

Modern Slavery and Human Trafficking Statement

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Introduction

This Modern Slavery and Human Trafficking Statement is made on behalf of Colchester Global Investors Limited ("CGIL") and addresses the disclosure requirements in Section 54 of the United Kingdom Modern Slavery Act 2015 and the reporting requirements in Section 16 of the Australian Modern Slavery Act 2018 (Cth) for the financial year ended 30 April 2020. This Modern Slavery and Human Trafficking Statement also covers the following wholly-owned subsidiaries of CGIL: Colchester Global Investors (Singapore) Pte. Ltd. ("CGIS"), Colchester Global Investors Middle East Limited ("CGIM") and Colchester Global Investors, Inc. ("CGII").

What is Modern Slavery and Human Trafficking?

The term modern slavery is used to describe situations where coercion, threats or deception are used to exploit victims and undermine or deprive them of their freedom. Modern slavery includes trafficking in persons, slavery, servitude, forced marriage, forced labour, debt bondage, deceptive recruiting for labour or services, and the worst forms of child labour (i.e. situations where children are subjected to slavery or similar practices, or engaged in hazardous work). Colchester Global Investors ("Colchester") is strongly opposed to modern slavery and does not engage in, or knowingly conduct business with any organisation involved in, such activities. As a global investment management firm, Colchester operates in the financial services industry which, by its nature, limits direct exposure to modern slavery risks. Colchester is required to be licenced, is subject to stringent regulatory supervision and operates in a heavily regulated environment. Colchester also aims for high standards of governance throughout its organisation. For these reasons, Colchester considers that the risk of modern slavery occurring in its direct business operations and supply chain to be low.

Description of Colchester's Business

Colchester is an independent investment management firm headquartered in London with offices in Singapore, New York, Dubai and Sydney. Colchester provides discretionary investment management services to institutional clients based in multiple jurisdictions on a separate account basis and in the form of commingled funds established and operated by Colchester. Colchester is a singularly focused firm and its provision of discretionary investment management services is limited to mandates in sovereign fixed income. Colchester's business is focused on the interest rate, bond and currency markets and as of 31st December 2020 had US\$ 43 billion under management across four core strategies being global sovereign bonds, global inflation-linked bonds, local currency emerging market debt and an alpha programme. Colchester invests primarily in global sovereign bonds and does not invest in corporates or equities in its core strategies. Colchester manages assets for global institutions including corporate and public pension funds, foundations, endowments, insurance and sovereign wealth clients.

CGIL is authorised and regulated by the Financial Conduct Authority in the United Kingdom, registered as a foreign financial services provider with the Financial Sector Conduct Authority in South Africa, and registered as an investment adviser with the SEC and as a Commodity Trading Advisor and Commodity Pool Operator with the CFTC in the United States. CGIS is authorised and regulated by the Monetary Authority of Singapore in fund management and is also the holder of an offshore discretionary investment management services licence issued by the Korean Financial Services Commission. CGIM is regulated by the Dubai Financial Services Authority for the provision of Advising on Financial Products and Arranging Deals in Investments. CGII is not permitted to provide investment advice or otherwise engage in a regulated activity. In Australia, Colchester provides services to Australian wholesale clients in reliance on Class Order CO 03/1099 (in the case of CGIL) and Class Order 03/1102 (in the case of CGIS).

Colchester's Investment Process

Colchester is a medium-term value driven investment manager. Investments are made in fixed interest securities issued by sovereigns and supranational institutions and their currencies. The factors that underpin the Colchester investment process are wide ranging incorporating macro-economic and financial analysis alongside environmental, social and governance (ESG) factors. Responsible investing is and has been since the inception of Colchester in 1999, integral to the investment process employed by Colchester.

Colchester believes that countries with better ESG standards tend to produce better economic growth, more stable balance sheets and better long-term and sustainable financial outcomes. Colchester's investment strategy therefore rewards those countries with better, and penalises those with weaker, ESG standards. Colchester believes that this approach will deliver better risk-adjusted returns for clients over the medium-term.

In Colchester's assessment of ESG factors, governance is clearly a key consideration, although environmental and social considerations play a role in determining the medium-term stability and economic performance of a country. Within the social factors that Colchester monitors, modern slavery, labour standards and the human development index are factors that Colchester integrates into its overall assessment of a sovereign issuer.

Colchester is a signatory to the UN Principles of Responsible Investment ("UNPRI") and has implemented and adopted the six principles of responsible investment into its investment process. Therefore, in addition to seeking to ensure that its own business and supply chains are free from modern slavery, Colchester's investment process in accordance with the UNPRI in turn reflects its commitment to assess and review modern slavery risks holistically.

Please refer to Colchester's ESG Policy (<https://colchesterglobal.com/wp-content/uploads/esg-policy-march-20-v2.pdf>) for a detailed description of how ESG factors, including labour standards and modern slavery considerations, are incorporated into Colchester's investment process. Please also refer to Colchester's Sovereign Engagement Framework (<https://colchesterglobal.com/united-kingdom/wp-content/uploads/colchester-sovereign-engagement-framework-dec-20-1.pdf>) for a description of Colchester's approach to engagement with sovereign issuers on ESG matters.

Colchester's Supply Chain

Suppliers of services to Colchester are firms such as custodians, information technology specialists, law firms and other professional services firms providing audit or controls assurance reviews. Colchester's exposure to supply chain risks is therefore considered limited. Colchester's material service providers are however requested to provide on an annual basis, and have provided, assurances that their working practices and offices are reviewed and free from slavery and human trafficking, globally.

Colchester's Employment Policies

As at 31st December 2020, Colchester had a total of 76 permanent employees globally, including 56 employed by Colchester in London, 3 in New York, 14 in Singapore, two in Dubai and one in Australia. Colchester's workforce is predominantly made up of professionally qualified and skilled employees. Colchester operates in an open and fair manner with all employees. Colchester provides a working environment where employees are treated with respect, dignity and consideration.

Colchester expects the highest standards of ethics and integrity and opposes all forms of discrimination, harassment or victimisation. The Colchester Code of Ethics, to which all employees of Colchester are subject, requires an attitude of integrity and trust. Colchester's clients' interests take precedence over any other interests at Colchester. Colchester employees are subject to a number of other policies which create an environment where modern slavery would not be tolerated. For example, Colchester maintains an Anti-Trafficking Policy, an Anti-Bribery and Corruption Policy and a robust Whistle Blowing Policy. Annual training is provided to all employees on the importance of ethical conduct. Colchester therefore considers the risk of modern slavery occurring amongst its employees to be low.

Conclusion

This Modern Slavery and Human Trafficking Statement has been approved by the Board of Directors of CGIL on 27 January 2021.

Keith Lloyd