LENO FINANCIAL SAC CONSERVATIVE FUND

Quarterly Report for the period ended June 30, 2025

Investment Manager
Leno Asset Management Ltd.

Analysis Period
April 1, 2025 – June 30, 2025

2nd Quarter Review
The economic and fixed-income market update for the quarter under review is as follows:

- The Bahamas' Q2 2025 GDP growth rate is estimated at 4.8% year-over-year, marking a significant increase from the previous quarter.
- Key contributors include expansion in the tourism sector, a surge in construction activities largely driven by foreign direct investments, and heightened consumer spending supported by moderate inflation and increased lending to businesses and consumers.
- In June 2025, the Government of the Bahamas returned to the international capital market, issuing an 11-year USD Eurobond totaling US$1.067 billion—its first since 2022. This issuance enabled the restructuring of $767 million of outstanding debt, extending duration and reducing principal repayments.
- The reopening of $66.57 million in benchmark Bahamas Registered Securities (BRS) took place in Q2, with coupons ranging from 4.09% to 6.62%.
- Rising demand for short-term maturities led to the refinancing of maturing bonds primarily through 364-day Treasury Bills.

The Fund ended the quarter with a Net Asset Value of $1.9140, outperforming its benchmark by +0.91 percent. The top five preference share and corporate bond holdings in the portfolio include 1) PPP Investments & Construction Co. (5.49%); 2) Cable Bahamas Preference Shares (2.73%); 3) UB Series B Notes (2.27%); 4) FOCOL Preference Shares (2.28%); 5) Nassau Cruise Port Ltd Bond (12.04%).

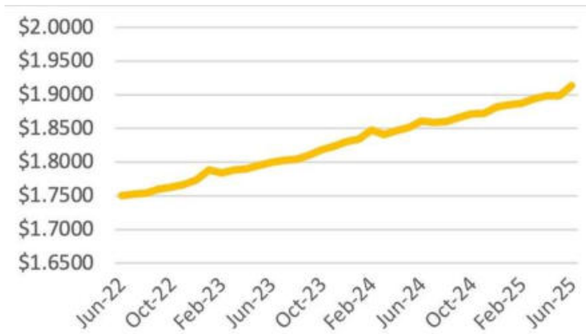
INVESTMENT OBJECTIVE

Leno Financial Conservative Fund (the "Fund") is a fixed-income fund that aims to provide a modest level of return while maintaining liquidity and preserving capital, mainly through investments in Government Bonds, high-quality corporate securities, and term deposits. The Fund seeks to maintain a Net Asset Value that provides its Shareholders with stable, low risk returns.

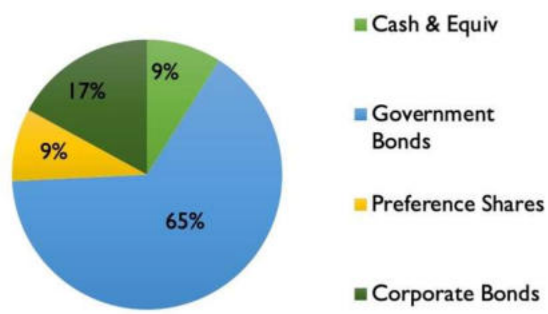
INVESTMENT STRATEGY

The Fund invests predominantly in Bahamas Government bonds and a diversified portfolio of bank deposits, corporate bonds, and preference shares. Its emphasis is on principal protection and maintaining high credit quality. The portfolio carries a low level of risk to the Investor and provides capital preservation while generating a reasonable yield.

Net Asset Value Performance



Fund Composition



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Benchmark

WEIGHTED AVERAGE DEPOSIT INTEREST RATE
(Source: Quarterly Digest, The Central Bank of The Bahamas - www.centralbankbahamas.com)

Performance	Qtr-2	YTD	1 YR	3 YR	Since Inception
Fund	+1.05%	+1.71%	+2.84%	+3.03%	+2.73%
Benchmark	+0.14%	+0.27%	+0.61%	+0.54%	+1.51%
+/- Benchmark	+0.91%	+1.44%	+2.23%	+2.49%	+1.22%