

## PKF PCC 5% Fixed Income Bond - July Quarterly Report

### Market Commentary

The crazy time in markets continues over the last quarter. Investment banks suggest equities are the best bet, retail investors continue to pile into the “Meme Stocks” at alarming rates, Bitcoin saw a huge downturn of roughly 40%, gold was somewhat flat and the Nasdaq and S & P grew at over 8% to once again reach all time highs.

At these times of uncertainty where a mere Tweet can send an asset class up or down by 10% it becomes very difficult to protect and grow funds.

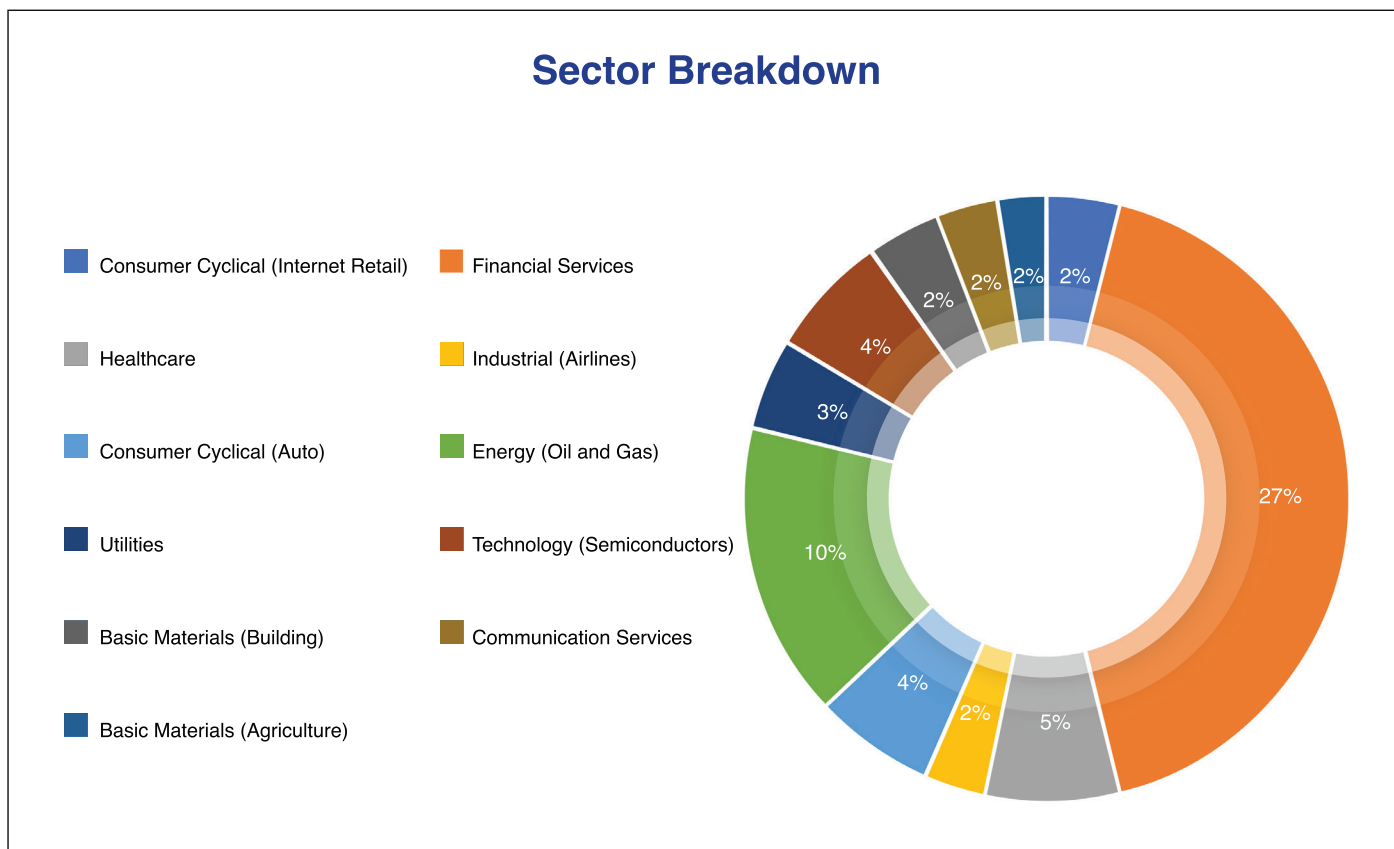
Our Fixed Income Bond has been going for its first full year in the height of these tumultuous times and continues to steadily protect capital and pay interest at 5% per annum.

### Strategy weighting for the quarter

Bonds investment Split			
Investments	Change	By	Current Holding
Corporate Bonds	Decrease	2%	18%
Structured Products	Increase	4%	43%
Asset Backed Corporate Debt	Neutral	0%	34%
Alternatives	Decrease	2%	5%

We saw a short-term increase in volatility during the quarter which gave opportunities to write some structured products which protect against a downturn in markets. We feel that equities are high and feel that a correction could happen later in the year and therefor increased our protection barriers with structured products. Bonds and alternatives were slightly decreased however we see this changing going into the second half of the year. For the past quarter we had some solid returns out of emerging market bonds and decided to take profit.

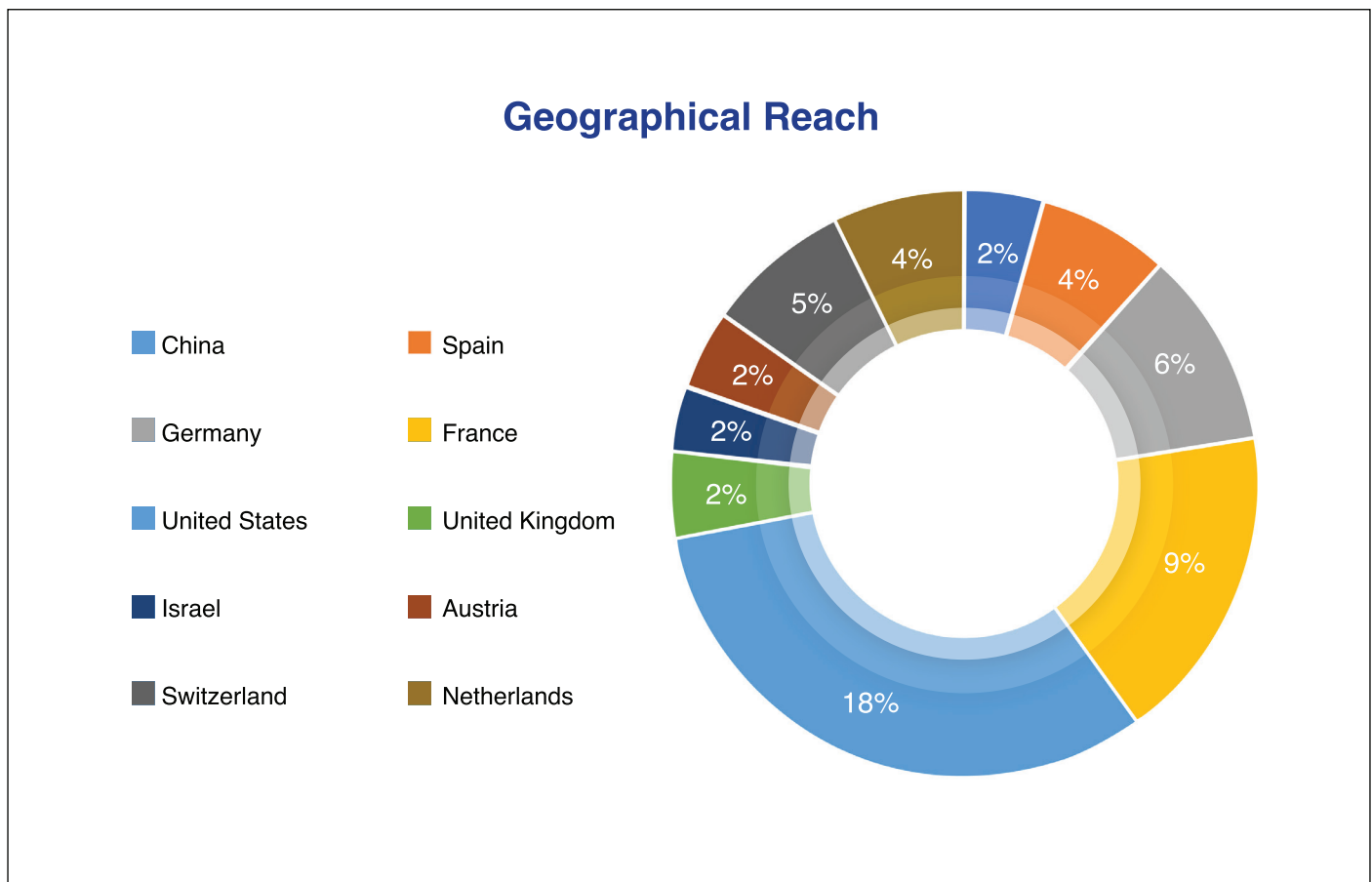
### Sector Reach for the Quarter



PKF Capital Markets (Seychelles) Limited a member firm of the PKF International Limited family of legally independent firms and PKF International Limited does not accept any responsibility or liability for the actions or inactions of any individual member or correspondent firm or firms.

Our views on the financial and energy sectors remained positive going into the second quarter and it paid off. We kept weighting fairly consistent in these sectors – especially for structured products where we’ve planned for a correction. The sectors continued to perform and held onto previous gains. We do remain cautious on the technology sector however semiconductors had a selloff due to supply concerns and this brought some good volatility into the top firms and with it great opportunity.

**Geographical Reach for the Quarter**



Although aiming for a global spread we do remain cautious on Emerging Markets. In order to ensure capital protection and consistent returns our focus remains on Europe and the USA, however we did increase our European positions as we saw potential USD weakness creeping in.

**Returns for the Quarter**

The bond has continued to hit quarterly returns as anticipated, with an interest payment of 1.2466% for the 91 days. The interest is calculated daily at 0.0136986% to give an annual rate of 5%.

PKF Capital Markets (Seychelles) Limited a member firm of the PKF International Limited family of legally independent firms and PKF International Limited does not accept any responsibility or liability for the actions or inactions of any individual member or correspondent firm or firms.

right people  
right size  
right solutions