

PKF PCC Cell 1 - 5% Bond Fact Sheet

5% Limited Recourse Bond Due 2025



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 10th 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

The PKF PCC Cell 1 - 5% Bond is a debt instrument that offers investors a fixed return over a 5-year term.

The Bond provides fixed income by investing funds in alternative investment strategies with high barriers to entry, usually excluding them from individual investors.

The investment is diversified across fixed income Hedge Funds, secured and asset backed Private Debt, Structured Products, and Real Assets. These are split across the globe and held only in hard currency.

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 1- 5% Bond
Currency:	USD\$
Market Value:	\$ 1,760,000
Face Value:	\$ 100 / Bond
Holding Company:	PKF Capital Markets (Seychelles) Limited
Term:	60 Months
Withdrawals:	90 Days Notice
Inception:	01 st July 2020
Maturity Date:	30 th June 2025
Coupon:	5% Per Annum
Coupon Payment:	Quarterly
Coupon Payment Date:	On or before the 14 th day after the quarter
Minimum Investment:	\$ 1,000
Target Raise:	\$ 200,000,000
Initial Charge:	0%
Investor Criteria:	Primary issuances exclusively for clients of PKF
Regulation and Liquidity:	Listed on MERJ Exchange
Symbol:	PKFPCC1
ISIN Number:	SC9716GJFF31
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

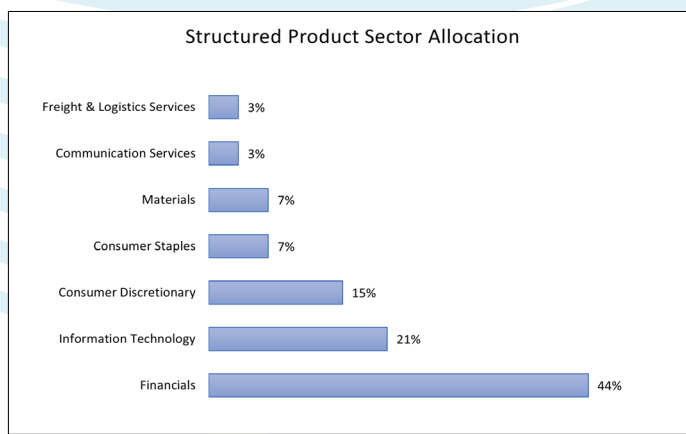
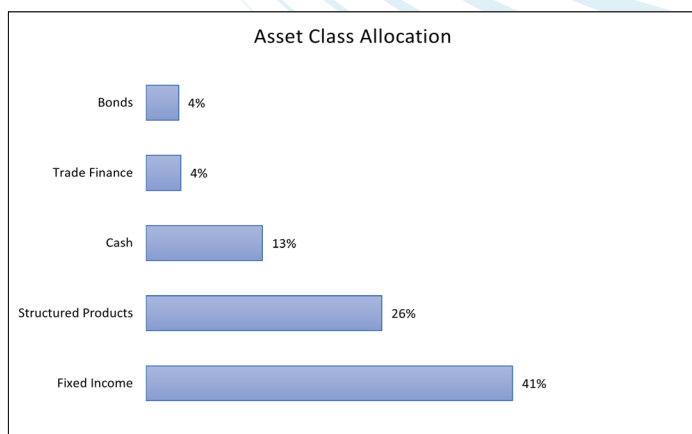
Year	Q1	Q2	Q3	Q4
2020	-	-	1.26%	1.26%
2021	1.23%	1.25%	1.26%	1.26%
2022	1.23%	1.25%	1.26%	-

Bond Commentary on 30th September 2022

There were two distinctly different periods of equity market performance during the third quarter of 2022, conveniently split between the first and second half. This is best represented in the various indexes. The S&P 500 rallied approximately 14.26% from the end of June to mid-August, at which point it made an about turn and ended up approximately -1.75% lower for the quarter. The FTSE100 and EuroNext were similar with the former rallying 5.71% to mid-late August, then closing -2.86% lower for the quarter. The latter rallied 11.64% to mid-August and then ended the quarter down approximately -3.25%.

Although the major equity markets went there and back again, global inflation didn't quite share the same unity. During the quarter, year-on-year (YoY) U.S. inflation decreased from 9.1% to 8.3%, while Europe and the U.K. increased from 8.1% to 9.1% and 9.1% to 9.9% respectively. 1-year real interest rates at the end of September were approximately -4.39%, -7.43% and -6.15% for the U.S., Europe, and the U.K. respectively. The end of the quarter also saw various central banks act to defend their currency against the dollar which reached 20-year highs. The Bank of Japan began to purchase yen and sell dollars from their vast USD reserve at the USD/JPY 144.00 level. China's central bank has signalled similar intent and is reviewing their USD reserve. Although different to the previous but equally as impactful, the Bank of England suspended the anticipated gilt selling program planned for early October and began purchasing long-dated bonds to arrest the steep rise in gilt yields. This is due to unprecedented investor sell-off in reaction to the U.K. government's new fiscal policy of large unfunded tax cuts.

The major change in asset allocation during the quarter was an increase in cash as various structured product notes either reached maturity or were sold to take advantage of better pricing due to increased volatility and nominal yields. Similarly, the change in structured product sector allocation was mainly due to liquidating notes in the consumer discretionary sector, thereby increasing the weighting of the others. The bond has also employed tactics to reduce its duration by purchasing notes with different maturities, thereby decreasing the inherent interest rate risk. We are confident that the Bond's strategy and diversification will enable it to continue achieving its mandate.



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right people
right size
right solutions