

Key Information Document

Purpose

This document provides you with key information about this investment product. It is not marketing material. The information is required by law to help you understand the nature, risks, costs, potential gains and losses of this product and to help you compare it with other products.

Product

SEC Bullion 6% NTS 21/12/2024 EUR (the "Bonds")

Accurate as of: 31 January 2022

Issuer: SEC Bullion Jewellery Ltd

Contact details: rv@sec.group Tel: +357 97 760 226 & +357 25 341 155

ISIN: CY0149872117

What is this product?

Type

This product is an unrated corporate bond issued by a private Cyprus based company, which was established in 2021.

Objectives

The Issuer, SEC Bullion Jewellery Ltd ("the Company") is a private company limited by shares which has been incorporated in Cyprus on the 1st of February 2021, with registration number 417722. Its registered office is at Spyrou Kyprianou & Agias Fylaxeos 182, Kofteros Business Center, 2nd floor, flat 201, 3083, Limassol, Cyprus.

The main activity of the company is acting as a fund-raising vehicle for SEC Bullion Jewellery L.L.C ("the Facilitator"), a licensed Dubai based physical gold trading firm.

SEC Bullion Jewellery Ltd and SEC Bullion Jewellery L.L.C are linked by means of common shareholding as the Company's sole shareholder, Mr. Rishidas Vaniyankandi, maintains ownership of 49% of the issued ordinary shares of SEC Bullion Jewellery L.L.C with full voting rights whilst he also acts as Chairman of SEC Bullion Jewellery L.L.C.

Director

Mrs. Lija Ivanova, an Estonian national and a permanent residence of Cyprus is the sole director of the Company and is closely related to the UBO.

Private Placement

On 20 December 2021, the Board of Directors of the Issuer, authorized the issue of up to 60,000 Corporate bonds ("Notes") of face value EUR 1,000 each and the listing by quotation of 1,000 Corporate bonds ("Notes") of face value EUR 1,000 each, for a total size of issue EUR 1,000,000.

Business Model

The main business activity of the Company is the provision of financing to the Facilitator for the purpose of funding the Facilitator's business which is the execution of daily round-trip (i.e. buying and selling) transactions in the physical gold market within Dubai, in accordance with prespecified risk management procedures imposed by a proprietary market-neutral physical gold trading model.

Trading mechanism

The Facilitator, which has a presence in Dubai, is well connected with merchants (mainly from India and also from the UAE) who wish to purchase pure gold (99.9% purity) in physical form (i.e. gold bars). The Facilitator maintains business relationship and is contractually secured, with full payment made on delivery at contractually fixed prices.

Buying orders are executed back-to-back with one or multiple counterparties, which may include local suppliers and refineries, with full payment made at local refinery at contractually fixed prices.

Where allowed by the circumstances buying interest is aggregated and bulk back-to-back buying orders are executed for the purpose of securing better prices and maximizing profit.

In the case where there is no exact matching, the unsecured part of each trade (i.e. the mismatch) is hedged via CME gold futures and the position in such futures is reduced proportionally to future selling transactions executed against gold traders/buyers.

Term

The bond issue has the following characteristics:

Date of Issue: 21 December 2021

Maturity Date: 21 December 2024

Issue Price: 100% at par

Currency: EUR

Denomination: €1,000

Min trading size: in units of €100,000 per trade

Max Issuance: 60,000 bonds

Current issue size: 1,000 bonds

Interest: 6.00% per annum payable annually every year until maturity

Status: Listed as quoted bonds on Vienna Stock Exchange MTF Market ("Vienna MTF") as of 26 January 2022

Custody of bonds: Eurivex Ltd, a Cyprus Investment Firm regulated by Cyprus Securities & Exchange Commission (CySEC), number 114/10

Trading & Settlement: Trading will be possible only via Over the counter (OTC) trades transacted between two or more parties who maintain active brokerage and custody accounts with Eurivex Ltd.

Guarantee: The bonds are not guaranteed

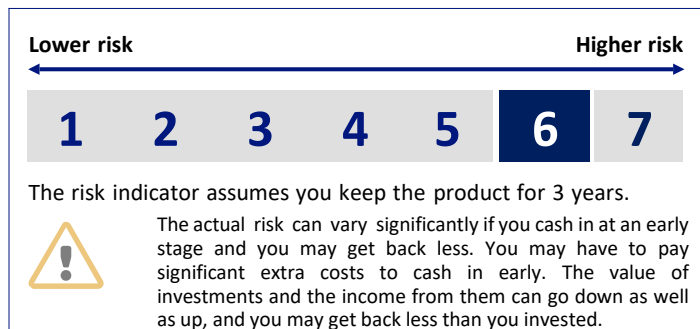
Redemption rights for Issuer: The Issuer may, at its discretion, redeem all, but not partially the Notes at par plus accrued interest only after the lapse of the end of two years from issue date and specifically from 21 December 2023

Redemption rights for investors: Noteholders do not have the option to redeem before maturity

Investor Category: The bonds have been offered and will be offered only to professional and well-informed investors via private placement

What are the risks and what could I get in return?

Risks



This rates the potential losses from future performance at a high level, and poor market conditions are very likely to impact the amount you could get back. Changes to tax laws/treaties may adversely affect returns on the Investor's investment.

The risk indicator assumes you keep the product for 3 years. Market developments in the future cannot be accurately predicted. The scenarios shown are only an indication of some of the possible outcomes based on recent returns. Actual returns could be lower.

Be aware of currency risk. The price of the underlying assets may be in different currency, so the final return you will get depends on the exchange rate between multiple currencies. This risk is not considered in the indicator shown above.

We have classified this product as 6 out of 7, which is the second highest risk class. The summary risk indicator is a guide to the level of risk of this product compared to other products. It shows how likely it is that the product will lose money because of movements in the markets or because we are not able to pay you.

The Company is exposed to general risks such as market risk, credit risk and liquidity risk. The investor is exposed to the same risks and also to reinvestment risk which greatly affects yield to redemption/maturity in the case where coupon payments cannot be reinvested in respective yield over the course of the investment period.

Performance scenarios

Scenarios		2 years	3 years
Nominal amount of €10,000			
Stress Scenario	What you might get after costs Yield to redemption or maturity (YTR or YTM respectively)	€10,500 2.52%	€5,500 -18.86%
Unfavorable Scenario	What you might get after costs Yield to redemption or maturity (YTR or YTM respectively)	€11,100 5.46%	€9,100 -3.27%
Moderate Scenario	What you might get after costs Yield to redemption or maturity (YTR or YTM respectively)	€11,100 5.46%	€11,700 5.63%
Favorable Scenario	What you might get after costs Yield to redemption or maturity (YTR or YTM respectively)	€11,100 5.46%	€11,700 5.63%

This table shows the money you could get over the next 3 years, under different scenarios, assuming you invest €10,000. The scenarios shown illustrate how your investment could perform. You can compare them with the scenarios of other products using calculated YTR/YTM.

It is assumed that the total brokerage fees will be 1% per trade and since you will buy the bonds only once, on entry/investment, no other charges have been taken into consideration, since in any event, the Issuer has assumed responsibility to cover all the other fees including custody and safe-keeping fees.

The scenarios presented are an estimate of future performance but do not take into consideration the future performance of SEC Bullion LLC physical gold trading activities that are carried out in the UAE.

The value of this investment varies based on relevant proxies and are not an exact indicator. What you will get will vary depending on how the market performs and how long you keep the investment for.

In the moderate and favourable scenarios, it is assumed that the Facilitator is in a position to make regular coupon payments on its loan from the Issuer and on maturity, repays the full amount, thus allowing the Issuer to meet its obligations towards the Noteholders.

The unfavourable and stress scenarios show what you might get in extreme market circumstances and reflect unfavourable trading outcome for the Facilitator.

In the unfavorable scenario it is assumed that the issuer is unable to pay the coupon interest in year 3 and redemption is limited to 80% of the nominal value of the Bonds.

In the stress scenario we assume that the issuer fails to pay the coupon interest in years 2 and 3 and redemption is limited to 50% of the nominal value.

This product cannot be terminated since there is no option to refund your money back in case you change your mind.

This means it is difficult to estimate how much you will get if you decide to end the investment before maturity or first redemption.

This is the reason we have not included 1-year indicative figures, as, in absence of a liquid secondary market it would be difficult to find adequate liquidity in the OTC market for the purpose of liquidating your investment prior to maturity or redemption.

You will either be unable to exit in full, or you will have to pay high costs or make a large loss if you manage to do so.

The figures shown include all the costs of the product itself but may not include all the costs that you pay to your advisor or distributor.

Your maximum loss would be that you will lose all your investment.

The figures do not consider your personal tax situation, which may also affect how much you get back.

What happens if SEC Bullion Jewellery Ltd is unable to pay out?

You do face a default risk in the event that the Facilitator, SEC Bullion Jewellery L.L.C based in the UAE is unable to repay the loan back to the Issuer and or make the coupon payments based on which the Issuer depends in order to be in a position to meet its obligations to the Noteholders.

What are the costs?

Composition of costs

The table below shows the impact each year of the different types of costs on the performance of the product at the end of the recommended holding period and the meaning of the different cost categories.

This table shows the impact on return per year			
One-off costs	Entry costs	0.00%	The Issuer will not apply any entry costs.
	Exit costs	0.00%	The impact of the costs of exiting your investment when it matures. The Issuer will not apply any exit fees.
On-going costs	Brokerage transaction costs	1.00%	The brokerage fees charged by the licensed investment firm through which the OTC trade will be made.
	Other ongoing costs	0.00%	The Investment firm will apply custody fees for holding custody of the bonds. The custody fees are payable annually.
Incidental costs	Performance fees	0.00%	The impact of costs which are variable to the performance. The Issuer will not apply any performance fees.
	Carried interest	0.00%	The Issuer will not apply any carried interest.

Costs over time

The total costs take into account one-off, ongoing, and incidental costs.

The amounts shown here are the cumulative costs of the product itself. The figures assume you invest 10,000 EUR. The figures are estimates and may change in the future.

The person selling you or advising you about this product may charge you other costs. If so, this person will provide you with information about these costs and show you the impact that all costs will have on your investment over time.

Nominal amount of €10,000		For holding for 3 years (Recommended Holding Period)
Total Costs		€100
Impact on YTM (on assumption investment is held to maturity)		0.37%

How long should I hold the investment?

This product is designed for short term investment; you should be prepared to stay invested for the full 3 years until maturity. As bondholder you don't have the option to redeem your investment before the maturity date.

The Issuer however, at its discretion, may redeem all, but not partially the Notes at par plus accrued interest only after the lapse of the end of two years from issue date and specifically from 21 December 2023. YTR presented under Performance scenarios assume redemption takes place on such date (i.e. on first eligible redemption date).

How can I complain?

If you ever need to complain about the service you have received, please contact the Company's prime broker by telephone on +357 22 028830, by post at 18 Kyriakou Matsi, Victory Tower, 1st Floor, 1082, Nicosia, Cyprus, or by email at complaints@eurivex.com

Other relevant information

This Key Information Document has been produced in accordance with the Packaged Retail and Insurance-based Investment Products (PRIIPs) Regulatory Standards issued by the EU Commission. You can get other information relating to this Product, including the offering document, latest annual report and the latest price of bonds, from the prime broker's head offices at 18 Kyriakou Matsi, Victory Tower, 1st Floor, 1082, Nicosia, Cyprus.