

Investment Objective

To generate income and increase the amount invested by investing in a globally diversified portfolio of government bonds and currencies.

Investment Philosophy & Process

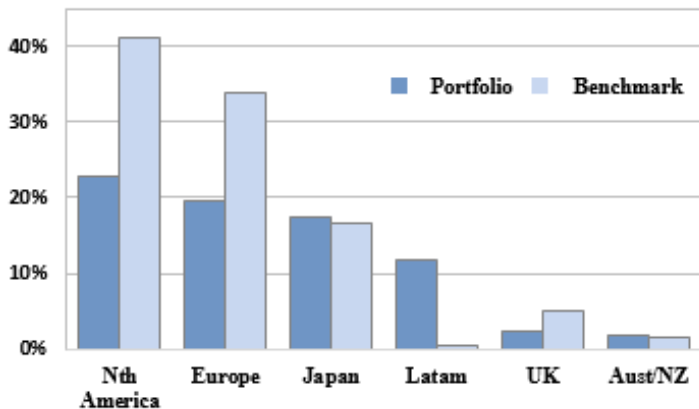
We believe that if we hold a portfolio of high real yielding bonds and currencies that are undervalued according to their real exchange rate that over time this will prove rewarding. At the heart of Colchester's value-oriented philosophy is the belief that investments should be valued in terms of the 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.

Fund Facts

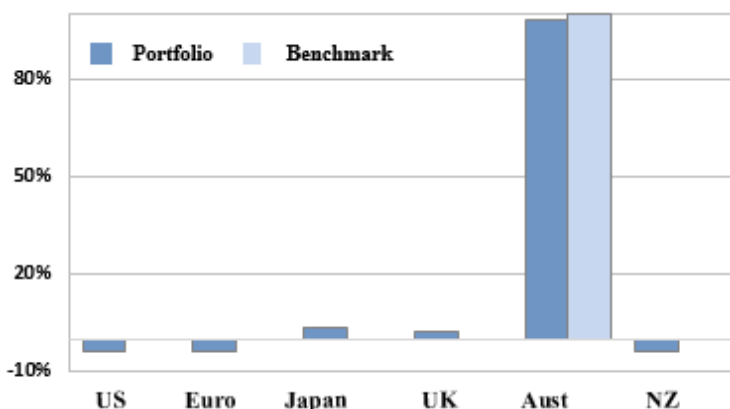
Benchmark¹: FTSE World Government Bond Index AUD Hedged
Target: Outperform the benchmark by 2% p.a. gross of fees over full economic cycle 5-7yrs in length.

Fund Inception: 9 December 2016 **FUM:** \$728.67m
Management Fee: 0.60% p.a. **Distributions:** Quarterly
Buy/Sell Fee: Nil **Liquidity:** Daily
Application: As per platform minimum or \$1million wholesale direct
Platforms: AMP North, MyNorth, Portfolio Care, Summit & iAccess, Asgard, Ausmaq, BT Panorama, BT Wrap, CFS FirstChoice & FirstWrap, Grow Wrap, HUB24, IOOF Pursuit, eXpand & FinHQ, Macquarie Wrap, Mason Stevens, MLC Wrap & Navigator, Netwealth, Oasis, OneVue Wrap, Portfolio One, PowerWrap, Praemium, uXchange, WealthO2Super, Xplore Wealth.

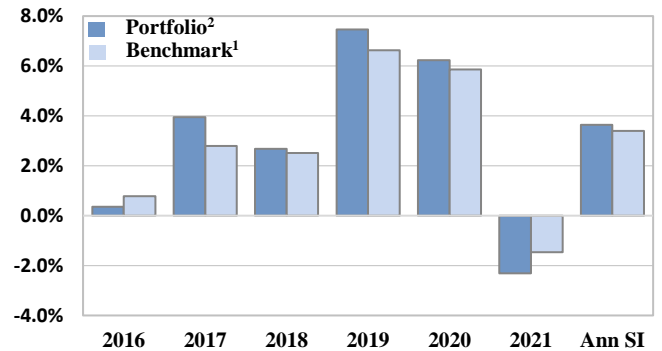
Country Exposure (%)



Currency Exposure (%)



Gross Performance



Total Return ³	2016 ²	2017	2018	2019	2020	2021	Ann SI ⁴
Gross Returns	0.36%	3.95%	2.68%	7.46%	6.23%	-2.31%	3.64%
Benchmark ¹	0.78%	2.79%	2.51%	6.63%	5.87%	-1.46%	3.40%
Relative Gross	-0.42%	1.16%	0.17%	0.84%	0.37%	-0.85%	0.23%

Fund Characteristics

	Portfolio ²	Benchmark ¹
Duration	7.27	8.76
Flat Yield	2.63	1.53
Yield to Maturity (Unhedged)	1.89	0.62
Average Coupon	2.78	1.85
Average Credit Rating	AA-	AA

Top 5 Bond Holdings

1	US Treasury Inflation IX 2.125 15Feb2041
2	Japanese Government 0.3% 20Jun2039
3	Japanese Government 0.1% 20Sep2029
4	Singapore Government 3.5 1Mar 2027
5	US Treasury 2.75 15Feb2024

Top Active Bond Positions

Portfolio Exposure	% Relative to Benchmark	Current % of Portfolio	
Overweights			
1	Singapore	+9.50	9.86
2	Mexico	+8.18	8.76
3	Norway	+5.95	6.15
Underweights			
1	Europe	-19.19	13.45
2	United States	-18.24	21.12
3	UK	-2.73	2.39

Top Active Currency Positions

Portfolio Exposure	% Relative to Benchmark	Current % of Portfolio	
Overweights			
1	Malaysia Ringgit	+5.22	5.22
2	Japanese Yen	+3.69	3.69
3	Swedish Krona	+2.47	2.47
Underweights			
1	United States Dollars	-4.06	-4.06
2	Swiss Franc	-3.80	-3.80
3	Euro	-3.79	-3.79

Monthly Performance Commentary

The fund returned 0.57% over the month, underperforming the benchmark which returned 1.25%. Bond selection detracted -0.50% from relative returns and currency selection detracted -0.17%. The top three bond detractors from relative returns were the underweight positions in Europe, United States and United Kingdom. The top three currency detractors from relative returns were the short positions in United States Dollars, Swiss Franc and Euro.

Market Commentary

Global bond markets were slightly negative in November, driven primarily by weak currencies as investors reached for traditional safe-haven assets on the news that a new Covid-19 variant had been identified. The FTSE World Government Bond Index returned -0.1% in US dollar unhedged terms, whereas the US dollar hedged return on the index was 1.2% this month.

Prior to the last week of November, US bond yields were higher on the month, driven by the Fed's wind-down in bond purchases, as well as a reassessment of the outlook for interest rates in the face of elevated inflation. However, this was all quickly reversed as South African authorities discovered a new Covid-19 variant. The US Treasury market staged a rally, ending the month up 0.8%, leaving our prospective real yield valuation at a relatively unattractive -1.3%. The Mexican government bond market also posted a positive return in November of 0.6%. The central bank there raised interest rates another 25bps to 5.0% to help contain inflation expectations. Inflation in the Mexican economy remains elevated at 6.2%, a level not seen since 2017. However, our prospective real yield of 3.4% remains amongst the most attractive in the Global opportunity set.

The flight to safe-haven assets at the end of the month also saw many European bond markets perform positively, rising a collective 1.8% over the month. The European Central Bank continues to take a wait and see approach to inflation, despite Euro area prices rising 4.9% in the year to November. With valuations remaining unattractive across European bond markets, we continue to be underweight. The Norwegian bond market also posted a positive return this month, rallying 1.1%. The Norges Bank held rates at 0.25% at their latest meeting, after an increase from 0.0% in September. The latest inflation reading came in at 3.5%, beating expectations of a much higher print. The market is attractively valued according to our assessment, with a -0.4% real yield augmented by Norway's strong balance sheet.

Australian government bonds bounced back sharply this month after their poor performance in October. The market generated a strong return of 2.7% for November. Although the Reserve Bank of Australia kept interest rates on hold at their latest meeting, the rate setting committee noted in the minutes that inflation risks were largely skewed to the upside given tighter labour markets, wage pressures, and strong house price growth. The Indonesian market continued its positive returns from last month, returning 0.4% in November. Inflation remains low at 1.75%, and although liquidity conditions remain loose, domestic inflation expectations continue to be anchored. The central bank forecasts inflation for next year to fall inside of its 3-5% target. The stable inflation outlook for Indonesia underpins our attractive valuation for the local bond market, with a real yield of 3.1%, and hence our investment programmes are generally overweight.

The US dollar was generally stronger against most other currencies this month. The Japanese yen was one exception however, rallying by 0.4% as news of the Omicron variant resulted in a shift into currencies perceived to be safer. Despite the rally, the yen remains the most attractively valued currency in our opportunity set, and we continue to hold an overweight position where appropriate. The worst performing major currency over the month was the Norwegian krone which fell by -7.2% against the US dollar. The drop in the price of oil, the country's main export, over fears of how virulent the new Covid-19 variant could be, was the main cause of the krone's poor performance. In line with the broad risk aversion, both the Australian and New Zealand dollars fell by over -5%, as did the Colombian peso.

Contact

Administration & Client Servicing Enquiries:

Colchester Global Client Services
GPO Box 804, Melbourne, VIC 3001
Phone: +61 3 9046 4040
Email: colchester@onevue.com.au

Sales & Marketing Enquiries:

Angela MacPherson
Head of Distribution Australia
Phone: +61 431 075 024

Monica Hood
Business Development Manager
Phone +61 431 478 780

Email: MarketingClientServiceAUS@colchesterglobal.com

Web: www.colchesterglobal.com.au

Disclaimers

1. FTSE World Government Bond Index 100% hedged in Australian dollars (AUD) formerly Citigroup World Government Bond Index 100% hedged in AUD. Source: London Stock Exchange Group plc and its group undertakings (collectively, the "LSE Group"). © LSE Group 2018. FTSE Russell is a trading name of certain of the LSE Group companies. "FTSE®" is a trademark of the relevant LSE Group companies and is used by any other LSE Group company under license. "TMX®" is a trademark 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. 2. Colchester Global Government Bond Fund – Class I whose inception date was 9 December 2016. 3. Total Fund Return comprises Growth and Income Return; and is reported gross of fees. 4. Annualised returns since inception. Past performance is not a good indicator of future performance.

This document is prepared by Colchester Global Investors (Singapore) Pte. Ltd (ABN 58 159 947 583). Equity Trustees Limited (ABN 46 004 031 298, AFSL 240975), a subsidiary of EQT Holdings Limited, a publicly listed company on the Australian Securities Exchange (ASX: EQT), is the Responsible Entity of the Colchester Global Government Bond Fund (ARSN 168 909 671) (the "Fund"). This document is not intended to be securities or financial product advice and should not be relied upon as such. To obtain a copy of the Fund's PDS please contact Colchester. The PDS should be considered in deciding whether to acquire, or continue to hold, an investment in the Fund. This information is of a general nature only and does not take into account the investment objectives, financial situation or particular needs of any investor and should not be taken as a securities or stock recommendation. These factors should be considered before any investment decision is made in relation to the Fund. The performance of the Fund is not guaranteed. Colchester, Equity Trustees Limited and their related parties, their employees and directors make no representation (express or implied) and shall have no liability in any way arising from the provision of this document for any loss or damage, direct or indirect, arising from the use of this document.

Valuation and returns have been calculated in AUD as at month end. The WM-Reuters exchange rate used by the index provider in compiling their index is the predominant exchange rate used in valuing the Portfolio. The portfolio's guidelines and investment management fees are set out in PDS of the fund. Please refer to Equity Trustees (EQT) for further details <https://www.eqt.com.au/>.

Colchester Global Investors (Singapore) Pte. Ltd is registered in Singapore, Company Registration No: 201202440M. Registered Office: 6 Battery Road #40-02A, Six Battery Road, Singapore 049909. Colchester Global Investors (Singapore) Pte. Ltd holds a capital markets services licence in fund management issued by the Monetary Authority of Singapore pursuant to the Securities and Futures Act, Chapter 289 of Singapore. Colchester Global Investors (Singapore) Pte. Ltd is exempt from the requirement to hold an Australian financial services licence under the Corporations Act 2001 (Cwlth) in respect of financial services provided to wholesale clients in Australia. Colchester Global Investors (Singapore) Pte. Ltd. is regulated by the Monetary Authority of Singapore under Singaporean laws which differ from Australian laws. Therefore, Australian wholesale clients are not necessarily subject to the same types of legal protections or remedies that they would enjoy if Colchester was directly subject to the Corporations Act. Colchester is entitled to offer its financial services in Australia pursuant to an exemption from the requirement to hold an Australian Financial Services Licence under the Corporations Act, on the basis, among other things, that the clients are "wholesale clients" within the meaning of the Corporations Act.

The Average Coupon, as it relates to any inflation-linked bonds in the Portfolio or Benchmark, has not been adjusted for the impact of inflation on such coupons. From April 2020, the presentation of the Average Coupon of the Portfolio, which had previously incorporated the impact of the indexation factor, was amended to reflect this methodology.