



Colchester<sup>®</sup>  
GLOBAL INVESTORS

# Corporate Social Responsibility



## Mission Statement from Keith Lloyd, Group Chief Executive Officer of Colchester Global Investors



**Keith Lloyd**

Global Chief Executive Officer,  
Colchester Global Investors

*Colchester is founded on a belief that asset management is best performed in a singular focus firm, such as ours, that puts the interests of our clients at the centre of everything we do. We believe that this delivers superior returns to our clients, avoids potential conflicts of interest, and aligns our interests with those of our clients. As guardians of other people's money, Colchester is underpinned by strong moral and ethical standards, a deeply engrained investment process, and a structure that provides the best possible chance of success. We believe that clarity of thought and vision, combined with a relentless drive for excellence, will deliver the best returns for our clients and help them achieve their objectives. We view our clients as partners and believe that openness and transparency is paramount in building and developing the trust that they have bestowed upon us. These values and principles are embedded in our DNA, and guide us in all our interactions with, and decisions made on behalf of our clients.*



# Table of Contents

Colchester – Our Values .....	4
Colchester's Dimensions of Corporate Social Responsibility .....	5
ESG-Integrated Investment Process .....	6
Signatory, Affiliation & Collaboration.....	7
Sovereign Engagement.....	9
Engagement & Collaboration.....	10
Client Service .....	11
Stewardship & Corporate Governance.....	12
Operational Resilience & Sustainability.....	14
Our People .....	16
Diversity & Inclusion .....	17
Employee Engagement.....	19
Society .....	21
The Future of Colchester's Corporate Social Responsibility.....	22

## Colchester – Our Values

Our values underlie Colchester as a business and are embedded in the firm for the future to guard against complacency or mediocracy. Colchester operates with clarity of thought, vision and roles.



### Focus

Investment professionals require a focused and stable environment in order to be consistently effective in their work. Colchester views employee ownership and control as one of the best ways of avoiding the uncertainties that can threaten focus and stability. Many Colchester employees own shares in the business and we believe that our ownership structure aligns employees' interests with those of our clients.



### Integrity & Trust

Colchester works for our clients (and their beneficiaries) and clients' interests take precedence over any other interests at Colchester. We treat our clients fairly.



### Perspective

Colchester, in both its investments and its business outlook does not permit short-term expediency to outweigh medium-term benefits.



### Service

We aim to provide accurate reporting, timely information and efficient administration.



### Humility

Colchester strives to build and nurture an environment where employees are encouraged to behave with humility and respect for others.



### Teamwork & Devolved Leadership

Creating and maintaining an environment where everyone can contribute to the success of the Company is part of Colchester's ethos. Different skills and perspectives are valued, and we recognise that employees work better as a diverse team who all support each other.



### Innovation & Constant Improvement

Colchester focuses on its core expertise whilst doing everything it can to be the most capable, knowledgeable and leading company in its field.

### ESG-Integrated Investment Process

Colchester's investment process includes the systematic integration of ESG factors.

### Signatory, Affiliation & Collaboration

Colchester is signatory to the UNPRI, supporter of TCFD and active collaborator with the CFA and EMIA.

### Sovereign Engagement

Colchester applies a holistic engagement process as an integral part of its investment valuation framework and believes effective sovereign engagement to be mutually beneficial.

### Client Service & Engagement

Colchester has a proven long-standing culture of aligning client and shareholder interests which is at the centre of our core values. We aim for our journey together to be a partnership.

### Stewardship & Corporate Governance

Colchester's robust corporate governance practices are testament to its high operating standards as a business entity. We are highly rated by leading consultants across the globe.

### Operational Resilience & Sustainability

Colchester commits significant resources to ensure the right measure of controls and oversight for optimal operational resilience and sustainability.

### Diversity & Inclusion

Colchester is committed to creating a safe and inclusive environment that embraces differences. A place where employees feel confident to bring their whole selves to work.

### Employee Engagement

We believe that people do their best when they feel their best. Enabling everyone to work at their best contributes to our overall success. We continue to focus on creating a workplace that supports mental, physical and financial wellbeing.

### Society

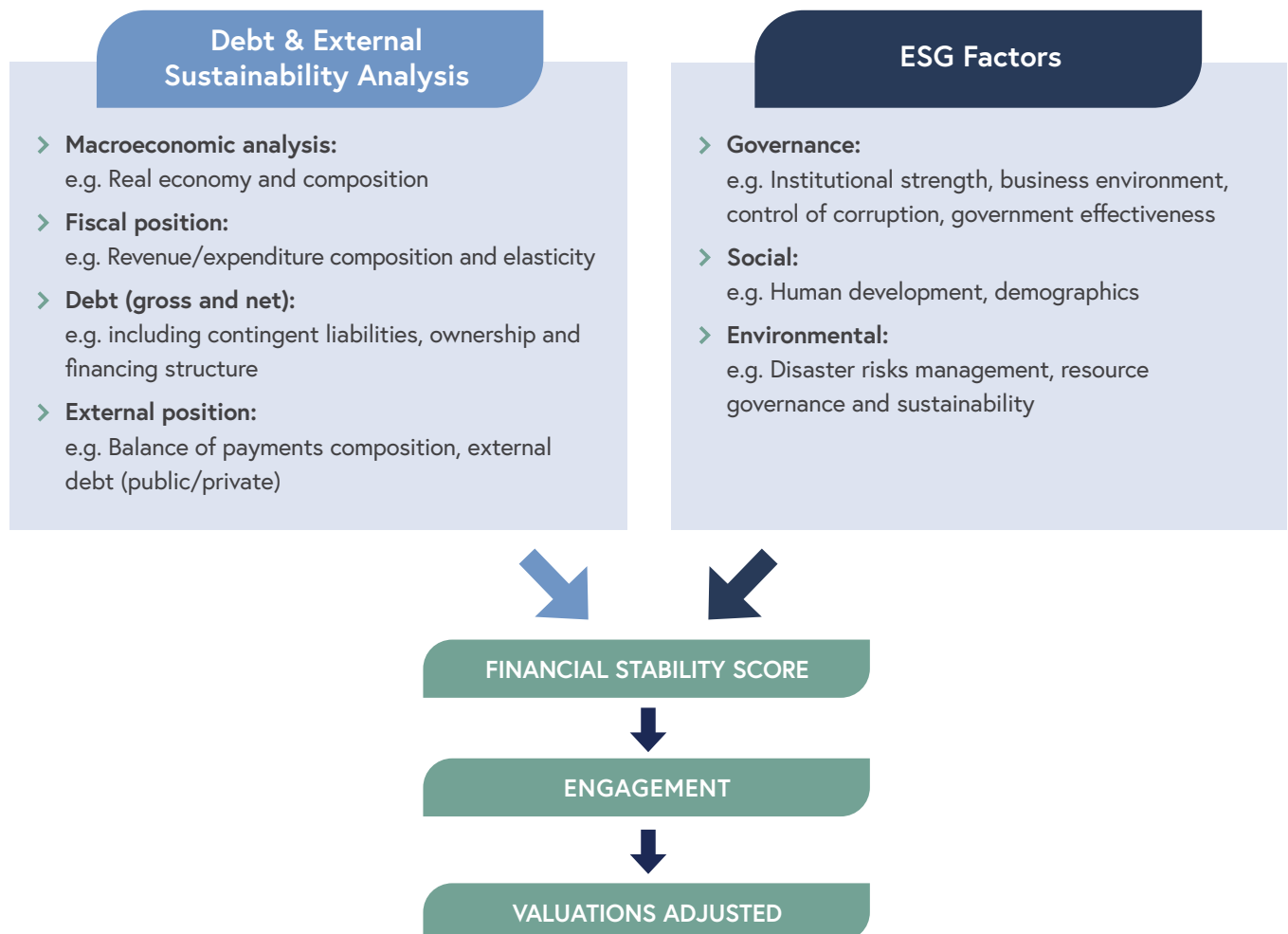
Colchester supports community engagement including providing employees with paid time off to support their volunteering efforts.



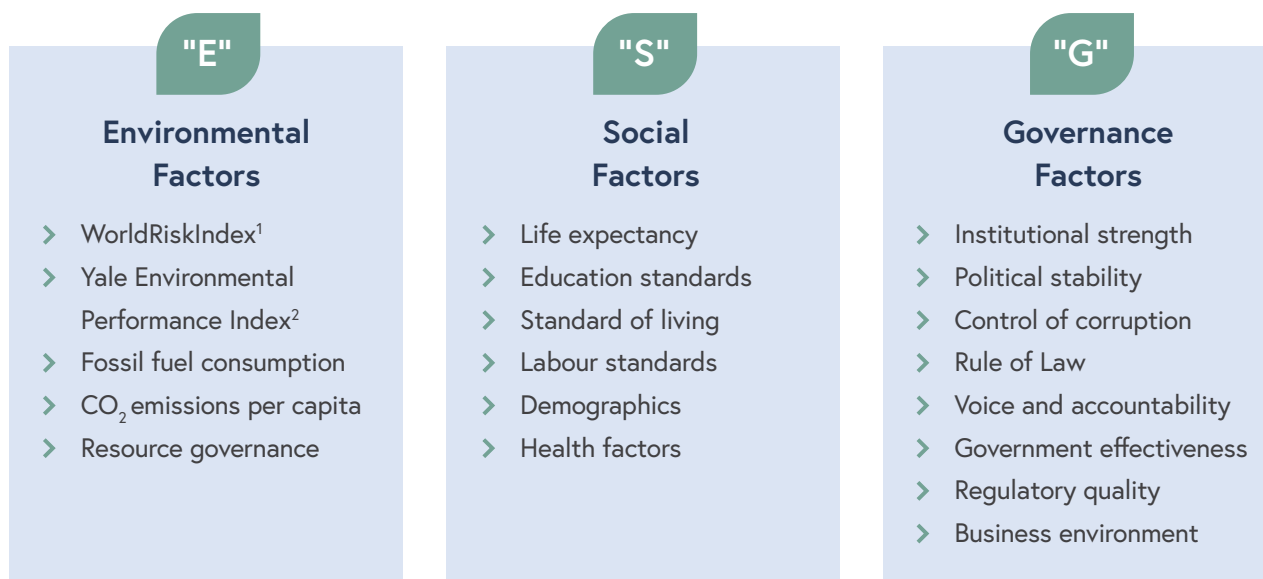
# Colchester's Dimensions of Corporate Social Responsibility

## ESG-Integrated Investment Process

Colchester is a privately-owned global fixed income manager with 30.7bn US dollars in assets under management as at the end of April 2023. Our Investment Team has followed an ESG-integrated investment process elements of which have been considered in our balance sheet assessment since our early days. Colchester applies a firmwide ESG policy covering ESG factors integration across all strategies as part of its real yield and real exchange rate valuation framework. We assign countries a proprietary Financial Stability Score (FSS) which combines an assessment of their overall balance sheet strength and ESG factors. Findings during our engagement work feed holistically into the FSS. Bond and currency scores range from +4 to -4 in our core investment strategies, and a country may be excluded from the investment universe if its ranking falls below -4. We believe that countries with stronger governance, healthier and more educated workforces, and higher environmental standards tend to produce better economic outcomes. Typically, this leads to more stable debt and currency paths, and ultimately better risk-adjusted returns. Our Investment Management Committee (IMC) meets formally at least once a month to ratify inflation forecasts, bond and currency FSS which encompass ESG and engagement issues, and the investment valuations used to construct our portfolios.



The main factors included within the score for ESG assessment include, but are not limited to, the following:



Sources include: Bündnis Entwicklung Hilft, the World Bank and the United Nations, Yale University, Natural Resource Governance Institute, Transparency International, International Labour Organisation.

<sup>1</sup> The World Risk Index is the product of a close cooperation between scientists and practitioners, it was developed by Birkmann and Welle for the Bündnis Entwicklung Hilft (The Alliance Development Works). For further information, please see <https://www.ireus.uni-stuttgart.de/en/International/WorldRiskIndex/>

<sup>2</sup> The YALE Environmental Performance Index (EPI) is constructed through the calculation and aggregation of 20 indicators reflecting national-level environmental data. For further information, please see <https://epi.envirocenter.yale.edu/>

Our ESG Policy describes in detail how we apply this process to our research, valuations and subsequent portfolio construction.

## Signatory, Affiliation & Collaboration

Colchester believes in collaborating within the industry to shape best practices within the sovereign bond space and deliver better social and economic outcomes.

*Signatory of:*



In December 2016, Colchester became a signatory to the UN Principles of Responsible Investment. Managing Director (Singapore) and Senior Investment Officer Claudia Gollmeier, chairs the PRI Sovereign Debt Advisory Committee having previously been a member of the PRI Fixed Income Advisory Committee and chaired the PRI Sovereign Working Group. These PRI Working Groups published a practical guide to ESG integration in sovereign debt and ESG engagement for sovereign debt investors. Colchester received a 4 star rating for Strategy and Governance and a 5 star for Fixed Income in its annual 2021 PRI Assessment Report based on their assessment methodology.

Over the years since becoming a PRI signatory in 2016, Colchester's adherence to the Principles for Responsible Investment has led to its involvement in numerous industry collaborations in the form of white papers and discussion panels. By way of example, Claudia Gollmeier, in her capacity as Chair of the PRI Sovereign Debt Advisory Committee, contributed to producing a [practical guide to ESG integration in sovereign debt](#), [ESG engagement for sovereign debt investors](#) and [human rights in sovereign debt](#).

Colchester re-signed the 2021 Global Investor Statement to Governments on Climate Change and became a supporter to the [Task Force on Climate-related Financial Disclosures \(TCFD\)](#) in May 2019. We established the TCFD Advisory Committee, which reports directly to the Colchester Board and consists of members from members from key teams across the firm..

We published our second annual [Sustainability Report](#) at the end of 2022 and presented it to the Colchester Board.



Colchester remains a supporter of the [PRI ESG Credit Risk and Ratings Initiative](#), which is aimed at credit rating agencies incorporating "material" ESG factors into the traditional credit analysis. Colchester is a supporter of the [Green Bond Transparency Platform \(GBTP\)](#) which is an initiative led by the Inter-American-Development Bank (IDB) to promote transparency in the green bond market in Latin America and the Caribbean. In 2021, Colchester became a member of the Emerging Market Investors Alliance (EMIA) and a supporter of Transition Pathway Initiative (TPI) - a global, asset-owner led initiative which assesses companies' preparedness for the transition to a low carbon economy. However, as a sovereign only asset manager, we are a research funding partner to develop a sovereign climate assessment framework via the ASCOR project. The project goal is to develop an assessment framework that enables the current and future climate change governance and performance of sovereigns to be fairly and appropriately measured, monitored and compared. Colchester also collaborates on the Investors Policy Dialogue on Deforestation (IPDD). Claudia Gollmeier is a Member of the CFA Institute ESG Advisory Panel (originally CFA UK ESG Working Group), which developed the ESG investing certificate and is also a Member of the CFA Institute.



*Vi-Minh Tran, Colchester's Senior Investment Officer shares a short video on Colchester's ESG integration process*

We believe sustainable investment can only occur through cohesive effort from all corners of the financial industry including banking, asset management, distribution and investors themselves.



## Sovereign Engagement

At Colchester, we believe that traditional sovereign credit analyses should be supplemented with the systematic integration of ESG factors for all developed and emerging markets. Our holistic engagement process forms an integral part of our investment valuation framework and is mutually beneficial for both issuers and investors. In practice, Colchester has engaged with multiple country stakeholders since the inception of the firm. The following table shows the various types of stakeholders we seek to engage with as part of our research process. We believe that our objective, unbiased opinions and sharing of global experiences with government and other entities throughout the years, has been positively received.

### Examples of Issuer Stakeholders:

- Various governmental departments: Ministry of Finance; National Statistics Office etc;
- Central bank officials;
- Regulators;
- State-owned institutions;
- Incumbent and opposition political parties.

### Examples of Non-Issuer Stakeholders:

- Supranational organisations such as the IMF, World Bank or OECD;
- Large corporate, pension or savings institutions;
- Local economists, journalists, think tanks etc.;
- Business associations, trade union representatives etc.;
- Index providers.

Engagement is achieved via collaborative initiatives such as roundtables, issuer road shows, one-on-one meetings, conferences, virtual meetings or country research trips. Engagement efforts typically involve an exchange of ideas and thoughts with the issuer around ESG topics of focus. For example, during such meetings we are able to gain deeper insights into a country's commitment to sustainable policies, whilst they gain a clearer understanding of investor considerations and appetite for sustainable finance instruments. Our [Sovereign Engagement Framework](#) document provides greater detail on the types of engagement that we undertake. We monitor our engagement activities individually and on a collaborative basis for progress and track the responses against our objectives. Details of engagements, as well as with other relevant parties such as index providers and industry bodies are recorded. We have issued our most recent [Engagement Report](#) in January of this year.

Colchester has contributed to the PRI's paper ESG Engagement for Sovereign Debt Investors which aims to provide insights on how sovereign engagement is conducted and where the industry can extend this custom to advance responsible investing. We previously shared a video on our [Sovereign Engagement Insights](#) presented by Jean Lee and are supporting the development of the first publicly available, independent and open-source framework in assessing climate related opportunities and risks called ASCOR.

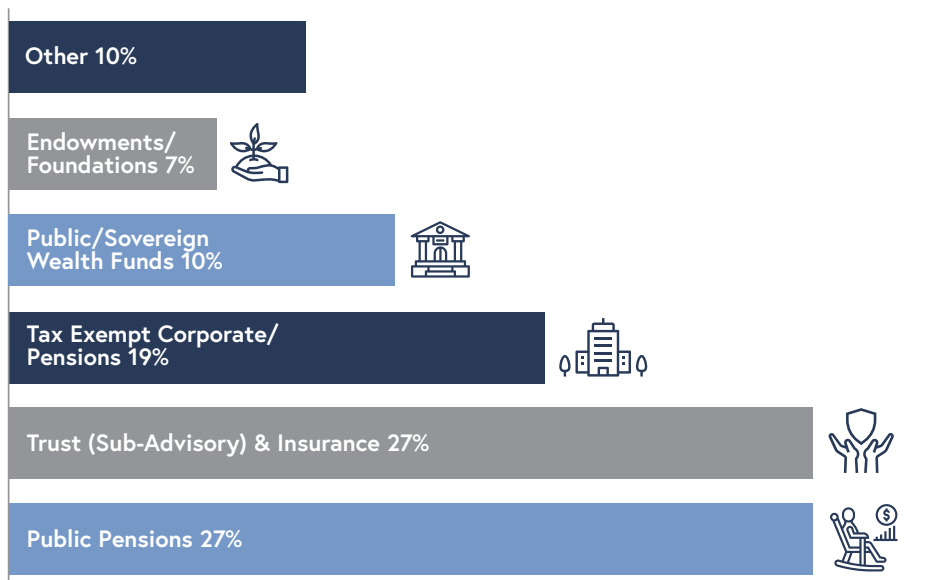


*The work that the PRI initiated with its sovereign debt advisory committee flagged the need for a tool like the ASCOR project to enable investors to move from 'why' to 'how' to incorporate climate change in their investment decisions. We are pleased to see such a tool now being developed, allowing investors to frame climate change in a more structured way.*

Claudia Gollmeier, Managing Director, Singapore and Senior Investment Officer

# Engagement & Collaboration

At Colchester, we manage and service a well-diversified global client base who invest with us via separate accounts or commingled funds. We take particular pride in managing assets for a diverse array of clients, from indirectly helping individuals with saving for their pensions in order to have a secure and rewarding retirement, all the way through to sovereign wealth funds seeking to build a better future for their populations. Our focus is on adapting to our customers' ever-changing needs with the aim of helping them to achieve their long-term financial goals.



Percentage of total AUM of US\$30,728 million as at 30 April 2023

## Client Service

Colchester's core values have always been at the heart of how we service our clients and our Client Charter underpins each client interaction. It is our mission and promise to partner with clients to provide a service that is not only helpful, timely and meaningful, but also enriches the investor experience. We do this through paying special attention and putting clients' priorities ahead of all else.

We continually strive to improve our relationships with our clients. We welcome feedback from our stakeholders and proactively seek feedback on their views on a wide range of topics, such as our white papers, webinar training, ESG sovereign analysis or onboarding experiences. This is achieved through our Client Service Survey which formally seeks feedback on all aspects of client service, product quality, performance and engagement preferences. Whilst we always aim to fulfil all our clients' needs to their satisfaction, in the event we fall short, we have a formalised complaints policy in place which ensures any complaint is fully investigated, remedied and procedures implemented to ensure the particular issue is not repeated.



Monica Hood, Colchester's Head of Distribution, Australia and New Zealand accepting the 2023 Morningstar Award for the Fixed Interest category in New Zealand



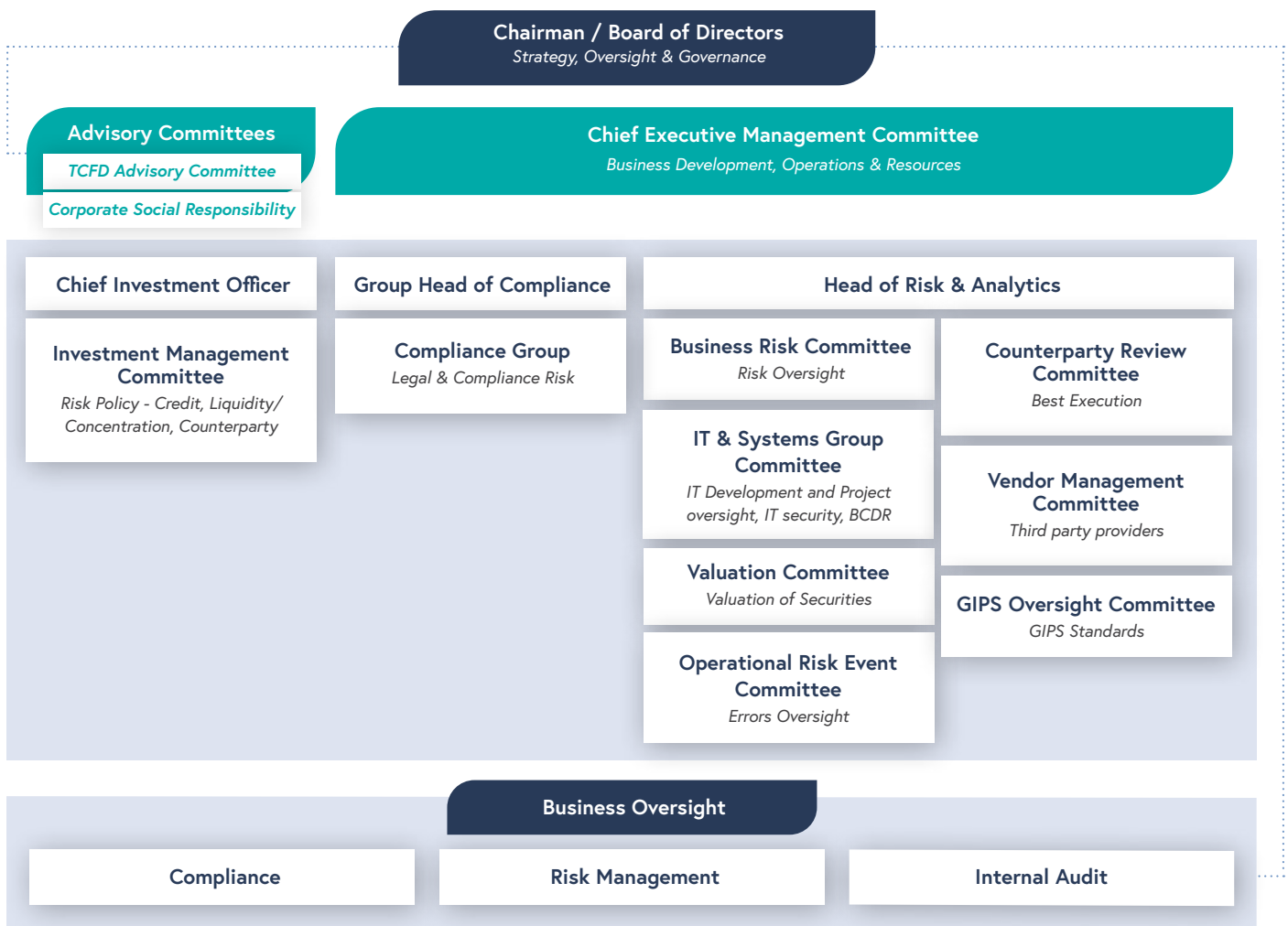
Juan Montero Avero, Product Specialist, Analia Giachino, Head of Distribution and Joanna David, Investment Officer giving a presentation to CFA Society, Uruguay on Unlocking Value in Global Bonds and Currencies.

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## Stewardship & Corporate Governance

Colchester's governance and risk management structure balances strong central oversight with clear accountability for, and ownership of, risk, policies and practices within each operational area. Corporate responsibility and risk are managed through a series of committees that report to the Board. This structure supports the continuous flow of information between the operational areas, the Management Team and corporate oversight functions (Risk Management, Internal Audit and Compliance), the Chief Executive and the Board of Directors. Firm-wide accountability ensures our robust policies are consistently communicated and implemented, promoting excellence, high ethical values and integrity across our activities at all levels.

### Governance and Risk Management Structure



This is validated through structured regulatory updates circulated to all staff and an effective monitoring programme identifying potential risks, proactively working in partnership to formalise resolutions, ensuring these are executed and that the outcome addresses the core problem. Colchester outsources both the Internal Audit programme and the System and Organisational Controls review to independent third-party auditors to demonstrate compliance with our business practices and ethical behaviour. We believe this transparency promotes trust across the firm and externally to our clients.

Whilst "compliance" with the law and regulation is the minimum standard to which we hold ourselves and those who work with us, in ensuring ethical behaviour from employees we endeavour to follow not just the letter of the law, but the spirit that underpins and informs it. All employees are expected to uphold Colchester's high standards of conduct, which are refreshed and formally reinforced at least annually through our compliance employee training programme.

Colchester's Code of Ethics sets out the minimum standards of performance and conduct for employees. Its purpose is to promote honest and ethical conduct, to eliminate or manage potential conflicts of interest and to ensure compliance not only with all legal and regulatory requirements, but with current best practices in the investment management industry. Colchester has zero tolerance for illegal or unethical conduct as set out in our relevant policies, including those on privacy and confidentiality, conflicts of interest, personal account dealing, gifts and hospitality, political contributions, outside business activities, insider information, market abuse, money laundering and counter terrorism, fraud, sanctions, bribery and corruption. Any employee who violates the requirements of Colchester's Code of Ethics, or any of our other policies, may be subject to disciplinary action.



Colchester sees ethical behaviour, the application of honesty and integrity as well as good judgment, as applicable to every decision our employees make; this approach ensures the high standards of our core values are applied in all we do.

Colchester seeks talented, principled people and ensures diversity of skills, knowledge and experience within our Board of Directors. New Board members are selected based on competence and ability when analysed against the requirements of the vacant position. Additionally, we recognise the importance of demographic diversity on our Board and are committed to promoting a policy of diversity in our management body. To the extent possible, when appointing new members to the Board, diversity in demographics including age, gender, geographical provenance and educational and professional background is also taken into consideration.

Relationship managers are appointed for all outsourcing contracts. All new service providers are approved by the Vendor Management Committee, with material contracts requiring joint approval by the committee and

Group Chief Executive Officer and reported to Colchester's Board. In line with relevant regulatory provisions, Colchester ensures the ongoing monitoring of the relationship with and the activities of, the material outsourced provider and the assessment of any relevant changes which may have occurred within the outsourced provider's operational structure, as well as undertaking a periodic performance review. As a firm we are strongly opposed to modern slavery and do not engage in, or knowingly conduct business with any organisation involved in, such activities. Our policy is outlined in our [Modern Slavery and Human Trafficking Statements](#), available on our website. Our internal and external monitoring ensures ongoing assessment of supervision, performance, contractual and regulatory obligations.

## Operational Resilience & Sustainability

Colchester continually assesses the controls it has put in place to ensure firm-wide operational resilience. In 2021, the decision was made to migrate Colchester's IT infrastructure to the Microsoft Azure Cloud. The change has made Colchester more operationally resilient and enabled the company to benefit from resource scalability (the ability to scale up or down server resources, depending on requirements). By switching to the Cloud, downtime is decreased, physical server maintenance is no longer necessary, and servers no longer need to be replaced every three to five years. Regardless of whether they are working in the office, on the road, or at home, employees access their own Windows Virtual Desktop (WVD) that is hosted in Microsoft Azure. The virtual desktop's build is specific to the user and their role. "Power users" that require more RAM and computing power are allocated more powerful machines. In the same way that server resources can be dialled up or down, Windows Virtual Desktops can also be resized according to the user's needs within a few minutes.



*As sustainability champions, we are encouraged to bring our commitment to sustainability into all of our activities at Colchester, and to generate ideas and actions with all of our colleagues that will help the firm to achieve its sustainability goals.*

**Andrew Cowley, Legal Associate**

The use of WVDs means that all of the required computing resource is in the Cloud rather than on the local desktop. This means that Colchester does not need to replace its office desktops until they fail or need to be replaced from a security perspective. This is a huge win for sustainability.



Colchester's approach to cyber security continues to be robust given the heightened risk of the last few years. The firm's Cyber Security Framework includes a leading endpoint detection and response platform (which is also a next generation antivirus tool), web filtering, email filtering, a phishing warning tool, data leakage prevention, penetration testing, multifactor authentication and an enhanced Cyber Response Plan. One of the greatest risks to financial firms continues to be from phishing. For that reason, Colchester carries out online and in-person information security and phishing training as well as using a leading phishing simulation platform to test staff on a monthly basis.

Colchester's Business Continuity and Disaster Recovery ("BCDR") Plan, Information and Cyber Security policies and practices are robust, living documents. The implementation of these policies and plans in response to Covid-19

demonstrated their effectiveness and resilience in the face of unprecedented disruption. The firm tests its BCDR Plan regularly and the Chief Executive Officer (London) reports on BCDR and cyber security to the Board. Any deficiencies identified are systematically remedied with appropriate levels of control, training and changes to procedure.



We have recently implemented a leading third-party risk management platform that enhances the pre-engagement, oversight and due diligence processes relating to our service providers. Its onboarding and oversight tool provides standardised onboarding, due diligence, inherent risk calculation, oversight and off boarding of third-party vendors, services and outsourcing arrangements. Its due diligence and monitoring tool helps Colchester collect and maintain risk information, including cyber security and financial ratings, sanctions data, news alerts, cyber event data and questionnaire response from third parties that can be used to generate risk scores and drive remediation.

Colchester endeavours to manage the business with the minimum wastage of resources. We monitor our global operational sustainability closely and have introduced initiatives and taken measures across our office to do what we can to protect the environment and improve sustainability which is outlined in our [Environmental and Sustainability Policy](#).

In 2022, we established an Environmental and Sustainability Champions programme, an informal group of environmentally aware staff, representing various Colchester offices who meet to discuss a range of ideas and initiatives that may be wider than the current environmental and sustainability actions that are already implemented, or in the process of being implemented within the Colchester Group. Some of the initiatives for 2023-24 include extending the Cycle-to-work scheme to other locations, team volunteering efforts such as tree-planting or regenerating green spaces and repurposing of materials, for example IT equipment, consumables, stationary and office equipment.



Colchester Employees volunteer for various local community projects that have positive environmental impacts, including cleaning up local shorelines and rivers.



Colchester is also committed to reducing the environmental impact of travel, especially air travel. Where appropriate, staff use video conferencing software, public transport or fly Economy (given the large reduction of carbon emissions per mile by flying Economy versus Business Class). Colchester continues to promote the use of video conferencing and therefore minimises unnecessary air travel, whilst accepting that it is not possible to eliminate it completely given client and research needs.

## Our People

Colchester is built on our core values which form the foundations of our culture and underpin everything we do. Being an inclusive employer with a diverse workforce is a fundamental part of how we operate as an organisation. Our policies are designed to promote our values and protect our employees. We believe that every one of our employees, clients and stakeholders bring something different to the table and those differences are something to be valued. Our [Equal Opportunities and Diversity Policy](#) demonstrates our commitment to ensuring there is no discrimination in our company, which extends from the recruitment process right through the employee lifecycle.

We actively promote integrity, trust and humility, all of which form part of our core values. We understand that being good at what we do takes collaboration, teamwork and respect for each other and we work hard to build this into our inclusion efforts. Fostering this inclusive culture is crucial to our employees and clients who are at the heart of everything we do.

We deliver programmes and create policies that embed Equality, Diversity and Inclusion (ED&I) in our operating and governance models. Our aim is to strengthen our culture whether employees are working in the office or virtually. We believe all employees share responsibility in building a culture where everyone feels they belong, so all employees complete annual online discrimination and harassment, diversity and inclusion and unconscious bias training to provide the language, tools and resources to enable them to recognise unconscious bias, appreciate and value cultural differences and create allyship. In 2022, we enhanced our internal training offering to include Neurodiversity training. Neurodiversity is a core part of our organisation and something that we feel should be nurtured and leveraged if we are to benefit from true "diversity of thought".

Colchester follows the work of The Diversity Project and Women in Finance Charter closely and, as such, adopts best practice in hiring, training and inclusion that are recognised industry wide. We fully support the diversity initiatives introduced by the Women in Finance Charter and our gender diversity demonstrates our commitment to these. As at 1 April 2023, 41% of our workforce, 40% of our Board and 36% of our Senior Management Team, identify as female. We continue to place additional emphasis on our early careers programmes, working with organisations such as #10,000 Black Interns to encourage those from more diverse backgrounds to join Colchester and consider a career in the Investment Management industry.



Employees celebrating International Women's Day across Colchester's global offices.



## Diversity & Inclusion

At Colchester, our employees span a diverse range of ethnicities, genders, cultural and socio-economic backgrounds. We pride ourselves on having a culture where differences are not only respected but welcomed. It is only by recognizing these differences can we attract the best people, develop and use their talents, and create a great place to work.

We strongly believe in data as a tool to better understanding our people. Where possible, we collect data on categories including age, ethnicity, faith, gender, sexual orientation, and socio-economic background for our global workforce. We use this data to build a comprehensive picture of our organisation, where progress has been made and where we have more to do.

In February 2023, we conducted an updated global data collection exercise to refresh the data we hold on our employees. We achieved a global completion rate of 92% which, whilst being a very strong response rate, was a slight decrease of -2% from our prior organisational wide monitoring exercise 2 years ago. All data is provided on a voluntary basis and all our diversity questions include the option of "prefer not to say". Employees who have selected this option have been considered to have completed the relevant question for reporting purposes.

This year, we added additional questions on socio-economic background to our questionnaire to improve our understanding of our global workforce further.

### Employee Snapshot (as of 1 April 2023)

#### Employee Facts & Figures

**41%** of our Employees globally identify as female (8% prefer not to say/opt out)

**40%** of our Board identify as female

**36%** of our Senior Management Team\* identify as female

**31%** of our Investment Officers identify as female

**41<sup>yrs</sup>** Average employee age

**71%** of our Employees have a BSc or BA or higher (11% prefer not to say/opt out)

**45%** of our Employees were the first generation in their immediate family to attend University (15% prefer not to say/opt out)

**59%** of our Employees attended State-run or State funded schools (12% prefer not to say/opt out)

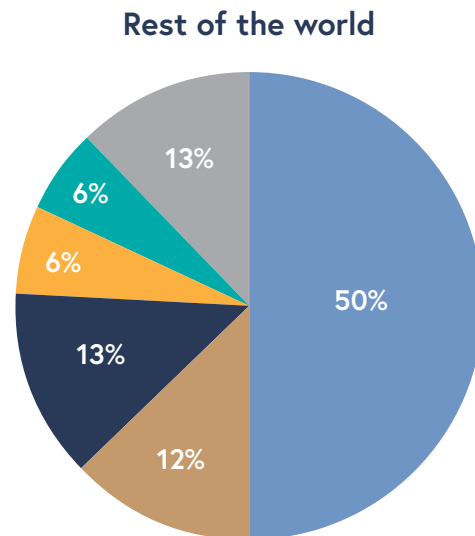
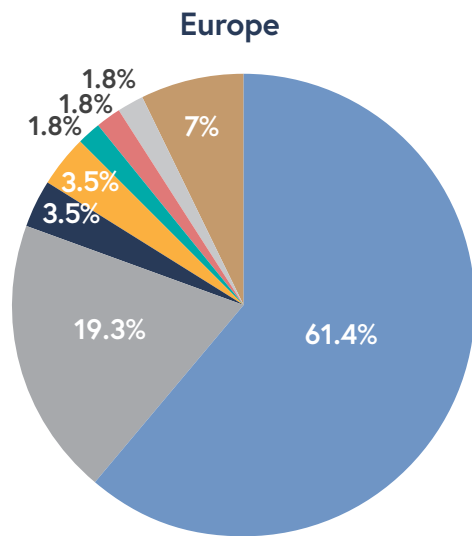
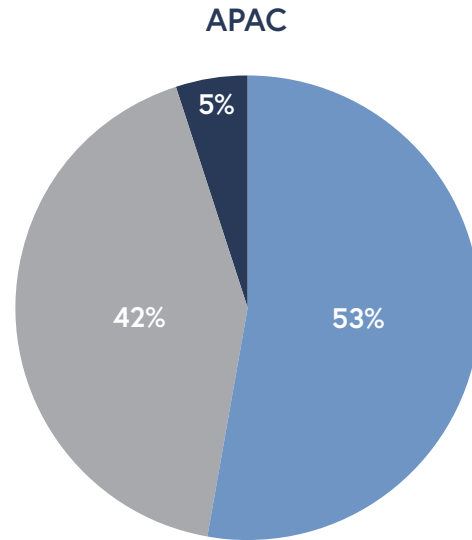
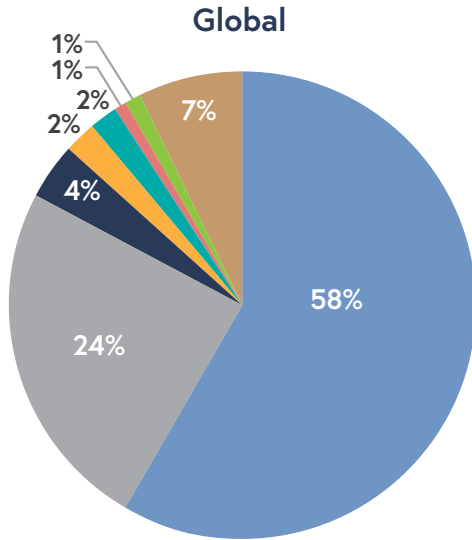
**44%** of our Employees speak 2 or more languages (12% prefer not to say/opt out)

**A total of 20** different languages are spoken across Colchester

These include English, Arabic, Cantonese, Croatian, Finnish, French, German, Greek, Gujarati, Hindi, Irish, Italian, Korean, Kurdish, Malay, Mandarin, Portuguese, Shona, Spanish, and Urdu

## Ethnicity (Minority Representation)

The charts below show representation of the Colchester workforce in each region by ethnicity.



- White
- Asian
- Mixed / Multiple Ethnic Race
- Black
- Hispanic / Latino
- Other
- Prefer not to say
- Not completed



Celebrating International Women's Day in the Singapore office.

## Employee Engagement

We seek to attract and retain employees by providing a rewarding employee experience that encourages staff to act in the best interests of our clients. From their first day at Colchester, we work to welcome employees into a culture that is respectful, humble, collaborative and fosters a sense of belonging.

In September 2022 we celebrated our overdue 20-year anniversary by holding an in person, all-employee offsite meeting just outside of London. This provided a fantastic opportunity for our employees to network with each other in a relaxed informal setting, attend informative developmental training sessions to reflect on the culture of Colchester over our 20-year history and put forward recommendations on what we need to do to evolve this further to ensure success over the next 20 years. We ran externally facilitated sessions, which provided all employees the opportunity to share what they thought was going well and what we could do more of to make our culture even better.



20-year anniversary all-employee offsite



*I have been a part of Colchester for over 13 years now and I believe the culture and ethos here have helped us to excel at what we do. Our ideas are welcomed by senior management and continuous employee engagement helps me to feel connected to our core values. We work collaboratively to achieve our goals which truly makes it a positive working environment to be part of.*

**Arpita Shah, Head of Systems Development**



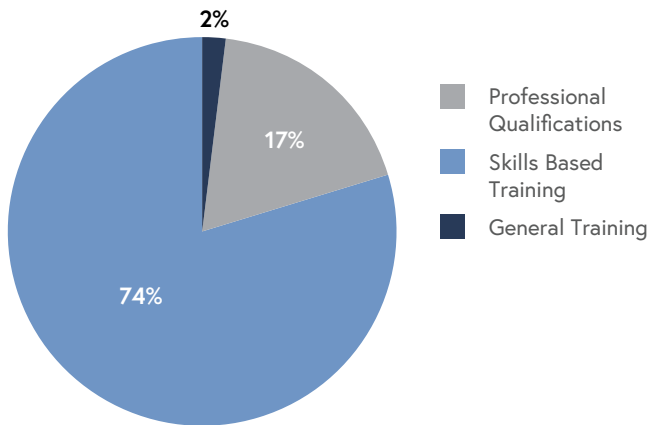


We support equal pay for equal work and are confident that we do not have a pay gap; neither our remuneration policy nor our compensation programmes discriminate on the basis of gender, ethnicity or any other protected characteristic. Our approach to compensation is built on the principle of "fair pay for performance". All compensation decisions are reviewed with a diversity lens to ensure an employee's personal characteristics are irrelevant when it comes to compensation outcomes. Colchester has a proven long-standing culture of aligning clients' and shareholders' interests, which is corroborated by encouraging employees to plan for a strong financial future and to participate in its financial success by becoming shareholders.

### Learning and Development

Colchester understands that offering robust and varied experiences for learning and development is key to attracting and retaining the best talent. To support professional development and career advancement, we offer all employees development opportunities both internally, through on-the-job training, coaching, feedback and mentoring, and externally, through study leave and financial assistance for private study towards professional qualifications and ongoing professional memberships. We actively champion internal progression and global mobility and strive to create a lifelong learning culture that provides all our employees the opportunity to maximise their potential.

### Professional Development



Over the last 12 months from 1 April 2022:

**17%** of Employees received an internal promotion and/or global mobility opportunity. An increase of 4% from last year.

**28%** Colchester supported 28% of employees with some form of personal professional development.

Employees are Colchester's most valuable resource, and we believe that people do their best when they feel their best. One of our top priorities is to create a safe, healthy workplace that supports the physical, emotional and financial health and well-being of our employees. We offer a robust and comprehensive benefits programme globally which includes top quality health insurance coverage for employees and their families. In addition to our comprehensive benefits, our wellness programme includes access to a Global Employee Assistance Plan (EAP) in all our locations which provides confidential counselling, financial consultation, work-life services and life coaching to assist with the management of everyday life issues for employees.

Supporting employees' mental health remains a key priority for Colchester. We follow the Mental Health at Work framework closely and as part of our commitment we are currently in the process of training employees across the organisation to become mental health first-aiders. We recognise that our employees seek a supportive, enjoyable workplace and we continually evaluate our employee wellbeing programmes in an effort to meet those expectations.

## Society



London staff cleaning up the River Medway

Acting as a responsible corporate citizen is a key priority for Colchester and our initiatives in this arena are constantly under review against industry best practice. We encourage all employees to volunteer and give back to the communities where they live and work and to support causes and organisations they are passionate about.

Over the last 12 months, Colchester employees have been involved in volunteering for various local community projects. Our Singapore office spent time cleaning up a local shoreline, our New York office volunteered to pack medically tailored meals for delivery to New Yorkers living with serious illness and employees in our UK office have contributed to river cleaning and harvesting surplus fruit to redistribute to local communities.

In 2022, we continued to advance our early careers programmes, partnering once again with #10,000 Black Interns to encourage those from traditionally underrepresented groups to consider a career in the Investment Management industry.

We also enhanced our summer intern programme to include presentation skills training and informational learning workshops from Senior Leaders across all disciplines. This gave our interns the opportunity to improve their soft skills and gain a broader understanding of the business as a whole, not just the specific department they were assigned to.

While we do not currently have a formal process around the promotion of other philanthropic activity within the firm, the principals of the firm are actively involved in charitable giving and in activities related to internships and volunteerism.

## The Future of Colchester's Corporate Social Responsibility

Colchester is committed to investing responsibly and operating sustainably. The firm's nine dimensions of Corporate Social Responsibility are designed to capture the facets of investing and running a business responsibly and are under constant review. Colchester believes that managing sovereign bond portfolios actively and servicing the needs of our clients bearing our corporate social responsibility in mind can provide a powerful way of creating positive impact. We invite investors and the investment consultant community who have put their trust in Colchester to remain engaged with us on this journey. We look forward to reporting on the 2024/2025 Initiatives in our next release of the policy.



Colchester is committed to investing responsibly and operating sustainably.

Our New York office volunteering at a local food bank.

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