

# 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 and SECDEX 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<sup>th</sup> 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 30<sup>th</sup> June 2024

Bond Name:	PKF PCC Cell 1– 5% Bond
Currency:	USD\$
Market Value:	\$ 1,255,200
Face Value:	\$ 100 / Bond
Holding Company:	PKF Capital Markets (Seychelles) Limited
Term:	60 Months
Withdrawals:	90 Days Notice
Inception:	01 <sup>st</sup> July 2020
Maturity Date:	30 <sup>th</sup> June 2025
Coupon:	5% Per Annum
Coupon Payment:	Quarterly
Coupon Payment Date:	On or before the 14 <sup>th</sup> 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%	1.26%
2023	1.23%	1.25%	1.26%	1.26%
2024	1.24%	1.24%		

## Market Commentary on 30<sup>th</sup> June 2024

The second quarter of 2024 began with challenges for the stock and bond markets, as stubbornly high inflation dimmed prospects for Federal Reserve interest rate cuts. However, by the quarter's end, inflation data improved enough to raise investor confidence that rate cuts might commence in the latter part of Q3 or Q4.

U.S. stocks maintained their upward trajectory, albeit with a slight retracement in June, with a return of 4.1%<sup>1</sup>. However, US bonds were weaker, posting a -1.65%<sup>2</sup> return as inflation persisted from Q1 2024 levels (Bloomberg Global Aggregate Bond Index). U.S. inflation levels decreased slightly from 3.5% in March, to 3.4% in April and 3.3% in June<sup>3</sup>.

For the quarter, the Dow Jones returned -1.1%<sup>4</sup>, the Nasdaq 8.1%<sup>5</sup> and the S&P 500 4.1%. Mega-cap tech companies, particularly those tied to artificial intelligence like Nvidia, continued to dominate. Emerging markets had modest performance, with India standing out at with 7.6% GDP growth rate<sup>6</sup>. Commodities were mixed, with gold increasing by 3.3%<sup>7</sup>, while oil posted a -2.6% return<sup>8</sup>.

Equity markets pushed higher during the last two months of Q2, with the S&P 500 gaining traction once again, albeit with some fluctuations. Small cap stocks saw mixed results, reflecting a slowdown in investor optimism about economic recovery and growth prospects among smaller capitalized companies.

The asset allocation strategy remained largely unchanged, with a focus on fixed income and structured products to mitigate risk and ensure positive returns in line with the bond's mandate.

Overall, Q2 2024 saw heightened investor confidence, with both stocks and bonds demonstrating their ability to weather challenging conditions. Looking ahead, continued vigilance and adaptability will be key as markets navigate evolving economic and geopolitical dynamics.

1 <https://finance.yahoo.com/quote/%5EGSPC/>

2 <https://www.morningstar.co.uk/uk/etf/snapshot/snapshot.aspx?id=0P0001CMHX&tab=13&InvestmentType=FE>

3 <https://www.statista.com/statistics/273418/unadjusted-monthly-inflation-rate-in-the-us/>

4 <https://finance.yahoo.com/quote/%5EDJI/>

5 <https://finance.yahoo.com/quote/%5EIXIC/>

6 [https://www.ey.com/en\\_in/podcasts/episode-decoding-india-s-q2-gdp-growth-of-7-point-6-percent](https://www.ey.com/en_in/podcasts/episode-decoding-india-s-q2-gdp-growth-of-7-point-6-percent)

7 <https://www.investing.com/currencies/xau-usd>

8 <https://www.investing.com/commodities/crude-oil>

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