

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 June 2023

Bond Name:	PKF PCC Cell 2 - 20% Bond
Currency:	EUR€
Market Value:	€ 2,716,900
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 14 th 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:	SCI725IFEJ93
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

Performance

Year	Q1	Q2	Q3	Q4
2021	-	4.99%	5.04%	5.04%
2022	4.93%	4.99%	5.04%	5.04%
2023	4.93%	4.99%		

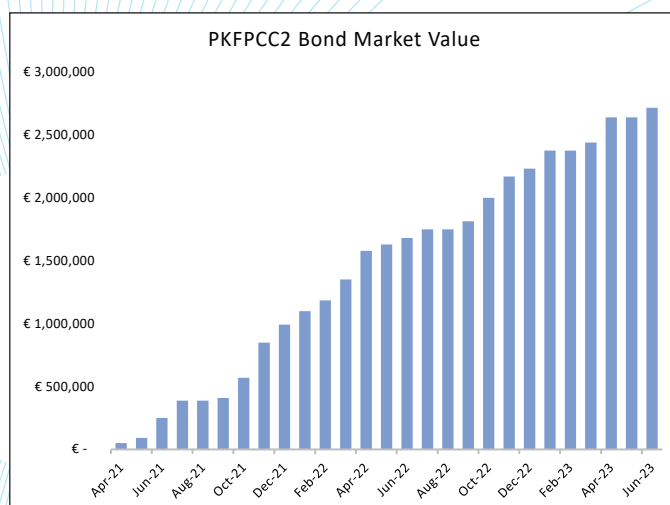
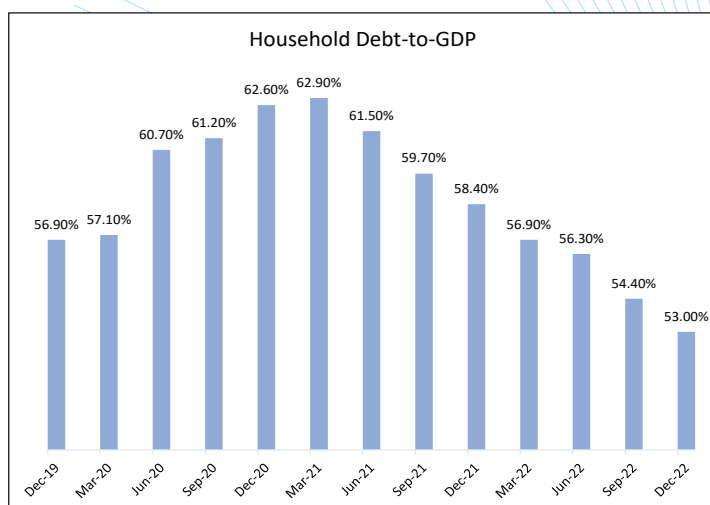
Bond Commentary on 30th June 2023

In the second quarter of 2023, global equity markets saw gains led by developed markets, particularly the US, while emerging market stocks lagged behind. Technology stocks received a boost from enthusiasm over artificial intelligence (AI). Government bond yields rose, leading to lower bond prices. Major central banks raised interest rates during the period, although the US Federal Reserve chose to stay on hold in June. The US stock market performed strongly in the quarter, led by a narrow number of highly valued technology companies, rising by just under 6%, while the UK stock market declined by just under 0.5% in the second quarter. Revived US-China tensions resurfaced in April, and emerging markets underperformed developed market equities with China in particular, performing weakly with a decline of over 12% in the second quarter.

Spain's GDP grew faster in the second quarter than originally estimated, compared with the prior quarter, reflecting a healthy Easter rebound from the winter months and a more robust export rise, leading to a revised GDP growth figure from 1.1% to 1.5% for the quarter. Spanish growth in the second quarter was supported by external demand, with year-on-year export growth of more than 23%.

Spanish household debt-to-GDP has also seen a drop over the last year signalling strength in the public's ability to service its debts, as a lower debt-to-GDP signals a lower risk of default.

The Bond has continued to perform as expected. Spain's continued growth and higher than expected GDP earnings gives us confidence that the Bond will continue to perform along its expected mandate.



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.



Growth beyond boundaries