

COLCHESTER INVESTMENT FUNDS

**FINANCIAL STATEMENTS
FOR THE YEAR/PERIOD ENDED 31 MARCH 2025**

COLCHESTER INVESTMENT FUNDS

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COLCHESTER INVESTMENT FUNDS

DIRECTORY

THE MANAGER

FundRock NZ Limited
Level 2, 1 Woodward Street
PO Box 25003
Wellington 6011, New Zealand
This is also the address of the registered office.

THE SUPERVISOR

Public Trust
Level 2, 22 Willeston Street
Private Bag 5902
Wellington 6140, New Zealand

DIRECTORS OF THE MANAGER

Michael John COURTNEY (appointed 1 August 2024)
Anthony Robert John EDMONDS (resigned 1 August 2024)
Gareth James FLEMING (resigned 1 August 2024)
Rebecca Elizabeth PALMER (appointed 1 August 2024)
Hugh Duncan STEVENS
Jeremy Bruce VALENTINE

AUDITOR

PricewaterhouseCoopers
Level 4, 10 Waterloo Quay
PO Box 243
Wellington 6140, New Zealand

INVESTMENT MANAGER

Colchester Global Investors (Singapore) Pte Limited

FUND ADMINISTRATOR & CUSTODIAN

BNP Paribas Fund Services Australasia Pty Ltd, New Zealand branch

BANKERS

ANZ Bank New Zealand Limited ("ANZ")
BNP Paribas

CORRESPONDENCE

All correspondence and enquiries about Colchester Investment Funds should be addressed to the Manager, FundRock NZ Limited, at the above address.

COLCHESTER INVESTMENT FUNDS

FundRock NZ Limited (the "Manager") and Public Trust (the "Supervisor") are parties to a master trust deed dated 1 December 2016 and a scheme establishment deed dated 15 February 2021 (the "Trust Deed") which sets out the terms and conditions applicable to Colchester Investment Funds (the "Scheme") and funds established by the Manager and the Supervisor within that Scheme.

The Trust Deed provides that each fund is to be established by the Manager and the Supervisor entering into a fund establishment deed setting out the specific terms and conditions relating to that fund.

STATEMENT BY THE MANAGER

In our opinion, the accompanying financial statements and notes are drawn up in accordance with generally accepted accounting practice in New Zealand and present fairly the financial position of the Funds as at 31 March 2025, and of the results of their financial performance and cash flows for the year/period ended on that date in accordance with the requirements of the Trust Deed and fund establishment deeds dated 15 February 2021 and 29 April 2024.

It is believed that there are no circumstances that may materially and adversely affect any interest of the Unitholders.

For and on behalf of:
FundRock NZ Limited

Hugh Stevens



.....
Director

Hugh Stevens

.....
Director

Jeremy Valentine

This Statement was approved for signing at a meeting of the Directors on 28 July 2025.

COLCHESTER INVESTMENT FUNDS

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR/PERIOD ENDED 31 MARCH 2025

		Government Bond Fund	Green Bond Fund
		2025	2025
	Note	\$'000	\$'000
INCOME			
Interest income calculated using the effective interest method		14	23
Net changes in fair value of financial assets and financial liabilities at fair value through profit or loss		3,111	2,854
TOTAL INCOME/(LOSS)		3,125	2,877
EXPENSES			
Management fees	11	592	421
TOTAL EXPENSES		592	421
NET PROFIT/(LOSS)		2,533	2,456
Other comprehensive income		-	-
TOTAL COMPREHENSIVE INCOME/(LOSS)		2,533	2,456

The accompanying notes form part of and should be read in conjunction with these Financial Statements.

COLCHESTER INVESTMENT FUNDS

STATEMENTS OF CHANGES IN FUNDS ATTRIBUTABLE TO UNITHOLDERS
FOR THE YEAR/PERIOD ENDED 31 MARCH 2025

	Note	Government Bond Fund	Green Bond Fund
		2025 \$'000	2024 \$'000
UNITHOLDERS' FUNDS AT THE BEGINNING OF THE YEAR/PERIOD		71,650	39,930
Total comprehensive income for the year/period		2,533	2,456
Subscriptions from Unitholders		65,577	44,757
Redemptions by Unitholders		(3,825)	(13,718)
Distributions to Unitholders		(3,440)	(1,775)
		58,312	29,264
UNITHOLDERS' FUNDS AT THE END OF THE YEAR/PERIOD	8b	132,495	71,650

The accompanying notes form part of and should be read in conjunction with these Financial Statements.

COLCHESTER INVESTMENT FUNDS**STATEMENTS OF FINANCIAL POSITION
AS AT 31 MARCH 2025**

		Government Bond Fund		Green Bond Fund
		As at	As at	As at
		31 March 2025	31 March 2024	31 March 2025
	Note	\$'000	\$'000	\$'000
ASSETS				
Cash and cash equivalents		105	305	80
Receivables	4	252	563	56
Financial assets at fair value through profit or loss				
Investment securities		<u>132,676</u>	<u>71,472</u>	<u>44,599</u>
TOTAL ASSETS		133,033	72,340	44,735
LIABILITIES				
Payables	5	<u>538</u>	<u>690</u>	<u>49</u>
TOTAL LIABILITIES		538	690	49
UNITHOLDERS' FUNDS				
	8b	<u>132,495</u>	<u>71,650</u>	<u>44,686</u>
TOTAL LIABILITIES AND UNITHOLDERS' FUNDS		<u>133,033</u>	<u>72,340</u>	<u>44,735</u>

For and on behalf of the Manager, FundRock NZ Limited, who authorised the issue of the financial statements on 28 July 2025.

Hugh Stevens



Director Hugh Stevens

Director Jeremy Valentine

The accompanying notes form part of and should be read in conjunction with these Financial Statements.

COLCHESTER INVESTMENT FUNDS

STATEMENTS OF CASH FLOWS
FOR THE YEAR/PERIOD ENDED 31 MARCH 2025

		Government Bond Fund	Green Bond Fund
		2025	2024
		2025	2025
Note	\$'000	\$'000	\$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Interest income	14	21	2
Realisation of investment securities	405	12,584	125
Operating expenses	(561)	(348)	(34)
Purchase of investment securities	<u>(58,498)</u>	<u>(41,020)</u>	<u>(45,000)</u>
Net cash outflow from operating activities	9	(58,640)	(44,907)
CASH FLOWS FROM FINANCING ACTIVITIES			
Subscriptions from Unitholders	63,467	44,197	45,004
Redemptions by Unitholders	(3,829)	(13,689)	-
Distributions to Unitholders	<u>(1,198)</u>	<u>(1,544)</u>	<u>(17)</u>
Net cash inflow from financing activities		58,440	44,987
Net (decrease)/increase in cash and cash equivalents		(200)	201
Cash and cash equivalents at beginning of the year/period		<u>305</u>	<u>104</u>
Cash and cash equivalents at end of the year/period		<u>105</u>	<u>80</u>
Cash and cash equivalents comprise of:			
Cash and cash equivalents		<u>105</u>	<u>80</u>
Cash and cash equivalents at the end of the year/period		<u>105</u>	<u>80</u>

The accompanying notes form part of and should be read in conjunction with these financial statements.

COLCHESTER INVESTMENT FUNDS

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR/PERIOD ENDED 31 MARCH 2025

1. GENERAL INFORMATION

The Scheme consists of two for-profit managed investment funds (the "Funds") domiciled in New Zealand and established under the Financial Markets Conduct Act 2013 ("FMC Act"). The financial statements for the Funds have been prepared in accordance with the Trust Deed.

The Funds were established under a Master Trust Deed dated 1 December 2016. The Colchester Global Government Bond PIE Fund ("Government Bond Fund") was established under a fund establishment deed dated 15 February 2021 and commenced operations on 21 April 2021. The Colchester Global Green Bond PIE Fund ("Green Bond Fund") was established under a fund establishment deed dated 29 April 2024 and commenced operations on 31 July 2024.

The profile of Government Bond Fund is as below:

The Government Bond Fund invests in the Colchester Global Bond Enhanced Currency Fund - NZD Hedged Accumulation Class – Z Shares

The investment objective of the Fund is to achieve favourable income and capital returns from a globally diversified portfolio of primarily sovereign debt or debt-like securities and currencies. An associated objective is the preservation and enhancement of principal.

The benchmark of the Fund is the FTSE World Government Bond Index hedged into New Zealand dollars.

The profile of Green Bond Fund is as below:

The Green Bond Fund invests in the Colchester Global Green Bond Enhanced Currency Fund - NZD Hedged Accumulation Class – Z Shares.

The investment objective of the Fund is to achieve 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.

The benchmark of the Fund is the ICE Sovereign and Government Related Green Bond Custom Index hedged into New Zealand dollars.

*Green Bonds means bonds issued by governments, supra-nationals, agencies and other types of issuers to fund projects that are designed to benefit the environment. This includes financing or re-financing investments, projects, expenditure or assets helping to address climate and environmental issues.

2. BASIS OF PREPARATION

Reporting Period

The financial statements for Government Bond Fund have been prepared for the year ended 31 March 2025 and the financial statements for Green Bond Fund have been prepared for the period ended 31 July 2024 to 31 March 2025. The comparative period for Government Bond Fund is for the year ended 31 March 2024 and there is no comparative period for Green Bond Fund.

Statement of Compliance

The financial statements have been prepared in accordance with the Trust Deed and New Zealand Generally Accepted Accounting Practice ("NZ GAAP"). The financial statements comply with New Zealand equivalents to International Financial Reporting Standards ("NZ IFRS"), and other applicable Financial Reporting Standards, as appropriate for a for-profit entity.

The financial statements also comply with International Financial Reporting Standards Accounting Standards ("IFRS Accounting Standards") as issued by the International Accounting Standards Board.

COLCHESTER INVESTMENT FUNDS

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR/PERIOD ENDED 31 MARCH 2025

2. BASIS OF PREPARATION (Continued)

Measurement Base

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets and financial liabilities at fair value through profit or loss.

The preparation of financial statements in conformity with NZ IFRS Accounting Standards requires the use of certain critical accounting estimates. It also requires the Manager to exercise its judgment in the process of applying the Funds' accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed below.

The financial statements are prepared in New Zealand dollars ("NZ\$") and all values are rounded to the nearest thousand dollars ("NZ\$'000"), unless otherwise stated.

FundRock NZ Limited ("FundRock") is the Manager of the Scheme and Fund(s). The Manager enters into fund hosting arrangements with various investment managers. The arrangements involve the issuing and managing of funds, under the Manager's Managed Investment Scheme licence, on behalf of the investment manager who want to provide investors with access to their investment solutions. The Manager contracts with other service providers to provide the services required to be provided directly to the funds. This includes investment management, supervision, fund administration and audit services.

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out below:

New and amended standards adopted by the Funds

Amendment to Financial Reporting Standard 44: New Zealand Additional Disclosures ("FRS-44"). These amendments shall be applied for annual periods beginning on or after 1 January 2024, and have been adopted in these financial statements for 31 March 2025. FRS-44 primarily introduces the following:

An entity shall disclose the fees incurred for services received from each audit or review firm, separately for:

- the audit or review of the financial statements;
- a Tier 2 entity under NZ IFRS RDR shall disclose the total fees incurred for services other than the audit or review of the financial statements provided by the entity's audit or review firm, and a general description of these services.

Other than above, all policies have been applied on a basis consistent with those used in the prior period.

New standards, amendments and interpretations not yet adopted

NZ IFRS 18 - Presentation and Disclosure in Financial Statements:

In May 2024, the XRB introduced NZ IFRS 18 Presentation and Disclosure in Financial Statements ("NZ IFRS 18") (effective for annual reporting periods beginning on or after 1 January 2027). This standard replaces NZ IAS 1 Presentation of Financial Statements ("NZ IAS 1") and primarily introduces a defined structure for the statement of comprehensive income, disclosure of management-defined performance measures (a subset of non-GAAP measures) in a single note together with reconciliation requirements and additional guidance on aggregation and disaggregation principles in the financial statements. NZ IFRS 18 will be applicable to the Funds' financial statements to the extent that it is not superseded by NZ IAS 26 Accounting and Reporting by Retirement Benefit Plans. The Scheme has not early adopted NZ IFRS 18 and is yet to assess its impacts.

COLCHESTER INVESTMENT FUNDS

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR/PERIOD ENDED 31 MARCH 2025

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

A number of other new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 April 2024, and have not been early adopted in preparing these financial statements. None of these are expected to have a material effect on the financial statements of the Funds.

Climate Related Disclosures

The Manager is a Climate Reporting Entity pursuant to the provisions of the Financial Markets Conduct Act 2013 ("FMC Act"), as modified by the Financial Sector (Climate-related Disclosures and Other Matters) Amendment Act 2021. Climate-related disclosures for the Funds were prepared in accordance with Aotearoa New Zealand Climate Standards issued by External Reporting Board and are available at the Climate-Related Disclosures Register.

The impacts of climate change have a high degree of uncertainty associated with them. FundRock and the Investment Manager have used and will continue to use scenario analysis and climate-related metrics (such as carbon emissions) to identify, assess, and monitor climate-related risks and opportunities for the Funds. FundRock has not attempted to quantify the impacts (or expected impacts) of said risks and opportunities because this poses substantial technical challenges; nonetheless, FundRock understands that expected impacts may be significant.

For more details on climate-related risks and opportunities for the Funds and how FundRock manages them, please refer to the Climate-Related Statements which will be available on the Climate-Related Disclosures Register.

Investment Entity

The Funds have multiple investors and holds multiple investments.

The Funds meet the definition of an investment entity per *NZ IFRS 10: Consolidated Financial Statements* as the following criteria are met:

- The Funds have obtained funds for the purpose of providing investors with investment management services.
- The Funds' business purpose, which was communicated directly to investors, is investing solely for returns from capital appreciation and investment income, through the unit trust investments.
- The performance of its investments is measured and evaluated on a fair value basis.

The Funds are considered to meet the definition of an investment entity, hence, it qualifies as an investment entity.

Functional and presentation currency

The Manager considers the New Zealand dollar the currency to most accurately represents the economic effect of the underlying transactions, events and conditions, therefore it is the Funds' functional currency. The New Zealand dollar is the currency in which the Funds measure and present their performance and report their results, as well as the currency in which they receive subscriptions from Unitholders.

Income Recognition

Interest

Interest income is recognised as the interest accrues (using the effective interest method, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument) to the net carrying amount of the financial asset.

Dividends and distributions

Dividend and distribution income is recognised on the date that the Funds' right to receive payment is established, it is probable that the economic benefits associated with the dividends and distributions will flow to the Funds, and the amounts for these can be measured reliably.

COLCHESTER INVESTMENT FUNDS

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR/PERIOD ENDED 31 MARCH 2025**3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)***Changes in fair value of investments*

Net gains or losses on investment securities at fair value through profit or loss are calculated as the difference between the fair value at sale, or at period end, and the fair value at the previous valuation point or cost. This includes both realised and unrealised gains and losses, but does not include interest and distributions income.

Financial Instruments*Classification - financial assets*

The Funds classify their financial instruments based on both the Funds' business model for managing those financial assets and contractual cash flow characteristic of the financial assets. The portfolio of financial assets is managed and performance is evaluated on a fair value basis. The Funds are primarily focused on fair value information and use that information to assess the assets' performance and to make decisions. The Funds do not hold any debt securities. Consequently, all investments are measured at fair value through profit or loss.

The Funds' policy requires the Investment Manager and the Board of Directors to evaluate the information about these financial assets and liabilities on a fair value basis together with other related financial information.

The Funds do not make short sales in which a borrowed security is sold in anticipation of a decline in the market value of that security, nor does it make use of short sales for various arbitrage transactions.

Recognition, Derecognition and Measurement

Purchases and sales of investments and derivatives are recognised on the trade date - the date on which the Funds commit to purchase or sell the investments. Financial instruments at fair value through profit or loss are initially recognised at fair value. Transaction costs are expensed in profit or loss.

Financial assets are derecognised when the rights to receive cash flows from the investments and derivatives have expired or the Funds have transferred substantially all risks and rewards of ownership.

Subsequent to initial recognition, all financial assets and financial liabilities at fair value through profit or loss are measured at fair value. Gains and losses arising from changes in the fair value of the 'financial instruments at fair value through profit or loss' category are presented in the Statements of Profit or Loss and Other Comprehensive Income within 'net changes in fair value of financial assets and financial liabilities at fair value through profit or loss' in the period in which they arise.

Fair value estimation

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an ordinary transaction between market participants at the measurement date. The fair value of units held by the Funds in unlisted unit trust funds is determined by reference to the latest net asset value ("NAV") unit prices at the close of business on the reporting date established by the underlying investment fund manager. Where the last sale price falls outside of the bid-ask spread for a particular security, bid price will be used to value the investment.

COLCHESTER INVESTMENT FUNDS

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR/PERIOD ENDED 31 MARCH 2025**3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)****Financial Assets and Financial Liabilities at Amortised Cost**

Financial assets at amortised cost comprise cash and cash equivalents and receivables. These include cash balances and call deposits, accrued interest and dividends, and proceeds expected from sale transactions where the trade date and settlement date spanned the reporting date. The carrying value closely approximates their fair value.

Subsequent to initial recognition, receivables are measured at amortised cost using the effective interest method less any impairment losses. The effective interest method calculates the amortised cost of a financial asset or financial liability and allocates the interest income or interest expense, including any fees and directly related transaction costs that are an integral part of the effective interest rate, over the expected life of the financial asset or liability so as to achieve a constant yield on the financial asset or liability.

(i) Cash and cash equivalents

Cash and cash equivalents in the Statements of Financial Position comprise cash at bank, demand deposits and short-term deposits in banks that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, with an original maturity of three months or less and bank overdrafts. Bank overdrafts are shown in current liabilities in the Statements of Financial Position.

(ii) Receivables

Receivables include amounts where settlement has not yet occurred, and include outstanding settlements on the sale of investments. Receivables are measured initially at fair value and subsequently at amortised cost. Amounts are generally received within thirty days of being recorded as receivables. Given the short-term nature of most receivables, the carrying amount approximates their fair value.

(iii) Payables

Payables are recognised for amounts to be paid in the future for goods and services received, whether or not billed to the Funds, and include outstanding settlements on the purchase of investments. Payables are measured initially at fair value and subsequently at amortised cost. Amounts are generally paid within thirty days of being recorded as payables. Given the short-term nature of most payables, the carrying amount approximates their fair value.

Impairment of Financial Assets Carried at Amortised cost

In accordance with *NZ IFRS 9: Financial Instruments*, the Funds apply an expected credit losses ("ECL") provision on all of its receivables, either on a 12-month or lifetime basis.

The Funds hold only receivables with no financing component and which have maturities of less than 12 months at amortised cost and, as such, has chosen to apply an approach similar to the simplified approach for ECL under *NZ IFRS 9: Financial Instruments* to all its receivables. Therefore, the Funds do not track changes in credit risk, but instead recognise a loss allowance based on lifetime ECL at the reporting date.

With the short time period and nature of the financial assets, accrued interest, dividends and receivables from sale of investments are measured at amortised cost, the Funds do not anticipate any expected credit losses for these assets.

Expenses

All expenses are recognised on an accrual basis.

COLCHESTER INVESTMENT FUNDS

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR/PERIOD ENDED 31 MARCH 2025

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

Taxation

Income taxation

Each Fund has elected to become a Portfolio Investment Entity ("PIE") for the purposes of the Income Tax Act 2007.

Tax treatment applicable to a PIE:

Under current taxation law the Funds pay no income tax on the taxable income of the Funds and all taxable income and associated tax credits applicable are allocated to investors, in proportion to the units they hold on the days when taxable income and credits arise.

The Funds are responsible for deducting tax from each investor's allocation using each investor's Prescribed Investor Rate ('PIR'), capped at a maximum of 28%, and pay the tax to the taxation authorities on behalf of the investor. PIE tax assets or liabilities for the current period are measured at the amount expected to be recovered or paid to the Inland Revenue on behalf of the investors based on the investors' current period's income and their PIR.

The Funds calculate and deduct tax based on each investor's PIR and pay the tax to the Inland Revenue on behalf of the investor. The PIE tax liabilities, at the end of the year, are due for payment on the last day of the next month.

Goods and services tax ("GST")

The Funds are not registered for GST and consequently all components of the financial statements are stated inclusive of GST where appropriate.

Distributions to Unitholders

Distributions may be made from the Funds in accordance with the terms of the Trust Deed, the Establishment Deed and the relevant Fund's distribution policy. Amounts that are not distributed remain invested as part of the assets of the Funds. Proposed distributions to unitholders are recognised in the Statements of Changes in Funds Attributable to Unitholders when they are appropriately authorised and no longer at the discretion of the Fund Manager.

Unitholders have the choice to automatically reinvest their distributions. The reinvestment is made on the first available ex distribution net asset value price for the Funds.

Redeemable Units and Unitholders' Interests

Ownership interests in the Funds are in the form of redeemable units in accordance with *NZ IAS 32: Financial Instruments: Presentation* and which are exposed to variable returns from changes in the fair value of the Funds' net assets. Units issued by the Funds provide the Unitholders the right to request redemption for cash at the value proportionate to the Unitholders' share in the Funds' net asset value. The Unitholders' Funds meet the definition of a "puttable instrument" in accordance with *NZ IAS 32: Financial Instruments: Presentation* and is classified as equity.

The redeemable units can be put back to the Funds at any time for cash equal to a proportionate share of the Funds' net assets value if the Unitholders exercise their right to relinquish the units. The redemption unit price is based on different valuation principles to that applied in financial reporting. This is explained in more detail in note 8.

COLCHESTER INVESTMENT FUNDS

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR/PERIOD ENDED 31 MARCH 2025

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

Presentation of Cash Flows

For the purposes of the Statements of Cash Flows, proceeds from the sale and purchase of investments designated at fair value through profit or loss and proceeds from realisation of derivatives are operating activities. The sale and purchase of investment securities maintain the operating capability of the Funds even though the investments may not be acquired specifically for resale or trading.

Critical Accounting Estimates and Assumptions

Fair value of financial assets and liabilities

The investments of the Funds have been valued at the net asset value price, therefore there are no accounting estimates or assumptions required in the valuation of the carrying amounts of these assets. Where an investment is unlisted the value is based on the relevant redemption price established by underlying investment managers.

COLCHESTER INVESTMENT FUNDS**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR/PERIOD ENDED 31 MARCH 2025****4. RECEIVABLES**

	Government Bond Fund		Green Bond Fund
	2025	2024	2025
	\$'000	\$'000	\$'000
Accrued investment income	3	3	-
PIE tax recoverable from Inland Revenue	-	-	56
Outstanding subscriptions from Unitholders	249	560	-
	252	563	56

5. PAYABLES

	Government Bond Fund		Green Bond Fund
	2025	2024	2025
	\$'000	\$'000	\$'000
Outstanding redemptions by Unitholders	2	29	-
Management fees payable	104	106	26
PIE tax payable to Inland Revenue	23	-	-
Other expense payable	57	24	15
Distribution payable	352	531	8
	538	690	49

6. AUDIT FEE

PricewaterhouseCoopers fees for the audit of the financial statements for the Government Bond Fund for the year ended 31 March 2025 amounted to \$24,610 (31 March 2024: \$23,438) excluding GST. Fees for the Green Bond Fund for the period ended 31 March 2025 amounted to \$19,000.

7. NON-CASH TRANSACTIONS

During the year, the Funds had no in-specie transaction from outside of the Funds or non-cash transactions.

COLCHESTER INVESTMENT FUNDS

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR/PERIOD ENDED 31 MARCH 2025

8. UNITHOLDERS' FUNDS

8a. Units on issue

	Government Bond Fund		Green Bond Fund
	2025	2024	2025
	'000	'000	'000
Units on issue at the beginning of the year/period	82,271	45,455	-
Subscriptions from Unitholders	75,553	52,504	45,618
Redemptions by Unitholders	(4,436)	(15,688)	-
Units on issue at the end of the year/period	153,388	82,271	45,618

8b. Units in dollar value

	Government Bond Fund		Green Bond Fund
	2025	2024	2025
	\$'000	\$'000	\$'000
Unitholders' Funds at the end of the year/period	132,495	71,650	44,686
Unit price NAV at the end of the year/period	131,512	71,683	44,268

The unit price NAV is calculated using last sale price and the latest available prices at the close of business on the last business day of the reporting period. The NAV or the Funds attributable to Unitholders as per the Statements of Financial Position is based on last traded price as at the last business day of the reporting period. Therefore, the difference in the NAV between the unit price and the financial statements is due to price valuation and timing, if any.

Redeemable Units and Capital Management

The Funds issue redeemable units. The net asset value of the units is shown in the Statements of Financial Position as Unitholders' Funds. Each Unitholder is entitled to payment based on the value of the Unitholder's share in the Funds' net asset value on the redemption date. The Funds have no restrictions or specific capital requirements on the subscription and redemption of units.

The relevant movements are shown on the Statements of Changes in Funds Attributable to Unitholders. In accordance with the objectives outlined in the Accounting Policies and the risk management policies in Note 12.

Each unit in the Funds ranks equally and provides Unitholders with a beneficial interest of the Funds. Unitholders have various rights under the Trust Deed of the Funds, including the rights to:

- * Have their units redeemed
- * Receive the Unitholders' funds of the Fund upon termination of the Fund, and
- * Receive distributions distributed by the Fund

COLCHESTER INVESTMENT FUNDS

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR/PERIOD ENDED 31 MARCH 2025

9. RECONCILIATION OF NET PROFIT/(LOSS) TO NET CASH FLOW FROM OPERATING ACTIVITIES

	Government Bond Fund		Green Bond Fund	
	2025	2024	2025	
	\$'000	\$'000	\$'000	
Net profit	2,533	2,456	(349)	
<i>Adjustments for:</i>				
Payments for the purchase of investments	(58,498)	(41,020)	(45,000)	
Proceeds from the sale of investments	405	12,584	125	
Net changes in fair value of financial assets and financial liabilities at fair value through profit or loss	(3,111)	(2,854)	276	
<i>Changes in assets and liabilities:</i>				
Decrease in receivables	-	(2)	-	
Increase in payables	31	73	41	
Net cash outflow from operating activities	<u>(58,640)</u>	<u>(28,763)</u>	<u>(44,907)</u>	

COLCHESTER INVESTMENT FUNDS

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR/PERIOD ENDED 31 MARCH 2025

10. CLASSIFICATION OF FINANCIAL INSTRUMENTS

Government Bond Fund									
	2025				Total	2024			
	Financial assets at fair value through profit or loss	Financial liabilities at fair value through profit or loss	Financial assets at amortised cost	Financial liabilities at amortised cost		Financial assets at fair value through profit or loss	Financial liabilities at fair value through profit or loss	Financial assets at amortised cost	Financial liabilities at amortised cost
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
ASSETS									
Cash and cash equivalents	-	-	105	-	105	-	-	305	-
Receivables	-	-	252	-	252	-	-	563	-
Investment securities	132,676	-	-	-	132,676	71,472	-	-	-
Total Assets	132,676	-	357	-	133,033	71,472	-	868	-
LIABILITIES									
Payables	-	-	-	515	515	-	-	-	690
Total Liabilities	-	-	-	515	515	-	-	-	690
Green Bond Fund									
	2025				Total				
	Financial assets at fair value through profit or loss	Financial liabilities at fair value through profit or loss	Financial assets at amortised cost	Financial liabilities at amortised cost					
	\$'000	\$'000	\$'000	\$'000	\$'000				
ASSETS									
Cash and cash equivalents	-	-	80	-	80				
Receivables	-	-	56	-	56				
Investment securities	44,599	-	-	-	44,599				
Total Assets	44,599	-	136	-	44,735				
LIABILITIES									
Payables	-	-	-	49	49				
Total Liabilities	-	-	-	49	49				

COLCHESTER INVESTMENT FUNDS

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR/PERIOD ENDED 31 MARCH 2025**11. RELATED PARTY TRANSACTIONS**

A party is related to the Funds if:

- (i) directly or indirectly through one or more of its intermediaries, it controls, is controlled by, or is under common control with the Funds;
- (ii) it has an interest in or relationship with the Funds that gives it significant influence over the Funds;
- (iii) the Funds have an interest in or relationship with the party that gives significant influence over the party; or
- (iv) they are a member of the key management personnel.

Key management personnel are defined as those persons having authority and responsibility for planning, directing and controlling the activities of the entity. This includes the Board and members of senior leadership team of; the Manager, Investment Manager, and the Supervisor. No key management personnel held units in the Funds as at any time during the financial year 31 March 2025 (31 March 2024: nil).

The following are considered to be related parties of the Funds: FundRock NZ Limited (Manager of the Funds), Colchester Global Investors (Singapore) Pte Limited (Investment Manager of the Funds), Public Trust (supervisor of the Funds), Apex Investment Administration (NZ) Limited (registry provider for the Funds and shares the same parent company as the Manager).

Management Fees

As outlined in the Fund's Product Disclosure Statement ("PDS"), the Funds incur Annual Fund Charges which for the Government Bond Fund are capped at 0.60% (31 March 2024: 0.77%) of the net asset value including GST and for the Green Bond Fund are capped at 0.60% of the net asset value including GST. The Fixed Annual Fund Charges include any fees within underlying funds or securities that the Funds may invest into, as well as fees paid to the Investment Manager, the Supervisor, the Auditor, the Custodian and the Administration Manager, bank charges and other various costs and expenses incurred. Where there is a shortfall, the Manager will pay the shortfall on behalf of the Funds and will recover the shortfall from the Investment Manager.

The Supervisor of the Funds is Public Trust. For the year ended 31 March 2025 total Supervisor fees charged to the Government Bond Fund amounted to \$24,616 (31 March 2024: \$23,000) and Green Bond Fund amounted to \$2,696.

The registry provider for the Funds is Apex Investment Administration (NZ) Limited. For the year ended 31 March 2025 total registry fees charged to the Government Bond Fund amounted to \$30,854 (31 March 2024: \$9,247) and Green Bond Fund amounted to \$3,360.

During the period, no other funds managed by the Manager invested in the Funds (31 March 2024: nil).

Related Party Holdings in the Fund

During the period, the Investment Manager held units in the Green Bond Fund. The details of units held as at 31 March 2025 and movements during the period are as follows:

	Green Bond Fund			
	2025			
	Units	Value	Units acquired	Units disposed of
	'000	\$'000	during the year	during the year
			'000	'000
<i>Related party holdings in the Fund</i>				
Investment Manager	1,005	984	1,005	-

COLCHESTER INVESTMENT FUNDS**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR/PERIOD ENDED 31 MARCH 2025****11. RELATED PARTY TRANSACTIONS (Continued)***Holdings in Related Parties*

The Government Bond Fund invests in units of the Colchester Global Bond Enhanced Currency Fund and the Green Bond Fund invests in Colchester Global Green Bond Enhanced Currency Fund, both funds are managed by Colchester Global Investors (Singapore) Pte Limited, a related party of the Funds. The details of the holdings at 31 March 2025 and 31 March 2024, movements and income received during the year are as follows:

	Government Bond Fund	
	2025	2024
	\$'000	\$'000
Opening value	71,472	40,182
Purchaser of investments	58,498	41,020
Sale of investments	(405)	(12,584)
Change in fair value	<u>3,111</u>	<u>2,854</u>
Closing value	<u><u>132,676</u></u>	<u><u>71,472</u></u>

	Green Bond Fund	
	2025	
	\$'000	
Opening value	-	
Purchaser of investments	45,000	
Sale of investments	(125)	
Change in fair value	<u>(276)</u>	
Closing value	<u><u>44,599</u></u>	

COLCHESTER INVESTMENT FUNDS

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR/PERIOD ENDED 31 MARCH 2025

12. FINANCIAL RISK MANAGEMENT

Strategy in Using Financial Instruments

The Funds' primary objective is to achieve favourable income and capital returns from a globally diversified portfolio of primarily sovereign debt or debt like securities and currencies. An associated objective is the preservation and enhancement of principal.

The Funds' activities expose them to a variety of financial risks: market risk (including market price risk, currency risk and interest rate risk), credit risk and liquidity risk. The Funds' overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Funds' financial performance.

12a. Market Price Risk

Market price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices.

The Funds' overall market positions are monitored on a daily basis by the investment manager. The Funds' unlisted unit trust investments are susceptible to market price risk arising from uncertainties about future values of the investments.

The overall market exposure was as follows:

	Government Bond Fund		Green Bond Fund
	2025	2024	2025
	Fair value	Fair value	Fair value
	\$'000	\$'000	\$'000
Unlisted unit trust investments	132,676	71,472	44,599

The tables below show the sensitivity analysis to a reasonably possible change in market price with all other variables held constant. As at 31 March 2025 the analysis is based on the assumptions that the market price movement increased or decreased by 10%. The Manager believes the 10% market price movement assumption to be management's best estimate of reasonable possible change in current market condition.

	Government Bond Fund				Green Bond Fund	
	2025		2024		2025	
	Profit or loss or Changes in Unitholders' Funds				Profit or loss or Changes in Unitholders' Funds	
	10% increase	10% decrease	10% increase	10% decrease	10% increase	10% decrease
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Unlisted unit trust investments	13,268	(13,268)	7,147	(7,147)	4,460	(4,460)

FundRock considers that the market prices of the investments factor in climate change impacts and, as such, no adjustment has been made to balances or transactions in these financial statements as a result of climate change.

COLCHESTER INVESTMENT FUNDS

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR/PERIOD ENDED 31 MARCH 2025

12. FINANCIAL RISK MANAGEMENT (Continued)

12b. Currency Risk

Currency risk is the risk that the value of the financial instruments or foreign cash will fluctuate due to changes in foreign exchange rates.

The Funds do not hold any financial instruments denominated in a currency other than the New Zealand dollar, the functional currency, at year end. They are therefore not exposed to currency risk.

12c. Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The majority of the Funds' financial assets are non-interest bearing. As a result, the Funds are not subject to significant amounts of risk due to fluctuations in the prevailing levels of market interest rates. Any excess cash and cash equivalents are invested at short-term market interest rates.

The interest rate risk on cash and cash equivalents is immaterial.

12d. Credit Risk

Credit risk represents the risk that a counterparty to the financial instrument will fail to perform contractual obligations under a contract and cause the Funds to incur a loss.

With respect to credit risk arising from the financial assets of the Funds, the Funds' exposure to credit risk arises from the default of the counterparty, with the current exposure equal to the fair value of these instruments as disclosed in the Statements of Financial Position. This does not represent the maximum risk exposure that could arise in the future as a result of changes in values, but best represents the current maximum exposure at the reporting date.

The Funds hold no collateral as security or any other credit enhancements. There are no financial assets that are past due or impaired, or would otherwise be past due or impaired except for the terms having been renegotiated.

The Funds measure credit risk and expected credit losses using probability of default, exposure at default and loss given default. The Manager considers both historical analysis and forward looking information in determining any expected credit loss.

The Funds do not use credit derivatives to mitigate credit risk.

The Funds' cash and cash equivalents balances are held with ANZ (Standard & Poor's ("S&P") credit rating AA-) (31 March 2024: AA-).

12e. Liquidity Risk

Liquidity risk is the risk that the Funds will not be able to meet its financial obligations as they fall due.

The Funds are exposed to daily cash redemptions of redeemable units. The Funds invest into the Colchester Global Bond Enhanced Currency Fund and Colchester Global Green Bond Enhanced Currency Fund ("underlying Funds"), which invest in sovereign debt or debt like securities and currencies, and these can be readily disposed of. The Investment Manager, at their discretion, has the ability to suspend withdrawals from the underlying Funds if they believe that it is in the best interests of investors to do so.

COLCHESTER INVESTMENT FUNDS

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR/PERIOD ENDED 31 MARCH 2025

13. FAIR VALUE OF FINANCIAL INSTRUMENTS (Continued)

Transfers between levels of the fair value hierarchy

There were no transfers between levels in the period ended 31 March 2025 (31 March 2024: nil).

14. CONTINGENT LIABILITIES AND COMMITMENTS

The Funds had no material commitments or contingencies at 31 March 2025 (31 March 2024: nil).

15. EVENTS SUBSEQUENT TO BALANCE DATE

There have been no significant events after the reporting date that require adjustments to or disclosures in the financial statements.



Independent auditor's report

To the unitholders of:

- Colchester Global Government Bond PIE Fund (period from 1 April 2024 to 31 March 2025)
 - Colchester Global Green Bond PIE Fund (period from 31 July 2024 to 31 March 2025)
- (Collectively referred to as the Funds)

Our opinion

In our opinion, the accompanying financial statements of the Funds present fairly, in all material respects, the financial positions of the Funds as at 31 March 2025, their financial performance, and their cash flows for the period then ended in accordance with New Zealand Equivalents to International Financial Reporting Standards (NZ IFRS) and International Financial Reporting Standards Accounting Standards (IFRS Accounting Standards).

What we have audited

The Funds' financial statements comprise:

- the statements of financial position as at 31 March 2025;
- the statements of profit or loss and other comprehensive income for the period then ended;
- the statements of changes in funds attributable to unitholders for the period then ended;
- the statements of cash flows for the period then ended; and
- the notes to the financial statements, comprising material accounting policy information and other explanatory information.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (New Zealand) (ISAs (NZ)) and International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Funds in accordance with Professional and Ethical Standard 1 *International Code of Ethics for Assurance Practitioners (including International Independence Standards) (New Zealand)* (PES 1) issued by the New Zealand Auditing and Assurance Standards Board and the *International Code of Ethics for Professional Accountants (including International Independence Standards)* issued by the International Ethics Standards Board for Accountants (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Subject to certain restrictions, partners and employees of our firm may invest in the Funds on normal terms within the ordinary course of trading activities of the Funds. The firm has no other relationship with, or interests in, FundRock NZ Limited (the Manager) in respect of the Funds.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Description of the key audit matter	How our audit addressed the key audit matter
<p>Valuation and existence of financial assets at fair value through profit or loss</p> <p>Refer to note 13 to the financial statements for the reported values of financial assets at fair value through profit or loss.</p> <p>This was an area of focus for our audit as it represents the majority of the unitholders' funds of the Funds.</p> <p>Valuation</p> <p>The fair value of the financial assets that are not traded in an active market is determined using valuation techniques. The valuation technique depends on the underlying financial assets and includes assumptions that are based on market conditions existing at the reporting date.</p> <p>Such financial assets with inputs to the valuation that are observable either directly or indirectly are categorised as Level 2 in the fair value hierarchy.</p> <p>Existence</p> <p>Holdings of certain financial assets at fair value through profit or loss are held by the custodian on behalf of the Funds (the Custodian).</p>	<p>We assessed the processes employed by the Manager, for recording and valuing the financial assets at fair value through profit or loss including the relevant controls operated by a third party service organisation, the Administrator. Our assessment of the processes included obtaining the internal controls report over investment accounting provided by the Administrator.</p> <p>We evaluated the evidence provided by the internal controls report over the design and operating effectiveness of the relevant controls operated by the Administrator.</p> <p>For financial assets that are not traded in an active market and with inputs that are observable either directly or indirectly, we agreed the redemption price at the reporting date, to the confirmation provided by the unlisted unit trusts' administrator. We evaluated the redemption price represents fair value by comparing the redemption price at the reporting date to recent transactions to support the fair value of the unlisted unit trusts and comparing the Net Asset Value per unit calculated based on the latest audited financial statements of the underlying unlisted unit trusts to the published unit price on that date to provide evidence on reliability of unit pricing.</p> <p>We obtained confirmation from the Custodian of the holdings of the financial assets at fair value through profit or loss as recognised by the Funds at the reporting date.</p>

Our audit approach

Overview



We determined materiality for each Fund separately. Our materiality for each Fund is calculated based on approximately 1% of unitholders' funds for each Fund.

We chose unitholders' funds as the benchmark because, in our view, the objective of the Funds is to provide unitholders with a total return on the Funds' net assets, taking into account both capital and income returns.

As reported above, we have one key audit matter, being valuation and existence of financial assets at fair value through profit or loss.

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements. In particular, we considered where management made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters, consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

Materiality

The scope of our audit was influenced by our application of materiality. An audit is designed to obtain reasonable assurance about whether the financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall materiality for the financial statements of each Fund as a whole as set out above. These, together with qualitative considerations, helped us to determine the scope of our audit, the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and in aggregate, on the financial statements of each Fund as a whole.

How we tailored our audit scope

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the financial statements of each Fund as a whole, taking into account the structure of each Fund, the Funds' investments and the accounting and registry processes and controls.

The Manager is responsible for the governance and control activities of the Funds. The Manager has outsourced investment accounting (Administrator) and registry services (Registrar) to third party service providers.

Other information

The Manager is responsible for the other information. The other information comprises the information included in the annual report and climate-related statements, but does not include the financial statements and our auditor's report thereon, which the annual report will refer to.

Our opinion on the financial statements does not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Manager for the financial statements

The Manager is responsible for the preparation and fair presentation of the financial statements in accordance with NZ IFRS and IFRS Accounting Standards and for such internal control as the Manager determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Manager is responsible for assessing each Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern, and using the going concern basis of accounting unless the Manager either intends to liquidate a Fund or to cease operations, or has no realistic alternative but to do so.



Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements, as a whole, are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (NZ) and ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located at the External Reporting Board's website at:

<https://www.xrb.govt.nz/assurance-standards/auditors-responsibilities/audit-report-2/>

This description forms part of our auditor's report.

Who we report to

This report is made solely to each Fund's unitholders, as a body. Our audit work has been undertaken so that we might state those matters which we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than each Fund's unitholders, as a body, for our audit work, for this report or for the opinions we have formed.

The engagement partner on the audit resulting in this independent auditor's report is Christopher Ussher.

For and on behalf of:

A handwritten signature in dark ink that reads 'PricewaterhouseCoopers' in a cursive, flowing script.

PricewaterhouseCoopers
28 July 2025

Wellington