

# THE PARDUS FIXED INCOME BOND

Everything an advisor needs to know before accepting this offer

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PARDUS  
FIXED INCOME BOND

## HOW MUCH TIME DOES IT TAKE TO LEARN THE ESSENTIALS OF THIS OFFER?

1 hour

## WHAT ARE THE DOCUMENTS YOU SHOULD KNOW AND REVIEW FIRST?

- The Pardus Training Oct 21 pdf
- The PP Powerpoint Feb 22
- The FAQ
- The factsheets
- The June 2021 Pardus synopsis

## KEY POINTS:

- The minimum is £100,000, top up is £50,000 or currency equivalent in USD or Euro.
- The Pardus Fixed Income Bond was created in 2018.
- The bonds pay 12% per annum in coupon income.
- The coupon is paid on a quarterly basis (3% per quarter) until the end of the 2 year term.
- All quarter anniversaries are the same: coupons paid end of March, end of June, end of September and end of December.
- There is a 2% initial charge levied by Pardus.
- The bond was launched in Jan 2019 and listed formally on the Frankfurt stock exchange in April 2020.
- The bond term is for 2 years and can then roll over for an additional 2 years after which the 2% initial charge is not levied again.
- There is a GBP, USD and Euro version and a USD Shariah compliant version.
- Bond access can be through a multiple of international fund platforms where trades can be aggregated or to Pardus directly subject to meeting the statutory minimum.

## HOW SHOULD YOU PRESENT?

### SHORT PITCH

- The Pardus Fixed Income Bond is unique as a genuine proposition for retail investors.
- It is the first of its kind: a conventional standard asset class highly lucrative and popular in the institutional space has been restructured as a fixed income version for retail investors.
- The one standard USP is that the client funds do not leave Pardus's bank account. This renders it completely unique when compared against other alternative bond products where funds are sent to third parties with the hope that such parties will look after them.

- This means that the only risk to capital is systemic bank failure. A completely unique risk profile.
- Pardus facilitate private placement trades where they simply act as the broker and charge a fee between the buying and selling price.
- The simplest analogy would be to compare this asset class to Realtors where they can make substantial profits without actually spending their own money on a property. They act as the go between be a buyer and a seller and Pardus operate in the same way.
- This is known as classic Contract Arbitrage: the holy grail of investing where all agreements are PRE-SOLD and therefore the profits are locked in and fixed beforehand.

### LONG PITCH

- The Pardus Fixed Income Bond is unique as a genuine proposition for retail investors.
- Its the first of its kind: a conventional standard asset class in the institutional space where a fixed income version has been created for retail investors.
- The one standard USP is that the client funds do not leave Pardus's bank account. This renders it completely unique when compared against other alternative bond products.
- This means that the only risk to capital is systemic bank failure.
- Pardus facilitate private placement trades where they simply act as the broker and charge a fee between the buying and selling price.
- This is known as classic Contract Arbitrage: the holy grail of investing.
- All agreements are thus PRE-SOLD.
- The "Broker" is known as an "Inter Dealer" or (IDB) - this are the largest companies people have often never heard of.
- Pardus act as the IDB and facilitate trades involving Private Placement programmes where there are many clients and corporates globally that hold very high value assets which are very difficult to monetise.
- The key component to an IDB is having the contacts where if a seller for example wanted to unload a high valuable asset (such as say \$50m of Nickelwire), Pardus would be able to find a buyer.

- The price is agreed upon with Pardus negotiating their margin and then contracts are all drawn up after extensive due diligence is conducted by Druces on both the buying and selling parties.
- Pardus then bring in Tier 1 investment banks to facilitate the trades and to arrange leverage. It is the leverage that maximises the returns.
- The banks can only participate in the leverage with a principal or capital sum (this is where the bond holder funds come in).
- When the contracts are all draw up, funds equal to the deal size (such as \$50m above) in Pardus's bank account they cannot be borrowed against or withdrawn while the deal runs to its completion.
- All trades are written on non-callable terms which means that should a buyer or seller withdraw from a trade there can be no "call" on Pardus to replace the assets not traded.
- At the trades conclusion, the asset goes to the buyer and the cash goes to the seller. Pardus take their margin and they move onto the next trade.
- This is classic contract arbitrage and the use of pre-sold buy and sell agreements.

## WHAT ARE THE CRITERIA TO EVALUATE THE QUALITY OF THE OFFER?

- The bond is the most uncorrelated product in the market. It is not correlated to anything - no commodity, no stock market.
- Pardus DO NOT buy anything with clients funds - they simply use client funds to provide the collateral but crucially all client funds remain in cash.
- There will always be a market for private placement trading.
- Pardus underpin the coupons and capital protection with a debenture and a Guarantee and Indemnity agreement.
- All assets are covered multiple fold by the assets of Pardus Wealth. At least 3 x bond assets are shown in Pardus Wealth assets on Companies House.

## WHAT MAKES THIS OFFER A SERIOUS ONE?

- All coupons have been paid in full and up to date since the bond inception.

- All official bond documentation has been drafted and put together by Druces.
- All assets are covered multiple fold by the assets of Pardus Wealth. At least 3 x bond assets are shown in Pardus Wealth assets on Companies House.
- Over the course of 2021, Pardus have been paying maturities or rolling over investors for all those clients who invested during 2019.

## WHY IS THE MANAGEMENT QUALIFIED TO DELIVER?

- Greg Bryce – CEO. Extensive experience in this space since the mid 1980's.
  - Dealer - Barclays 1986-88
  - Phone Broker - Geldemans

- 88-89
  - Booth Manager - Euromarks 89-2000
  - CEO - Triandum - 2000 – 2010
  - Director - Marki Serv 11-16
  - Director - Stonehedge 17-18
  - Director - Binary Capital 18-19
  - CEO – Pardus Wealth 18-to date

- CF1 - Director – FCA
- CF3 - CEO – FCA
- CF1 - Director (AR)

- Declan McCarthy – CFO

- Omar Arti – Senior Trader. Omar joined Pardus in early 2022 after a stellar 20 years with JP Morgan with significant contacts and connections in the Middle East.

- Mike Bold – COO. Extensive history and track record in financial services.

## WHAT KIND OF CLIENTS ARE INTERESTED IN INVESTING IN THIS OPPORTUNITY?

- Anyone with a need for a fixed income.
- Clients concerned about equity market volatility.
- Clients concerned about rapidly increasing global inflation.
- Clients concerning about the lack of bond correlation as a hedge against equities.



## WHAT ARE THE TOP 3 ARGUMENTS?

### ARGUMENTS RELATED TO THE COMPANY

#### Transparency

- Accounts all available in public domain.
- Audited Accounts of plc available in public domain.
- Coupons announced on LSE

#### Track record of key individuals

- Bios all available in public domain.
- Key industry pedigree and track record there to see.

#### Consistent payment of coupons and bond maturities

- Bond maturities began in Jan 2021.
- Coupons paid from Jan 2019 to date with auditor verification.

#### Tier 1 bond approval before government closed facility in March 2022

- Pardus approved as a Tier 1 investment product in 2021 by UK Home Office QC 'Garden Court Chambers'.
- Facility shut down by Government in March 2022 due to its exposure to Russian nationals seeking UK citizenship but this did not diminish the enhanced credibility by being approved.

## ARGUMENTS RELATED TO THE INVESTOR PORTFOLIOS

#### Diversification

- Natural fit alongside equity portfolios.
- Ideal replacement to bonds as hedge.
- Rampant global inflation means traditional 4-5% per annum yield just not enough in present day.

#### Uncorrelated

- Pardus do not buy and sell assets they simply use client funds to facilitate trades and then take a margin between the two assets.
- As a consequence client funds sit in cash.
- Bank risk is the only risk to capital.
- This makes it the most uncorrelated product around.

#### Yield

- A double digit 12% pa yield in the current time is hugely attractive.
- As are the mandatory coupon payments.

## WHAT QUESTIONS MIGHT PROSPECTS ASK AND HOW CAN YOU ANSWER THEM?

## HOW DO PARDUS MAKE THESE RETURNS?

This is Private Placements. It's been around since the 1950's and has been a focus of investment bankers and brokers in the institutional space for years. The genius behind Pardus is that they are the first of their kind who have successfully bridged the gap between institutional and retail. The profits and returns made by the likes of Goldmans, JPM and so on for their clients are the stuff of legend and are well known – now this world has entered the world that we are in and the results are there for all to see. Pardus are in the fourth year of paying coupons and the second year of paying maturities.

## HOW SAFE ARE MY FUNDS?

The only risk to capital is systemic bank failure. This would mean all client deposits would be lost. Pardus assets remain in Pardus's bank account and also cannot be accessed without the consent of the FCA Security Trustee, Woodside Security.

## IS PARDUS REGULATED?

All arbitrage products by definition of the asset class are unregulated. It's an asset class that is impossible to regulate due to it being so broad. What Pardus have done is to surround themselves with every partner being regulated. Druces the ongoing legal counsel and drafter of all official documentation such as the OM & Debenture, Woodside Security the Trustee, Avenirs the bond registrar, Mayfair Capital the broker and Crest the transferring agent. It is as regulated an arbitrage product as there could be?

## HAVE ALL PAYMENTS BEEN MADE AND ARE UP TO DATE?

Yes and Pardus in July 2020 engaged the major auditing practice Thompson Taraz Rand to conduct a full audit on all coupon payments paid to date. TTR confirmed that every coupon had been paid to the right people, at the right time and the right amounts. Since July 2020 all coupons have been declared by the LSE.