



COLCHESTER[®]
GLOBAL INVESTORS

Charlotte Firefighters' Retirement System

17 September 2020

Heathcoat House
20 Savile Row
London W1S 3PR
United Kingdom
Tel: +44 207 292 6920

885 Third Avenue
24th Floor
New York, NY 10022
United States of America
Tel: +1 646 472 1800

6 Battery Road #40-02A
Six Battery Road
Singapore 049909
Singapore
Tel: +65 3158 3760

Level 10
20 Martin Place
Sydney NSW 2000
Australia
Tel: +61 2 8599 2132

Unit 403 Index Tower
DIFC
Dubai
United Arab Emirates
Tel: +971 5 0463 5370

www.colchesterglobal.com

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IMPORTANT NOTES

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1. Company Update

ORGANISATION: Our Team

CHAIRMAN & CHIEF INVESTMENT OFFICER

Ian Sims

40 years industry experience
(previously Delaware International, Hill Samuel, Royal Bank of Canada)

CEO & DEPUTY CIO

Keith Lloyd, CFA

36 years industry experience
(previously The World Bank, The Reserve Bank of New Zealand)

MARKETING & CLIENT SERVICES

Dubai

Paul Allen

Senior Executive Officer-Middle East
Global Head of MCS
24 years industry experience
(previously Fidelity, PAM, PIMCO)

Anna Sperotto, CFA

Head of Distribution-Middle East & Africa
18 years industry experience

London

Jeremy Church

Giancarlo Fenton, CFA

Constance de Wavrin
Product Specialists

New York

Janhavi Kumar

Head of Distribution-North America
20 years industry experience

Taylor Ridgely

Product Specialist

Montevideo

Analia Giachino

Product Specialist

Asia Pacific

Angela MacPherson

Head of Distribution-Australia
27 years industry experience

Calvin Liew, CFA

Product Specialist

Additional Staff not listed 9

INVESTMENT

Kathryn Elsby

Senior Investment Manager
38 years industry experience
(previously Hill Samuel)

Claudia Gollmeier, CFA

Managing Director - Singapore
Senior Investment Officer
21 years industry experience

Cian O'Brien, CFA

Senior Investment Officer
18 years industry experience

Martyn Simpson, CFA

Investment Officer
21 years industry experience

Mark Capstick

Investment Officer
22 years industry experience

Carl Roberts

Investment Officer
15 years industry experience

Jean Lee, CFA

Investment Officer
17 years industry experience

Alex Fullarton

Investment Analyst
13 years industry experience

Joanna David

Junior Investment Analyst
9 years industry experience

RISK, ANALYTICS & DEALING

Alberto Martin-Martin

Head of Risk & Analytics
21 years industry experience

Arun Patel, CFA

Quantitative Analyst

Additional Staff not listed 1

Tim Digby

Head of Dealing
17 years industry experience

Additional Staff not listed 5

COMPLIANCE & CORPORATE SERVICES

Michele Connell

Head of Legal & Compliance
24 years industry experience

Rob Walker

Senior Compliance & Legal Officer

James Christie

Senior Legal Associate

Paul Hecker

Senior Compliance Associate

Claire Hopkins

Global Financial Crime Officer
UK and Dubai MLRO

Additional Staff not listed 7

Emma Amara

Global Head of Finance
20 years industry experience

Additional Staff not listed 5

OPERATIONS

Trevor Denton

Chief Operating Officer
28 years industry experience

Roxanne Aszkielowicz

Head of Operations
18 years industry experience

Deborah Fritzsche

Senior Portfolio Administrator

Shamsul Khan

Senior Derivatives Administrator

Tristan Thomas

Senior Securities Administrator

Edwin Teng

Senior Investment Operations Officer

Arpita Shah

Head of Systems Development
13 years industry experience

Additional Staff not listed 16

Total Staff: 80

Five Offices:

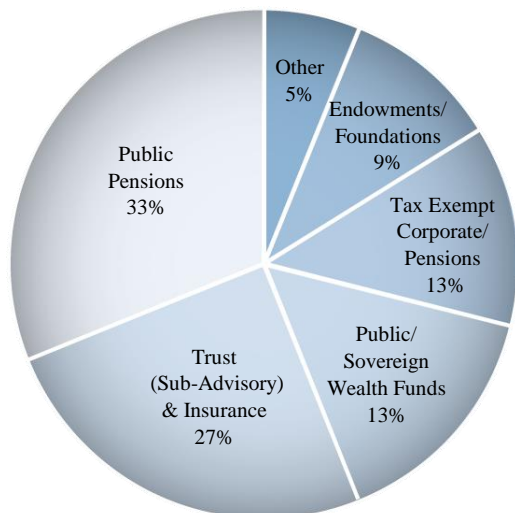
London, New York,
Singapore, Sydney and
Dubai

* As of end August 2020

ORGANISATION (As of 31 August 2020)

AN OVERVIEW

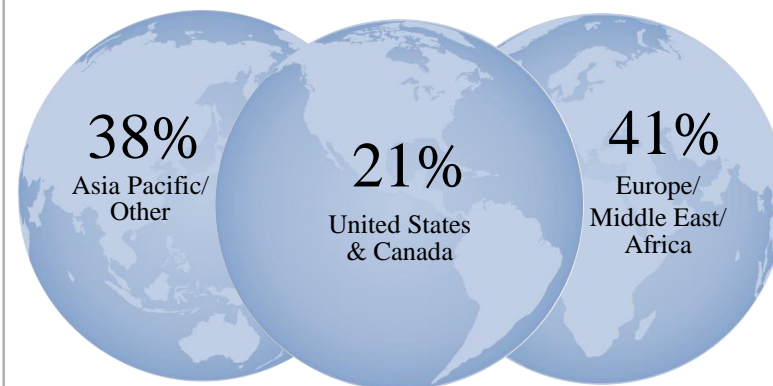
Entity Type



Assets Under Management

\$41,328 million

Geographic Location



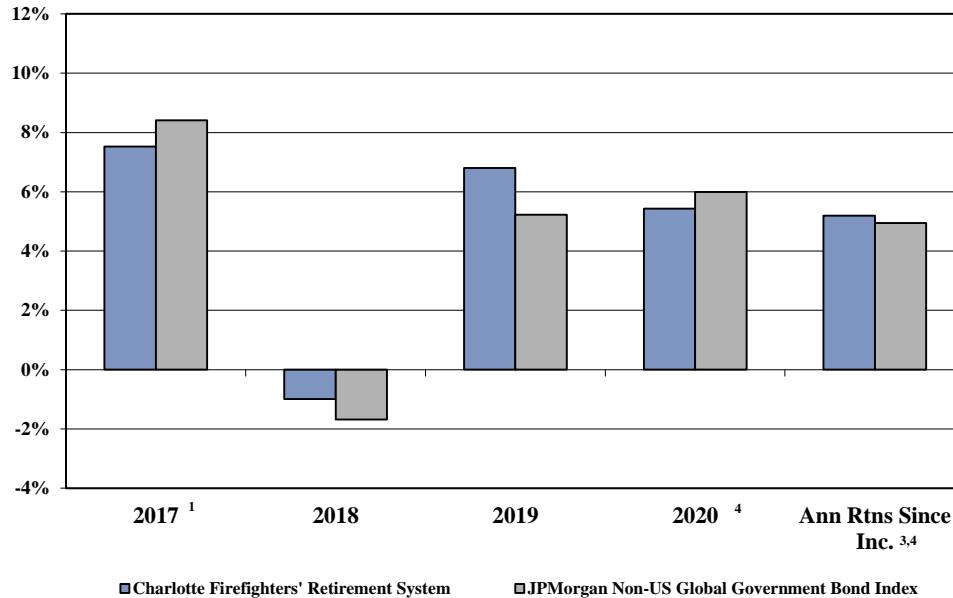
PRODUCTS OFFERED

Global Sovereign	Global Inflation Linked	Emerging Local Markets Debt	Alpha Program
\$26.4bn	\$2.2bn	\$11.8bn	\$934mm

2. Performance Review

INVESTMENT PERFORMANCE (1 February 2017 to 31 August 2020)

Percentage Total Returns (Gross)



	Market Value
Initial Contribution 01 February 2017	\$23,259,362
Ending Market Value 31 August 2020	\$27,293,140

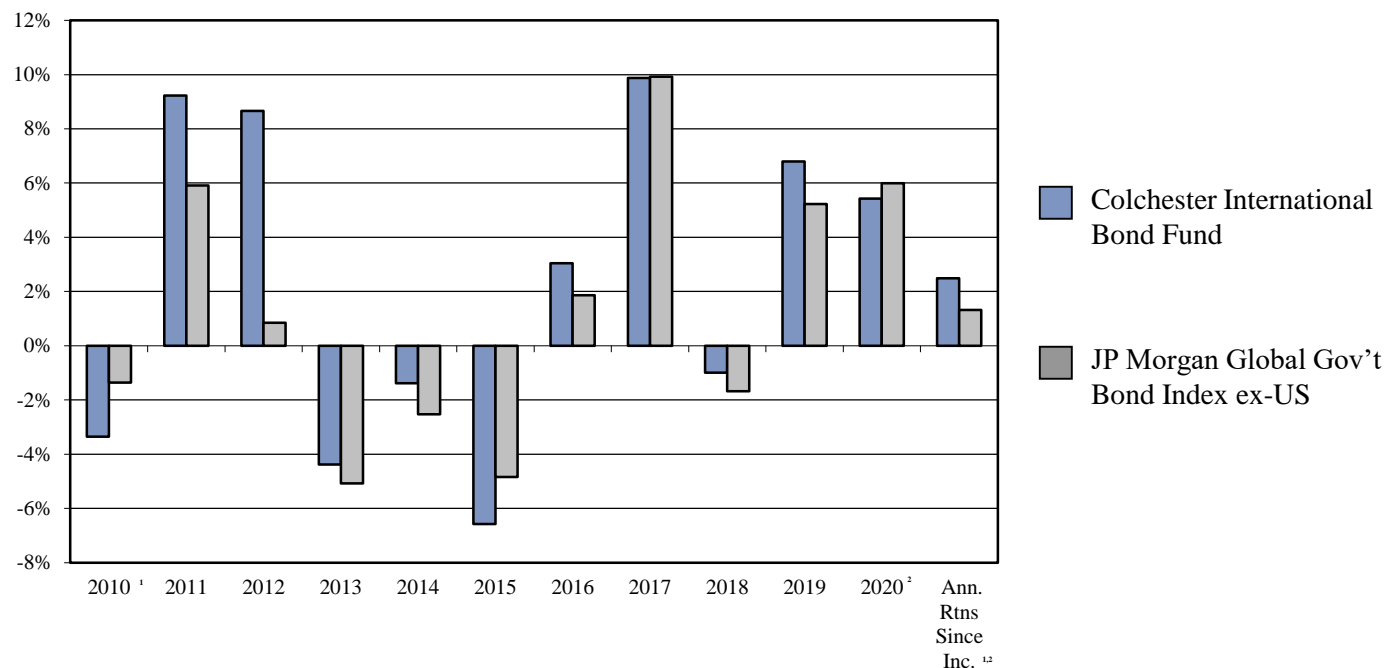
	2017 ¹	2018	2019	2020 ³	Total Rtns Since Inc. ^{2,4}	Ann. Rtns Since Inc. ^{3,4}
Charlotte Firefighters' Retirement System (gross)	7.53%	-0.99%	6.80%	5.43%	19.89%	5.19%
JPMorgan Non-US Global Government Bond Index	8.41%	-1.68%	5.23%	5.99%	18.90%	4.95%
Relative Performance	-0.88%	0.69%	1.57%	-0.56%	0.99%	0.24%

Notes:

1. Since inception date of 1 February 2017.
2. Total return since inception date of 1 February 2017.
3. Annualized return since inception date of 1 February 2017.
4. To the end of August 2020.

PERFORMANCE: COLCHESTER INTERNATIONAL BOND FUND

**Gross
Performance
(Percent)**



The Colchester International Bond Fund ^{1,2}	2010 ¹	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020 ²	Ann. Rtns Since Inc. ^{1,2}
Gross Returns	-3.35	9.23	8.66	-4.38	-1.38	-6.57	3.04	9.88	-0.99	6.80	5.43	2.49
JPMorgan Non-US Global Gov't Bond Index³	-1.36	5.91	0.85	-5.08	-2.53	-4.84	1.86	9.92	-1.68	5.23	5.99	1.32
Relative Performance	-1.99	3.32	7.81	0.70	1.15	-1.73	1.18	-0.04	0.69	1.57	-0.56	1.17

1. From the inception of The Colchester International Bond Fund on October 1, 2010.

2. To end August 2020.

3. The JP Morgan Global Government Bond Index ex-US (JPMI ex-US), as calculated in US Dollars on an unhedged basis has been used as the appropriate benchmark for comparison purposes. Benchmark returns have been calculated gross of any foreign withholding taxes.

PERFORMANCE ATTRIBUTION: INTERNATIONAL (UNHEDGED)

2020 YTD ²

	Bonds	Currency	Total
Portfolio	2.83%	2.60%	5.43%
Benchmark ¹	2.33%	3.66%	5.99%
Relative	0.50%	-1.06%	-0.56%

Top three bond contributors to relative returns were:

- The overweight position in Mexico (+0.76%)
- The overweight position in Singapore (+0.31%)
- The overweight position in Colombia (+0.26%)

Top three bond detractors from relative returns were:

- The underweight position in United Kingdom (-0.83%)
- The underweight position in Europe (-0.19%)
- The underweight position in Australia (-0.12%)

Top three currency contributors to relative returns were:

- The overweight position in Norwegian Krone (+0.63%)
- The overweight position in Swedish Krona (+0.47%)
- The overweight position in Australian Dollar (+0.20%)

Top three currency detractors from relative returns were:

- The underweight position in Euro (-1.51%)
- The overweight position in Mexican Peso (-0.40%)
- The overweight position in Colombian Peso (-0.24%)

1. The JP Morgan Global Government Bond Index ex-US unhedged in US dollars

2. As of end August 2020.

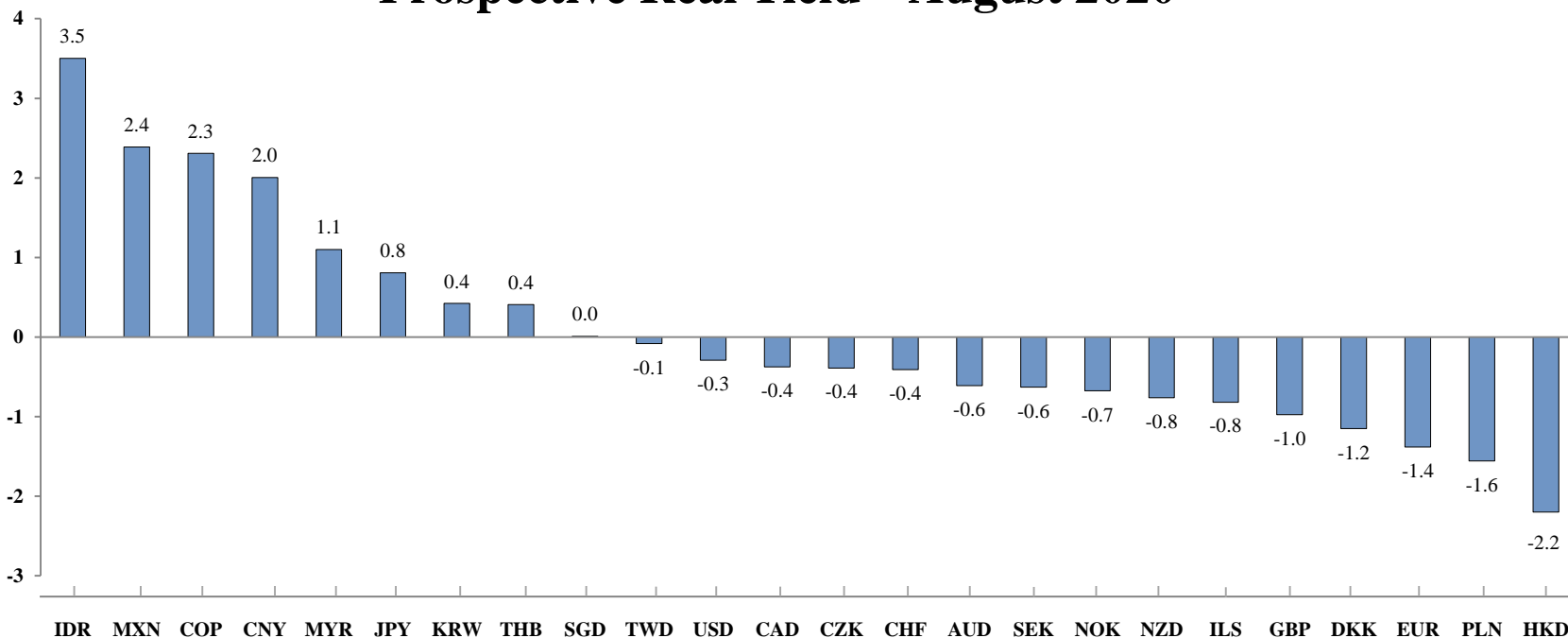
3. Investment Valuations & Portfolio Positioning

INVESTMENT VALUATIONS: Real Yields

Despite Low and Negative Real Yields, Divergences Remain:

Prospective Real Yield – August 2020 ¹

10 Year Nominal Yield less Colchester Inflation Forecast



AUD Australia	CZK Czech Republic	IDR Indonesia	MYR Malaysia	SGD Singapore
CAD Canada	DKK Denmark	ILS Israel	NOK Norway	THB Thailand
CHF Switzerland	EUR Eurozone	JPY Japan	NZD New Zealand	TWD Taiwan
CNY China	GBP United Kingdom	KRW Korea	PLN Poland	USD United States
COP Colombia	HKD Hong Kong	MXN Mexico	SEK Sweden	

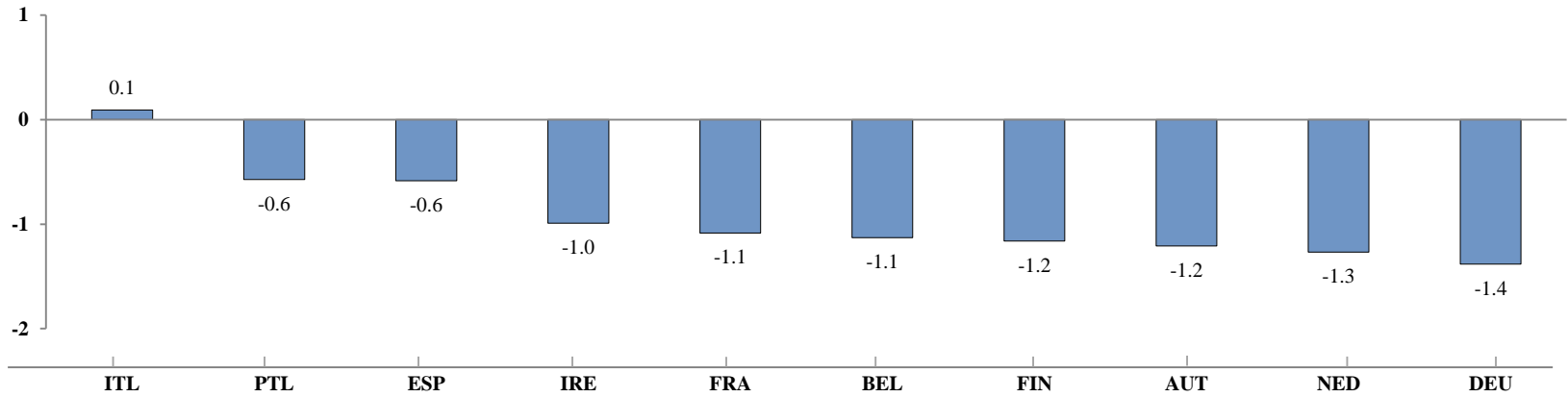
Notes: 1. The prospective real yield for the 10 yield sector is shown here for representational purposes. Colchester values up the 2, 5, 10 and 20 year sectors of the yield curve when valuing a country. The final portfolio reflects the value on offer in these individual yield curve points.

2. The expected real yield for Euroland is calculated based on the 10 year German Bund yield and the Colchester forecast for inflation in the Eurozone.

INVESTMENT VALUATIONS: Eurozone Real Yields

Prospective Real Yield – August 2020

10 Year Nominal Yield less Colchester Inflation Forecast

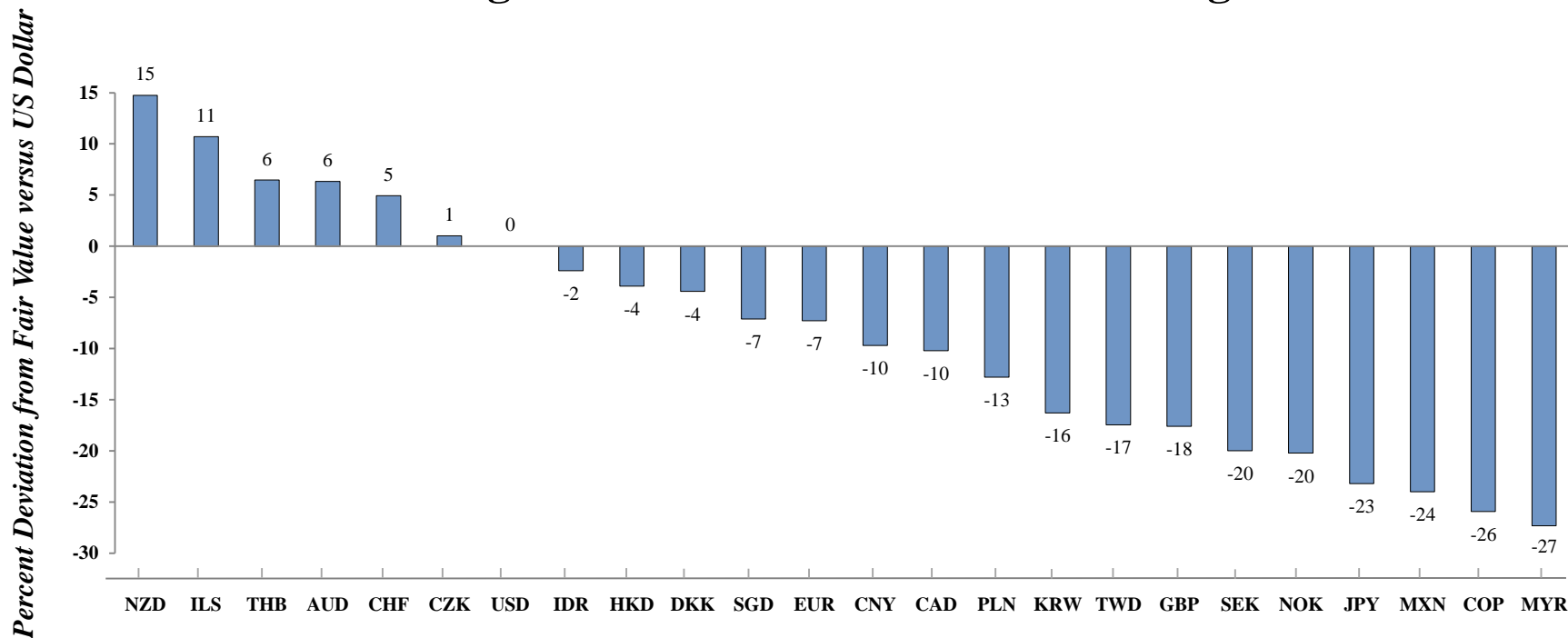


AUT	Austria	FIN	Finland	NED	Netherlands
BEL	Belgium	FRA	France	PTL	Portugal
DEU	Germany	IRE	Ireland		
ESP	Spain	ITL	Italy		

INVESTMENT VALUATIONS: Real Exchange Rate Estimates

Significant Disparity:

Real Exchange Estimates versus US Dollar - August 2020



AUD Australian Dollar	CZK Czech Koruna	IDR Indonesian Rupiah	MYR Malaysian Ringgit	SGD Singapore Dollar
CAD Canadian Dollar	DKK Danish Krone	ILS Israeli Shekel	NOK Norwegian Krone	THB Thai Baht
CHF Swiss Franc	EUR Euro	JPY Japanese Yen	NZD New Zealand Dollar	TWD Taiwan Dollar
CNY Chinese Renminbi	GBP Great British Pound	KRW Korean Won	PLN Polish Zloty	USD United States Dollar
COP Colombian Peso	HKD Hong Kong Dollar	MXN Mexican Peso	SEK Swedish Krona	

PORTFOLIO: INTERNATIONAL (UNHEDGED)

Illustrative Portfolio: August 2020 ¹

<i>Market</i>	<i>Expected Real Return²</i>	<i>Colchester Range</i>	<i>Index ³</i>	<i>Colchester Country Exposure</i>	<i>Colchester Currency Exposure</i>
<i>Classic</i>					
Euroland ⁴	-1.4	0-70	46.7	32	21
Japan	0.8	0-50	33.6	30	33
United Kingdom	-1.0	0-30	12.8	2	17
Australia	-0.6	0-30	3.1	2	1
Canada	-0.4	0-20	2.7	5	2
Sweden	-0.6	0-20	0.4	0	6
Norway	-0.7	0-20	0.0	0	6
<i>Non-Classic</i>					
Colombia	2.3	0-7.5	0.0	5	2
Malaysia	1.1	0-7.5	0.0	5	5
Mexico	2.4	0-15	0.0	11	5
Poland	-1.6	0-15	0.0	0	1
Singapore	0.0	0-15	0.0	8	0
South Korea	0.4	0-7.5	0.0	0	1
<i>Other Countries ³</i>			0.7		
Total			100	100	100

- ¹ The portfolio allocations represented on this page are for illustration purposes only. The portfolio presented above and on the following page is a close approximation to the holdings of an International Unhedged Portfolio at the end of August 2020. The country ranges shown are indicative and arise from Colchester's desire to control deviations from index weightings; they are subject to change over time and do not represent actual investment guidelines. The contents of this page should not be viewed as an investment recommendation to any third party.
- ² These expected (annualized) real returns are for relative allocation decision-making purposes only and do not represent forecasts of actual returns.
- ³ J.P. Morgan Global ex-US Bond Index (unhedged in US dollars), at the end of August 2020. Not all index countries are included in the table above. Specifically, Denmark (0.7% of the index) is excluded.
- ⁴ The expected real yield for Euroland is calculated based on the 10 year German Bund yield and the Colchester forecast for inflation in the Eurozone.

PORTFOLIO: INTERNATIONAL (UNHEDGED)

Illustrative Portfolio: August 2020 ¹

Classic ²				Classic ²				
	Coupon	Maturity	Percent		Coupon	Maturity	Percent	
Euroland				United Kingdom				
Austria	1.650	2024	1.2	Govt	4.250	2040	0.2	
Austria	0.750	2026	0.2	Govt	1.250	2041	0.2	
Austria	4.150	2037	0.9	Govt	4.500	2042	0.2	
Belgium	4.250	2022	0.2	Govt	3.250	2044	0.5	
Belgium	0.200	2023	0.8	Govt	3.500	2045	0.9	
Belgium	2.600	2024	0.7	Govt	2.500	2030	0.9	
Belgium	0.500	2024	0.8	Govt	2.750	2041	0.5	
Belgium	0.800	2025	0.8	Govt	3.000	2047	0.5	
Belgium	4.250	2041	3.2	Govt	0.750	2021	0.2	
Belgium	3.750	2045	0.1	Govt	2.750	2022	0.1	
Belgium	1.600	2047	0.1	Govt	1.000	2022	0.6	
France	2.750	2027	0.4	Govt	1.500	2023	0.3	
France	0.750	2028	0.4	Govt	2.500	2024	1.8	
France	0.750	2028	0.4	Govt	2.250	2025	0.1	
France	5.500	2029	2.0	Govt	1.000	2027	1.0	
France	0.500	2029	0.4	Govt	5.000	2037	0.6	
France	0.000	2029	0.4					
France	2.500	2030	0.4	Total			70.6	
France	3.250	2045	1.1	Non-Classic³	Coupon	Maturity	Percent	
Germany	3.250	2042	1.3	Colombia	Govt	7.000	2022	0.3
Italy	0.950	2023	1.4	Govt	10.000	2024	3.3	
Italy	1.450	2025	1.0	Govt	7.500	2026	0.7	
Italy	6.500	2027	1.8	Govt	7.000	2032	0.2	
Italy	2.000	2028	1.3	Malaysia	Govt	4.048	2021	1.2
Italy	2.450	2033	1.6	Govt	3.882	2022	0.2	
Italy	2.950	2038	0.2	Govt	4.181	2024	0.3	
Italy	5.000	2040	0.9	Govt	4.059	2024	1.7	
Italy	3.450	2048	0.2	Govt	3.906	2026	0.1	
Spain	0.450	2022	0.2	Govt	3.502	2027	0.5	
Spain	1.600	2025	0.3	Govt	3.899	2027	0.2	
Spain	1.400	2028	0.9	Govt	4.232	2031	0.5	
Spain	6.000	2029	0.2	Govt	3.828	2034	0.5	
Spain	0.600	2029	1.2	Govt	6.500	2021	1.4	
Spain	0.500	2030	2.3	Mexico	Govt	10.000	2024	2.3
Spain	1.950	2030	0.2	Govt	5.750	2026	0.2	
Spain	5.750	2032	0.2	Govt	7.500	2027	1.9	
Spain	2.350	2033	0.6	Govt	8.500	2029	0.2	
Spain	1.850	2035	1.2	Govt	7.750	2031	2.5	
Spain	4.200	2037	0.3	Govt	7.750	2034	0.5	
Spain	4.900	2040	0.3	Govt	10.000	2036	1.1	
Spain	4.700	2041	0.4	Govt	8.500	2038	0.4	
Japan	0.100	2022	0.5	Govt	7.750	2042	0.9	
Govt	0.100	2022	1.9	Singapore	Govt	2.250	2021	0.5
Govt	0.100	2023	1.9	Govt	1.250	2021	0.7	
Govt	0.100	2024	0.5	Govt	3.125	2022	1.0	
Govt	0.400	2025	1.5	Govt	2.750	2023	0.4	
Govt	0.100	2026	5.8	Govt	3.000	2024	1.2	
Govt	0.100	2027	1.6	Govt	2.125	2026	0.4	
Govt	0.100	2027	0.5	Govt	3.500	2027	1.9	
Govt	1.800	2031	3.5	Govt	2.625	2028	0.2	
Govt	1.700	2033	0.6	Govt	2.875	2029	0.1	
Govt	1.500	2034	0.6	Govt	2.875	2030	1.0	
Govt	2.500	2036	1.1	Govt	3.375	2033	0.6	
Govt	0.600	2036	1.5	Govt	2.250	2036	0.2	
Govt	0.600	2037	1.8	Govt	2.750	2042	0.1	
Govt	2.000	2042	3.4	Total			29.4	
Govt	0.500	2046	0.9	Total			100	
Govt	0.400	2049	1.9					

SECTOR BREAKDOWN	Percent
Classic Conventionals	71
Non-Classic Conventionals	29
Inflation Indexed Bonds	0
Total	100

Government	100
Sovereign Eurobond/Supranational	0
Agency	0
Corporate	0
Total	100

CREDIT BREAKDOWN	Percent
AAA	17
AA+ to AA-	16
A+ to A-	43
BBB+ to BBB-	24
Below BBB-	0
Total	100
Average Credit	A+

MATURITY BREAKDOWN	Percent
0 - 5 years	30
5 - 10 years	30
10 - 20 years	23
Over 20 years	17
Total	100

YIELD	
Portfolio Average Coupon	3.05
Benchmark Average Coupon	2.07
Portfolio Yield to Maturity	1.15
Benchmark Yield to Maturity	0.17

DURATION	
Portfolio	8.5
Benchmark ⁴	9.8
Deviation	-1.3

1. The portfolio presented on this page is for illustration purposes only. The portfolio presented above is a close approximation to the holdings of an International Unhedged Portfolio at the end of August 2020. The contents of this page should not be viewed as an investment recommendation to any third party.

2. For investment purposes, the classic OECD includes those countries that were members before 1974 with the exception of Turkey. The 23 countries included in this set were Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Greece, Iceland, Ireland, Italy, Japan, Luxembourg, Netherlands, New Zealand, Norway, Portugal, Spain, Sweden, Switzerland, United Kingdom and the United States.

3. For investment purposes, non-classic refers to those countries not listed in the above 23 countries.

4. The benchmark is the J.P. Morgan Global ex-US Bond Index (unhedged in US dollars).

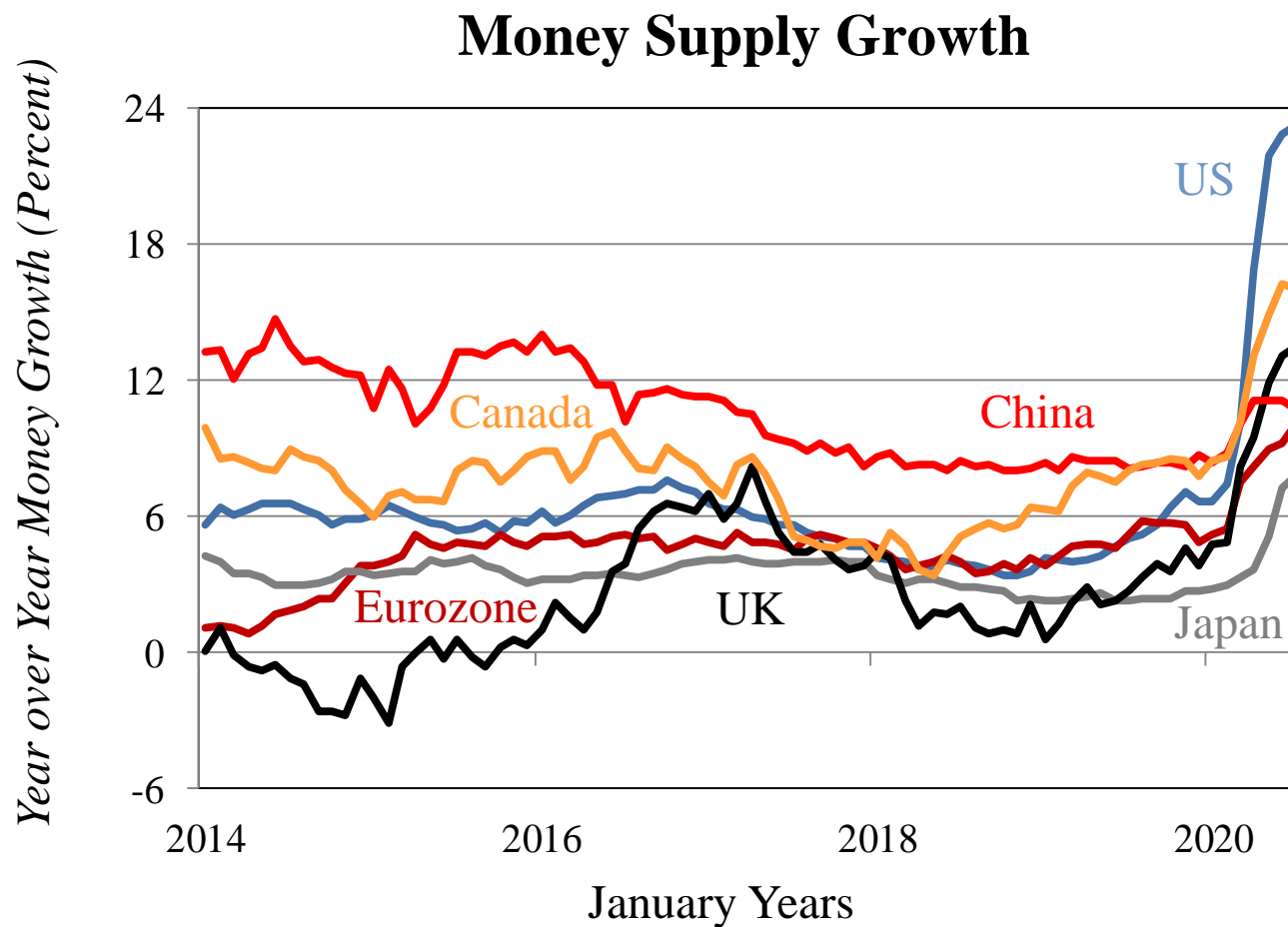
4. Economic & Inflation Outlook

ECONOMIC AND INFLATION OUTLOOK

Money Supply Increase Unlikely to be Inflationary in Short Term:

- Widespread monetary policy action has seen surge in narrow and broad money and credit aggregates globally. Accentuated by surge in “precautionary” savings in both the household and corporate sectors;
- The fall in the velocity of money suggests this is unlikely to be inflationary in short term;
- Subsequent rebound in prices, likely to produce a “hockey stick” inflation profile;
- Consumer/household savings behaviour will determine growth and inflation profile in the medium term. Has the consumer been “scared” by two “once in a lifetime economic events” in the last 10 years?

Dramatic Increase in Money Growth:

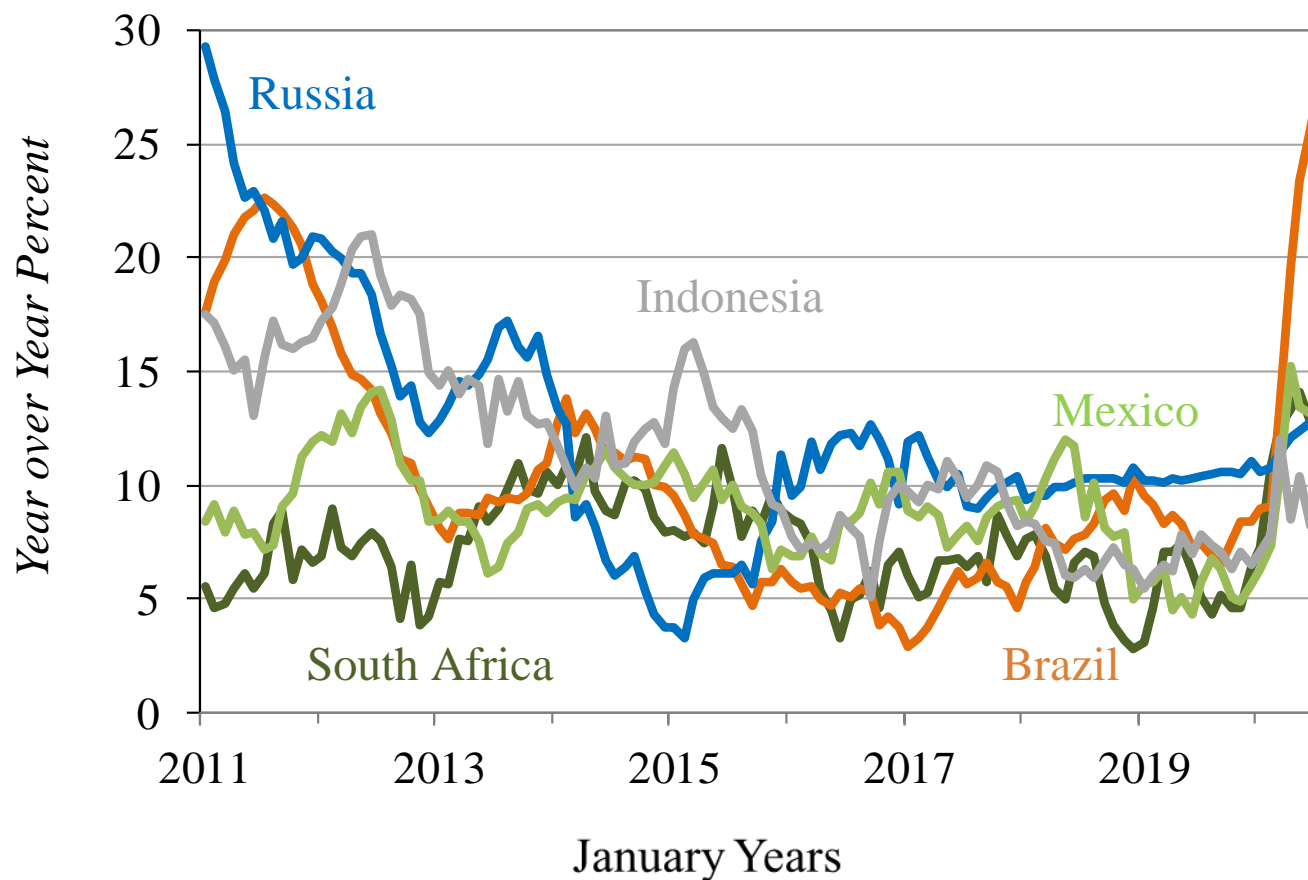


Source: Respective Central Bank Official data sources to end July, 2020, depending on most recent data release. Further details available on request.

ECONOMIC AND INFLATION OUTLOOK

More Muted and Varied Response Across Emerging Markets:

M2 Money Supply

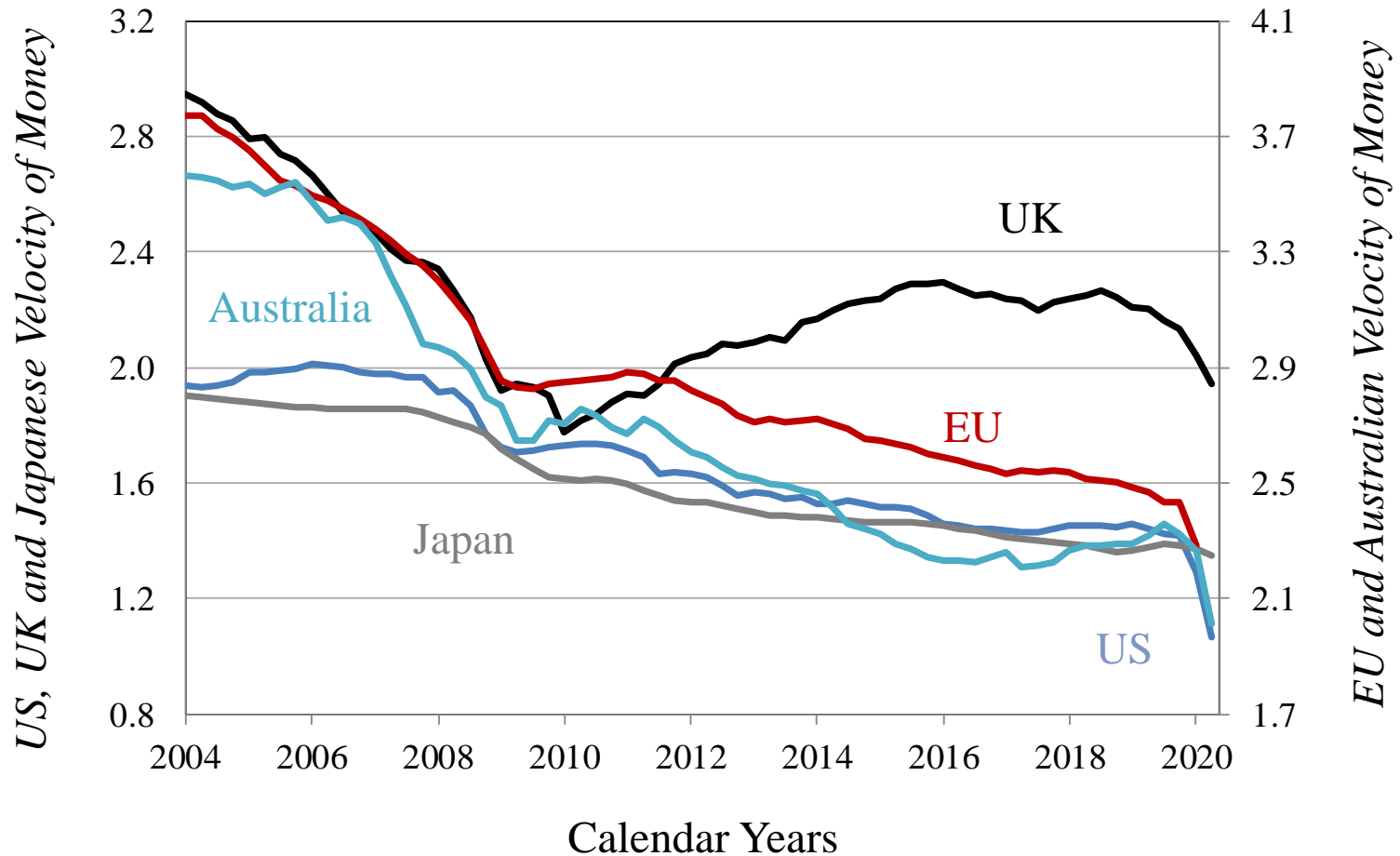


Source: Official data sources. Further details available on request. Data to end July 2020.

ECONOMIC AND INFLATION OUTLOOK

“Halt” in Activity has Prompted a Decline in Velocity:

Velocity of Money

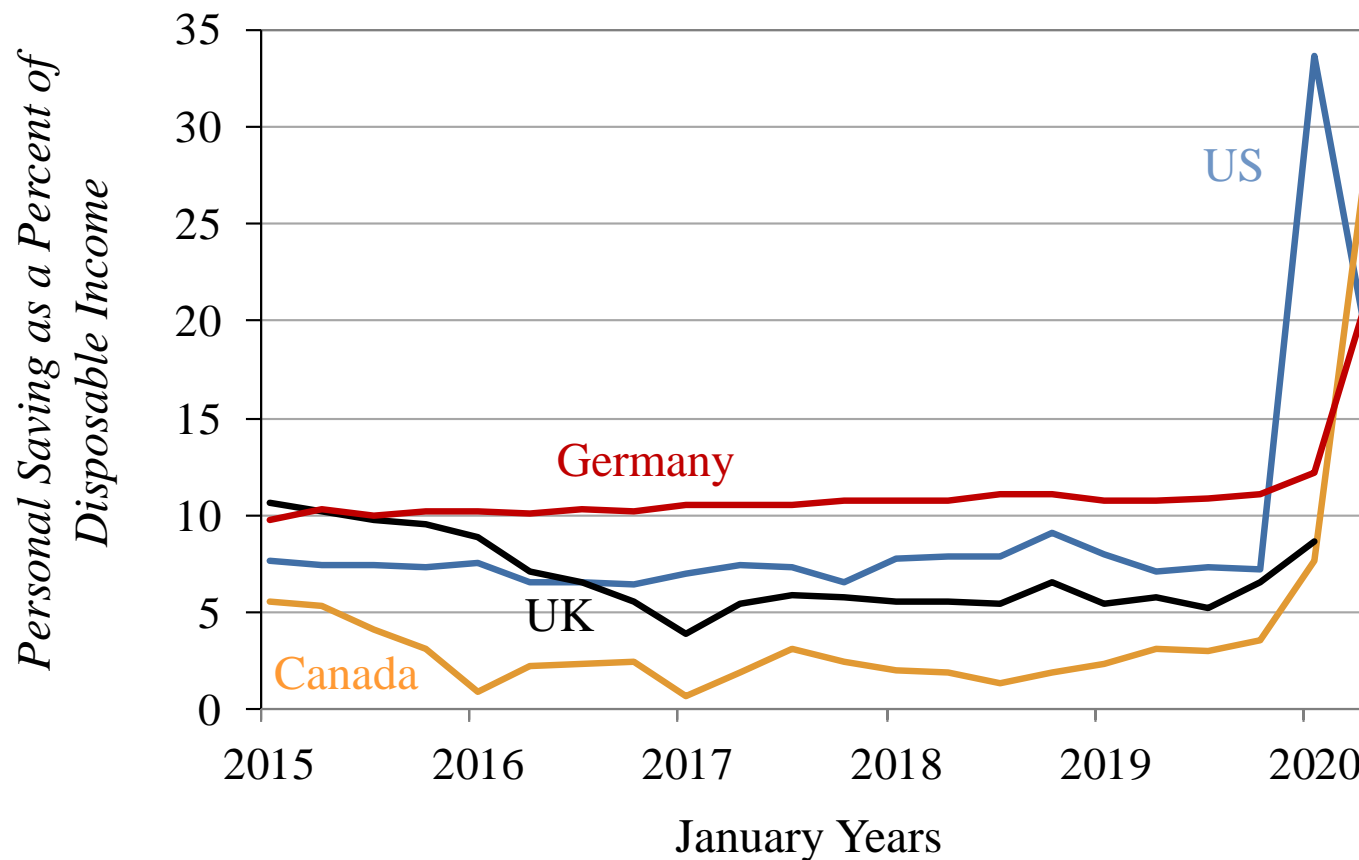


Source: Official data sources.

ECONOMIC AND INFLATION OUTLOOK

Permanent or Transitory Increase in the Demand for Savings?

Personal Savings Rate



Source: US Bureau of Economics, The Office of National Statistics, Statistics Canada, Deutsche Bundesbank.

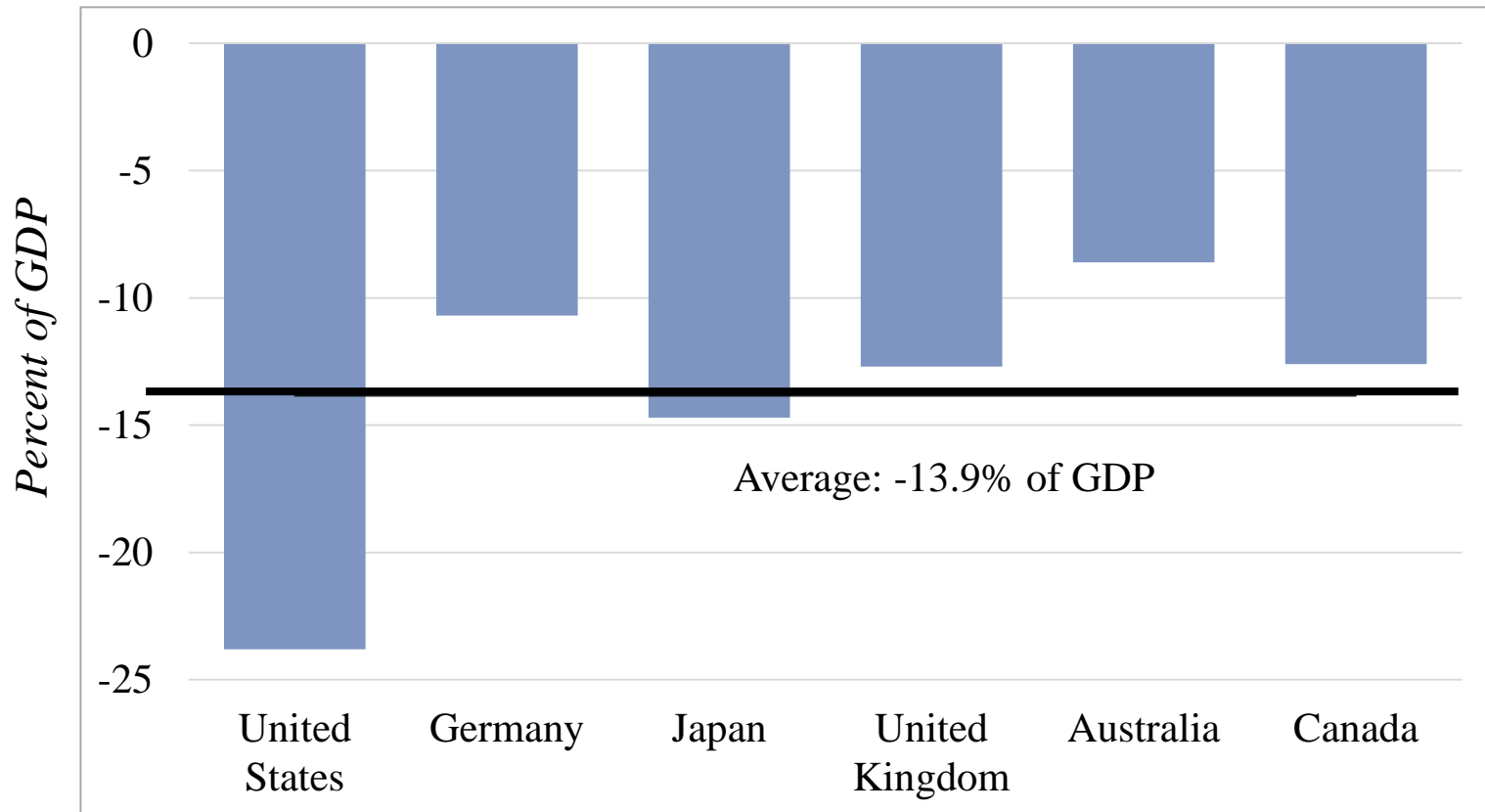
ECONOMIC AND INFLATION OUTLOOK

Longer Term Inflationary Consequences:

- Global monetary response dwarfs that during the GFC;
- Fiscal response similarly unprecedented outside of war – projected at greater than 10% of GDP in a number of countries, including the US;
- Once radical policies may become conventional e.g. monetary financing of deficits and “helicopter money”;
- Structural shifts in supply side of the global economy could reduce economies of scale, and reverse benefits of trade;
- Potentially storing up risk of demand and supply driven inflation at some stage in the future.

Deficit Spending – Developed Markets:

Government Deficit as a Percent of GDP (IMF 2020 Forecast)

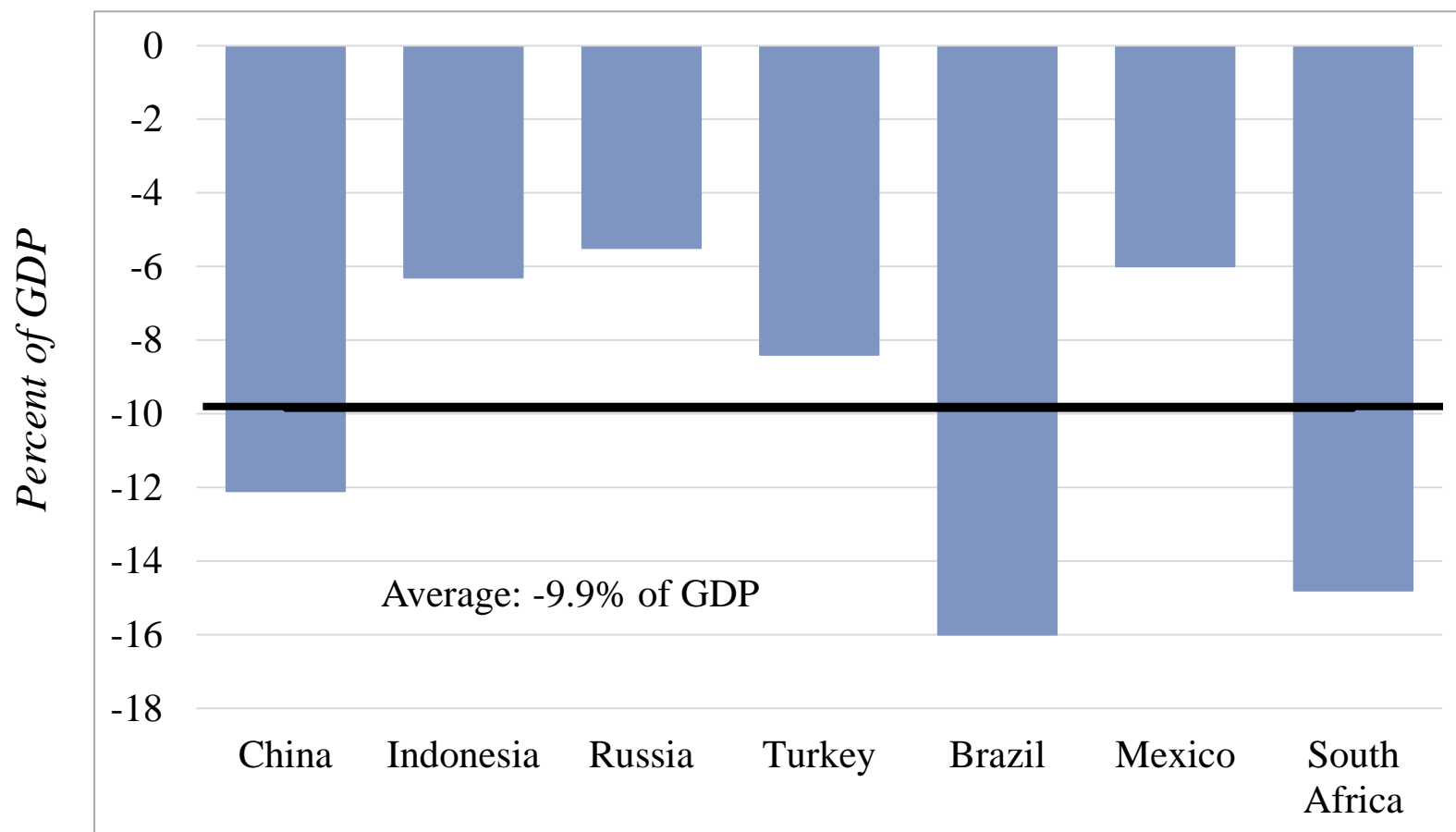


Source: International Monetary Fund (June 2020).

ECONOMIC AND INFLATION OUTLOOK

Similar, but More Varied, Policy Reaction in Emerging Markets:

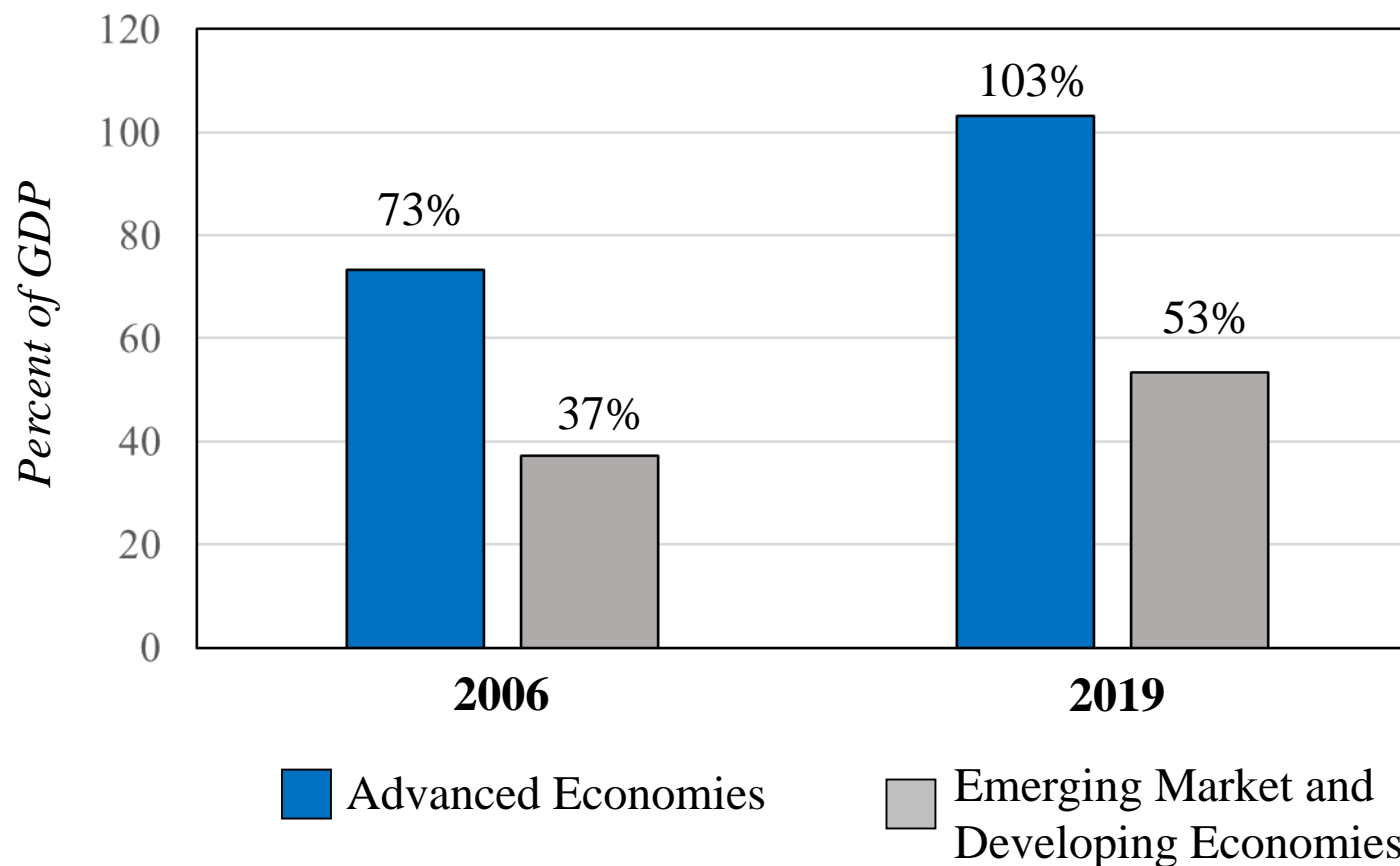
Government Deficit as a Percent of GDP (IMF 2020 Forecast)



Source: International Monetary Fund (June 2020).

Resulting in Rising Public Sector Debt burdens – DM more Exposed:

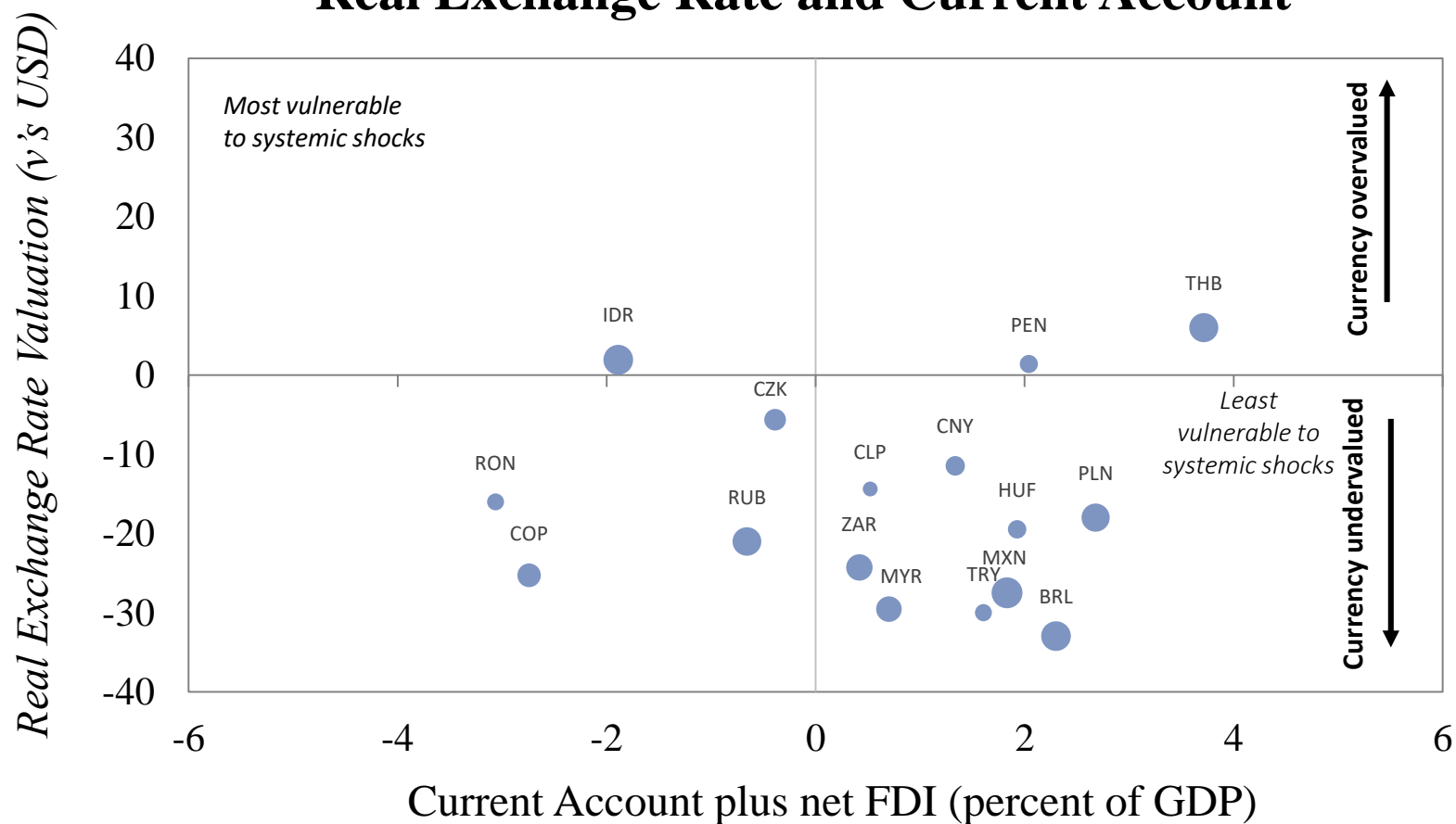
Gross Government Debt as a Percent of GDP



Source: International Monetary Fund World Economic Outlook Database, October 2019.

EM Currencies Generally Undervalued and External Balance Sheets Robust:

Real Exchange Rate and Current Account



Source: IMF, World Bank, Colchester Global Investors as of 30th June 2020. Size of circle represents weight in the JP Morgan GBI-EM Global Diversified bond index in USD (Unhedged).

ECONOMIC AND INFLATION OUTLOOK

Brazil:

- Virus temporarily derails fiscal reform, but external position stable:
 - Fiscal and economic reforms on hold. Primary deficit of 1.3% of GDP in 2019) and fiscal deficit of 6.4% of GDP to increase;
 - Gross government debt had fallen to 75.8% of GDP (net debt, 58%) in 2019. Limited capacity to increase debt;
 - Strong external buffers with moderate levels of external debt (37% of GDP), solid international reserve balances (18% GDP) and reasonable net international liability position of 32.1% of GDP.
- Virus cases are high but lower when viewed in per capita terms:
 - 6th most populous country (212m) has high number of cases but per capita mortality rate similar to Chile, Peru, Mexico and Singapore;
 - Percentage of the population above 65 years is low at 9% and healthcare spending is high at 9.2% of GDP.

Source: Official data sources. Further details available on request.

ECONOMIC AND INFLATION OUTLOOK

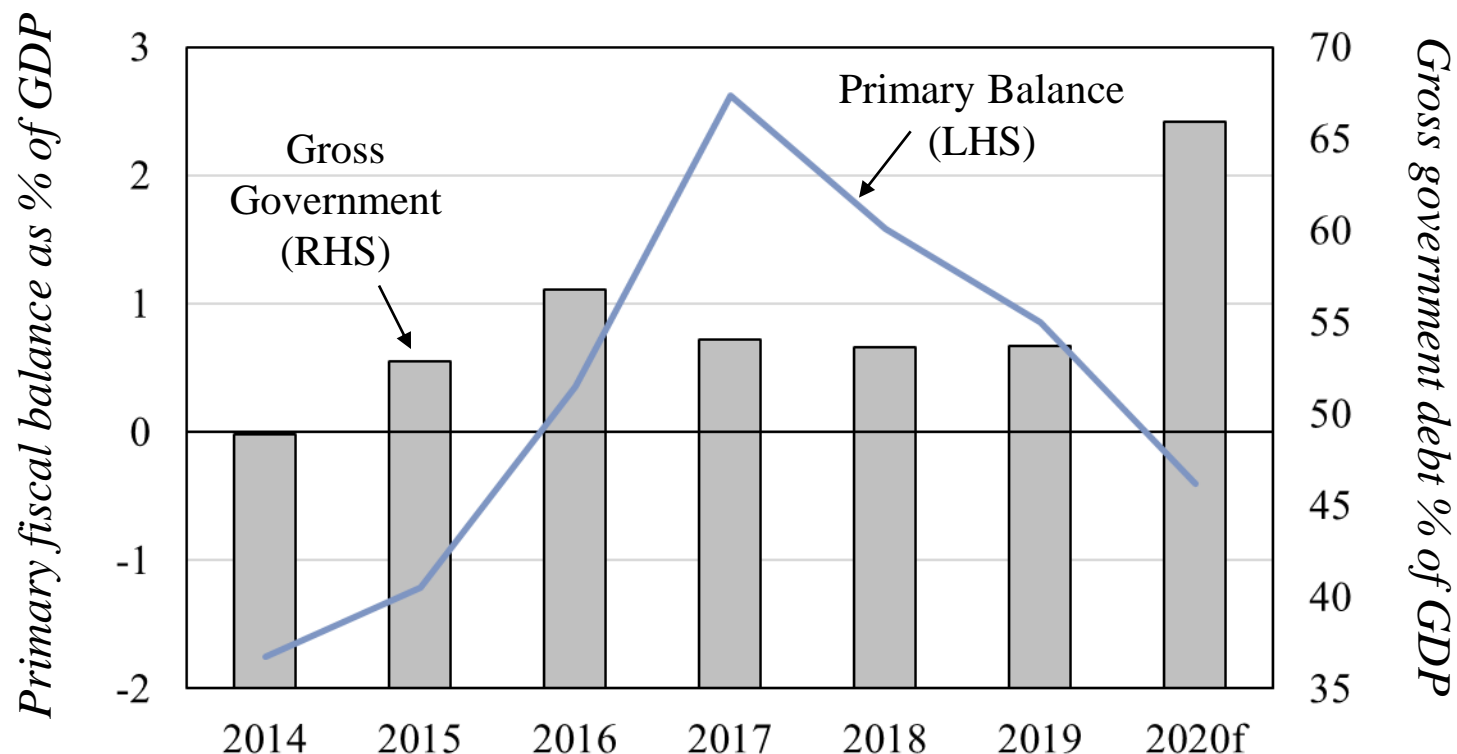
Mexico:

- Solid starting fiscal position:
 - Primary surplus projection of +0.4% of GDP for 2020;
 - Limited discretionary spending measures to date, ca. 0.6% of GDP;
 - Starting gross government debt level of 54% of GDP in 2019;
 - Excise tax and PEMEX transfers 17.5% of total budgetary income, 3.8% of GDP, in 2019, down from 35% and 8% in 2011;
 - Oil price hedges (circa \$46-\$49pb) cushions 2020 fiscal year.
- Weaker, but manageable external position:
 - Net energy importer – approximately 1.5% of GDP in 2019;
 - Exposed to USD business cycle, 80% of exports & 45% of imports;
 - Current account deficit 0.2% of GDP, foreign debt of 37% of GDP and net international liability position of -46% of GDP in 2019;
 - IMF Flexible Credit Line worth U\$61bn (ca. 4.8% GDP).

Source: Official data sources. Further details available on request.

Mexico - Sustained Prudent Fiscal Policy Reflected in Balance Sheet:

Primary Fiscal Balance versus Gross Government debt as % of GDP



Source: IMF, Ministry of Finance, World Economic Database Outlook, October 2019, April 2020 & June 2020; f: forecasted for 2020.

ECONOMIC AND INFLATION OUTLOOK

Russia:

- Enviable balance sheet, but high exposure to oil price:
 - Fiscal strength, given primary surplus of 1.4% of GDP and low government debt level of 17% of GDP in 2019;
 - But, non-oil primary balance around -5.5% of GDP;
 - Initial virus measures, around 3.4% of GDP, limited;
 - National Welfare Fund of \$125bn (7.5% of GDP);
 - Balanced fiscal budget at an oil price of \$42pb.
- Strong external buffers to weather short term oil price weakness:
 - External debt, 27% of GDP, of which public only 3% of GDP;
 - 4th largest foreign reserves in the world at US\$560bn, 30% of GDP;
 - Persistent current account surplus, estimated at 3.8% of GDP end 2019, and net international asset position of +22% of GDP in 2019.

Source: Official data sources. Further details available on request.

ECONOMIC AND INFLATION OUTLOOK

South Africa:

- Virus compounds fiscal weakness, but may be catalyst for real change:
 - Trend fiscal decline, gross government debt around 60% of GDP, up from 35% of GDP in 2010;
 - Further deterioration expected, as economic contraction pushes deficit wider to a projected 14.8% of GDP in 2020 (IMF);
 - Debt projected to rise towards 80% of GDP;
 - Long delayed structural reform potentially now on the agenda – labour market, state owned enterprise, governance, etc.
- While exposed to the negative commodity price shock, the external position relatively benign:
 - Steadily improving current account deficit, 3% of GDP end 2019;
 - External debt, 48% of GDP, of which 20% of GDP is government;
 - Small net positive international asset position of 8% of GDP in 2019.

Source: Official data sources. Further details available on request. I. Institute of International Finance.

ECONOMIC AND INFLATION OUTLOOK

China:

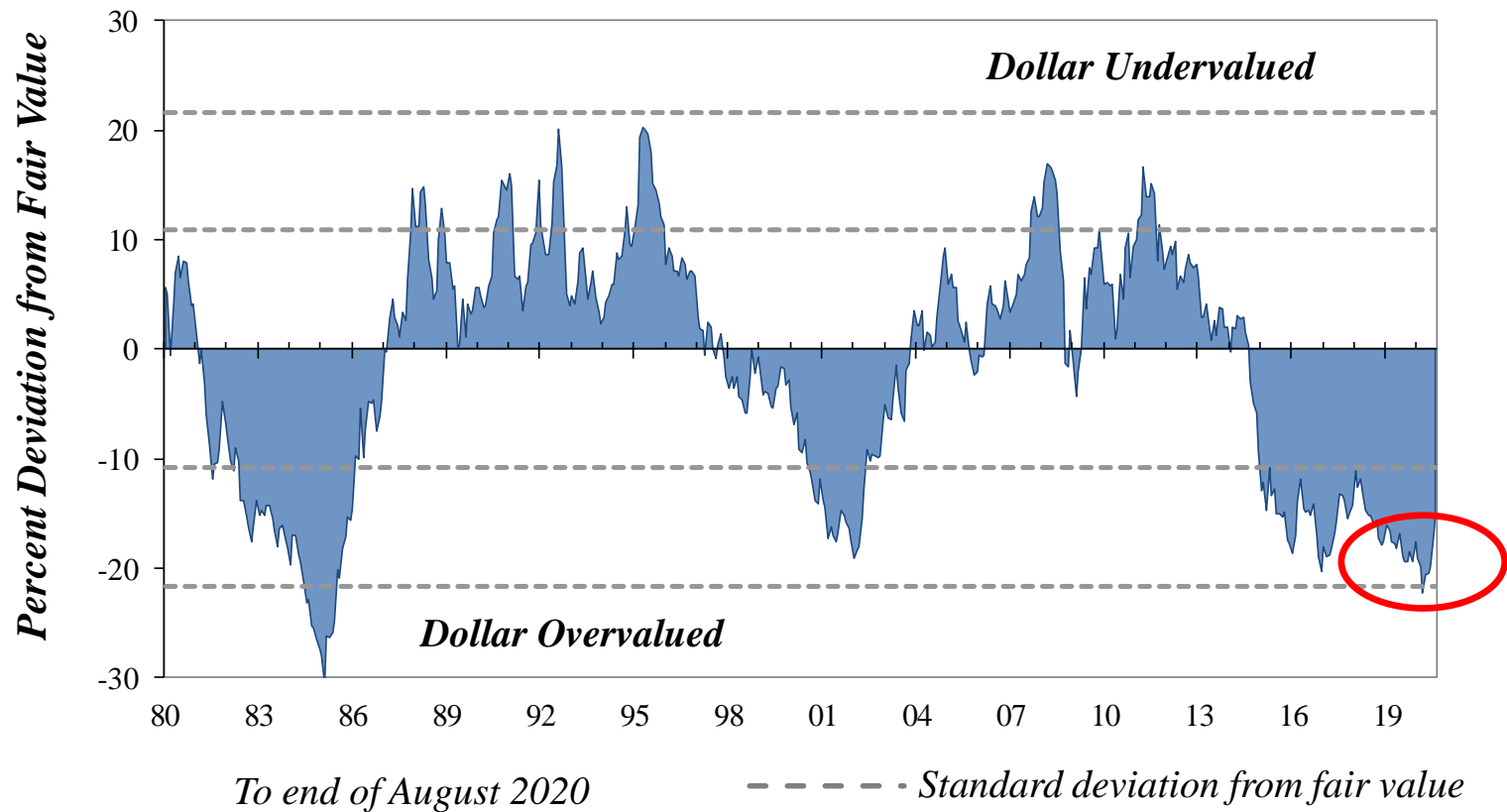
- Low levels of government debt gives fiscal headroom to counter virus:
 - Virus related fiscal stimulus package of 6% of GDP will focus on infrastructure projects and new urbanisation;
 - Fiscal deficit of -2.8% of GDP at the end of 2019, will deteriorate to projected -12.1% of GDP to the end of 2020 (IMF);
 - Government debt was under 60% of GDP at the end of 2019 but total debt was 317% at the end of Q1 2020 (IIF) ¹.
- Robust external balances buffers China from the drop in world trade:
 - Largest foreign reserves in the world at US\$3.1tn, 20% of GDP;
 - Very low external debt at 11% of GDP;
 - Persistent current account surplus, at 0.5% of GDP at end of 2019 and a net international asset position of +14% of GDP.

Source: Official data sources. Further details available on request.

ECONOMIC AND INFLATION OUTLOOK

Currency: a Medium Term Indicator of Value

DM Currency Basket versus US Dollar Real Exchange Rate ¹

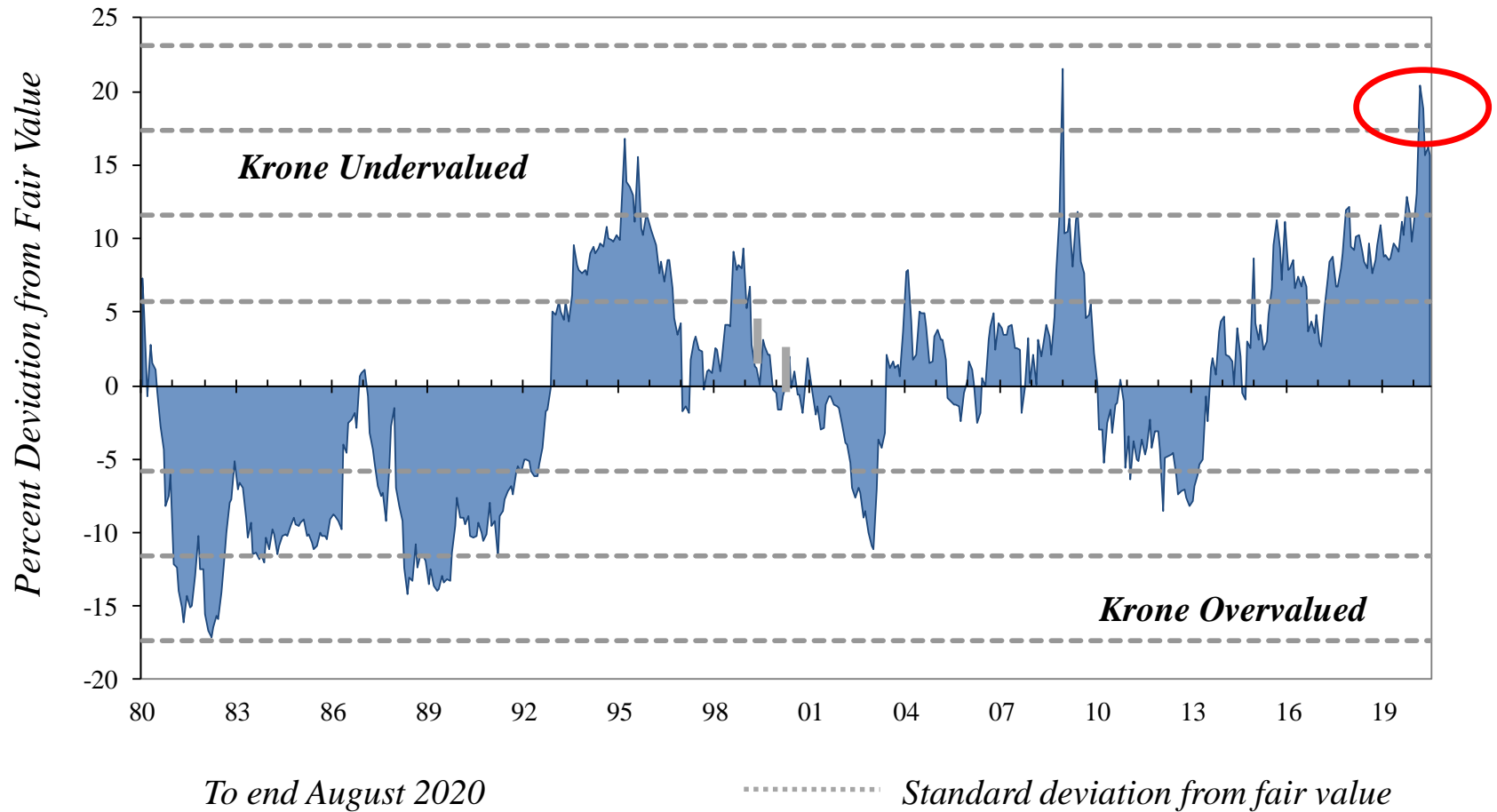


1. DM Currency Basket is the equally weighted real exchange estimate of the Euro, Japanese yen, UK pound, Canadian dollar and Norwegian krone.

ECONOMIC AND INFLATION OUTLOOK

Currency: Krone nearly Three Standard Deviations Undervalued against Euro:

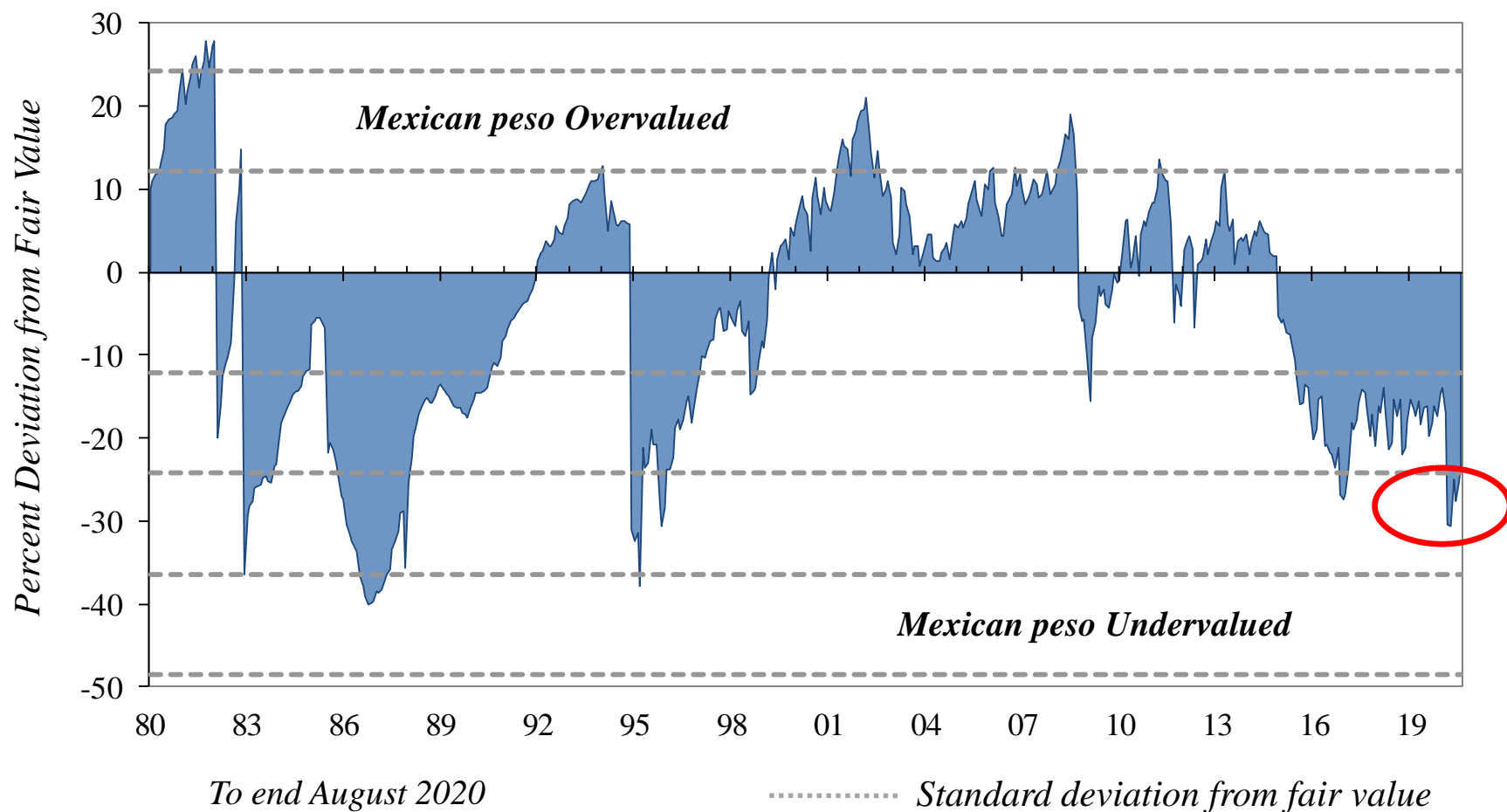
Euro – Norwegian Krone Real Exchange Rate



ECONOMIC AND INFLATION OUTLOOK

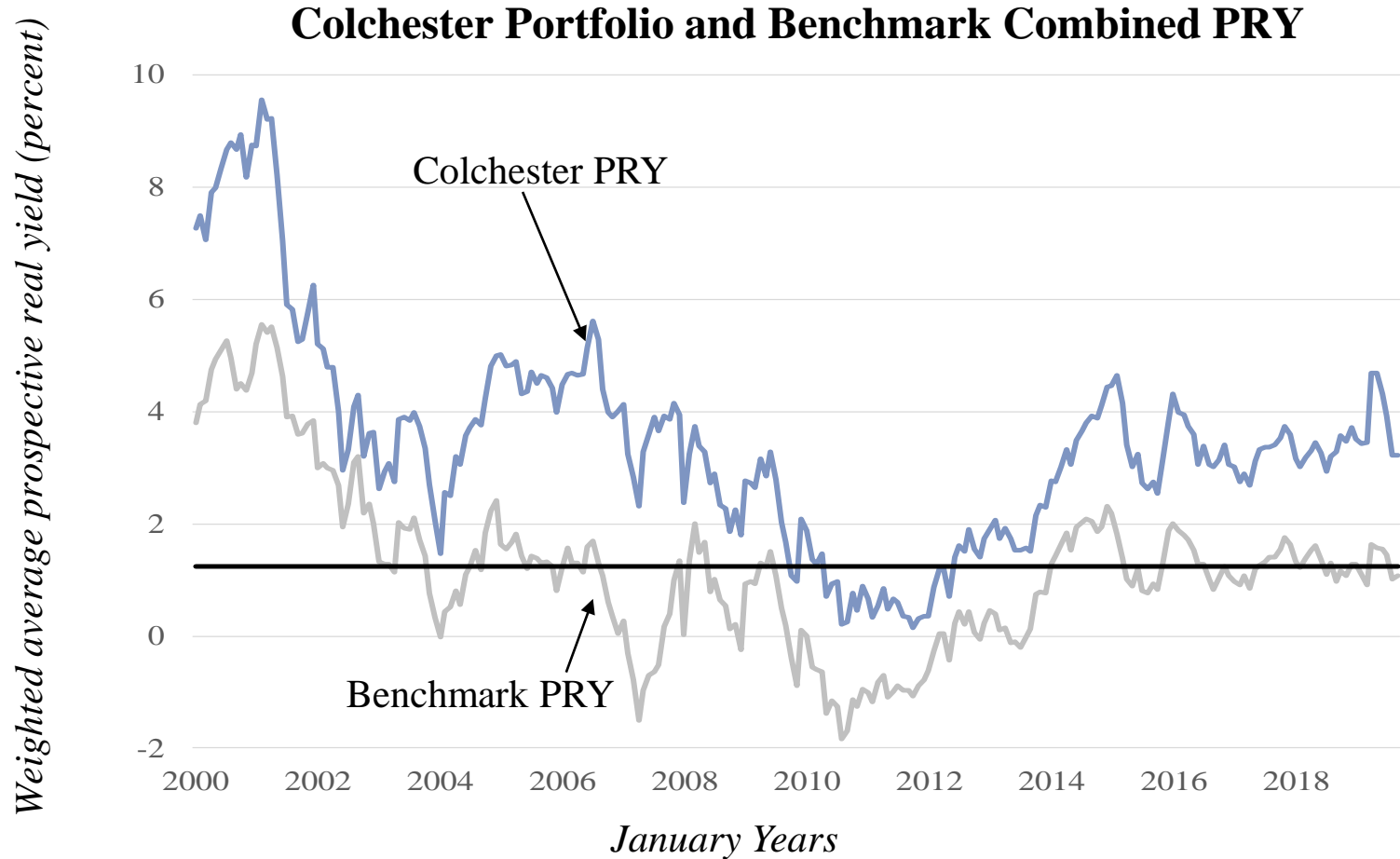
Currency: Meaningful Peso Undervaluation:

Mexican Peso – US Dollar Real Exchange Rate



ECONOMIC AND INFLATION OUTLOOK

Developed Market Debt – Real Yield and Real Exchange Combined Valuation:

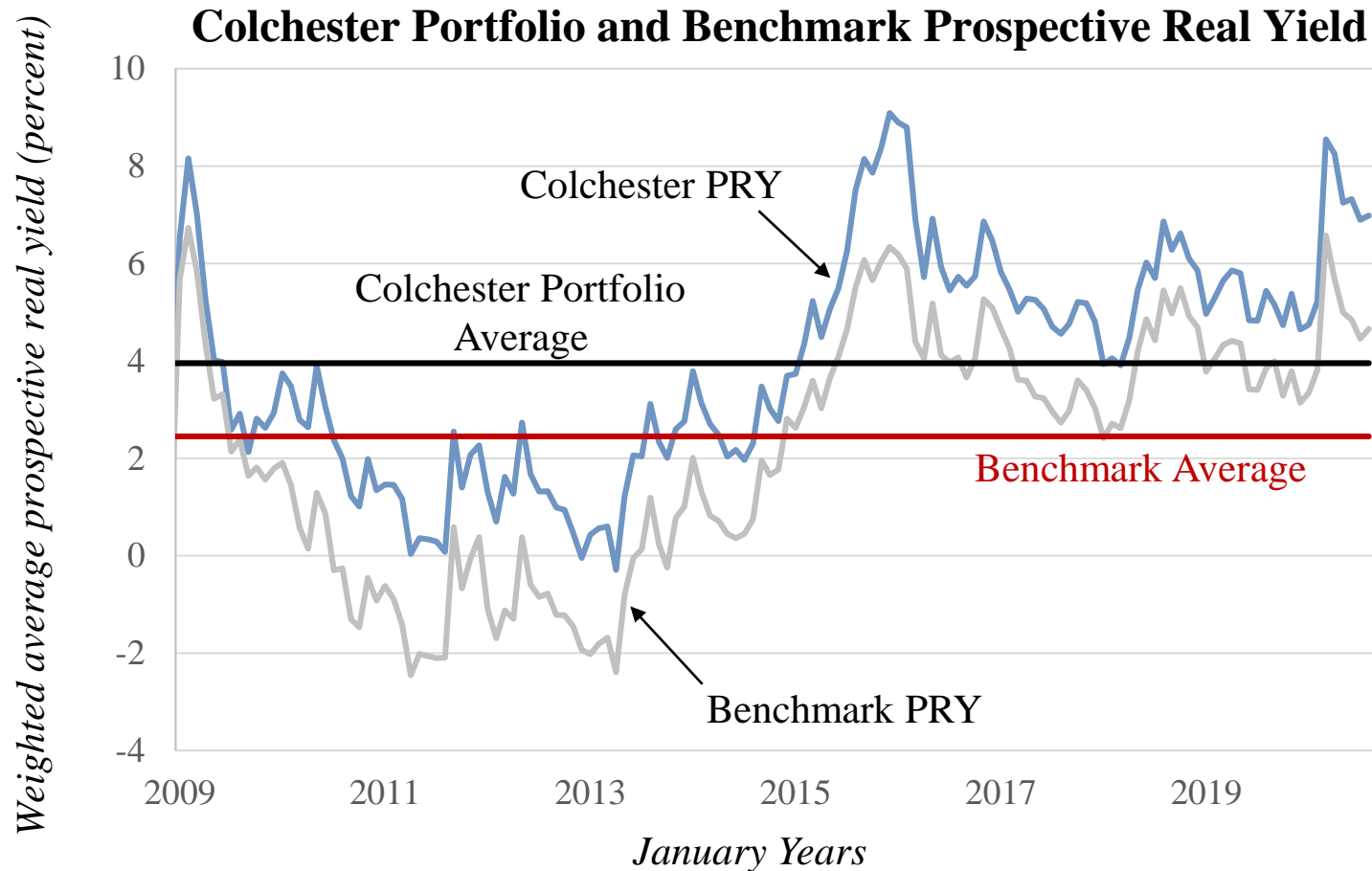


Note: Combined of bond prospective real yield (10yr nominal yield in each market, minus Colchester's forecast of inflation) and currency real yield (equivalent real yield by dividing portfolio or benchmark aggregate real exchange rate undervaluation (versus the USD) by 5) - Data as at end August 2020.

Benchmark is the FTSE WGBI

ECONOMIC AND INFLATION OUTLOOK

Local Market Debt – Real Yield and Real Exchange Combined Valuation:



Note: Currency is translated into an equivalent real yield by dividing portfolio or benchmark aggregate real exchange rate undervaluation (versus the USD) by 5. This assumes a 5 year reversion to fair value. An undervalued currency has a positive value and an overvalued currency a negative. Prospective Real yield is the 10yr nominal yield in each market, minus Colchester's forecast of inflation where available. Otherwise market index yield to maturity or (known) next 12 months' consumer price inflation is substituted - data as at end August 2020.

Benchmark is the JP Morgan GBI-EM Global Diversified index in USD (Unhedged)