

PKF PCC Cell 2 - 20% Bond Fact Sheet

20% Limited Recourse Bond Due 2026



Overview of PKF

PKF PCC is a wholly owned subsidiary of PKF Capital Markets (Seychelles) Limited ("PKF"), a licensed Securities Dealer (SD001) and a licensed Seychelles Fund Administrator (FA007) with the Financial Services Authority of Seychelles and a member of MERJ Securities Exchange.

As a diversified financial services business, PKF provides a comprehensive range of financial products and services including corporate finance, sponsor advisory, private wealth management and securities broking services to institutions and private clients.

The Issuer

PKF PCC was incorporated on 10 August 2017. The Company is an International Business Company ("IBC") and a Protected Cell Company ("PCC") registered in terms of the IBC Act of the Seychelles.

The nature of business and principal activities of the Company is issuing of Bonds and similar securities and investing the proceeds in a portfolio of financial instruments and structured products in accordance with its investment policy.

The Bond

PKF PCC Cell 2 - 20% Bond is a debt instrument that offers investors a fixed return over a 5-year term. The underlying investment provides a yield by issuing unsecured debt to individuals in Spain.

These loans are issued at EUR 1,000 for 12 months or EUR 2,000 for 24 months, with repayment and interest collected monthly. Due to the nature of this product, being unsecured loans, it is considered high risk. This risk is however mitigated by a strict application process, which involves a high level of due diligence, and additionally, the risk is spread over a broad client base where a fall off rate of 20% can be absorbed. We therefore feel that the risk to return ratio is justified.

Key Parties

| | |
|--------------------------|------------------------------------------|
| Investment Manager: | PKF Capital Markets (Seychelles) Limited |
| Issuer: | PKF PCC |
| Listing: | MERJ Exchange |
| Clearing and settlement: | MERJ Clear |
| Global Distributor: | PKF Capital Markets (Seychelles) Limited |
| Issuer Legal Counsel: | Chetty and Chetty Chambers |

Bond Information on 30th September 2022

| | |
|---------------------------|----------------------------------------------------------------------------------------------------------------|
| Bond Name: | PKF PCC Cell 2 - 20% Bond |
| Currency: | EUR€ |
| Market Value: | € 1,815,300 |
| Face Value: | € 100 / Bond |
| Holding Company: | PKF Capital Markets (Seychelles) Limited |
| Term: | 60 Months |
| Withdrawals: | 12 months from issue with 30 days notice |
| Inception: | 01 April 2021 |
| Maturity Date: | 31 March 2026 |
| Coupon: | 20% Per Annum |
| Coupon Payment: | Quarterly |
| Coupon Payment Date: | On or before the 14th day after the quarter |
| Minimum Investment: | € 100 |
| Target Raise: | € 100,000,000 |
| Initial Charge: | 0% |
| Investor Criteria: | Primary issuances exclusively for clients of PKF |
| Regulation and Liquidity: | Listed on MERJ Exchange |
| Symbol: | PKFPCC2 |
| ISIN Number: | SC1725IFEJ93 |
| Dealing: | 10am-6am |
| Investor Protection: | Each class of Bond is issued from a PCC cell and the Bondholders have recourse to the assets of that cell only |

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Performance

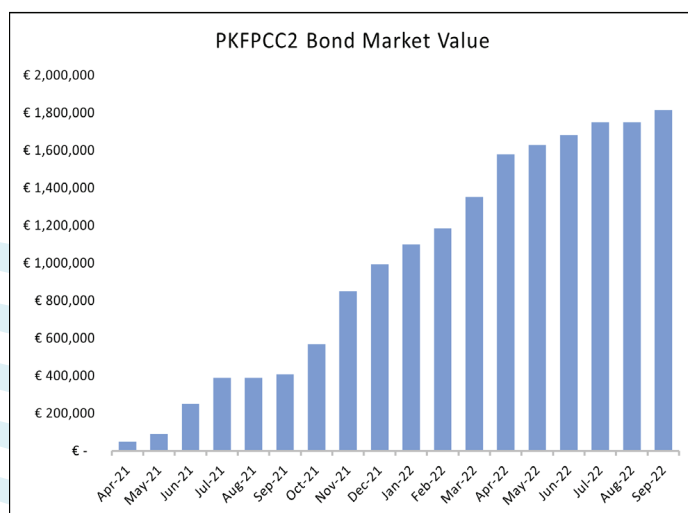
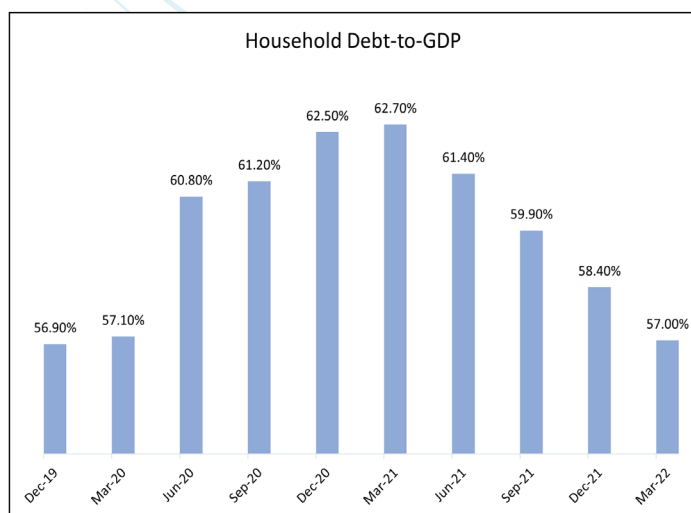
| Year | Q1 | Q2 | Q3 | Q4 |
|------|-------|-------|-------|-------|
| 2021 | - | 4.99% | 5.04% | 5.04% |
| 2022 | 4.93% | 4.99% | 5.04% | - |

Bond Commentary on 30th September 2022

The PKF PCC Cell 2 bond is still performing to its mandate in providing a return of 20% per annum paid quarterly. As it stands, the Spanish economy has remained relatively robust compared to its European peers, considering:

- Spanish year-on-year inflation peaked at 10.80% at the end of July but has since declined to 9.00% at the end of September 2022.
- The purchasing managers index (PMI) a leading indicator of economic activity, increased in September 2022 for the first time since June 2022.
- Year-on-year GDP growth has been resilient at 6.80% in September 2022.

Although the Euro has depreciated recently, this is mainly a result of extraordinary dollar strength which has been experienced by most global currencies. With general European inflation rising, excluding Spain, and the relatively reduced strength of the Euro to its global counterparts, it's a matter of time until the European Central Bank raises its benchmark rate again. The result of which should help arrest further weakening of the Euro.



PKF PCC is a wholly owned subsidiary of 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