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: April 2018

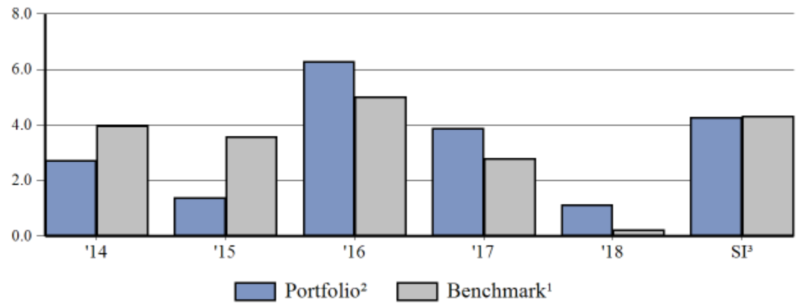
ESTABLISHED 1999

FIRMWIDE ASSETS OVER $35BN

VALUE ORIENTATED

Global Bonds	Emerging Market Debt
Global Inflation	Alpha

GROSS PERFORMANCE AS AT END OF APRIL 2018



MARKET COMMENTARY

The Citi World Government Bond Index fell slightly over the month of April returning -0.4% in US dollar hedged terms. The US ten-year yield increased over the month, briefly rising above 3% as economic data in the US remained strong. It was a good month for the US dollar which rose against most currencies in the benchmark. This meant that the unhedged return for the index was -1.9% for the month. Year to date the index remains in positive territory at 0.6% in US dollar unhedged terms.

Early in the month the USA and China exchanged threats in relation to potential tariffs and trade sanctions. The Chinese government outlined tariffs on US goods that might be imposed if the US proceeded with sanctions against their products. Despite this the US economy continues to perform well with the first quarter GDP number coming in slightly above expectations with year on year growth at 2.9%. Combined with inflation also picking up slightly to 2.4%, the US bond market returned -0.8% for the month. In Canada the bond market also returned -0.8% in US dollar hedged terms as the economy there is also performing well, the latest release indicating growth of 3.0%. Inflation in Canada also increased moderately with the latest reading ticking up to 2.3%. Mexico had a return of -0.4% in US dollar hedged terms despite seeing inflation fall to 5.0% having last peaked at 6.8% at the end of 2017.

Economic growth in the Eurozone still continues to be relatively robust. Despite this the European Central Bank has indicated that they are in no rush to normalise monetary policy and their quantitative easing program is continuing. Over the month, the European bond market returned -0.2% with some divergence across countries; whilst Italy returned a positive 0.3%, the Netherlands declined by -0.3% in US dollar hedged terms. In Norway, the recent announcement by the Ministry of Finance that the inflation target for the central bank was being reduced to 2.0% from 2.5% does not appear to have had a large impact. The rationale for the change was that the period of phasing oil revenue into the economy is now over and there is no longer any reason for the country to have an inflation target above other countries. The Norwegian bond market returned 0.3% in US dollar hedged terms for the month. In the United Kingdom inflation fell again to 2.5%, down from 3.1% in November 2017. The bond market returned -1% in US dollar hedged terms.

In Japan the economy continues to perform well with unemployment holding steady at 2.5%. The Tankan survey reported that Japanese companies are finding it increasingly difficult to find workers to fill vacancies. Despite the tight labour market inflation in the country is remaining stubbornly subdued at 1.1% with core inflation being even lower at 0.3%. The bond market returned 0.1% in US dollar hedged terms over the month. Events in Korea were dominated by the meeting between the North Korean leader Kim Jong-un and the President of South Korea, Moon Jae-in. The meeting could pave the way for a summit between Kim Jong-un and President Trump later in the year. The Korean bond market returned -0.3% over the month. Also in Asia, Prime Minister Najib in Malaysia announced that the general election would be held in May. It is widely expected that Najib’s party, the United Malays National Organisation, would hold on to power but they are facing a strong challenge by the PPBM party, led by the former prime minister Mahathir Mohamad. Malaysian bonds returned -0.8% in US dollar hedged terms.

Over the month the US dollar performed well against most currencies. Among the major currencies, the Swedish krona fell against the US dollar by -4.7% and the Swiss franc was down -3.6% over the month. The Canadian dollar was amongst the best performers rising by 0.6% against the US dollar. In emerging markets, it was a similar picture, with the Brazilian real falling by -5.6% and the South African rand returning -4.9%.

1. 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: April 2018

Gross Attribution of Total Returns			
	Portfolio [2]	Benchmark [1]	Relative Return
Monthly	-0.32%	-0.41%	0.09%
Bonds	-0.27%	-0.41%	0.14%
Currency	-0.05%	0.00%	-0.05%

MONTHLY PERFORMANCE COMMENTARY

The fund returned -0.32% over the month, outperforming the benchmark which returned -0.41%. Bond selection added 0.14% to relative returns, while currency selection detracted -0.05%.The top three positive bond contributors to relative returns were the underweight positions in United States, United Kingdom and Europe. The top three currency detractors from relative returns were the long positions in Swedish Krona and Mexican Peso and the short position in United States Dollars.

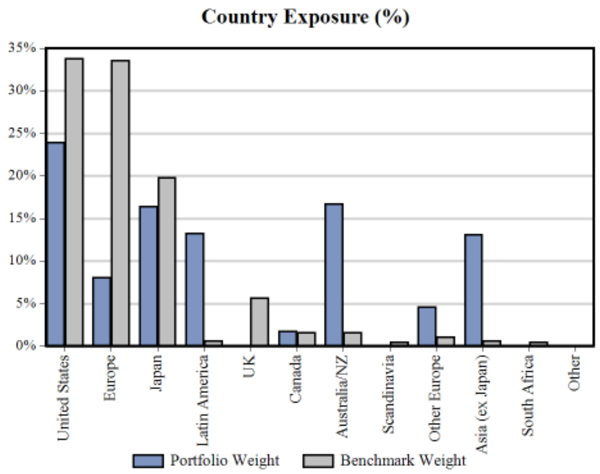
Top 5 Bond Holdings	
1	US Treasury 2% 31Aug 2021
2	New Zealand Government 5% 15Mar2019
3	Japanese Govt 0.1% 20Mar2020
4	US Treasury 5.375% 15Feb2031
5	Irish Government Bond 1% 15May2026

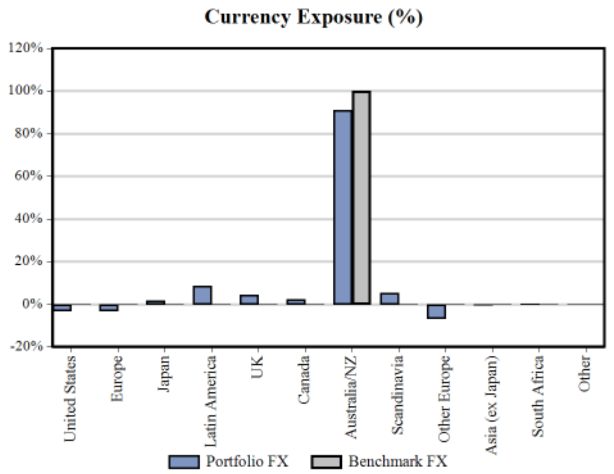
Top Active Currency Positions		
Portfolio Exposure relative to Benchmark		*% of Portfolio*
Overweights		
1	Malaysia Ringgit	5.6%
2	Mexican Peso	4.6%
3	British Pound	4.5%
Underweights		
1	New Zealand Dollars	-4.8%
2	Hungarian Forint	-4.3%
3	Australian Dollars	-4.2%

Portfolio Characteristics		
	Portfolio [2]	**Benchmark [1]**
Duration	6.26	7.74
Yield	3.06	2.15
Yield to Maturity	2.37	1.44
Average Coupon	3.43	2.47
Average Credit Rating	AA	AA

Monthly Report: April 2018

MONTH END POSITIONING





PERFORMANCE SINCE INCEPTION

Portfolio	2014	2015	2016	2017	2018	SI[23]
Gross Returns	2.73%	1.38%	6.30%	3.88%	1.14%	4.27%
Benchmark[1]	3.99%	3.59%	5.02%	2.79%	0.22%	4.33%
Relative Gross	-1.25%	-2.22%	1.27%	1.09%	0.92%	-0.06%

YTD Returns	Q1:18	Apr	YTD
Gross Returns	1.47%	-0.32%	1.14%
Benchmark[1]	0.64%	-0.41%	0.22%
Relative Gross	0.83%	0.09%	0.92%

- 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.

- 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 $10 million investment at inception of 19 September 2014 on which the highest 60 basis points was payable, would be worth $11.632 million gross of investment management fees and $11.351 million net of fees as at the end of April 2018. 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.