Colchester Global Green Bond PIE Fund

ISIN Code NZCIFE0005S4

As of 31/05/2025

Fund Overview

The Colchester Global Green Bond PIE Fund seeks to deliver favourable income and capital returns from a globally diversified portfolio of green bonds and currencies. An associated objective is the preservation and enhancement of principal. We believe that if we hold a portfolio of high real yielding bonds and currencies that are undervalued according to their real exchange rate that over time this will prove rewarding. At the heart of Colchester's value-oriented philosophy is the belief that investments should be valued in terms of the income they will generate in real terms. Our approach is based on the analysis of inflation, real interest rates and real exchange rates supplemented by an assessment of sovereign financial balances. Portfolios are constructed to benefit from those opportunities with the greatest relative investment potential for a given level of risk.

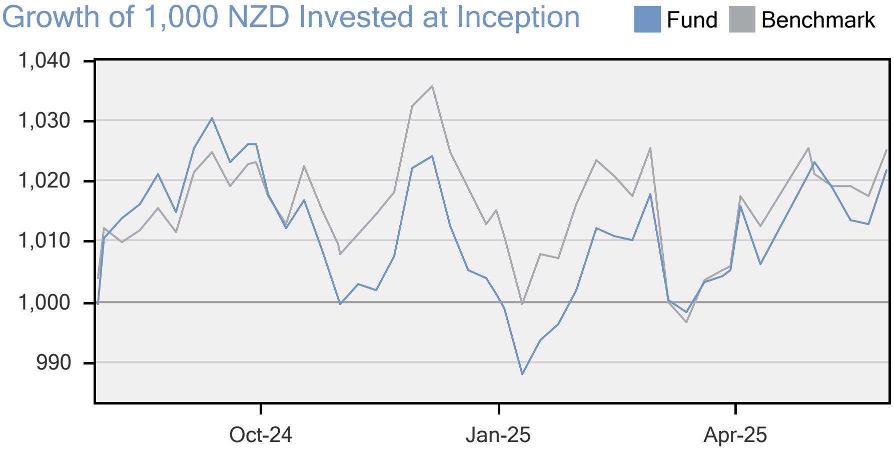
CUM Unit Price (31/05/2025)	Current Distribution p.a.	Net Annual Return Since Inception p.a.	Net Total Return Since Inception	Fund Size ($million)
0.9957	2.40%		2.16%	45.43 NZD

Past performance is not an indicator of future performance. Fund Inception: 30/07/2024

Colchester Overview

- Privately owned specialist sovereign bond and currency asset manager.
- Founded by Chairman & CIO Ian Sims in 1999.
- Time proven value-oriented fixed income strategies.
- Highly experienced and stable team with a globally recognised track record.
- Strong client alignment with the investment team investing in the strategies & the company.

Growth of 1,000 NZD Invested at Inception



Net Performance (%)

	1M	3M	6M	YTD	1Y	Annualised 3Y	Annualised 5Y	Annualised S.I.
Fund	0.04%	0.36%	-0.04%	2.05%				
Benchmark	-0.03%	-0.04%	-0.72%	0.98%				
Relative	0.07%	0.40%	0.68%	1.06%				

Calendar Year Net Performance (%)

	2024	YTD
Fund	0.11%	2.05%
Benchmark	1.50%	0.98%
Relative	-1.39%	1.06%

Past performance is not an indicator of future performance

Key Information

Fund Inception	30/07/2024
Benchmark	ICE Sovereign and Government Related Green Bond Custom Index (NZD Hedged)
Management Fee	0.60%
Buy/Sell Fee	Nil
Distributions	Quarterly Distribution
Liquidity	Daily
Min Application	$50,000 or as per platform
Min Additional	$5,000 or as per platform

Platform Listings

APEX Wealth

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Fund Characteristics

	Fund	Benchmark
Yield to Maturity (Unhedged)	4.26%	3.28%
Running Yield (Unhedged)	2.72%	2.33%
Modified Duration (Years)	7.43	8.16
Average Coupon	2.46%	2.21%
Average Credit Quality	AA+	AA

Top 5 Securities Holdings

	Currency	Weight (%)
1. France 1.75% Jun '39	EUR	10.15%
2. New Zealand 4.25% May '34	NZD	8.74%
3. Netherlands 0.5% Jan '40	EUR	6.71%
4. Intl Bk Recon & Develop 4.25% Jan '26	MXN	5.40%
5. Kfw 3.875% Feb '29	NOK	5.28%

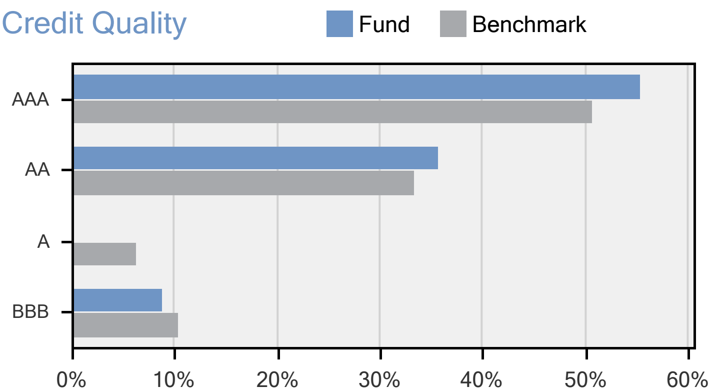
5 Largest Active Positions - Bonds (%)

Country	Fund	Versus Benchmark (%)
Europe	40.48%	-26.23%
New Zealand	9.23%	8.52%
Mexico	8.24%	8.19%
Norway	6.20%	5.69%
United States	4.76%	-5.07%

5 Largest Active Positions - Currency (%)

Currency	Fund	Versus Benchmark (%)
United States Dollar	-6.40%	-6.40%
Japanese Yen	4.60%	4.60%
Swedish Krona	4.14%	4.14%
New Zealand Dollar	96.34%	-3.66%
South Korean Won	3.26%	3.26%

Credit Quality



Commentary

The fund returned 0.09% over the month, outperforming the benchmark which returned -0.03%. Bond selection added 0.02% to relative returns and currency selection added 0.10%. The single bond contributor to relative returns was the overweight position in Mexico. The top three positive currency contributors to relative returns were the long positions in Korean Won, British Pound and Mexican Peso.

Global bond yields rose modestly in May, as de-escalation in US-China tariff tensions and progress in US-EU negotiations improved sentiment and led equity markets to rally. Against this backdrop, expectations of cuts to interest rates were generally pared back, and investor focus shifted to fiscal sustainability in the US. The FTSE World Government Bond Index fell -0.6% in US dollar-hedged terms and -0.7% in US dollar unhedged terms.

In the US, headline inflation fell to 2.3%, below expectations for a third consecutive month, suggesting little pass-through so far of higher tariffs to import prices. Aside from tariffs, the focus this past month has been on fiscal policy and in particular the progress of a budget reconciliation bill through Congress. During the past month the US credit rating was downgraded by Moody's feeding into pre -existing concerns around the level of the deficit. The downgrade itself could be viewed as purely symbolic given that the other two major rating agencies had already downgraded the US from their highest rating levels. Nonetheless US Treasury yields rose over the month and the US bond market generated a negative return of -1%.

Sovereign bond yields across much of the developed markets rose in sympathy with US Treasury yields, but performance diverged. The UK, with a weaker fiscal position and a generally higher average duration of its debt market, underperformed somewhat to fall by -1.4%. In the Euro area markets performed better with positive returns from bond markets in Italy and Spain which returned 0.6% and 0.3% respectively. These economies have been growing faster than the core economies such as Germany in recent years, and in the past month returns on Germany's bond market were slightly negative at -0.4%. In other news, Fredrich Merz was finally approved as Germany's new chancellor. The inability to attain the support needed to become chancellor in the first round highlights the underlying tension in his coalition of Christian Democrats and Social Democrats. The Colchester programme remains underweight both Euro area government bonds and UK gilts.

In Asia, Japan's headline inflation remained stable at 3.6% however core inflation accelerated to 3.5% from 3.2% in the previous month driven by rising rice prices and energy costs following the phaseout of government subsidies for gas and electricity. The spike in rice prices has stoked widespread public discontent, culminating in Agriculture Minister Taku Eto's resignation. Japanese government bonds returned -2.0%, with the sell-off attributed to weak demand at auctions and the Bank of Japan scaling back bond purchases. The Colchester programme remains fully underweight Japanese government bonds given their continued unattractive real yields. In China, deflation extended for a third month with the most recent CPI print at -0.1% year-on-year. Early in May it was announced that the US and China were significantly reducing tariffs in a de-escalation of the trade war, at least temporarily. US tariffs on Chinese goods imports were lowered from 145% to 30%. Meanwhile, in New Zealand, the RBNZ cut rates for a sixth straight meeting as inflation has moderated back within the central bank's target band. We maintain an overweight to New Zealand bonds and an underweight position in Chinese bonds.

The US dollar was weaker over the month. The programme's currency positioning has performed well, particularly the overweight positions to the Korean won, Indonesian rupiah, and Norwegian krone, which returned 3.0%, 1.9% and 1.5% respectively. Elsewhere, overweight positions in Latin American currencies such as the Colombian and Mexican peso were also positive contributors as they rallied 1.5% and 0.9% respectively. Conversely, the Japanese yen was the only G10 currency that fell against the US dollar in May, declining -1.1% after four consecutive months of gains.

Data source: Colchester Global Investors, as at 31/05/2025

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Fund Shareclass Research Ratings

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Valuation and returns have been calculated in NZD as at month end. The WMR exchange rate used by the index provider in compiling ICE Sovereign and Government Related Green Bond Custom Index (NZD Hedged) is the predominant exchange rate used in valuing the Fund.

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