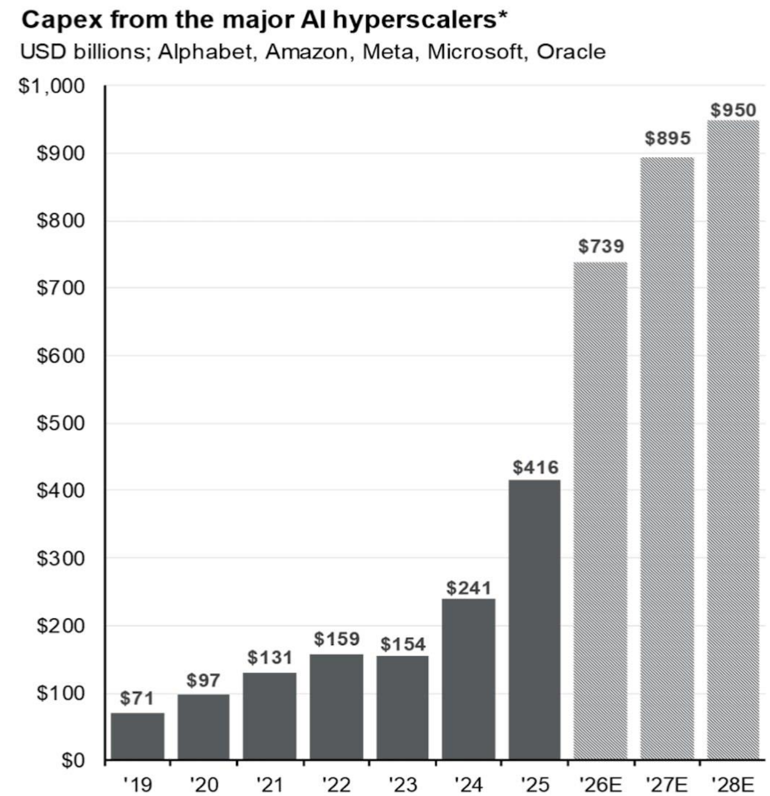
Equities: Select Beneficiaries of the IT CapEx Cycle

- Capital expenditure among the largest U.S. companies remains at record highs, with a substantial portion of these outlays allocated to electronics procurement and construction activity. The key resource inputs underpinning this development are metals and energy—primarily electricity.

- Demand for commodities (metals, electricity) is set to continue its upward trajectory against the backdrop of the ongoing CapEx cycle. Regardless of the ultimate monetization pathway for AI technologies, spending on data-center construction, power generation facilities, and related infrastructure is likely to remain elevated. At the same time, inventory levels of base metals (copper, aluminum, etc.) as well as energy fuels (oil, gas, uranium, etc.) remain low, pointing to a potential supply deficit over the coming years.

- In our view, the current pullback in metals prices—driven by fears of Fed rate hikes—is overdone and does not undermine the fundamental investment case.

- In addition to our holding in the State Street SPDR S&P Metals & Mining ETF (XME US), we maintain a position in CATL (3750 HK), the world's largest battery manufacturer, which stands to benefit from both rising demand for data-center power solutions and growing electric vehicle sales.



Strategy Overview

The world is changing – so shall the optimal allocation

	Low Inflation 2010-2021	High Inflation 2021-2026
Government Bonds	+ Consistent	- Painful
Corporate Bonds	+ Good Carry	- Volatile
Equities	+ Strong	+ Strong
Precious Metals	- Flat	+ Strong
Oil & other commodities	- Volatile	+ Strong
Cash	- Zero Yield	+ Good Yield

- Sticky inflation is here to stay.
- Portfolio allocation shall be inflation-friendly and pro-active.

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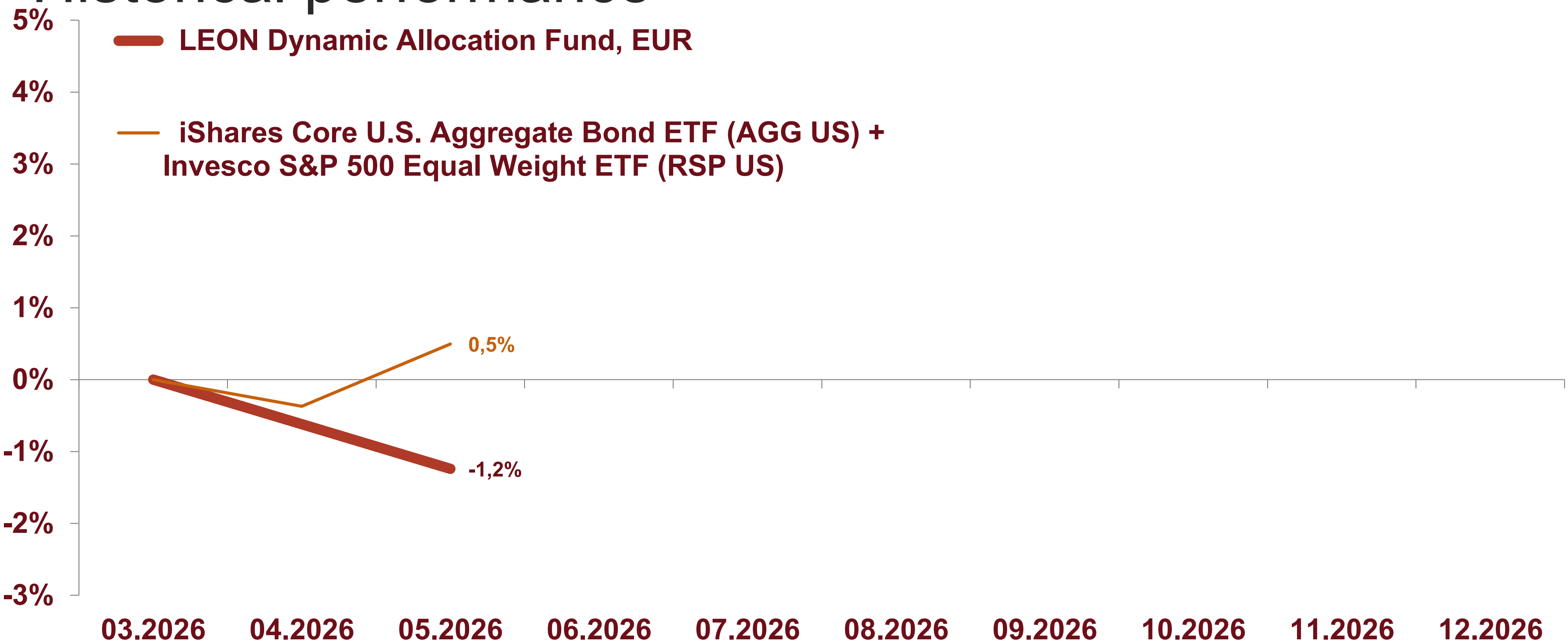
Portfolio Allocation Limits

	Min, %	Max, %
Fixed income	50	100
Equities	0	50
Precious Metals	0	30
Other Commodities	0	20
Cash and alternatives	0	100
Hedge	- 30	0

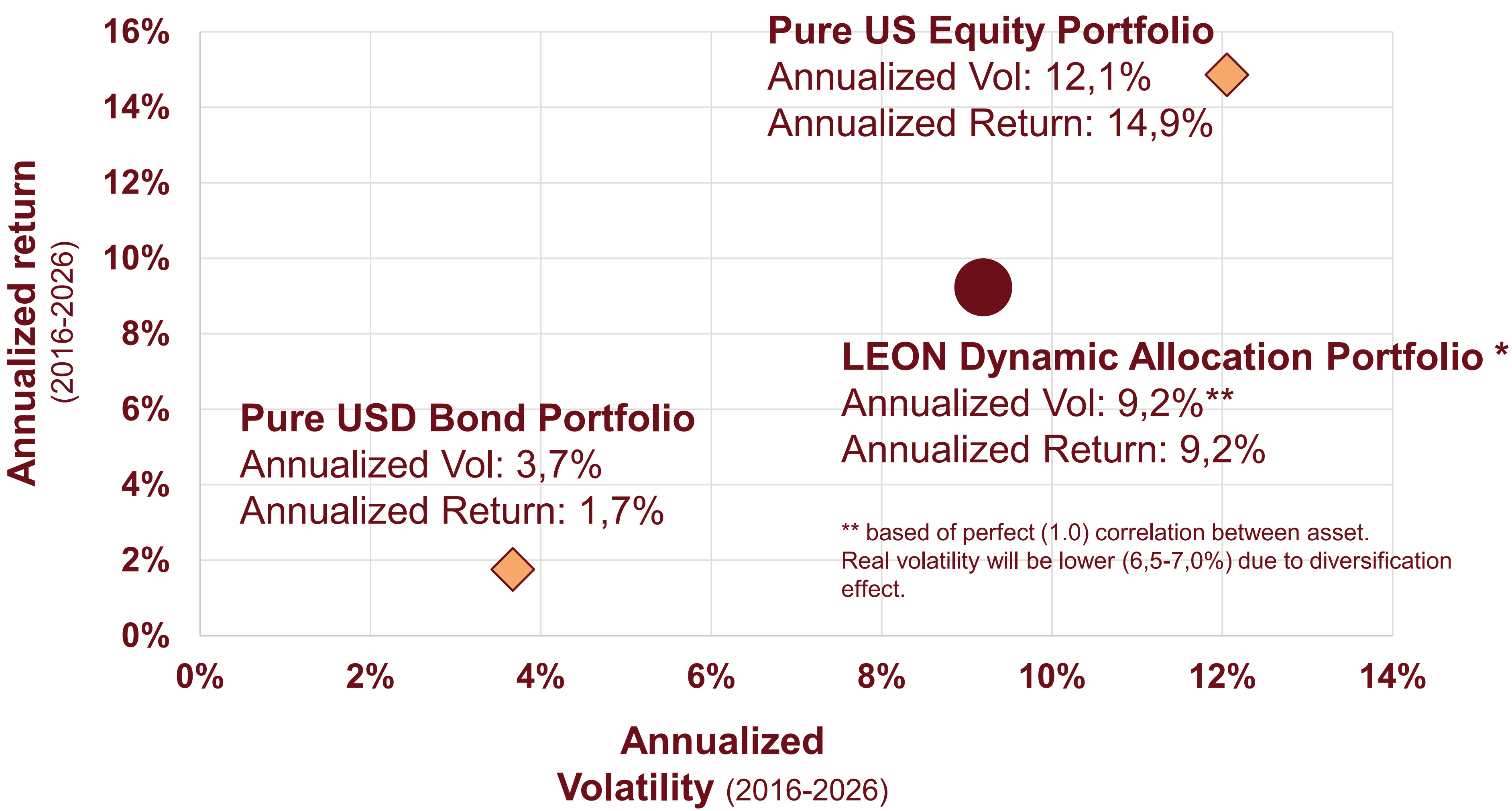
- Bonds – the core part of portfolio.
- All other asset classed – opportunistic approach.

Historical performance



Strategy (all in USD)	May 2026 %	2026 YTD %	Since inception % (cumulative return)	Since inception % (annualized return)	Since inception Sharpe Ratio
Leon Dynamic Allocation Fund	-0,6	-1,2	-1,2	-1,2	-
Benchmark (AGG US + RSP US)	0,9	0,5	0,5	0,5	-

The Efficient Frontier – our position



* Portfolio Composition: 50% High Yield Bonds (ETF HYG), 25% US Equity (ETF SPY), 20% Gold (ETF GLD), 5% Oil (ETF XOP)

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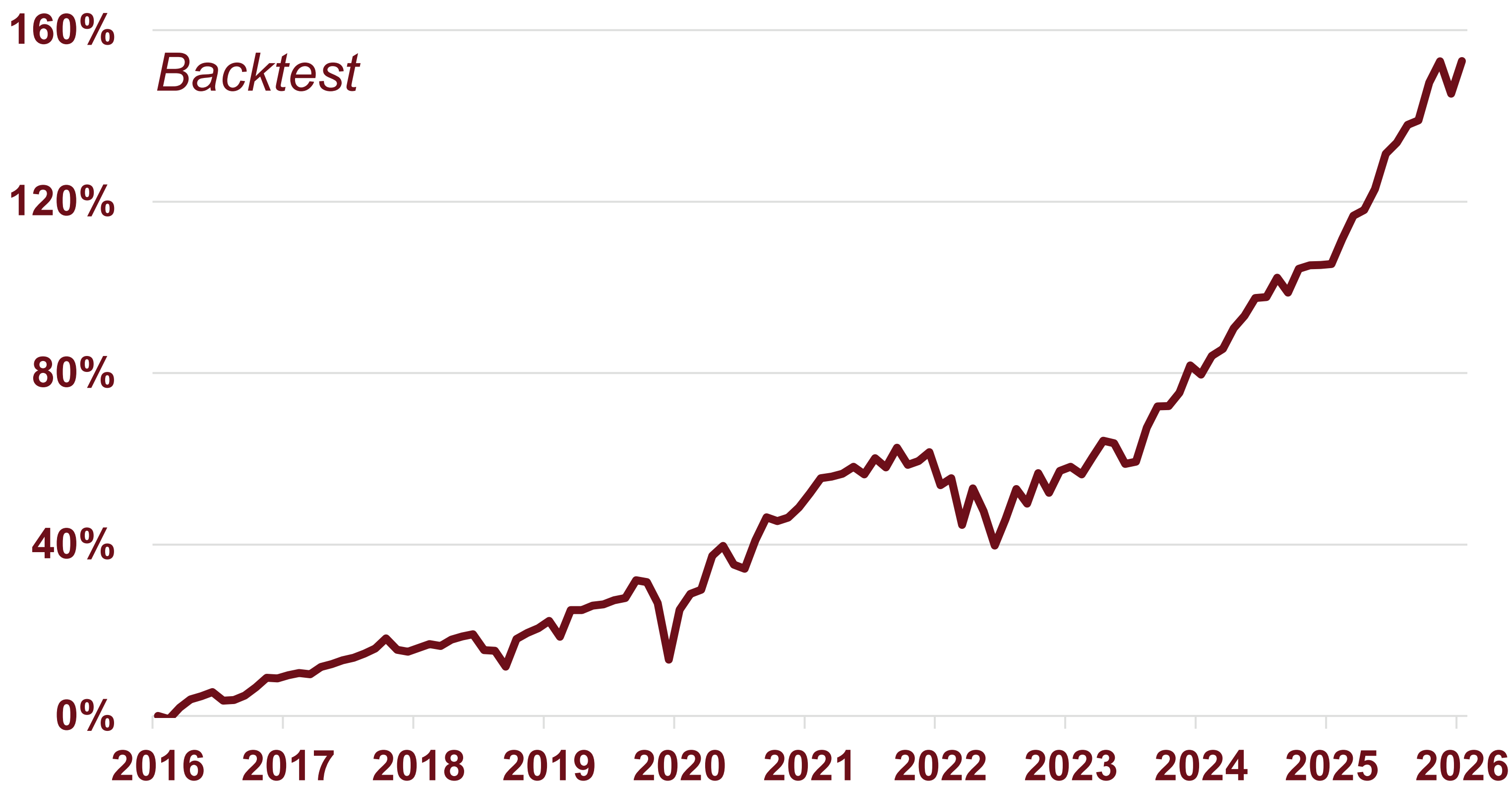
Historical dynamics



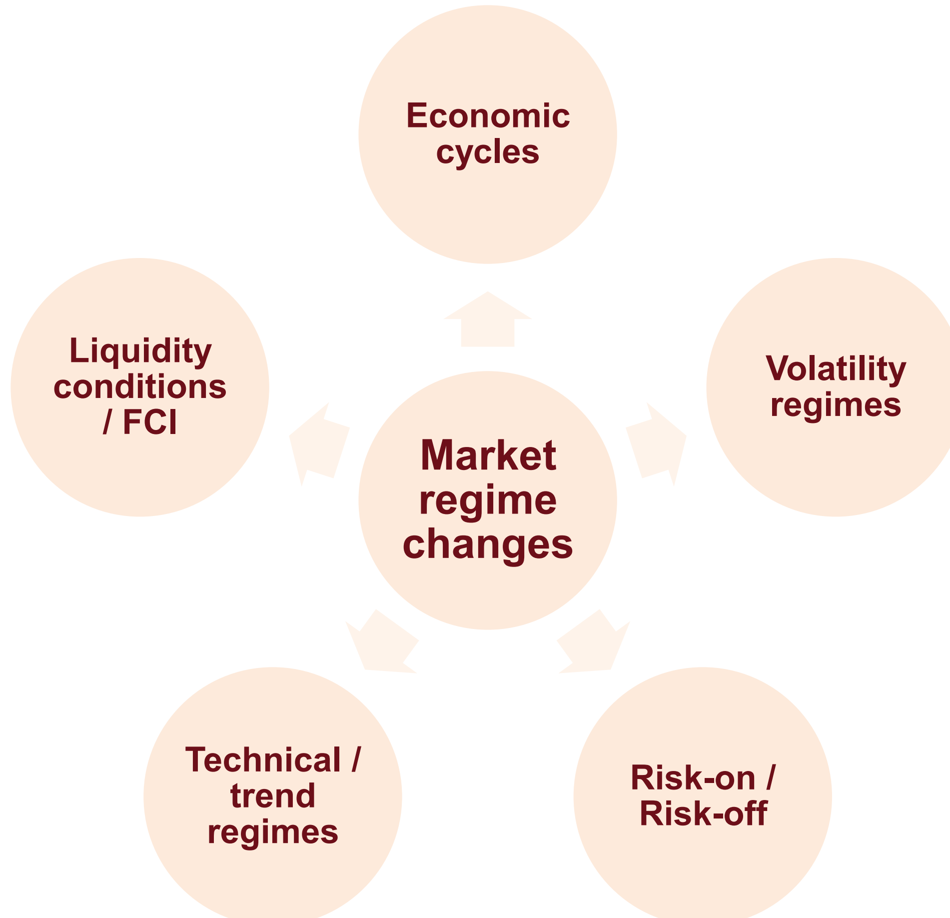
- The historical performance of the neutral asset-class allocation **delivers a net return of 9% per year in USD** (2-3% above the SOFR+5% absolute benchmark) with moderate volatility (a minor exception of 2022 with sharp negative performance of most asset classes due to the FED liquidity tightening).

Dynamic asset-allocation framework

LEON Dynamic Allocation Fund is a multi-asset investment strategy with a conservative tilt toward fixed income.

The portfolio is managed according to a balanced asset allocation principle, with the objective of delivering returns of **SOFR (Secured Overnight Financing Rate) + 5%** p.a. in USD across market cycles and irrespective of prevailing macro conditions.

The mandate allows for exposure to a broad universe of asset classes, with fixed income being the anchor allocation under all environments.



Security-selection alpha

The effectiveness of the strategy ultimately depends on disciplined idea selection.

- Our research team consists of six employees, organized with two dedicated experts for each major asset class (equities, fixed income, alternatives).
- This approach ensures robust idea generation and enables us to build the portfolio optimally within the mandated asset-class weightings.

Asset classes

- Equities, Fixed Income, Commodities, Cash.

Themes

- Examples: AI, Robotics, Dedollarization, U.S. Reindustrialization.

Sectors

- GICS sector analysis for the US and Europe.

Factors

- Value/Growth, Size, Volatility/Quality, Momentum.

Countries

- Core regions: DM/EM, Top 40 countries, Top 10 currencies.

Sources of ideas

Fixed Income: Typical positions

- Large companies, leaders in their industries
- Stable cash flows
- Reasonable debt load

We perform deep credit analysis of companies to find bonds that will increase in price due to improvement in business quality.

We focus on leading companies in US and global with credit rating BB and above.

Key parameters

Fund name	LEON Dynamic Allocation Fund RAIF V.C.I.C. PLC
Legal form	Variable Capital Investment Company (V.C.I.C.), Cyprus-domiciled
Launch date	April 2026
Share classes	USD (CYF000002347) EUR (CYF000002198), FX-hedged
Minimum investment	USD 150.000 / EUR 125.000
Liquidity	Monthly redemptions, no penalties
Fund manager	LEON MFO Investments Limited (regulated by CySEC, License No. AIFM 37/56/2013)
Depositary	EFG Luxembourg
Fund administrator	PricewaterhouseCoopers
Fees	Management fee: 1,0% of AUM p.a. Performance fee: 10% (3% hurdle, High Water Mark)

LEON Family Office Network

LEON Family Office Network provides wealth management and family office services to UHNW clients

$1bln of assets under management

Licensed Alternative Investment Fund Manager (AIFM) regulated by CySEC

Professional asset management team with over 20 years of experience in leading banks and family offices (Renaissance, Troika, PwC, HSBC, Raiffeisen)

Our professional network

Julius Bär

EFG

UBP
Union Bancaire Privée

PICTET
1805

J.P.Morgan

pwc

LEON
MFO Investments

Contacts

Andrey Narutskiy
Managing Director, CEO

E: andrey.narutskiy@leonmfo.com
T: +357 25 260 065
Nobel Centre, Spyrou Kyprianou Ave. 47,
Office 202, Mesa Geitonia 4003
Limassol, Cyprus
www.leoninvestments.com.cy

Demetris Nicolaou, CFA
Executive Director, Head of Risk Management

E: demetris.nicolaou@leonmfo.com
T: +357 25 268 120
M: +357 99 662 100
Nobel Centre, Spyrou Kyprianou Ave. 47,
Office 202, Mesa Geitonia 4003
Limassol, Cyprus
www.leoninvestments.com.cy

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