COLCHESTER GLOBAL INVESTORS

London
20 Savile Row
London W1S 3PR UK
MCS@colchesterglobal.com
Phone 44 20 7292.6920
Fax 44 20 7292.6932

New York
885 Third Avenue, 24th Floor
New York, NY 10022, USA
MCS@colchesterglobal.com
Phone 646 472 1800
Fax 646 472 1810

Singapore
6 Battery Road, #40-02A
Six Battery Road, Singapore
049909
MCS@colchesterglobal.com
Phone 65.3158.3760

Colchester Global Government Bond Fund – Class A

Monthly Report: September 2019

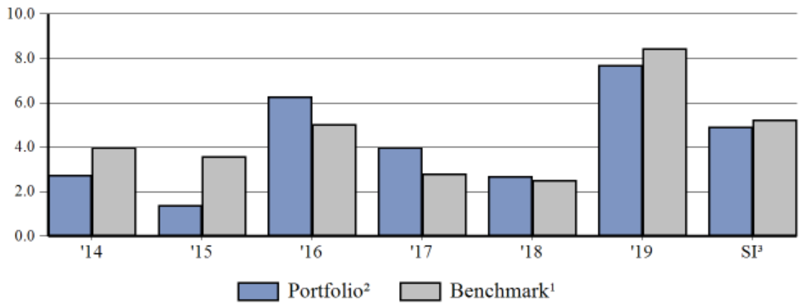
ESTABLISHED 1999

CURRENT ASSETS OVER $45BN

VALUE ORIENTATED

Global Bonds	Emerging Market Debt
Global Inflation	Alpha

GROSS PERFORMANCE AS AT END OF SEPTEMBER 2019



MARKET COMMENTARY

Global bonds performed positively over the third quarter, due to rising risk aversion across global markets. Ongoing US-China trade tensions and simmering geopolitical issues, coupled with most major central banks remaining dovish due to the low inflation environment created a positive backdrop for global bond markets. In US dollar hedged terms, the FTSE World Government Bond Index returned 3.1% over the third quarter. Overseas currencies underperformed the US dollar such that on an unhedged basis the index return was 0.8% over the quarter.

The Sino-U.S. trade tensions escalated mid-quarter, with the US announcing an additional 10% tariff on $300 billion in imports from China, leading China to retaliate by not purchasing agricultural products and allowing the yuan to weaken beyond 7 per dollar for the first time since 2008. In response, concerns over slowing global growth rose and kept most major central banks accommodative over the quarter, with the exception of the Norges Bank, which increased rates to 1.5% in September. In contrast, the Federal Reserve cut rates twice during the quarter, in July and September, leaving the upper bound of the federal funds rate target at 2% at the end of the quarter. Outside of the US, the European Central Bank relaunched its stimulus program, the Australian central bank cut rates to boost a lacklustre economy, whilst China cut lending rates for the second time in September. The Bank of England also hinted at possibly cutting rates given the uncertainty surrounding Brexit.

On the political front, the situation over Brexit remains unpredictable with the odds of a no-deal Brexit having been boosted mid-quarter by Prime Minister Boris Johnson's move to suspend Parliament for a month from 12th September; a decision which was subsequently overturned by the supreme court towards the end of the quarter. This left UK gilts almost unchanged for September but up for the quarter. Italy's political turmoil was resolved relatively quickly over the quarter after Matteo Salvini, the hard-right leader of the League, withdrew his support from the government. The anti-establishment Five Star Movement and centre-left Democratic Party formed a new government, with the new government having been sworn in on 5th September. This allowed for Italian bond yields to fall significantly and make it one of the best performing developed bond markets over the quarter. Elsewhere, oil prices spiked, and stocks fell briefly after the Saudi oil attack in September.

Turning to emerging markets, the two biggest bond markets in Latin America performed well over the month and the quarter. The Mexican central bank cited a slowing domestic and global economy, coupled with slowing inflation as reasons to cut rates for the second consecutive month in September - the official overnight rate ending the quarter at 7.75%. Mexican bonds recorded strong positive returns over the quarter, rallying by 5.3%. Brazilian bonds also performed strongly, returning 3.5% over the quarter as the central bank reduced interest rates by 50bps during their September meeting. The Brazilian economy is struggling to generate growth, and annual inflation declined to 3.4% in August. Positive news in Brazil came from a review of the pension reform package advancing to its final stages according to Roero Marinho, the government's social security secretary. The reform represents a vital effort to stabilise Brazil's long-term fiscal position.

The US dollar strengthened against most major currencies over the third quarter. The worst performing currencies over the quarter were the New Zealand dollar, Norwegian krone and Swedish krona, each falling around 6% against the US dollar over the quarter. The best performing currency was the Japanese yen which was broadly unchanged against the US dollar over the period.

1. The FTSE World Government Bond Index 100% hedged in Australian dollars (AUD), formerly, The Citigroup World Government Bond Index 100% hedged in Australian dollars (AUD).

2. Colchester Global Government Bond Fund – Class A whose inception date was 19 September 2014. Please see further footnotes on following pages for more details.

3. Annualized returns since inception.

Monthly Report: September 2019

Gross Attribution of Total Returns

	Portfolio [2]	Benchmark [1]	Relative Return
Monthly	-0.13%	-0.69%	0.56%
Bonds	-0.33%	-0.69%	0.36%
Currency	0.21%	0.00%	0.21%
Quarterly	2.38%	2.83%	-0.45%
Bonds	2.38%	2.83%	-0.45%
Currency	0.00%	0.00%	0.00%

Top 5 Bond Holdings

1	US Treasury 2% 31Aug 2021
2	Japanese Govt 0.1% 20Jun2029
3	US Treasury 5.375% 15Feb2031
4	Japanese Govt 0.1% 20Dec2021
5	US Treasury 2.375% 15 Aug2024

Top Active Currency Positions

Portfolio Exposure relative to Benchmark		*% of Portfolio*
Overweights		
1	British Pound	4.3%
2	Malaysia Ringgit	4.3%
3	Norwegian Krone	3.2%
Underweights		
1	United States Dollars	-6.2%
2	Euro	-4.7%
3	Thai Baht	-4.0%

Portfolio Characteristics

	Portfolio [2]	**Benchmark [1]**
Modified Duration	6.75	8.34
Flat Yield	2.36	2.02
Yield to Maturity	1.66	0.81
Average Coupon	2.70	2.44
Average Credit Rating	AA-	AA

MONTHLY PERFORMANCE COMMENTARY

The fund returned -0.13% over the month, outperforming the benchmark which returned -0.69%. Bond selection added 0.36% to relative returns and currency selection added 0.21%.The top three positive bond contributors to relative returns were the overweight positions in Japan and Mexico and market selection in Europe. The top three positive currency contributors to relative returns were the short positions in Hungarian Forint and New Zealand Dollars and the long position in Mexican Peso.

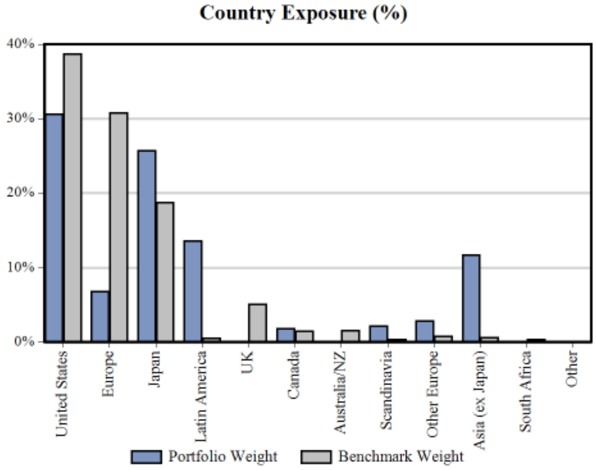
QUARTERLY PERFORMANCE COMMENTARY

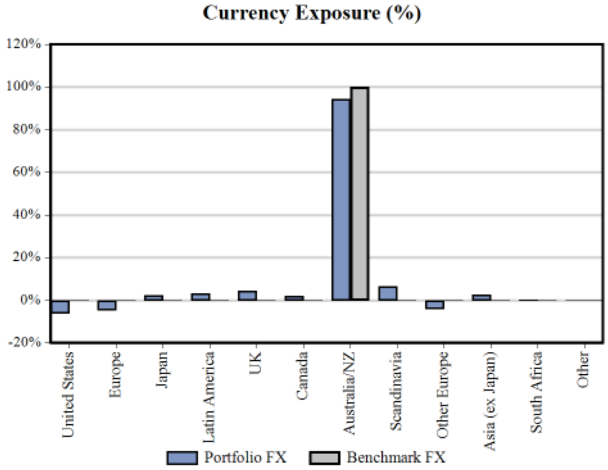
The fund returned 2.38% over the quarter, underperforming the benchmark which returned 2.83%. Bond selection detracted -0.45% from relative returns, while currency selection added 0.00%.The top three bond detractors from relative returns were the underweight positions in Europe, United Kingdom and United States. The top three positive currency contributors to relative returns were the long positions in Malaysia Ringgit and Mexican Peso and the short position in Hungarian Forint.

Colchester Global Government Bond Fund – Class A

Monthly Report: September 2019

MONTH END POSITIONING





PERFORMANCE SINCE INCEPTION

Portfolio	2014	2015	2016	2017	2018	2019	SI[23]
Gross Returns	2.73%	1.38%	6.28%	3.98%	2.68%	7.70%	4.91%
Benchmark[1]	3.99%	3.59%	5.02%	2.79%	2.51%	8.45%	5.24%
Relative Gross	-1.25%	-2.21%	1.26%	1.18%	0.16%	-0.76%	-0.33%

YTD Returns	Q1:19	Q2:19	Jul	Aug	Sep	Q3:19	YTD
Gross Returns	2.50%	2.63%	0.47%	2.03%	-0.13%	2.38%	7.70%
Benchmark[1]	2.54%	2.86%	0.68%	2.84%	-0.69%	2.83%	8.45%
Relative Gross	-0.03%	-0.23%	-0.21%	-0.81%	0.56%	-0.45%	-0.76%

DISCLAIMERS

- 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 Fund.
- Past performance is no guarantee of future performance and the value of any investment may fall as well as rise. 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 document.

  Such information is current as of the date of this document and may be subject to change without notice. This document is not to be used or considered as an offer to sell or solicitation of an offer to buy any securities. Nothing in this document should be construed as providing any type of investment, tax or other advice. A full performance presentation in compliance with the Global Investment Performance Standards (GIPS ®) is available upon request. Additional information regarding policies and procedures for calculating and reporting returns is also available on request.
- The portfolio's guidelines are set out in PDS of the fund. Investment management fees are described in PDS of the fund.
- The gross performance record presented above does not reflect the deduction of management and custody fees, which will reduce overall client returns. As an example of the impact of investment management fees on the net return to investors: the value of a A$10 million investment at inception of 19 September 2014 on which the highest 60 basis points was payable, would be worth A$12.728 million gross of investment management fees and A$12.346 million net of fees as at the end of September 2019. The basis for calculating this example is to start with an investment amount, apply the monthly gross performance to the previous computed month end value, and deduct the highest fees payable (60.0 basis points) to compute the new month end value net of fees.Investment management fees are described in the current prospectus.
- 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. Colchester Global Investors (Singapore) Pte. Ltd. is regulated by the Monetary Authority of Singapore under Singaporean laws which differ from Australian laws.
- London Stock Exchange Group plc and its group undertakings (collectively, the "LSE Group"). © LSE Group 2019 . 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.