

## 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 (31/03/2025)	Current Distribution p.a.	Net Annual Return Since Inception p.a.	Net Total Return Since Inception	Fund Size (\$million)
0.9796	2.40%		0.51%	44.27 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

■ Fund ■ Benchmark



## Net Performance (%)

	1M	3M	6M	YTD	1Y	Annualised		
						3Y	5Y	S.I.
<b>Fund</b>	-1.26%	0.40%	-2.03%	0.40%				
<b>Benchmark</b>	-1.89%	-0.89%	-1.68%	-0.89%				
<b>Relative</b>	0.63%	1.28%	-0.35%	1.28%				

## Calendar Year Net Performance (%)

	2024	YTD
<b>Fund</b>	0.11%	0.40%
<b>Benchmark</b>	1.50%	-0.89%
<b>Relative</b>	-1.39%	1.28%

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

## Fund Characteristics

	Fund	Benchmark
Yield to Maturity (Unhedged)	4.41%	3.45%
Running Yield (Unhedged)	2.72%	2.34%
Modified Duration (Years)	7.62	8.23
Average Coupon	2.43%	2.19%
Average Credit Quality	AA	AA

## Top 5 Securities Holdings

	Currency	Weight (%)
1. France 1.75% Jun '39	EUR	9.99%
2. New Zealand 4.25% May '34	NZD	8.58%
3. Netherlands 0.5% Jan '40	EUR	6.63%
4. Kfw 3.875% Feb '29	NOK	5.45%
5. Intl Bk Recon & Develop 4.25% Jan '26	MXN	5.41%

## 5 Largest Active Positions - Bonds (%)

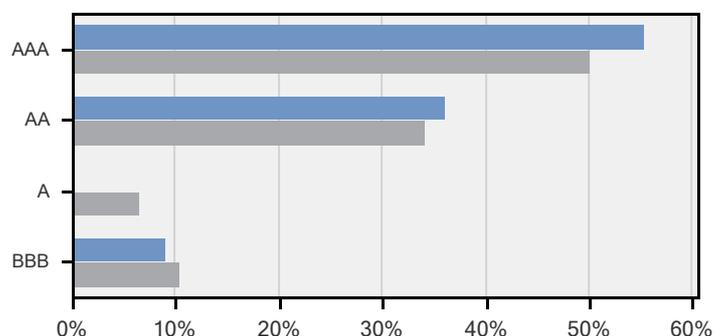
Country	Fund	Versus Benchmark (%)
Europe	40.24%	-25.51%
Mexico	8.25%	8.20%
New Zealand	8.58%	7.88%
Norway	5.88%	5.38%
Canada	8.53%	4.58%

## 5 Largest Active Positions - Currency (%)

Currency	Fund	Versus Benchmark (%)
United States Dollar	-9.40%	-9.40%
Euro	-6.65%	-6.65%
Swedish Krona	5.89%	5.89%
Japanese Yen	5.65%	5.65%
Norwegian Krone	4.95%	4.95%

## Credit Quality

■ Fund ■ Benchmark



## Commentary

The fund returned -1.21% (gross of fees) over the month, outperforming the benchmark which returned -1.89%. Bond selection added 0.34% to relative returns and currency selection added 0.34%. The top three positive bond contributors to relative returns were the overweight positions in Canada and Australia and the underweight position in Europe. The top three positive currency contributors to relative returns were the long positions in Swedish Krona and Norwegian Krone and the short position in United States Dollars.

Increased market volatility amidst unpredictable and fast-changing US trade policies, coupled with a major shift in fiscal policy in Germany, pushed bond yields higher during March in many major global bond markets. This resulted in a negative return over the month on the FTSE World Government Bond Index in US dollar-hedged terms of -0.5%. In unhedged terms however the index returned a positive 0.7% as the US dollar continued its path of recent weakness. Over the first quarter returns on the index were 0.9% in US dollar-hedged terms, and a robust 2.6% in unhedged terms as investor concerns around US growth and policy uncertainty weighed on the Dollar.

Over the past three months, the newly inaugurated President Donald Trump has dominated the headlines with various announcements, and policy changes leading to a rising sense of uncertainty. The economic implications of US trade policy in particular, have exercised investors and economists. The full extent of the trade tariffs to be imposed by the US remains to be seen but the trade deficit of the US widened to a record in January suggesting front-loading of imports. The Federal Reserve held its policy meeting in March, deciding to hold interest rates steady, but lowering expectations of growth for this year, and increasing inflation projections. Headline inflation fell marginally to 2.8% in February, but inflation expectations appear to be rising amongst households and market participants. US Treasuries were relatively flat for the month of March but have delivered a strong return of 2.9% over the quarter.

In Germany, the incoming coalition government proposed a significant reform of a fiscal rule known as the debt brake. This policy turn aims to allow significant public spending on defence and infrastructure and reflects a pivotal attitude shift within Europe's largest economy. Whilst this will increase Germany's fiscal deficit, and most likely lead to higher public debt as a percentage of GDP, the positive impact on growth should not be ignored particularly given the country's balance sheet is starting from a position of relative strength. Given Germany's deep economic integration with its European trading partners, this shift will have wide-reaching consequences for the rest of Europe also. In France meanwhile, Prime Minister Bayrou pushed a slightly watered-down budget through the lower house via executive powers, and survived multiple votes of no confidence, marking some progress in the country's political stalemate. In response to the dramatic policy changes in Germany, yields across the Eurozone rose sharply this month resulting in negative returns. With German Bunds returning -2% over the quarter, the underweight position in the core European markets was a positive contributor to the outperformance of the Colchester global bond programme.

Turning to Asia, Bank of Indonesia left rates unchanged in March, whilst the local equity market experienced significant volatility driven by concerns around the trajectory of fiscal policy. Despite the volatility, Indonesian government bonds returned 0.3% this month and 2.1% over the quarter. In Mexico, the bond market rallied significantly as the economy slowed and the central bank lowered its policy rate by 0.5%. The overweight position in Mexican bonds was a further positive contributor to the excess return over the first quarter.

The US dollar weakened against most other major currencies this year and consequently the programme's underweight position has been a positive for relative returns. The Swedish krona, Norwegian krone and Japanese yen, all performed particularly strongly, returning 10.0%, 7.8% and 5.1% respectively over the quarter. Elsewhere, the Chinese renminbi performed relatively poorly even as it strengthened modestly against the US dollar.

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Colchester Global Investors Unit Registry

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## Fund Shareclass Research Ratings

MSCI  
ESG RATINGS



CCC B BB BBB A AA AAA

Produced by MSCI ESG Research as of 31/03/2025

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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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