

## INTRODUCING THE PKF PCC BOND PROGRAMME

The question that every discerning investor always should be asking is; where, how, and when to place my next investment. If we delve deeper into this question, we might try to find the answer through further questioning; What risk am I willing to take? Or better yet - what performance would I be satisfied with? In this way investing is much like farming – we can look at the past to decide what seeds to plant however we cannot predict the rain. Most farmers like investors are either sorry they planted too little, as conditions and market price turned out perfectly or sorry they planted too much, as it went the other way.

Having both asked and been asked these questions PKF Capital thought it would be best to create products for our clients that take away the stresses of investing in the unknown and rather provide certainties matched to risk; allowing every investor the ability to tailor their own portfolio with a blend of relative risk and return products.

## PROTECTION AND REGULATION

The PKF PCC Bonds are listed on MERJ Exchange, an award-winning global securities exchange and associate member of the World Federation of Exchanges. This assists in providing liquidity for bond holders and regulation for the bonds. Each class of bond is issued from a protected cell company cell and the bondholders have limited recourse to the assets of that cell.

2020 has taught us that nothing is guaranteed and because of this PKF PCC keep a constant overview and connection to the underlying investments.

This is crucial, as in times of sudden changes that which could lead to loss; PKF PCC will act swiftly in closing the bonds and returning capital to clients. This will assist in reducing risk and the potential to lose capital.

## INVESTMENT STRATEGY AND GEOGRAPHICAL REACH

To gain steady returns while limiting the risk, the Investment Committee carefully and methodically scrutinize and evaluate all fund managers and strategies. The result is a basket of alternative funds with high barriers of entry, usually excluding them from individual investors. The investments are diversified across fixed income hedge funds, private loans, secured and asset backed private and corporate debt, structured products, and real assets. These are split across the globe and held only in hard currency.

PKF PCC has monthly report back sessions with all managers to understand past performance whilst determining future predictions. This enables the investment committee to make the best asset allocation decisions to safeguard the assets of the investor.

Map to show geographic spread:

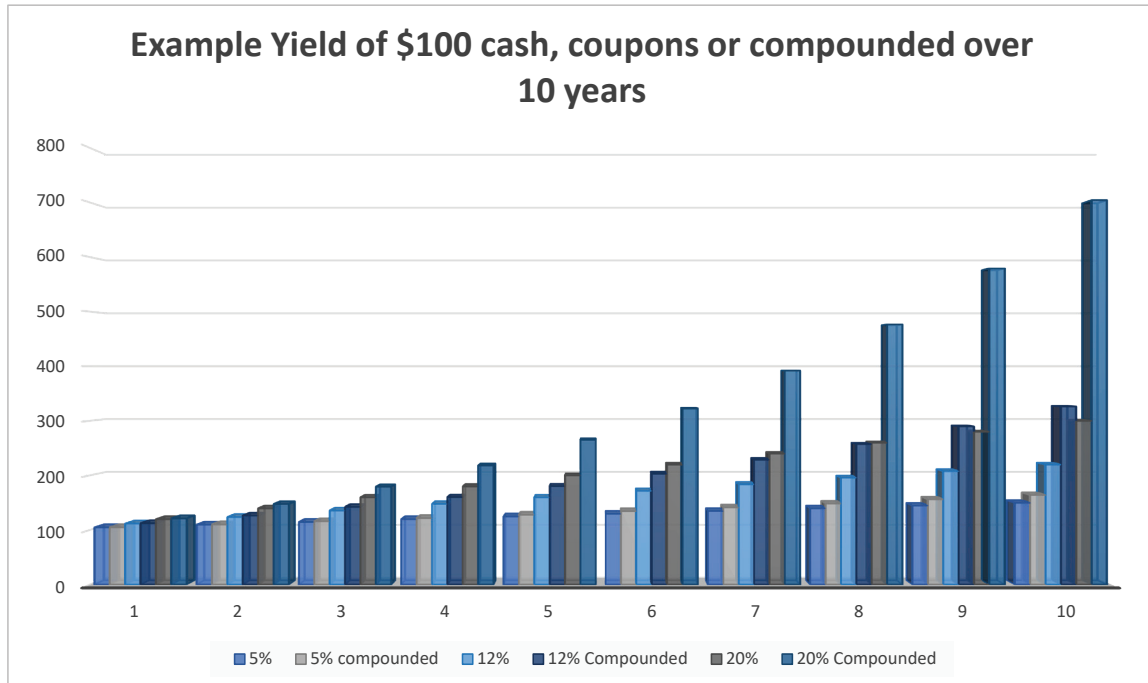


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## SIMPLE INTEREST VS COMPOUNDED RETURNS

We have all heard the old adage that compound interest is the 8th wonder of the world. However, we also understand that many investors may need cash flows from their investments to support their lifestyle; for this reason our 5 and 20% bonds offer both options. With 30 days prior notice investors can switch between receiving coupons in cash or for their returns to be reinvested and compounded.

The below illustrates the benefits of compounding over a 10-year investment horizon.



## BOND OPTIONS

### Bond Class 1 - 5% Fixed Income

The PKF PCC 5% Fixed Income Bond avoids the turbulence of markets and aims to achieve safe and steady growth. We at PKF Capital realize that many investors require a lower-risk investment to give a known rate of return for their offshore holdings. An investment to be proud of and to trust. Uniquely created through partnerships across a wide spectrum of alternative investment managers the PKF PCC 5% Fixed Income Bond will add stability and diversification to a portfolio; with the aim of being safe and to outperform USD inflation.

### Bond Class 2 – 20% Fixed Income Bond

At PKF we strive to meet the needs of all our clients, and although we aim for long-term safe and steady investments, we realize that some investors require higher returns and are willing to add some risk to a portfolio. The 20% bond aims to allow investors to take some risk in unsecured investments – however we have tried to reduce the risks by ensuring our partners have solid business plans and take necessary precautions.

This is done through medium term loans in Europe whereby a stringent software model is used to analyse each applicant through credit checks and bank statements. Due to the stringent business model and focus areas the company has seen little to no drop-off through the second and third waves of covid in Europe.

### Bond Class 3 – compounded 10-13%

PKF leverages off its networks and this bond allows smaller investors to have exposure to a bond fund they would normally not be able to partake in. The fund invests primarily in mid-cap investment grade and high yield bond securities outside the scope of index driven, ETF and crowded trading activity. The fund seeks to lock in a minimum of 5-8% current yield which provides a foundation for income and protection through times of volatility. Targeting bond duration of circa 3-4 years the strategy seeks to identify repricing catalysts for each position to drive alpha.

The high coupon and short-term duration methodology focusing on quality securities not subject to crowded market technicals, alongside the capital structure repricing catalyst, drive the target of 10-13% cash compounding with low portfolio volatility.

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right people  
right size  
right solutions