# LENO FINANCIAL SAC CONSERVATIVE FUND

Quarterly Report for the period ended September 30, 2025

## Investment Manager

Leno Asset Management Ltd.

## Analysis Period

July 1, 2025 – September 30, 2025

## 3rd Quarter Review

- During the third quarter of 2025, the government issued approximately $1.8 billion in debt instruments, mainly to refinance existing obligations.
- Treasury bills made up the majority of the issuances, accounting for 89% of the total, while Bahamas Registered Stock (BRS), including four re-opened issues, represented the remaining 11%.
- The Fund remained focused on capital preservation and income stability, as tourism sector growth moderated and broader economic expansion slowed.
- Rising deposit rates (+25 bps) improved income prospects across short- and long-duration holdings for future investments.
- The market absorption rate declined to 88% in Q3 2025, compared to 105% in the previous quarter, indicating weaker investor demand.
- In August, monetary conditions reflected a tightening of banking sector liquidity, as domestic credit expansion outpaced the growth in deposits.

The fund was benefitted by the stable income of the underlying securities. The Fund ended Q3 outperforming its benchmark by +1.11%. Over the quarter, the Net Asset Value per Share (NAV) rose from $1.9140 to $1.9381, reflecting a positive performance.

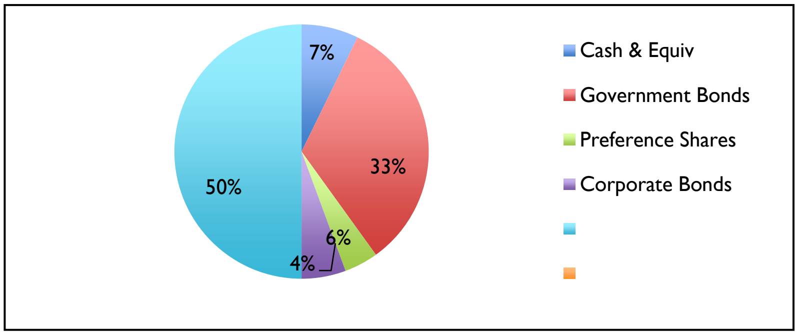
## INVESTMENT STRATEGY

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.

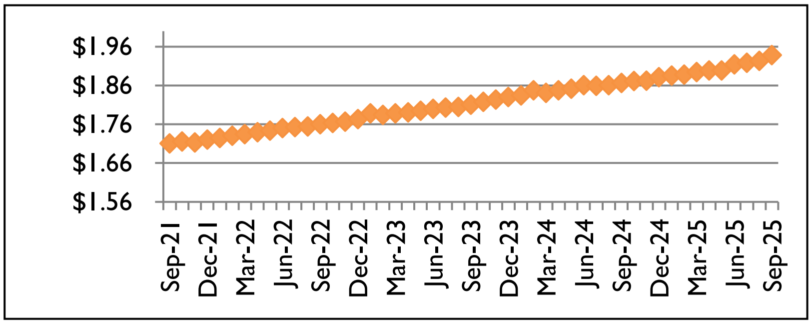
## INVESTMENT OBJECTIVE

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

## Fund Composition




## Net Asset Value Performance






## Benchmark

WEIGHTED AVERAGE DEPOSIT INTEREST RATE

*(Source: Quarterly Digest, The Central Bank of The Bahamas - www.centralbankbahamas.com)*

| Performance | Qtr-3 | YTD | 1 YR | 3 YR (annualized) | Since Inception (annualized) |
|---|---|---|---|---|---|
| Fund | +1.26% | +2.99% | +3.84% | +3.26% | +3.87% |
| Benchmark | +0.15% | +0.29% | +0.61% | +0.56% | +1.47% |
| +/- Benchmark | +1.11% | +2.70% | +3.23% | +2.70% | +2.40% |