# The Colchester Global Green Bond PIE Fund

ISIN Code NZCIFE0005S4

As of 31/05/2026

## 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.

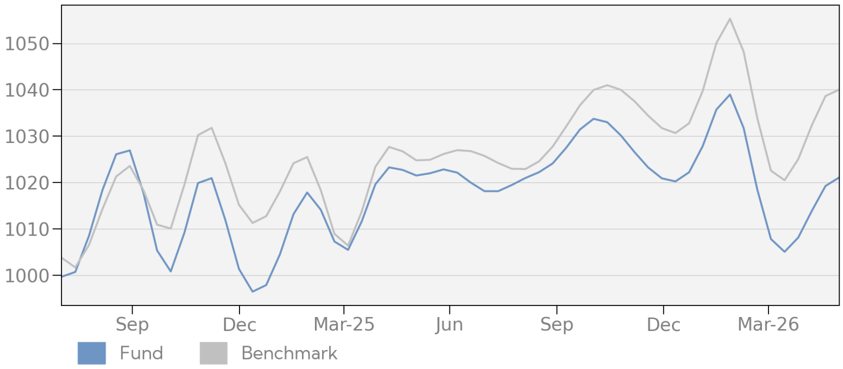
| CUM Unit Price (31/05/2026) | Current Distribution p.a. | Net Annual Return Since Inception p.a. | Net Total Return Since Inception | Fund Size (in Millions) |
|---|---|---|---|---|
| 0.9715 | 2.40% | 1.14% | 2.11% | 61.7 NZD |

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

## 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 | 5Y | 7Y | 10Y | S.I. |
|---|---|---|---|---|---|---|---|---|---|---|
| **Fund** | 1.09% | -1.68% | -0.71% | 0.04% | -0.05% | | | | | 1.14% |
| **Benchmark** | 1.22% | -1.42% | 0.11% | 0.83% | 1.48% | | | | | 2.16% |
| **Relative** | -0.12% | -0.26% | -0.82% | -0.79% | -1.52% | | | | | -1.02% |

## Calendar Year Net Performance (%)

| | 2025 | 2024 | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 |
|---|---|---|---|---|---|---|---|---|---|---|
| **Fund** | 1.96% | 0.11% | | | | | | | | |
| **Benchmark** | 1.63% | 1.50% | | | | | | | | |
| **Relative** | 0.33% | -1.39% | | | | | | | | |

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 |
| **Liqudity** | Daily |
| **Min Application** | 50000 or as per platform |
| **Min Additional** | 5000 or as per platform |

## Platform Listings

APEX Wealth

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## Fund Characteristics

| | Fund | Benchmark |
|---|---|---|
| **Yield to Maturity (Unhedged)** | 4.46% | 3.51% |
| **Running Yield (Unhedged)** | 3.03% | 2.50% |
| **Modified Duration (Years)** | 6.87 | 7.71 |
| **Average Maturity (Years)** | 8.12 | 9.79 |
| **Average Coupon** | 2.79% | 2.36% |
| **Average Credit Quality** | AA | AA |

## Top 5 Securities Holdings

| | Security | Currency | Weight (%) |
|---|---|---|---|
| 1 | France 1.75% Jun '39 | EUR | 9.82% |
| 2 | United Kingdom 0.875% Jul '33 | GBP | 6.49% |
| 3 | Netherlands 0.5% Jan '40 | EUR | 6.37% |
| 4 | New Zealand 4.25% May '34 | NZD | 6.27% |
| 5 | European Investment Bank 9.25% Jan '33 | MXN | 6.15% |

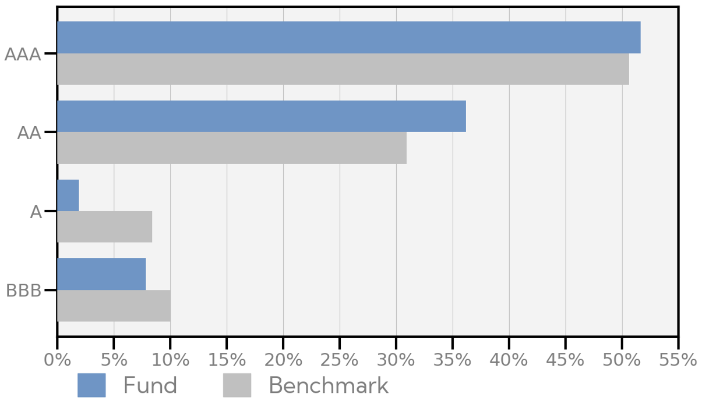
## 5 Largest Active Positions – Bonds (%)

| Country | Fund | Versus Benchmark (%) |
|---|---|---|
| Europe | 37.26% | -31.39% |
| Mexico | 8.88% | 8.85% |
| Norway | 6.63% | 6.10% |
| New Zealand | 6.47% | 5.74% |
| Australia | 9.58% | 5.56% |

## 5 Largest Active Positions – Currency (%)

| Currency | Fund | Versus Benchmark (%) |
|---|---|---|
| United States Dollar | -4.94% | -4.94% |
| Japanese Yen | 4.42% | 4.42% |
| Norwegian Krone | 3.36% | 3.36% |
| Chinese Yuan | 3.11% | 3.11% |
| New Zealand Dollar | 96.92% | -3.08% |

## Credit Quality




## Commentary

The Fund returned (gross of fees) 1.14% over the period, underperforming the benchmark which returned 1.22%. Currency selection detracted -0.24% from relative returns, while bond selection added 0.17%. The top three positive bond contributors to relative returns were the overweight positions in New Zealand, Australia and Hungary. The top three currency detractors from relative returns were the overweight positions in Japanese Yen and Indonesian Rupiah and the underweight position in Israeli Shekel.

The dominant theme over May was that of the evolving US-Iran negotiations, with prospects of a deal swinging market sentiment markedly over the course of the month. Brent crude oil prices fell sharply, ending the month down 19.3% and closing at $92 per barrel. From mid-month, the prospect of an end to the conflict and a gradual reopening of the Strait of Hormuz eased stagflation fears and drove a recovery in fixed income markets. The FTSE World Government Bond Index returned 0.6% in May in US dollar hedged terms, and 0.3% on an unhedged basis, as falling yields in the second half of the month more than offset the initial sell-off.

In the US, April CPI rose 3.8% year-on-year, above expectations and the fastest annual pace since early 2023. Core CPI increased 2.8%, boosted by a rebound in housing-related components. Strong jobs data, with April's non-farm payrolls rising 115,000 indicated a degree of labour market resilience notwithstanding the energy shock. The US Treasury market returned 0.1% over the month as yields rose, then fell swiftly.

In Europe, the prospect of a peace agreement was particularly supportive for government bonds. German Bunds returned 0.8%, French OATs 1.1%, Italian BTPs 1.5%, and Spanish government bonds 1.1%. Euro area inflation rose to 3.0% year-on-year in April, driven by the surge in energy costs. The growth backdrop, however, continued to weaken. The euro area composite PMI fell to its lowest level since late 2023, while consumer confidence remained below its historical average. These developments highlight the increasingly difficult balancing act facing the ECB, caught between the need to contain energy-driven inflation and the risk of tightening into a weakening economy. The Colchester programme holds an underweight position in Eurozone bonds.

In the UK, political uncertainty added to bond market volatility. Losses for the governing Labour Party in local elections triggered a wave of ministerial resignations and speculation over Prime Minister Starmer's position, driving the 10-year gilt yield to a post-2008 high of 5.2% around mid-month. The global rally in bond markets then saw a sharp decline in UK yields materialise and the 10-year yield closed the month at 4.8%. This led the UK market to be one of the best-performing markets in the index, returning 2.0%. The Colchester programme holds an active overweight position in the UK bond market.

In Japan, yields climbed to 2.8% on 10-year government bonds in mid-May, a level not seen since 1997, as the prospect of a prolonged period of elevated energy prices weighed heavily on inflation expectations given the country's dependence on imported oil. Yields subsequently retraced as hopes for a US-Iran agreement grew and risk sentiment improved. Japanese real yields remain low and so the Colchester programme maintains an active underweight position. In China, inflation increased to 1.2% year-on-year in April, driven by higher oil and consumer goods prices, although domestic demand indicators remained weak. Chinese government bonds returned a modest 0.4% on the month. The Colchester programme remains underweight Chinese government bonds, reflecting relatively low real yields. In contrast, Indonesia and Malaysia continue to offer more attractive real yields and so the programme maintains overweight positions in both markets.

On the currency markets, the US dollar experienced mixed fortunes over the month against a varied backdrop. The Japanese yen and Korean won weakened further against the Dollar, both currencies depreciating 1.6% over the month. In contrast, the Chinese yuan, Norwegian krone, and Malaysian ringgit fared better, appreciating 1.0%, 0.7% and 0.2% respectively. The Colchester programme holds active overweight positions in the Chinese yuan, Japanese yen, Norwegian krone and Malaysian ringgit, and maintains active underweight positions in the US dollar and the Euro.

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