



LionRhine Capital

Q1 2025

Quarterly Update

LionRhine Capital LLC

Table of Contents

1. Letter form the Board
2. Executive Summary
3. Market Overview
4. Fund Structure & Governance
5. Fund Performance & Strategy Breakdown
6. Risk Management & Compliance
7. Operational Developments
8. Financial Overview
9. Strategy & Outlook Q2 2025
10. Annexed & Supporting Documents

Version: 2025
Fund Name: LionRhine Capital LLC
Legal Structure: Alternative Investment Fund (AIF)
Fund Manager: Patrick van Leeuwen, LionRhine Capital LLC
Domicile: Switzerland

1. Letter from the Board

Dear investors, partners, and regulatory stakeholders,

The first quarter of 2025 has once again proven the necessity of agility, focus, and resilience in a world shaped by economic divergence and regulatory scrutiny. LionRhine Capital LLC continues to demonstrate its strength as a disciplined multi-strategy investment platform with a clear commitment to responsible asset growth, risk-adjusted returns, and compliance-led operations.

We are pleased to report solid performance across all internal funds, marked by stable inflows and well-calibrated strategic positioning. With operations anchored in Switzerland and guided by global investment intelligence, we remain confident in our forward trajectory.

We thank you for your trust and look forward to continued success together.

Sincerely,

The Board and Team
LionRhine Capital LLC

2. Executive Summary

Metric	Q1 2025
Total AUM (All Funds)	EUR 98.3 million
Net Inflow	EUR +4 million
Average Net Performance (All Funds)	+3.1%
Institutional Clients Added	1
HNW Individuals Onboarded	3
Completed KYC/AML Cycles	96%
Compliance Incidents	1
Number of Trades Executed	194
Number of Open Positions	142

3. Market Overview

Q1 2025 unfolded under the shadow of macroeconomic polarization. The Federal Reserve's tempered hawkishness clashed with Europe's cautious stagnation, while emerging markets staged selective recoveries. Switzerland maintained its resilient stance with modest inflation (2.1%) and stable central bank guidance.

Key Themes

- Divergence in interest rate policies between the US and Europe
- Volatility in commodity markets (copper, lithium, rare earths)
- Correction in commercial real estate and non-bank lending
- Growing focus on AI, defense technology, and debt restructuring

Our fund strategies captured these shifts through multi-asset positioning, distressed debt participations, and high-conviction thematic equities.

4. Fund Structure & Governance

LionRhine Capital LLC operates as a Swiss-domiciled investment vehicle regulated under FINMA guidelines. All internal funds are ring-fenced, fully audited, and compliant with both Swiss and international regulatory frameworks including AIFMD.

Internal Fund Overview

- Alternative Strategy Fund
- SkyTier Fund
- Traditional Asset Allocation Fund
- Alternative Debt & Distressed Assets Fund

All funds are accessible to qualified investors and structured with institutional governance, independent auditing, and regular risk disclosure updates.

5. Fund Performance & Strategy Breakdown

5.1 Alternative Strategy Fund

- **Type:** Opportunistic multi-asset (long/short, FX, derivatives)
- **AUM (March 31, 2025):** CHF 20.4 million
- **Q1 2025 Return:** +3.2%
- **Investment Horizon:** 6–18 months

Key Strategies

- Short exposure to Chinese real estate developers (credit instability hedge)
- Long positions in EU defense infrastructure firms
- EUR/USD currency positioning through February call spreads
- VIX option arbitrage and volatility ETFs pairing

Performance Drivers

+0.9% from structured volatility strategy on VIX futures

Risk Parameters

- Max Drawdown Q1: -1.6%
- Weekly VaR (95%): 4.5%
- Sharpe Ratio YTD: 1.45

5.2 SkyTier Fund

- **Type:** Thematic Growth Equity Fund (Technology, Innovation, Infrastructure)
- **AUM (March 31, 2025):** CHF 30.6 million
- **Q1 2025 Return:** +2.6%
- **Focus Themes:** Business Aviation and Airplane/Jet Innovation Technology

Top Holdings

- AEJ (CH) – 8.1%
- AMS-Osram (AT/CH) – 6.2%
- Rocket Lab USA – 5.0%
- SWISS (CH) – 4.6%

Portfolio Adjustments

- Exited 4 underperforming biotech positions
- Added 2 India-based AI Aviation platforms

Risk Profile

- High Beta (>1.3), moderated through smart beta overlay
- Full ESG integration completed

5.3 Traditional Asset Allocation Fund

- **Type:** Balanced multi-asset strategy (conservative risk profile)
- **AUM (March 31, 2025):** CHF 17.9 million
- **Q1 2025 Return:** +1.1%
- **Strategic Allocation:**
Equities: 53%

Fixed Income: 34%

Cash: 13%

Reallocations During Q1

- Increased holdings in Swiss 10-year government bonds
- Liquidated US small-cap ETFs to boost liquidity
- Reinvested into ESG-screened corporate bonds

Benchmark

Composite of MSCI World & Bloomberg Euro Aggregate

Outperformed benchmark by +0.3% YTD

5.4 Alternative Debt & Distressed Assets Fund

- **Type:** Private debt, distressed securities, restructuring participations
- **AUM (March 31, 2025):** CHF 29.4 million
- **Q1 2025 Return:** +4.5%

Key Positions

- Southern European real estate debt restructurings
- Acquisition of defaulted debt from Spanish hospitality sector
- Secured convertible loans to Baltic & Swiss fintech firms

Risk Controls

- Average LTV: <65%
- Legal structuring with jurisdiction-specific coverage
- Recovery Rate Target: >78% on all distressed participations
- Senior secured debt and equity-linked hybrid instruments

6. Risk Management & Compliance

- **Stresstests Conducted:** 3 (Market Shock, Rate Spike, Geo-Event)
→ No breaches in portfolio limits; NAV impact contained under 6%
- **Compliance:** One incident; all trading within mandates
- **KYC/AML:** 96% profiles reviewed and recertified as of Feb 2025
- **FINMA Relations:** Transparent monthly submissions maintained

7. Operational Developments

- Phase 1 of Bloomberg-Trading integration with external Investor Suite completed
- Automated fund reporting via Bloomberg API established
- Q1 factsheets, annual report, and offering documents drafted
- Standardized Risk Disclosure Statement template deployed (2025 update)
- Balance analyses completed for Q1 valuations across all portfolios

8. Financial Overview

Fund Name	AUM (EUR)	Q1 2025 Return
Alternative Strategy Fund	20.4 million	+3.2%
SkyTier Fund	30.6 million	+2.6%
Traditional Asset Allocation Fund	17.9 million	+1.1%
Alternative Debt & Distressed Assets Fund	29.4 million	+4.5%

9. Strategy & Outlook Q2 2025

- Bloomberg-Trading Integration Phase 2 roll-out
- Exploration of ESG-focused sub-fund (pre-launch expected Q3 2025)
- Continued expansion in distressed debt (Eastern Europe, Latin America)
- Investor Day Event planned for June 2025 in Lausanne
- Expansion of compliance operations (2 new FTEs planned)

10. Annexes & Supporting Documents

Available via request through Investor Relations:

- Detailed fund fact sheets
- Audited NAV breakdowns and valuation methodology
- Risk models and stress test results
- Updated Memorandum of Offering
- 2025 Risk Disclosure Statement
- KYC/AML compliance certificate (Q1 cycle)

Contact

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