

The Colchester Global Government Bond PIE Fund

ISIN Code NZCIFE0004S7

As of 31/07/2025



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.

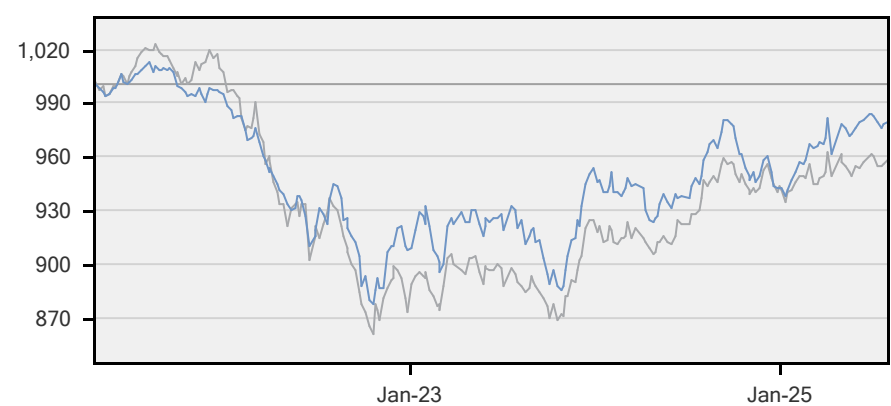
CUM Unit Price (31/07/2025)	Current Distribution p.a.	Net Annual Return Since Inception p.a.	Net Total Return Since Inception	Fund Size (\$million)
0.8652	3.40%	-0.48%	-2.05%	161.9 NZD

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



Net Performance (%)

	1M	3M	6M	YTD	1Y	Annualised		
						3Y	5Y	S.I.
Fund	-0.40%	0.12%	3.01%	3.93%	3.19%	1.55%		-0.48%
Benchmark	-0.40%	-0.36%	1.29%	1.55%	2.24%	0.73%		-1.00%
Relative	-0.00%	0.48%	1.72%	2.38%	0.94%	0.82%		0.52%

Calendar Year Net Performance (%)

	2021	2022	2023	2024	YTD
Fund	-0.46%	-8.79%	5.00%	-1.14%	3.93%
Benchmark	0.73%	-13.34%	5.90%	2.02%	1.55%
Relative	-1.19%	4.55%	-0.89%	-3.16%	2.38%

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

Fund Characteristics

	Fund	Benchmark
Yield to Maturity (Unhedged)	4.68%	3.32%
Running Yield (Unhedged)	4.06%	2.79%
Modified Duration (Years)	6.17	6.67
Average Coupon	3.88%	2.73%
Average Credit Quality	AA-	

Top 5 Securities Holdings

	Currency	Weight (%)
1. Mexico 7.75% Nov '34	MXN	3.81%
2. United States 4.375% Nov '28	USD	3.65%
3. Poland I/L 2% Aug '36	PLN	3.44%
4. United States 2.75% Aug '32	USD	2.79%
5. Mexico 7.5% Jun '27	MXN	2.71%

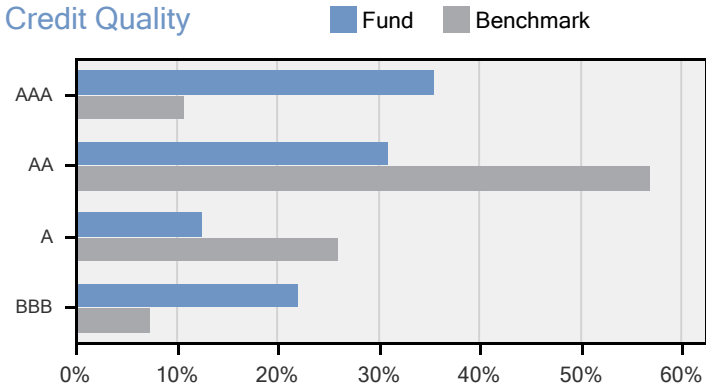
5 Largest Active Positions - Bonds (%)

Country	Fund	Versus Benchmark (%)
Europe	10.46%	-16.85%
United States	26.86%	-14.87%
Mexico	11.78%	11.03%
New Zealand	11.16%	10.90%
China	0.00%	-10.33%

5 Largest Active Positions - Currency (%)

Currency	Fund	Versus Benchmark (%)
United States Dollar	-6.85%	-6.85%
Japanese Yen	3.92%	3.92%
Swedish Krona	3.71%	3.71%
New Zealand Dollar	96.35%	-3.65%
Norwegian Krone	3.32%	3.32%

Credit Quality



Commentary

The fund returned -0.34% (gross of fees) over the month, outperforming the benchmark which returned -0.40%. Bond selection added 0.28% to relative returns, while currency selection detracted -0.22%. The top three positive bond contributors to relative returns were the overweight positions in Indonesia and New Zealand and the underweight position in United States. The top three currency detractors from relative returns were the underweight positions in United States Dollars and Thai Baht and the overweight position in Japanese Yen.

Global bond market returns were mixed in July as yields edged higher in the US, amongst other markets, as the Federal Reserve held rates unchanged, and some progress was made on trade deals. A number of bond markets rallied as global uncertainty remains elevated, whilst the US dollar reversed the trend of the first half of the year. The FTSE World Government Bond Index returned -0.3% in U.S. dollar hedged terms and -1.8% in unhedged terms over the month as the Dollar posted its first monthly gain of the year.

In the US, inflation edged marginally higher from 2.4% to 2.7% in June, the latest available reading. Whilst inflationary pressures from import tariffs appear muted there are some signs of passthrough thus far, and our expectation remains for further impact, not least as tariffs on imports from a number of economies are set to rise in August. On 4th July the One Big Beautiful Act was signed into law introducing tax cuts and other measures, the impact of which is likely to be an elevated fiscal deficit in the years to come. The US treasury market was relatively calm despite the fiscal implications of the Act, and speculation around Jerome Powell's role as Fed Chair, however returns were slightly negative nonetheless at -0.4%. The Colchester programme maintains an underweight position in the US market.

In the Euro area, inflation increased slightly to 2%, aligning with the European Central Bank's (ECB) target whilst core inflation remains elevated with continued pressures in labour-intensive sectors. The ECB kept rates on hold at 2% in July following four consecutive months of rate cuts earlier in the year whilst the German government announced a draft budget envisaging more front-loaded stimulus. Euro area bonds generally generated negative returns in July with German government bonds posting a return of -0.3%. The markets of France and the Netherlands fared worse with returns of -0.4% and -0.5% respectively. In the UK, the gilt market also struggled, generating a return of -0.4% as domestic fiscal pressures remain and inflation increased from 3.4% to 3.6%. The Colchester programme remains underweight the Euro area bond market as relative real yield valuations are relatively unattractive.

In Latin America, the Mexican bond market posted a marginally positive return of 0.4% during July. President Sheinbaum accelerated her six-year 'Plan Mexico' strategy to boost investment and increase domestic production to reduce dependency on exports to the US. Headline inflation trended downwards slightly from 4.4% to 4.3%. Turning to Colombia, the bond market performed well in July, returning 2.9% despite the credit rating downgrade last month. The Colchester programme maintains an overweight position to both markets.

Moving to Asia, the Singapore government bond market continued to perform well returning 1% during July and 7.7% since the end of 2024. Elsewhere, the Malaysian market gained 0.9% during July whilst the bond market of Indonesia generated a return of 1.2%. In China, the bond market posted marginally negative returns of -0.1% and the latest inflation print showed a modest uptick to 0.1% as trade tensions with the US eased. The Colchester programme remains underweight Chinese government bonds and is overweight Malaysia and Indonesia, benefitting from the relative outperformance of these markets.

Turning to currencies, the US dollar posted its first monthly gain of the year as trade tensions eased and the Federal Reserve held interest rates steady. The flagship Colchester global bond programme maintains an underweight position to the Dollar as it remains overvalued according to Colchester's currency valuation framework. The Japanese yen depreciated 4% this month whilst the Norwegian krone and Swedish krona depreciated 1.7% and 2.4% respectively. The Korean won declined 2.7% whilst the Indonesian rupiah fared better returning -1.3%. The Mexican peso was a notable positive performer, appreciating 0.4% vs the Dollar during July.

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Fund Shareclass Research Ratings



Morningstar Medalist Rating™ As of 04/04/2024

Analyst Driven % 100

Data Coverage % 100

Colchester Fund Awards



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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 FTSE World Government Bond Index 100% hedged in New Zealand dollars (NZD) is the predominant exchange rate used in valuing the Fund.

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