

# The Colchester Global Government Bond PIE Fund

ISIN Code NZCIFE0004S7

As of 31/05/2025



## Fund Overview

The Colchester Global Government Bond PIE Fund seeks to deliver growth and income to investors whilst offering the defensive characteristics of a global sovereign bond portfolio over the medium term. 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)
0.8697	3.40%	-0.58%	-2.37%	147.3 NZD

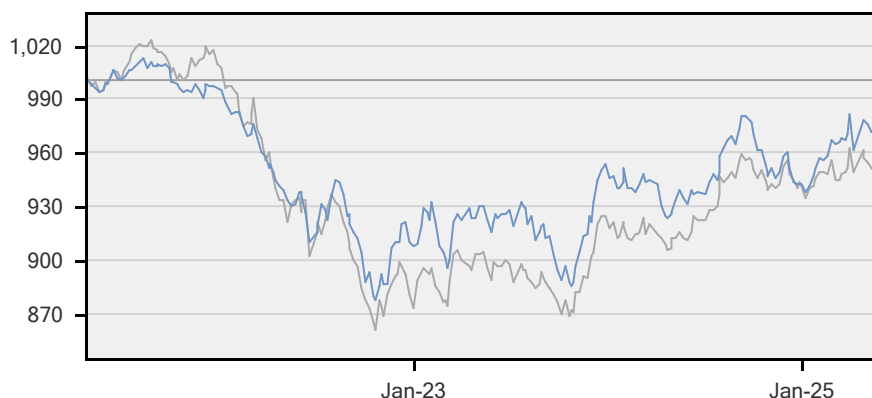
Past performance is not an indicator of future performance. Fund Inception: 19/04/2021

## 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

■ Fund ■ Benchmark



## Net Performance (%)

	1M	3M	6M	YTD	1Y	Annualised		
						3Y	5Y	S.I.
Fund	-0.21%	0.93%	1.89%	3.58%	4.80%	1.34%		-0.58%
Benchmark	-0.66%	-0.14%	0.23%	1.23%	4.80%	1.00%		-1.12%
Relative	0.46%	1.07%	1.66%	2.35%	0.00%	0.34%		0.54%

## Calendar Year Net Performance (%)

	2021	2022	2023	2024	YTD
Fund	-0.46%	-8.79%	5.00%	-1.14%	3.58%
Benchmark	0.73%	-13.34%	5.90%	2.02%	1.23%
Relative	-1.19%	4.55%	-0.89%	-3.16%	2.35%

Past performance is not an indicator of future performance

## Key Information

Fund Inception	19/04/2021
Benchmark	FTSE World Government Bond 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 | Consilium | FNZ | NZX Wealth Technologies

# The Colchester Global Government Bond PIE Fund

ISIN Code NZCIFE0004S7

As of 31/05/2025



## Fund Characteristics

	Fund	Benchmark
Yield to Maturity (Unhedged)	4.75%	3.27%
Running Yield (Unhedged)	4.16%	2.75%
Modified Duration (Years)	5.53	6.72
Average Coupon	3.95%	2.69%
Average Credit Quality	AA-	

## Top 5 Securities Holdings

	Currency	Weight (%)
1. United States 4.375% Nov '28	USD	3.79%
2. Mexico 7.75% Nov '34	MXN	3.52%
3. Poland I/L 2% Aug '36	PLN	3.04%
4. United States 2.75% Aug '32	USD	2.91%
5. Mexico 7.5% Jun '27	MXN	2.86%

## 5 Largest Active Positions - Bonds (%)

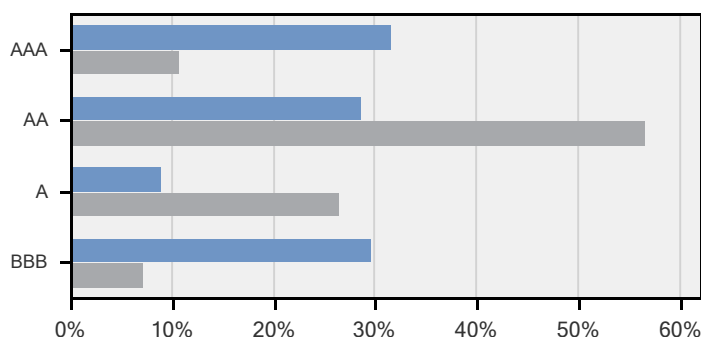
Country	Fund	Versus Benchmark (%)
Europe	9.54%	-17.82%
United States	25.69%	-15.70%
Mexico	13.06%	12.35%
New Zealand	11.25%	10.98%
China	0.00%	-10.30%

## 5 Largest Active Positions - Currency (%)

Currency	Fund	Versus Benchmark (%)
United States Dollar	-6.61%	-6.61%
Japanese Yen	4.22%	4.22%
Swedish Krona	3.76%	3.76%
New Zealand Dollar	96.45%	-3.55%
Malaysian Ringgit	2.90%	2.90%

## Credit Quality

■ Fund ■ Benchmark



## Commentary

The fund returned -0.14% over the month, outperforming the benchmark which returned -0.66%. Bond selection added 0.40% to relative returns and currency selection added 0.12%. The top three positive bond contributors to relative returns were the underweight positions in Japan and United States and the overweight position in Indonesia. The top three positive currency contributors to relative returns were the overweight positions in Korean Won, Mexican Peso and Malaysia Ringgit.

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, Friedrich 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.

# The Colchester Global Government Bond PIE Fund

ISIN Code NZCIFE0004S7

As of 31/05/2025



## Sales & Marketing Enquiries



Monica Hood  
Head of Distribution - Australia and New Zealand

Email: [mhood@colchesterglobal.com](mailto:mhood@colchesterglobal.com)  
Phone: +61 431 478 780

Team Email: [MarketingClientServiceAUSNZ@colchesterglobal.com](mailto:MarketingClientServiceAUSNZ@colchesterglobal.com)  
Website: [www.colchesterglobal.co.nz](http://www.colchesterglobal.co.nz)

## Fund Administration & Client Service Enquiries

### Colchester Global Investors Unit Registry

#### Applications

Email: [contact@iisolutions.co.nz](mailto:contact@iisolutions.co.nz)  
Fax: +64 4 4999 654  
Post: PO Box 25003  
Wellington 6140, New Zealand

#### Client Service Enquiries

Email: [contact@iisolutions.co.nz](mailto:contact@iisolutions.co.nz)  
Phone: +64 4 4999 654

#### Transactions

Email: [contact@iisolutions.co.nz](mailto:contact@iisolutions.co.nz)

## Fund Shareclass Research Ratings



Morningstar Medalist Rating™ As of 29/05/2025

Analyst Driven % 100

Data Coverage % 100

## Colchester Fund Awards



<sup>1</sup> Refer to Important Information and Disclosures

## Important Information and Disclosures

This document is intended for the exclusive use of financial advisers and wholesale investors. It is not to be used by retail investors and should not be distributed or published without the prior consent of FundRock NZ Limited.

This document is provided by Colchester Global Investors (Singapore) Pte. Ltd ("Colchester") in good faith and is designed as a summary to accompany the Product Disclosure Statement for the Colchester Investment Funds ("Scheme") and the Colchester Global Government Bond PIE Fund ("Fund"). The Product Disclosure Statement is available from Colchester, or the issuer, FundRock NZ Limited ("FundRock"), and on <https://disclose-register.companiesoffice.govt.nz/>. The information contained in this document is not an offer of units in the Fund or a proposal or an invitation to make an offer to sell, or a recommendation to subscribe for or purchase, any units in the Fund. Any person wishing to apply for units in the Fund must complete the application form which is available from Colchester or FundRock. The information and any opinions in this document are based on sources that Colchester believes are reliable and accurate. Colchester, its directors, officers and employees make no representations or warranties of any kind as to the accuracy or completeness of the information contained in this document and disclaim liability for any loss, damage, cost or expense that may arise from any reliance on the information or any opinions, conclusions or recommendations contained in it, whether that loss or damage is caused by any fault or negligence on the part of Colchester, or otherwise, except for any statutory liability which cannot be excluded. All opinions reflect Colchester's judgment on the date of this document and are subject to change without notice. This disclaimer extends to FundRock, and any entity that may distribute this document. The information in this document is not intended to be financial advice for the purposes of the Financial Markets Conduct Act 2013 ("FMC Act"), as amended by the Financial Services Legislation Amendment Act 2019 ("FSLAA"). In particular, in preparing this document, Colchester did not take into account the investment objectives, financial situation and particular needs of any particular person. Professional investment advice from an appropriately qualified adviser should be taken before making any investment. Past performance is not necessarily indicative of future performance, unit prices may go down as well as up and an investor in the fund may not recover the full amount of the capital that they invest. No part of this document may be reproduced without the permission of Colchester or FundRock. FundRock is the issuer and manager of the Scheme. Colchester is the investment manager of the Scheme. The Fund invests in a New Zealand dollar hedged share class of an underlying offshore fund called the Colchester Global Bond Enhanced Currency Fund, a sub-fund of The Colchester Multi-Strategy Global Bond Fund plc (an Irish registered UCITS fund) ("Underlying Fund") which is also managed by Colchester. Please refer to FundRock for further details <https://www.fundrock.com/fundrock-new-zealand/frnz-documents-and-reporting/>.

Net of fee returns reflect the deduction of fees and expenses and are calculated on the basis of the applicable fee rates as described in the PDS. Additional information regarding policies and procedures for calculating and reporting returns is also available on request.

This information is provided for indicative purposes only, and is supplied in good faith based on sources which we believe, but do not guarantee, to be accurate or complete as of the date of this factsheet. Such information is current as of the date of this factsheet and may be subject to change without notice. If there is any conflict between this factsheet and the PDS, the PDS shall prevail.

This factsheet is not to be used or considered as an offer to sell or solicitation of an offer to buy any securities. Nothing in this factsheet should be construed as providing any type of investment, tax or other advice, or be considered a solicitation, recommendation, endorsement or offer to purchase or sell any financial instrument.

London Stock Exchange Group plc and its group undertakings (collectively, the "LSE Group"). © LSE Group 2025. FTSE Russell is a trading name of certain of the LSE Group companies. "FTSE®" is a trade mark of the relevant LSE Group companies and is used by any other LSE Group company under license. "TMX®" is a trade mark of TSX, Inc. and used by the LSE Group under license. All rights in the FTSE Russell indexes or data vest in the relevant LSE Group company which owns the index or the data. Neither LSE Group nor its licensors accept any liability for any errors or omissions in the indexes or data and no party may rely on any indexes or data contained in this communication. No further distribution of data from the LSE Group is permitted without the relevant LSE Group company's express written consent. The LSE Group does not promote, sponsor or endorse the content of this communication.

Valuation and returns have been calculated in NZD as at month end. The WMR exchange rate used by the index provider in compiling FTSE World Government Bond Index 100% hedged in New Zealand dollars (NZD) is the predominant exchange rate used in valuing the Fund.

All securities are rated by Nationally Recognized Statistical Rating Organizations (NRSRO) Moody's, Standard & Poor's (S&P), and/or Fitch. If a security is rated by more than one of these organisations, the highest rating assigned is used in our credit rating breakdowns. Ratings are measured on a scale that generally ranges from AAA (being the highest) to D (being the lowest).

Colchester Global Government Bond PIE Fund has a Morningstar Medalist Rating™ of 'Bronze' as of 29-05-2025. © 2025 Morningstar All rights reserved. The information contained herein: (1) is proprietary to Morningstar and/or its affiliates or content providers; (2) may not be copied, adapted or distributed; (3) is not warranted to be accurate, complete or timely; and (4) does not constitute advice of any kind, whether investment, tax, legal or otherwise and 5) has been prepared for New Zealand wholesale clients of Morningstar Research Ltd, subsidiary of Morningstar, Inc and is not intended for New Zealand retail clients. Neither Morningstar nor its content providers are responsible for any damages arising from the use and distribution of this information. Past performance is no guarantee of future results.

Morningstar Awards 2025(c). Morningstar, Inc. All Rights Reserved. Awarded to Colchester Global Government Bond PIE Fund for the Fund Manager of the Year 2023, Fixed Interest category, New Zealand.

MSCI ESG Research LLC's ("MSCI ESG") Fund Ratings products (the "Information") provide environmental, social and governance data with respect to underlying securities within more than 56,000 multi-asset class Mutual Funds and ETFs globally. MSCI ESG is a Registered Investment Adviser under the Investment Advisers Act of 1940. MSCI ESG materials have not been submitted to, nor received approval from, the US SEC or any other regulatory body. None of the Information constitutes an offer to buy or sell, or a promotion or recommendation of, any security, financial instrument or product or trading strategy, nor should it be taken as an indication or guarantee of any future performance, analysis, forecast or prediction. None of the Information can be used to determine which securities to buy or sell or when to buy or sell them. The Information is provided "as is" and the user of the Information assumes the entire risk of any use it may make or permit to be made of the Information.

Responsible investing is an integral part of the investment process however Colchester never makes investment decisions based solely upon ESG factors. Unless specified in the offering documents, specific assets with poor ESG ratings may not be excluded from portfolios.