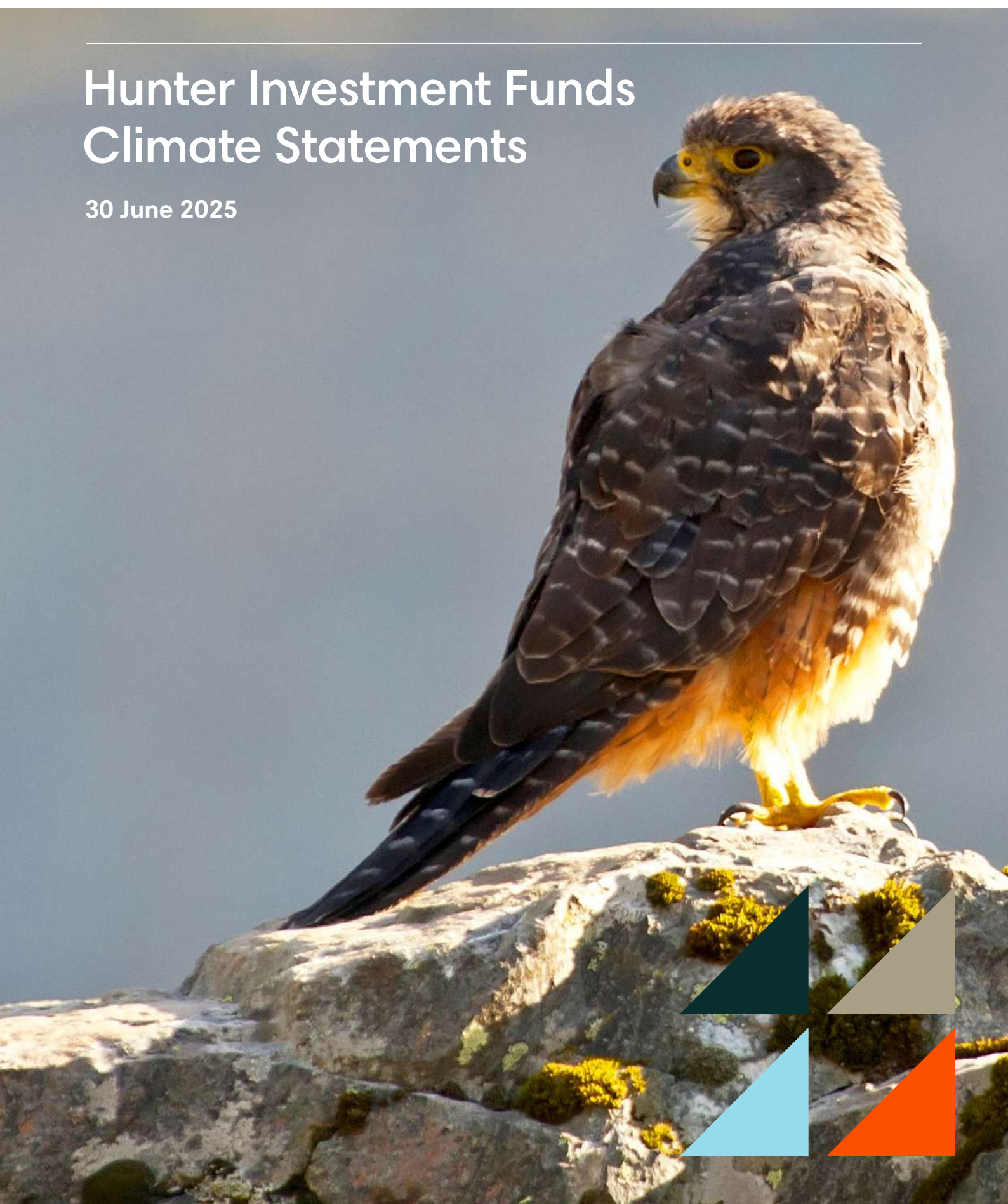


Hunter Investment Funds Climate Statements

30 June 2025



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Introduction

About this report

This report is the second climate-related disclosure (CRD) document for the Scheme prepared in accordance with the Financial Markets Conduct Act and the associated External Reporting Board (XRB) Climate Standards, CS 1–3. This document represents an evolution of integrating climate considerations into our responsible investment approach and broader investment process.

Scope

The Hunter Investments Funds (“Scheme”) is a managed investment scheme. As of 30 June 2025, the Scheme offers the following:

- The Hunter Global Fixed Interest Fund provides investors with exposure to international fixed interest (hedged to New Zealand Dollars).
- The Hunter Private Credit Fund provides investors access to private credit opportunities and takes advantage of the relatively under-developed nature of the Australasian market when compared to global private credit markets.
- The Hunter Global Private Equity Fund (wholesale only) provides investors with exposure to international private equity investments by investing in TPG Private Equity Opportunities (CYM), L.P. fund.

All three funds within the Scheme are actively managed. Harbour launched the Private Credit and Private Equity funds in February 2025 and May 2025 respectively. The Private Credit fund has total funds under management (FUM) of NZD 18.5 M and the Private Equity fund has a total FUM of NZD 2.4 M. From a materiality perspective, due to the recent launch and low FUM, this CRD will focus on the Global Fixed Interest Fund (Fund). The Private Credit and Private Equity funds will be included in the FY 2026 CRD report.

Harbour Asset Management Limited (Harbour) is the licensed manager of the registered Scheme under the Financial Markets Conduct (FMC) Act. References throughout this document to Harbour are as they relate to Harbour’s role in management of the Scheme.

PIMCO Australia Pty Ltd has been appointed as the underlying specialist investment manager for the Fund. Further details on the roles and responsibilities are provided in the Governance section of this report.

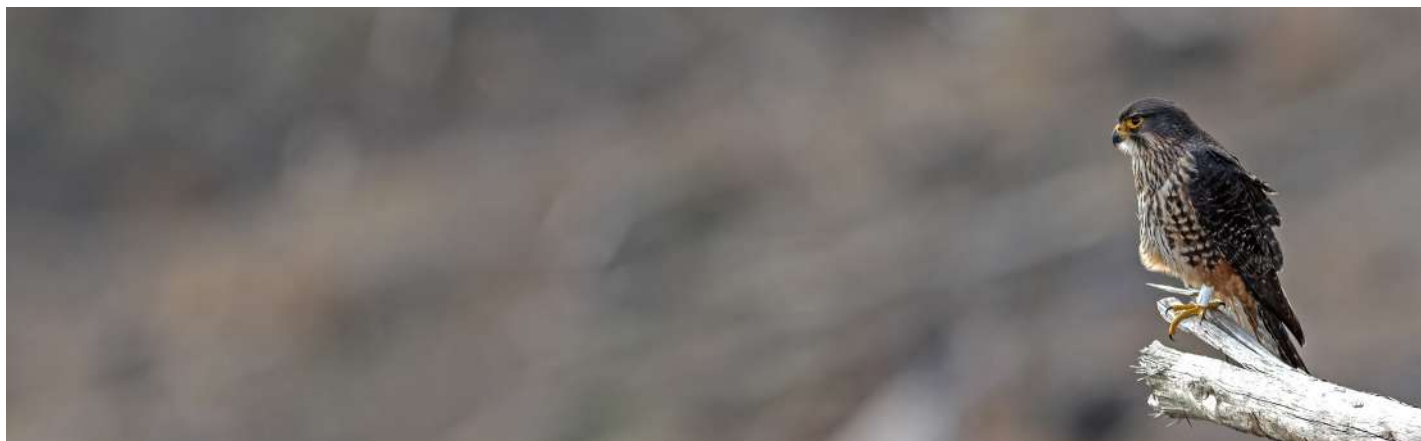
The CRD is provided to inform readers but does not take into account any circumstances of the reader, nor should it be regarded as financial advice or earnings guidance, nor is it audited. As a result, readers should make their own assessments and not place undue reliance on this CRD.

This CRD contains statements that are, or may be deemed to be, forward-looking statements, including climate-related risks and opportunities.

Many of the assumptions, standards, metrics, and measurements used in preparing this CRD continue to evolve and are based on assumptions believed to be reasonable at the time of preparation but should not be considered guarantees. The measures and forward-looking statements in this CRD reflect Harbour’s best estimates, assumptions, and judgements as at the date of the CRD. Certain statements made in this CRD, including in relation to climate-related scenario analysis and risk assessment, use a greater number and level of assumptions and estimates and are over longer time frames than many other disclosures. These assumptions and estimates are highly likely to change over time.

Important note

Harbour is part of a group of investment and advisory businesses ultimately owned by FirstCape Group Limited (FirstCape). FirstCape is jointly owned by interests associated with National Australia Bank Limited (NAB), Jarden Wealth and Asset Management Holdings Limited (Jarden) and Pacific Equity Partners (PEP). NAB is a licensed bank in Australia and is the parent company of BNZ. During the reporting period, some FirstCape staff participated in an employee share scheme, entitling them to equity interests in FirstCape.



Statement of Compliance

The following adoption provisions have been applied in preparation of these Climate Statements:

- **Adoption Provision 2** – Anticipated financial impacts: exemption from disclosing the financial impacts of the anticipated physical and transition risks and opportunities identified in the first two reporting periods.
- **Adoption Provision 6** – Comparatives for metrics: exemption from disclosing two years of comparative information for each metric. Only one year of comparative information is required in this second reporting period.
- **Adoption Provision 8** – Scope 3 GHG emissions assurance: exemption from the requirement of scope 3 GHG emissions being subject to an assurance engagement for accounting periods ending before 31 December 2025.

Harbour has used these adoption provisions as permitted by NZ CS 2, in recognition that some disclosure requirements take time to develop the capability of providing high quality information and therefore are exempt from mandatory reporting in the first year. Taking this into account, Harbour believes it has complied with all requirements of the XRB's NZ Climate Standards in preparing and reporting these Climate Statements.

As noted in the Introduction section, many of the assumptions, standards, metrics, and measurements used in preparing this CRD continue to evolve and are based on assumptions believed to be reasonable at the time of preparation but should not be considered guarantees. The measures and forward-looking statements in this CRD reflect Harbour's best estimates, assumptions, and judgements as at the date of the CRD. There are a variety of factors that may contribute to gaps in data coverage, and ambiguity over the quality of data. These factors include (among other things) complexity in data measurement, lack of verifiability or validity of such data, and varying timeliness of data availability.

These Climate Statements have been approved by the Board and authorised for issue on 13 October 2025. They are signed on behalf of the Board by:



Andrew Bascand – Director



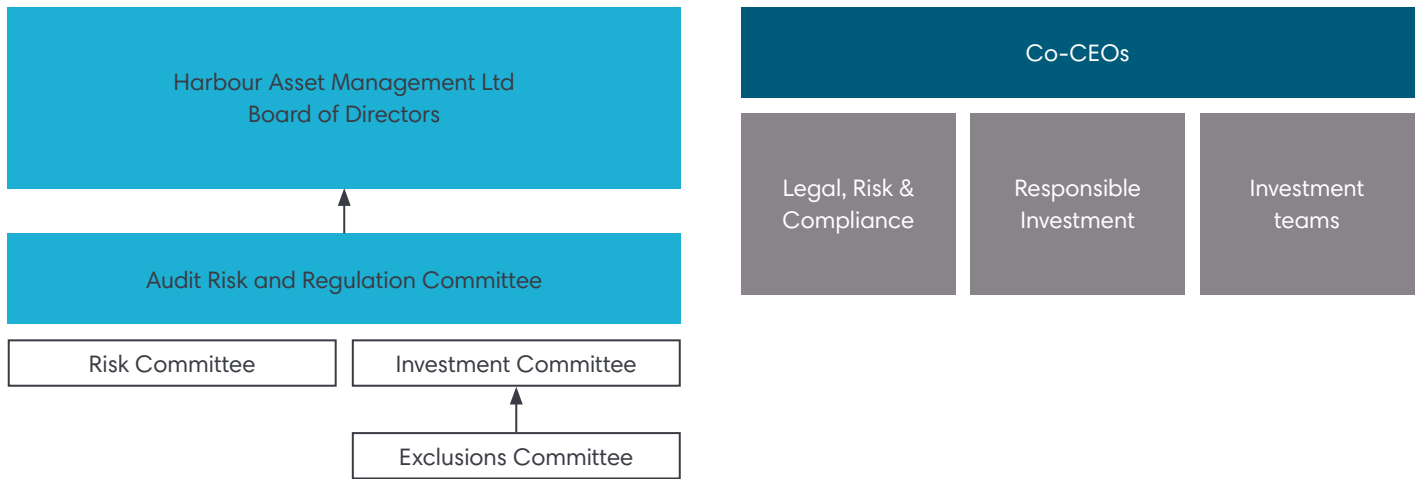
Murray Brown – Director

Executive Summary

The information in these climate statements has been presented in a structure aligned with the Aotearoa New Zealand Climate Standards that is based on four key pillars: governance, strategy, risk management and metrics and targets. A short summary of the key disclosures under each of these pillars is provided below.

Governance:

Governance oversight



Harbour is the manager of the Scheme. Harbour’s Board of Directors has primary responsibility for the oversight of climate-related risks and opportunities for the Hunter funds that comprise the Scheme.

The Board utilises the Audit, Risk and Regulation subcommittee (ARRC) to assist in the oversight of climate risks and opportunities, particularly in the approval of regulatory documents. This subcommittee is chaired by one of the independent directors of the Board.

Harbour has appointed PIMCO Australia Pty Ltd (PIMCO) as the underlying specialist investment manager for the Fund. This means that the responsibility for investing and managing the assets of the Fund is delegated to PIMCO. PIMCO is appointed under an investment management agreement (IMA) which specifies the types of investments (asset classes), prohibited investments (ESG exclusions) and tracking performance against a specified benchmark.

Climate change analysis and integration into the investment process subsequently sits with the Portfolio Manager at PIMCO.



Strategy

Harbour looks for alignment with this philosophy for any external managers it appoints.

The Fund has a specific investment strategy and objectives managed by PIMCO and offers diversified exposure to international fixed income markets.

At the portfolio level, we expect climate-related risks and opportunities to have an impact across the following areas:

- Credit spread and rating
 - Devaluation of current bonds could cause credit spreads to widen further
 - Decreased credit quality of the portfolio
- Value at risk (likely to increase under more aggressive physical climate scenarios)
- Liquidity and cash flow
 - Increased probability of default could impact portfolio's expected cash
 - Reserve/cash flow
 - Increased difficulty to sell bonds (and at a reduced price)
- Returns
 - Devaluation of portfolio's current bonds
 - Increased yield of future bonds if purchased after yield increased
 - Penalised yield
 - Credit spread deterioration

Climate-related scenario analysis, climate risks and opportunities help to identify potential risks and opportunities that may impact the Fund and to test the resilience of the portfolio strategies.

Risk Management

Harbour uses MSCI to provide ESG data research to identify and assess the impact of climate-related risks. This is separate and in addition to the climate analysis conducted by PIMCO as the Fund's delegated investment manager.

MSCI's climate value at risk (CvaR) product enables us to measure the portfolio level exposure to physical and transition risks. This calculation involves selecting different global temperature warming scenarios to estimate the value at risk broken down by physical and transition as well as an aggregate exposure.

The assessment of climate change risk forms part of Harbour's quarterly Investment Committee meetings along with other investment risks. An assessment of climate risk is made across portfolios using relevant metrics such as CVaR, carbon footprints and emissions attributions.

Key Metrics

- **Financed emissions** – measures the total absolute emissions financed by investors in the Fund.
- **Weighted average carbon intensity** – measures the Fund's exposure to carbon intensive companies.

HUNTER GLOBAL FIXED INTEREST FUND	FINANCED EMISSIONS (TCO ₂ E)	WEIGHTED AVERAGE CARBON INTENSITY
Corporate Bonds	4,701	27.4
Sovereign Bonds	102,027	181.8

Source: MSCI, as of 30 June 2025

Please refer to the Metrics and Targets section as well as the Appendices for further information on the assumptions and limitations of this data.

Governance

- Governance body
 - Management
- Harbour’s governance of climate-related impacts is outlined in this section, covering our governance body responsible for oversight, the roles and responsibilities of our management team and how these all tie together through the various reporting lines in our organisational structure.

Governance body

Oversight

Harbour is the manager of the Scheme. Harbour’s Board of Directors has primary responsibility for the oversight of climate-related risks and opportunities for the Hunter Fund that comprises the Scheme.

During the reporting period, Harbour’s Board composition has changed, originally comprising four independent directors (including an independent Chair), the Co-CEO/CIO and two other non-independent directors. The current Board now comprises three independent directors (including an independent Chair) and three executive directors including the Co-CEOs.

The Board utilises the Audit, Risk and Regulation subcommittee to assist in the oversight of climate risks and opportunities, particularly in the approval of regulatory documents. This subcommittee is chaired by one of the independent directors of the Board.

The Board meets at least six times annually and receives a quarterly responsible investment update which includes climate-related topics as relevant.

Information related to Harbour funds is provided to the Harbour Board by the Investment Committee through a summary covering meeting minutes and escalation of matters at least quarterly, and as needed. The Investment Committee meets at least once a quarter (the role of the Investment Committee is explained in the box below). The Investment Committee agenda includes regular climate reporting updates.

The ARRC and the main Harbour Board oversee the overall risk assessment matrix for Harbour, which is the main output of the quarterly internal risk committee meetings, attended by senior management, covering a broad range of investment and business-related risks. Environmental, social and governance risks including climate change are included as part of this assessment.

The Governance oversight and flow of information related to climate-related risks and opportunities to the Harbour Board is illustrated in the diagram below:

Governance oversight



An Investment Committee has been formed and is responsible for assisting the Harbour Board in discharging their respective responsibilities relating to managed investment schemes managed by Harbour. This includes the review of investments, oversight of investment risk, and maintenance of adequate and effective procedures to monitor scheme assets to ensure the limits and asset allocations are adhered to at all times. It also includes consideration and oversight of responsible investment.

Skills and competencies

The Board endeavours to ensure that there is an appropriate balance of relevant expertise, shareholder representation, experience, diversity, and independence to promote the sound governance of Harbour including the Fund. Harbour has an individual skills assessment which includes an assessment of governance skills in relation to climate. This assessment is completed annually as part of an overall Review and Evaluation programme. The Board has the ability to seek external advice where appropriate, including matters pertaining to environmental issues.

In 2025, there was one director education session which included climate-related topics, and one Board induction session for new Board members which included an overview of our approach to climate. There are two climate-related sessions included in the Board work programmes. FY26 climate-related topics will cover current trends and director obligations and will be delivered by internal and external subject matter experts.

Strategy

Any change in the [Harbour-ESG-Policy](#) or fund design with respect to climate considerations is subject to board consideration and approval to ensure consistency with Harbour's overall responsible investment strategy. A review of Harbour's ESG policy is conducted annually or more frequently if required.

The development and implementation of Harbour's strategy primarily sit with the Co-CEOs who are Board members and receive feedback and oversight from the other directors.

Performance and remuneration

There are currently no key performance indicators included in the performance measurement of the non-executive Board members.

Management

Responsibilities

Harbour has appointed PIMCO Australia Pty Ltd (PIMCO) as the underlying specialist investment manager for the Fund. This means that the responsibility for investing and managing the assets of the Fund is delegated to PIMCO. PIMCO is appointed under an investment management agreement (IMA) which specifies the types of investments (asset classes), prohibited investments (ESG exclusions) and tracking performance against a specified benchmark. All external manager appointments are approved by the Global and Multi-Asset Investments (Multi-Asset) team.

The external manager's approach to integrating ESG (including climate) considerations into their investment processes is assessed as part of the on-boarding process. Harbour's role is then focused on the ongoing oversight of the Fund that includes the management and monitoring of PIMCO, and the investment management services provided.

Climate change analysis and integration into the investment process subsequently sits with the Portfolio Manager at PIMCO.

Process and monitoring

The ongoing monitoring and engagement between Harbour management and PIMCO is coordinated through Harbour's Multi-Asset team where the Head of Multi-Asset and Global Investments as well as a Senior Portfolio Specialist liaise directly with representatives from the PIMCO investment management team.

This engagement involves regular correspondence and updates on general investment matters including sustainability information. Harbour's Responsible Investment team (responsible for the development of responsible investment commitments and obligations and support for business growth through new ESG-based products and opportunities) provide advice and support if required. In addition, Harbour conducts its own analysis of climate risks and opportunities using holdings in the Fund and tools provided by an external ESG data provider, MSCI. This is further detailed in the Risk Management section of this report.

The Head of the Multi-Asset and Global team provide information on breaches (if any arise) relating to ESG exclusions (see the Risk Management section for more details on the exclusions process) to the ARRC. These risk committee meetings occur on a quarterly basis with Board meetings typically taking place at least six times per year.

- Current Impacts
- Scenario Analysis
- Expected Impacts
- Fund Strategy Implications

Harbour's strategy with respect to climate-related impacts is described in this section. This covers both backward-looking and forward-looking aspects of climate impacts as well as the implications for portfolio outcomes. This also includes a scenario analysis that facilitates the assessment of potential risks and opportunities in different future states of the world.

Current Impacts

Assessing current impacts

The Fund has a large exposure to sovereign related debt instruments¹ comprising 59% of the bond FUM with a geographic exposure to the United States of 26% and 32% to Europe. The Funds' notable concentration in the corporate bond asset class is a large exposure to the financial sector comprising 73% of the total corporate bond exposure. The key geographic exposures for corporate bonds are to the United States and Europe at 92% of total corporate bond exposure.

Harbour has identified the following examples of climate impacts that have affected assets held in the Fund over the reporting period. At the Fund level, these impacts are reflected in the changing market value of our investments, which flows through to the overall return delivered to investors. The attribution of these impacts is difficult to quantify, given the many other non-climate-related impacts that the companies would face over the period.

Quantifying financial impacts of climate-related events is challenging. This is largely due to the lack of specific climate-related financial data or the ability to isolate climate impacts on a company's share price or asset values. Given the inherent uncertainties in assessing the current impact of climate-related risks, for the financial impact values provided, these are based on total return at the company level which are re-weighted and aggregated at the Fund level to calculate the total contribution to return.

EVENT	EVENT TYPE	GEOGRAPHY	DESCRIPTION	FINANCIAL IMPACT
ESG Backlash	Transition – policy	Global	In 2024 and 2025, we saw a growing ESG backlash, predominantly driven by developments in some US states. We saw a number of banks and investment managers withdrawing from net zero alliances and some corporates walking back near term or net zero targets. Expectations that the Trump administration would remove a number if not all of the Inflation Reduction Act (IRA) tax credits and the subsequent changes made in May 2025 saw a reduction in share prices for companies associated with the energy transition. We looked at banks that had withdrawn from the net zero alliances and companies impacted by removal of IRA incentives with market values of NZD 5M or greater. There is a small positive impact to overall performance of the fund.	0.30%
United States Government policy	Transition – policy	United States	The Trump administration has implemented significant changes to the Inflation Reduction Act (IRA) in 2025, including funding freezes, termination of grants, and removal of electric vehicle credits. This represents a significant scaling back of the IRA's original climate and clean energy incentives. The tariffs proposed by the Trump administration started to impact share markets before the announcement on 2 April 2025. A sizeable portion of the rare earths and inputs to electric vehicles are from China which was expected to and subsequently did receive much higher tariffs than other countries, increasing costs. We assessed exposure to companies impacted by these changes with market values of NZD 5M or greater which had very small positive impact to performance.	0.03%

It should be noted that the financial impact is an assessment of the short-term market impact (one year) of these events and doesn't account for long-term risk considerations.

¹ This includes Sovereign bonds, Federal Home Loan Mortgage Corporation mortgage pass throughs and Repurchase agreements

Scenario Analysis

Climate-related scenario analysis involves the development of multiple, plausible future states of the world according to differing pathways in physical, regulatory and economic settings. This helps to identify potential risks and opportunities that may impact the Fund and to test the resilience of the portfolio strategies.

Harbour has used three climate-related scenarios that are consistent with sector level work led by the New Zealand Financial Services Council to develop climate scenario narratives for the investment services and insurance sectors. We participated in the consultative approach taken and have adopted its output as a base to provide comparability with other investment managers in New Zealand.

While this process is a standalone qualitative approach, the approach and chosen scenarios have been reviewed in 2025 by Harbour's Leadership team and an update provided to Harbour's Board to ensure awareness of climate impacts to our investment strategy.

As part of the review by Harbour management, there were some minor changes to the drivers within each of the scenarios. We have also introduced the use of signals to monitor the emergence of risks or opportunities related to the climate scenarios. These include market-based signals including monitoring of green and fossil fuel indices and regulatory and physical risk-based signals.

In addition, Harbour has utilised portfolio-level scenario analysis features from our third-party data provider MSCI. MSCI's CVaR product has a range of scenarios available that are aligned with credible global climate models such as the Network for Greening the Financial System (NGFS). The scenarios described below have been purposefully selected to conform to the requirements of XRB's CS1 as closely as possible and provide useful outputs to represent the resilience of the portfolios to these potential future states of the world.

MSCI climate scenario models used for this reporting period align with NGFS Phase 4 scenarios. NGFS Phase 5 will be used for any data analysis post 30th June 2025. The latest version of NGFS (NGFS Phase 5) has been updated with a new damage function and has noted "the expected economic impact of unabated climate change has significantly increased". Implementation of the new damage function within NGFS models has seen the projected physical risk impact quadruple by 2050 in some scenarios. It was noted "in all scenarios, the impact of physical risk rapidly outweighs the impact of transition efforts".

We have not explicitly considered carbon sequestration from afforestation and nature-based solutions, or other carbon negative technologies in our scenario development and analysis.



Climate Scenarios

Orderly (1.5 degrees)

This scenario represents an orderly transition to a low carbon global economy. It is consistent with a global temperature pathway limited to 1.5 degrees and the world reaching net zero emissions by 2050. It assumes a steady and constant shift in technology, policy, and behaviour to achieve this transition, facilitated by a rising carbon price to reinforce this change. Action toward reducing emissions is prioritised over using offsets to accelerate the progress in decarbonisation. This strong and timely action will help to mitigate the worst anticipated impacts of climate change, however some chronic impacts from past emissions will still occur. Overall, out of all three scenarios analysed, this represents the lowest level of physical risk with a medium level of transition risk.

Too Little Too Late (> 2 degrees)

This scenario represents a delayed and misaligned transition to a low carbon global economy. It is aligned with a temperature warming pathway that is greater than 2 degrees but less than 3 degrees. It assumes there is some action taken to mitigate emissions and the use of fossil fuels, although it is uncoordinated and insufficient to minimise climate impacts long term. This lack of coordination would likely be evident through policy settings and behaviour diverging between countries with some taking rapid action to pursue net zero emissions by 2050 while others maintain the status quo or start late in changing their practices. As a result, carbon prices, technological developments and levels of investment would vary on a geographic basis but ultimately still lead to a higher likelihood of more frequent, severe weather events over the long term. Compared with the other scenarios, this represents a high level of transition risk and medium level of physical risk.

Hothouse (> 3 degrees)

Under this scenario, there is minimal action taken to move towards a low carbon global economy and it is closest to current policies or a business-as-usual pathway. As a result, there would be an increased use of fossil fuels and limited initiatives to curb greenhouse gas emissions, leading to global temperatures rising above 3 degrees over the long term. It assumes there are less drivers for a low carbon transition such as the lack of technology development, unhelpful policy and low and ineffective carbon prices. The higher average temperatures then mean that there would likely be an increased frequency and severity of extreme weather events. Overall, relative to the other scenarios, this represents the highest level of physical risks and lowest level of transition risk.

Scenario characteristics

For further detail on the underlying assumptions on macroeconomic and climate modelling assumptions, please refer to the summary table of scenario characteristics provided in Appendix 1.

Risk and Opportunities

The table below summarises the qualitative climate risks and opportunities identified from the scenario analysis for the Fund.

Physical risks are largely prevalent for those companies operating in the financial services sector that have assets exposed to extreme weather events like floods and droughts, including residential and business loans secured by property. These risks are highest under a “Hothouse” scenario. The primary transition risk is policy-related, affecting a company with high value chain emissions. Financial services companies may face policy risks such as carbon price obligations and stringent regulation changes that require decarbonisation of their lending portfolios, impacting profitability.

The main climate opportunity identified is for the financial services sector to continue to invest in companies who are either focused on decarbonisation or climate solutions as the world transitions to a low carbon economy.

RISK/OPPORTUNITY	SCENARIO	PHYSICAL/ TRANSITION	GEOGRAPHIES	SECTORS	ISSUERS	TIME HORIZON	POTENTIAL IMPACT
RISKS							
Extreme weather hazards: These hazards pose significant physical climate risks to companies with assets exposed to acute and chronic risks such as flooding, wildfire and drought. This can damage infrastructure and displace communities, impacting operations.	Hothouse, Too Little Too Late	Physical	USA, Europe, Japan, Canada,	Diversified financial services, health services, Sovereign	Wells Fargo, Bayer US Finance, QNB Finance, Organon & Co, Toronto Dominion Bank, Japanese Government Bonds, EU Sovereign Bonds	Short, medium, long	Medium
Increasing frequency, intensity and cost of weather events: the frequency and cost of weather events lead to insurance affordability issues and high cost of premiums leading to reduced insurance coverage across housing, business and commercial properties. This also increases reliance on government or state funded disaster relief schemes. Reduced insurance could impact lending policies and investment.	Hothouse, Too Little Too Late	Physical	USA, Europe, Japan, Canada, Australia	Insurance, diversified financial services, diversified banks, Sovereign	Queensland Treasury Corp, NSW Treasury Corp, Wells Fargo, Toronto Dominion Bank, Mitsubishi UFJ	Medium, long	High
Policy risk from financed emissions: the financial and operational impacts from evolving regulations requiring finance companies to reduce their exposure to high emitting companies to meet regulatory standards or customer expectations.	Orderly, Too Little Too Late	Transition	USA, Europe, Japan, Canada, Australia	Diversified banks, diversified financial services	HSBC, Wells Fargo, Barclays	Long	Medium
OPPORTUNITIES							
Opportunity – finance sector exposure to companies with decarbonisation pathways and investment in technology supporting reduction in GHG emissions	Orderly, Too Little Too Late	Transition	Europe, Japan, Canada, Australia	Diversified banks, diversified financial services	TD Bank, UBS, Standard Chartered Bank	Short to Long	High

Source: Harbour, MSCI, Bloomberg as of 30 June 2025

Time Horizons

	SHORT TERM	MEDIUM TERM	LONG TERM
Time Horizon	1–3 years	5–10 years	25+ years
Year Relative to 2025	2026	2030	2050

These time horizons have been adopted in collaboration with other industry peers as part of a scenario narratives project to help provide comparability and consistency between climate related disclosures.

In addition, these time periods generally align with net zero and interim targets that are prevalent amongst portfolio constituent companies.

Expected Impacts

The table of risks and opportunities above includes a qualitative assessment of the expected impacts across the Fund on a scale of low, medium and high.

Harbour has applied a materiality lens in making these assessments based on multiple factors:

- The climate value at risk
- The position size (weight) of the investee company in the Fund
- Any investee company risk mitigation initiatives

Based on this analysis, the highest anticipated negative impacts are for finance companies that would have a high exposure to the residential housing market globally and are therefore exposed to physical risks, especially coastal flooding risk.

These impacts would be most prominent under the 'Hothouse' and 'Too Little Too Late' scenarios where physical risks are more prevalent. This would, in turn, decrease the profitability of these companies and lead to lower shareholder returns and/or increase the probability of default.

The highest expected positive impact is attributable to the finance sector who may benefit from exposure to companies with credible decarbonisation pathways and adaptation strategies. This mitigates both transition and physical risks as they could also benefit from these companies investing in climate solutions as part of their decarbonisation pathway.

The other risks and opportunities assessed as medium and low impacts tend to be mitigated by factors such as the ability for governments to fund adaptation requirements, asset locations and small position sizes across the Fund.

Fund Strategy Implications

Overview of Hunter fund strategies:

The Fund has a specific investment strategy and objectives managed by PIMCO and offers diversified exposure to international fixed income markets. The investment strategy and objectives for the Fund are set out below.

External managers, at a minimum, are assessed by Harbour to be aligned with two key RI principles:

- Have a firm-wide commitment to improving ESG outcomes for investors.
- Satisfy us during the due diligence process that they meaningfully integrate ESG into their investment decision making process.

Fund	Hunter Global Fixed Interest Fund
Summary of investment objectives and strategy	The Fund invests in a diversified portfolio of actively managed fixed interest securities, cash and derivatives. The predominant investment is in securities issued by governments, supranationals, local authorities, and corporates. The fund may also invest in emerging market debt, asset backed securities, mortgage-backed securities, structured notes, bank loans, high yield securities, mortgage derivatives, preferred securities, unrated securities, cash and cash equivalents, and derivative instruments, including currency hedging instruments. The fund targets being fully hedged to New Zealand dollars. Derivatives may be used to obtain or reduce exposure to securities and markets, to implement investment strategies and to manage risk.
Target investment mix	100% international fixed interest (hedged to NZD)
Minimum suggested investment timeframe	Three years
Risk category	4

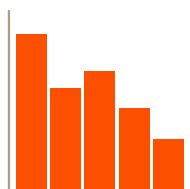
Climate implications for Fund strategy:

At the portfolio level, we expect climate-related risks and opportunities to have an impact across the following areas:

- Credit spread and rating
 - Devaluation of current bonds could cause credit spreads to widen further
 - Decreased credit quality of the portfolio
- Value at risk (likely to increase under more aggressive physical climate scenarios)
- Liquidity and cash flow
 - Increased probability of default could impact portfolio's expected cash reserve/cash flow
 - Increased difficulty to sell bonds (and at a reduced price)
- Returns
 - Devaluation of portfolio's current bonds
 - Increased yield of future bonds if purchased after yield increased
 - Penalised yield
 - Credit spread deterioration

Hunter Transition Plan – Medium-term strategy 2030-2035

Harbour Asset Management has developed a transition plan for the Hunter scheme over the period that is summarised in the diagram below. The transition plan currently only covers the Global Fixed Income Fund, which is currently the most material exposure within the scheme. We will incorporate the private equity and private credit funds in 2026. Management have considered the Hunter scheme strategic objectives and climate-related driving forces. Using the three climate scenarios developed for the Hunter scheme, management has determined appropriate responses to ensure Hunter's investments can continue to adapt to uncertain risks and opportunities relating to climate change. The transition plan incorporates oversight from Harbour Asset Management of emerging climate risks through the building resilience pillar. This information would be used to discuss evolving risks and opportunities with PIMCO. The diversification and active management pillar incorporates the ongoing incorporation of climate risks as part of the credit assessment currently undertaken by PIMCO.



Alignment to Fund's strategic objectives

- The Hunter Fund has a specific investment strategy and objectives managed by PIMCO and offers diversified exposure to international fixed income markets.
- PIMCO's portfolio managers and research analyst teams consider a variety of factors including climate and assess the materiality of those factors to make investment decisions.
- Exclusions include fossil fuels exclusions supporting limited exposure to high-risk transition sectors. Exclusions are driven by client feedback and can change as risks emerge.



Transition plan considerations

Building resilience and managing risks

- Prioritise in-depth risk review of securities with Physical or Transition VaR greater than 10%.
- Develop climate risk assessment and tracking capability.
- Increased portfolio monitoring and analysis through data automation and Artificial Intelligence.

Diversification and active management

Increase climate-related monitoring of manager to ensure:

- Ongoing active management and diversification (climate risk assessments will support this) supports climate risk considerations.
- Consideration of investment opportunities including specialist disaster recovery bonds supporting adaptation (infrastructure rebuild).
- Consideration of climate risk into investment decisions.
- Alignment with the Harbour ESG policy.

Risk Management

- Process
- Overall Risk Integration

Harbour's risk management process regarding climate-related impacts is described in this section, including the tools, time horizons and frequency of assessment. It also covers how this process integrates into our company-wide risk framework that captures a broad range of investment and business risks. Actual risks identified are covered in the Strategy section of this report under Risks and Opportunities.

Enterprise Risk Management Framework

The Scheme, through Harbour, which is part of FirstCape Group, follows the FirstCape Enterprise Risk Management Framework. FirstCape operates a "three lines of risk" accountability model for risk management, including climate risk, which is described below.

- **First line** – includes the business operations and the front-line staff directly responsible for ensuring day-to-day activities align with the regulatory requirements.
- **Second line** – consists of the Legal, Risk and Compliance team that provide oversight, develop frameworks, and monitor the first line's activities. They operate independently from operational management to ensure objectivity.
- **Third line** – FirstCape does not have an internal audit team but through Harbour engages a top-tier external audit firm to conduct the ISAE NZ 3402/GS007 audit of operational controls on an annual basis. This provides a test of the existing controls and processes in place to ensure operational risks are minimised.

Tools and Methods

Harbour uses ESG data provider research to identify and assess the impact of climate-related risks.

Harbour selected its current provider MSCI after a review process and concluded it would best be able to assist in providing useful climate data and analytics to enhance our investment process and help meet regulatory requirements.

MSCI's climate value at risk (CvaR) product enables us to measure the portfolio level exposure to physical and transition risks. This calculation involves selecting different global temperature warming scenarios to estimate the value at risk broken down by physical and transition as well as an aggregate exposure.

On the physical climate VaR, these are further delineated by acute and chronic risks. Examples of acute risks include cyclones, wildfires and flooding whereas chronic risks include extreme heat, heavy snowfall and heavy precipitation.

Transition risks are categorised by asset stranding, operational transition and product transition.

Examples of risks arising from these channels include regulatory fines, carbon taxes and investment in decarbonisation measures that can increase costs and reduce profitability of companies.

Time Horizons

	SHORT TERM	MEDIUM TERM	LONG TERM
Time Horizon	1–3 years	5–10 years	25+ years
Year Relative to 2025	2026	2030	2050

These time horizons have been adopted in collaboration with other industry peers as part of a scenario narratives project to help provide comparability and consistency between climate-related disclosures.

In addition, these time periods generally align with net zero and interim targets that are prevalent amongst portfolio constituent companies.

Frequency

The frequency of assessment depends on the risk metric. Climate information provided by companies such as GHG emissions data is typically provided on an annual basis.

However, at the portfolio level, given the ability to adjust position sizes in these companies, the value at risk can fluctuate on a daily basis. From a practical perspective, we measure and monitor the portfolio level footprints including a deeper value at risk analysis on a quarterly basis.

Prioritisation and integration of ESG factors

We have updated our climate risk monitoring approach to primarily use CVaR, being the potential percentage change in each Fund's value due to physical and transition climate risks. We have set thresholds based on our internal view of the potential value at risk for each Fund. These risk levels are assessed internally as follows:

1. **High** – greater than 20%
2. **Medium** – between 10% and 20%
3. **Low** – less than 10%

We consider the potential percentage change in value for both transition or physical risks under two scenarios and compare these to the risk levels. Focusing on exposure to the high and medium risk levels enables management to prioritise investee companies that may be exposed to more significant climate risks.

Frequency

The climate risk tolerance process outlined above is reviewed on a semi-annual basis and where tolerances have been exceeded, we undertake the following:

- Analyse the underlying cause or drivers of tolerance excess
- Engage with internal or external portfolio managers to understand what drivers, market considerations and specific entity transition and/or adaptation strategies are in place that may mitigate the identified risks, if required
- Report the results semi-annually to the Investment Committee with recommendations for action, if required.

PIMCO approach

The Fund does not have a specific ESG strategy beyond the ESG exclusions noted below. The integration of ESG factors into PIMCO's investment process seeks to account for material ESG risks in both top-down macro positioning and bottom-up security evaluation. To the extent that ESG risks are material for sectors or issuers this will be reflected in the credit view. PIMCO's portfolio managers and analyst teams evaluate a variety of factors, including market risks, liquidity risks and ESG considerations when making investment decisions.

Exclusions

The Fund has several ESG based exclusions including fossil fuel exclusions. Companies that meet the exclusion criteria are flagged within PIMCO's systems.

The exclusions are based on a set of universal issues for clients and were identified through a client survey assessment of the current regulatory and investment environment.

Overall Risk Integration

Harbour's assessment of its external managers approach to RI ensures that the external managers we appoint integrate ESG risks into their investment decisions (as described above). Harbour undertakes due diligence including independent carbon footprint analysis, and regular engagement with our external managers on their ongoing management of ESG issues.



Metrics and Targets

- GHG emissions
- Other standard climate metrics
- Industry metrics
- Targets

This section provides multiple quantitative measures to show the exposure of the Fund to climate risks and opportunities that can be used to track performance over time and compare with other funds and/or benchmarks. It includes both standard metrics such as total (financed) GHG emissions for each fund as well as prevalent industry metrics Carbon Footprint and Weighted Average Carbon Intensity.

Financed emissions

The most material and relevant emissions for the Fund are the indirect (scope 3) investment-related emissions which represent the total emissions financed by each of its underlying portfolio constituents. This measure represents an ownership approach where a greater amount invested in an issuer means a higher amount of the emissions associated with that issuer being financed.

GHG emissions for portfolio constituents are measured according to a third party ESG data provider (MSCI). Harbour utilises the Partnership for Carbon Accounting Financials (PCAF) standard² for its methodology in calculating the portfolio financed emissions.

Additional information on the limitations and calculation methodology of this data is provided in Appendix 2 and 3. The fund coverage and data quality scores provided in Appendix 4 and 5 should also be taken into account when analysing these financed emissions and other climate metrics presented in this report.

HUNTER GLOBAL FIXED INTEREST FUND	CORPORATE BOND FINANCED EMISSIONS (TCO ₂ E)	SOVEREIGN BOND FINANCED EMISSIONS (TCO ₂ E)
June 2025	4,701	102,027
June 2024	1,706	76,605

Source: MSCI

The table above shows the total financed emissions by the covered asset classes.

Financed emissions for sovereign bonds is driven by the large exposure to the United States (as noted in the Strategy section above) which is the second largest³ emitter globally.

The most significant contributor to financed emissions within the corporate bond asset class is the financial sector (includes diversified banks, diversified financial services and diversified capital markets), contributing 89% of the fund's corporate bond GHG emissions, due to the large exposure to this sector.

The large increase in financed emissions from June 2024 for both corporate and sovereign bonds is driven by new positions through a large increase in FUM of NZD 850 M. This increase was offset by a decrease in emissions of existing positions (i.e. emissions would have been much higher).

² PCAF: Global GHG Accounting & Reporting Standard for the Financial Industry

³ The United States is the second highest emitter in the world – [World's biggest CO₂ emitters 2022 | Statista](#)

Other standard climate metrics

Weighted Average Carbon Intensity (WACI)

This metric shows the exposure of the fund to carbon-intensive companies by taking the weighted average of each investee company's carbon intensity (emissions divided by sales). For the sovereign bonds in the portfolio this is measured by emissions divided by nominal GDP (NZD millions). This measure provides comparability between funds since the calculation involves a portfolio weighted rather than ownership-based approach.

	CORPORATE BONDS WEIGHTED AVERAGE CARBON INTENSITY (TCO ₂ E / NZD M SALES)	SOVEREIGN BONDS WEIGHTED AVERAGE CARBON INTENSITY (TCO ₂ E / GDP)
June 2025	27	182
June 2024	7	188
% difference	291%	-3.5%

Source: MSCI

The table above shows a large increase in overall carbon intensity within the corporate bond asset class. This is driven largely by an increase in FUM over the year of NZD 850 M. The top 5 new positions contributing to the carbon intensity are funding vehicles for high emissions sectors such as construction, hospitality and aviation. The top two contributors are Holcim Finance US LLC and IHG Finance LLC. The carbon intensity within the sovereign bond asset class remains relatively unchanged and is driven by a large weighting to the United States as the high emitting countries typically have a higher footprint.

Transition Risks

There are a broad range of risks associated with the transition to a low carbon economy that may be related to policy, market behaviour and technology forces.

We have categorized these risks according to the total exposure to low carbon transition risk metric assessed by MSCI that is further broken down by operational, product or asset stranding risk. Further details on the methodology of this metric are provided in Appendix 8.

The largest contributor to transition risk for the Fund continues to be the product transition aspect that captures companies that risk facing reduced demand for carbon intensive products and services. This is because the fund has a significant allocation to traditional debt securities that may be displaced by green bonds and other sustainable finance instruments.

EXPOSURE TO LOW CARBON TRANSITION RISK	JUNE 2024	JUNE 2025
Hunter Global Fixed Interest Fund	2.4%	1.6%

Source: MSCI

Physical Risks

There are many types of physical climate hazards such as floods, droughts and cyclones that will impact companies across the funds, particularly for scenarios with higher expected global temperatures.

We have provided a measure to assess the exposure to these physical risks at the portfolio level through MSCI's Physical Climate Value at Risk model. This metric calculates the present value of each investee company's future costs (and profits) due to physical hazards under different global warming scenarios. The "Orderly" and "Hothouse" scenarios were selected to show the extent of outcomes possible from this model. Further information on this metric is provided in Appendix 6.

HUNTER GLOBAL FIXED INTEREST FUND	PHYSICAL CVAR 1.5 DEGREES (ORDERLY)	PHYSICAL CVAR 3 DEGREES (HOTHOUSE)	PHYSICAL CVAR 1.5 DEGREES (ORDERLY)	PHYSICAL CVAR 3 DEGREES (HOTHOUSE)
JUNE 2024			JUNE 2025	
Corporate Bonds	-0.2%	-0.4%	0%	-0.1%
Sovereign Bonds	-1.5%	-0.2%	-3.1%	-0.6%

Source: MSCI

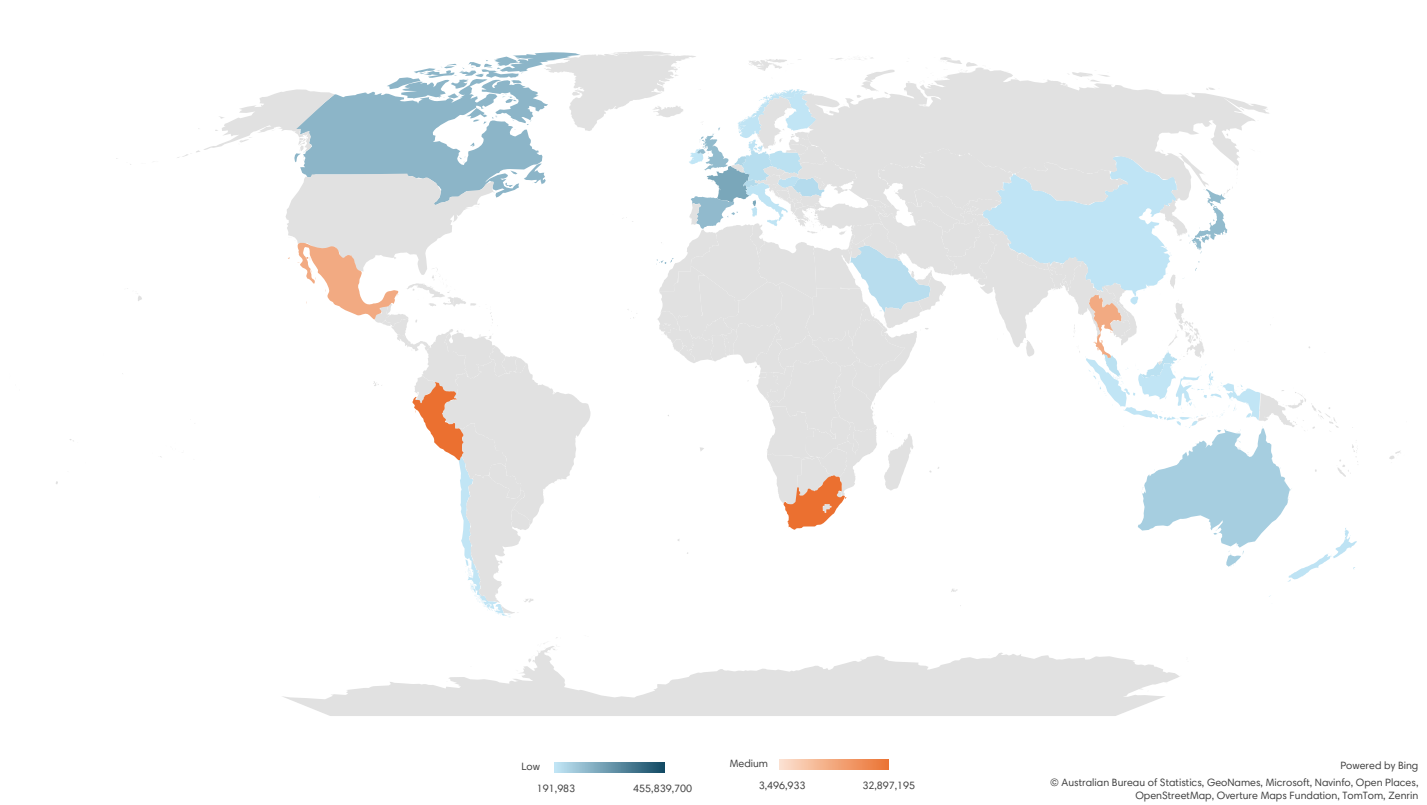
The table above illustrates the greater value at risk for a "Hothouse" scenario for corporate bonds where physical hazards are expected to be more frequent and severe given the higher global temperature. We believe the more favourable outcome under a Hothouse scenario for sovereign bonds is driven by the likelihood of a flight to quality under this scenario.

Under the Hothouse scenario, banks or finance companies with high exposure to residential housing markets and other lending collateralised by property face elevated physical climate risks. This is driven by extreme weather events but also from the potential for reduced insurance coverage of the assets used as collateral for the loans, which may impair lending and profitability. Banks may be exposed to physical disruptions to infrastructure and credit risk deterioration in carbon-intensive sectors. This may not be accurately reflected in the metric above due to the low coverage of securities within the MSCI environment.

Due to the low coverage, we did an additional assessment of physical risk using the Notre Dame Global Adaptation Initiative (ND Gain) data. This is a high-level assessment of a country's exposure, vulnerability and readiness to adapt and respond to increasing physical risks. More details of the ND GAIN methodology can be found in Appendix 6.

The chart below shows the market value exposure by country and our assessment of risk (High, Medium, Low) using the ND GAIN scores and relative ranking for each country. There is no exposure to high-risk countries and less than NZD 80M of exposure to countries assessed as medium risk.

Chart 1 – Exposure by country – NZD Market values



Climate Opportunities

The transition to a low carbon global economy will present opportunities to a broad range of companies that can provide goods and services that enable or accelerate this transition.

Harbour has measured this at the portfolio level by the weighted average of green revenue exposure. This metric captures the proportion of each portfolio that is exposed to companies that have revenue aligned to key climate themes such as alternative energy, energy efficiency and pollution prevention and can also be viewed as amount of capital deployed to climate opportunities.

Further information on the methodology of this metric is provided in Appendix 7.

GREEN REVENUE EXPOSURE	JUNE 2024	JUNE 2025
Hunter Global Fixed Interest Fund	0.4%	0.4%

Source: MSCI

The largest contributors to the themes classified as green revenue for the Fund are corporates in the financial services industry. These companies are screened to have revenue that is aligned with energy efficiency associated with green buildings.

Internal Emissions Price

At this stage, internal emissions prices are only integrated as part of the scenario analysis conducted through the use of MSCI's CVaR tool that assumes a carbon price trajectory under each scenario according to a scientific climate model.

Based on the modelling assumptions under the scenarios analysed, it is projected that under an “Orderly” (1.5 degree) pathway, the carbon price would be close to US\$600 per tonne by 2050. Whereas, for the “Too Little Too Late” and “Hothouse” scenarios (>2 and >3 degrees respectively), the carbon price would be approximately US\$125 and US\$10 per tonne⁴. These results show the high degree of transition risk associated with low temperature scenarios such as the Orderly (1.5 degrees) pathway given the high carbon price. Conversely, assuming a business as-usual pathway with minimal transition under the Hothouse scenario would yield a relatively flat carbon price trajectory that would not change much from its starting point.

Remuneration

In FY25 the Responsible Investment team had performance objectives relating to climate that included delivery of our stewardship and advocacy program, delivery of regulatory reporting relating to climate, and ongoing delivery incorporating climate-related risks and opportunities into investments across Harbour. The Responsible Investment team reports directly to the Co-CEO who with our other Co-CEO has joint responsibility for delivery of the responsible investment policy and approach for Harbour, which includes climate-related investment objectives.

Industry based metrics

The Carbon Footprint metric presented below is a prevalent measure used in the investment management industry to show emissions financed while controlling for fund size by dividing by capital invested.

HUNTER GLOBAL FIXED INTEREST FUND	JUNE 2025 CARBON FOOTPRINT (TCO ₂ E / NZD M INVESTED)	JUNE 2024 CARBON FOOTPRINT (TCO ₂ E / NZD M INVESTED)
Corporate Bonds	2	1
Sovereign Bonds	41.2	47

Source: MSCI

The table above shows the total financed emissions per million dollars invested for the covered asset classes. The increases are driven mainly by the larger increase in FUM (54%) and a smaller increase in emissions (33%). The largest contributor for the sovereign portion of the fund continues to be the United States while for the corporate portion it is the exposure to the financial sector.

Targets

The Fund does not currently have any specific GHG emissions targets at the portfolio level. This may be subject to change, however at this stage, the investment objective is not formally bound by a climate target, although individual securities within the Fund may have elected to adopt one at their own discretion.

Climate-related risks and opportunities are still measured and integrated into investment decision making, however this is in the context of the existing objective to outperform the benchmark over the specified time period subject to risk constraints.

⁴ https://www.ngfs.net/sites/default/files/media/2024/01/16/ngfs_scenarios_technical_documentation_phase_iv_2023.pdf

Appendices

- Appendix 1 – Scenario characteristics
- Appendix 2 – Calculation methodology
- Appendix 3 – Limitations
- Appendix 4 – Coverage Ratio
- Appendix 5 – Data Quality Score
- Appendix 6 – Physical Climate Value at Risk and ND GAIN
- Appendix 7 – Green Revenue Exposure
- Appendix 8 – Low carbon transition risk

Appendix 1: Scenario characteristics

	ORDERLY	TOO LITTLE TOO LATE	HOTHOUSE
Climate and socio-economic pathways	IPCC SSP 1-1.9 NIWA RCP 2.6 CCC 'Tailwinds'	IPCC SSP 2-4.5 NIWA RCP 4.5 CCC 'Headwinds'	IPCC SSP 5-8.5 NIWA RCP 8.5 CCC 'Current Policy Reference'
Energy and emission pathway parameters	NGFS Net Zero 2050 IEA Net Zero Emissions by 2050	NGFS Fragmented World IEA APS	NGFS Current Policies IEA STEPS
Emission Pathways	Net Emissions - Domestic: 47 MtCO₂e by 2030, 3.8 MtCO₂e by 2050 - Global: 21 BtCO₂e by 2030, 0 MtCO₂e by 2050	Net Emissions - Domestic: 57 MtCO₂e by 2030, 22 MtCO₂e by 2050 - Global: 34 BtCO₂e by 2030, 21 BtCO₂e by 2050	Net Emissions - Domestic: 62 MtCO₂e by 2030, 35 MtCO₂e by 2050 - Global: 39 BtCO₂e by 2030, 34 BtCO₂e by 2050
Economic Outcomes ⁵	GDP - Domestic: NZ\$330b in 2030, NZ\$485b in 2050 - Global: US\$176t in 2030, US\$289t in 2050	GDP - Domestic: NZ\$329b in 2030, NZ\$477b in 2050 - Global: US\$175t in 2030, US\$274t in 2050	GDP - Domestic: NZ\$329b in 2030, NZ\$475b in 2050 - Global: US\$175t in 2030, US\$273t in 2050
Energy	Percent of renewable energy of total energy produced: - Domestic: 55% by 2030, 90% by 2050 - Global: 30% by 2030, 67% by 2050	Percent of renewable energy of total energy produced: - Domestic: 50% by 2030, 80% by 2050 - Global: 19% by 2030, 37% by 2050	Percent of renewable energy of total energy produced: - Domestic: 48% by 2030, 61% by 2050 - Global: 16% by 2030, 26% by 2050

The assumptions from the table above have been sourced from a combination of the FSC industry scenario narrative report research, NZ Climate Change Commission for domestic parameters and the Network for Greening the Financial System as well as the International Energy Agency for the global parameters.

The scenarios Harbour has selected for its analysis have been purposely chosen to align with both the industry work and these domestic and global climate models to provide better comparability with our peers in the best interests of primary users of this report.

⁵ The economic outcomes have been assessed using NGFS Phase IV scenarios which are currently used within the MSCI CVaR model, these are expected to change once NGFS Phase V scenarios have been updated within MSCI CVaR models.

Appendix 2: Calculation Methodology

Harbour's calculation methodology for financed emissions metrics is based on the Partnership for Carbon Accounting Financials (PCAF) Standard for listed corporate debt.

The PCAF standard has built on the widely used framework for GHG emission accounting known as the Greenhouse Gas Protocol but provides more specialised guidance for measuring portfolio-financed emissions for key asset classes.

Harbour has used an operational control approach for the measurement and reporting of GHG emissions in this climate statement. This means that emissions for the Fund's loans and investments (without operational control) are reported as scope 3 category 15 (investments) emissions, defined under the GHG Protocol Standard.

The definitions and formulae for the key climate metrics used in this report are provided below:

Financed Emissions

$$\sum_n^i \left(\frac{\text{current value of investment}_i}{\text{issuer's EVIC}} \times \text{issuer's Scope 1 and Scope 2 GHG emissions}_i \right)$$

Measures the total absolute emissions that are financed by the fund's investors through their ownership. Emissions are allocated to all financiers by using the total enterprise value (including cash) in the denominator.

Weighted Average Carbon Intensity

$$\sum_n^i \left(\frac{\text{current value of investment}_i}{\text{current portfolio value}} \times \frac{\text{issuer's Scope 1 and Scope 2 GHG emissions}_i}{\text{issuer's \$M revenue}_i} \right)$$

Measures the fund's exposure to carbon intensive companies by taking the weighted average of companies' carbon intensity, defined as its emissions divided by sales in NZD millions.

Carbon Footprint

$$\frac{\sum_n^i \left(\frac{\text{current value of investment}_i}{\text{issuer's EVIC}} \times \text{issuer's Scope 1 and Scope 2 GHG emissions}_i \right)}{\text{current portfolio value (\$M)}}$$

Measures the total emissions financed by the fund's investors, normalised by the amount invested through dividing by the total portfolio value in NZD millions. Emissions are allocated using a firm ownership approach based on the total enterprise value, including cash.

Gases and units

The financed emissions calculated are based on total greenhouse gas emissions with units expressed as metric tonnes of carbon dioxide equivalent. Given these outputs are derived from the emissions data calculated by each of the fund's investee companies, we are unable to report a singular source of emissions factors and global warming potential rates used at the portfolio level. These may vary from company to company and this level of granularity is not available from our data provider.

The dollar values for revenue and portfolio size are in NZD. The metrics are all provided as of 30 June 2025, the financial year end for the fund in this Scheme.

Exclusions

Harbour has determined that the emissions relating to the Scheme are predominantly captured as investments under scope 3, category 15 of the PCAF Standard using the operational control consolidation approach.

Following the materiality requirement of CS 3, Harbour has elected to only include these financed emissions (scope 3, category 15) in its calculation of metrics used in the climate statements.

This means the scope 1, 2 and other scope 3 categories (1–14) are excluded from the measurement and reporting of GHG emissions for the Scheme. This is because emissions arising from these sources are deemed to be negligible and immaterial based on estimates calculated during the preparation of Harbour's corporate GHG inventory as part of the Toitū carbonzero certification process.

In addition, Harbour has excluded the measurement and reporting of some asset classes that the PCAF Standard does not cover because of an uncertain calculation methodology and/or lack of reliable GHG emissions data. Harbour has therefore excluded the derivatives and cash (plus cash equivalents) asset classes from its calculations of emissions metrics for the fund in the Scheme.

Furthermore, Harbour has also excluded cash, derivatives, collateralised debt, private debt and municipal bonds from its calculations as accurate emissions data is not readily available. More information on coverage is in Appendix 4 below.

MSCI estimates

MSCI uses reported emissions data from underlying portfolio companies where possible but for those companies that do not report emissions, MSCI calculates estimates based on production data and/or industry average emissions data and closely follows the PCAF descriptions for data quality scores 3, 4 and 5.

Appendix 3: Limitations

The primary limitation with the information provided in this report is the breadth and quality of the data used, particularly in the Metrics and Targets section.

There are a variety of factors that contribute to the gaps in coverage and ambiguity over the quality of the data, some of which are explained below:

- **Complexity** – Given the broad range of financial instruments and differences in their characteristics, it can be difficult to develop a unified standard to measure and report climate-related information that is accurate and useful for each security. For example, the innovation in derivatives has given investors access to new financial instruments that offer different risk and return profiles compared to traditional securities but from a carbon accounting perspective can make it complicated to attribute emissions data in a fair and accurate manner while avoiding double counting.
- **Verifiability** – Much of the data presented in this report is provided at the fund level which is typically a weighted aggregation of the data from underlying investments in the fund. Given the nascency of mandatory climate reporting, a significant amount of the data (GHG emissions in particular) is self-reported and not subject to assurance or other forms of external verification. This raises concern over the accuracy of the data and may be prone to errors in methodology or process that would undermine its validity.
- **Timeliness** – It is acknowledged that investee companies measure and report climate data at different points in time and at different frequencies according to their own reporting periods and practices. This can create a mismatch in the timing of data when comparing between companies and calculating portfolio level metrics such as carbon footprints. This issue is further exacerbated by time lags from external ESG data providers from when the data is made publicly available from companies and when it is reflected in its respective database.

From a practical perspective, the data provided in this report is limited by the coverage of each portfolio calculation, the level of reliable, verified data from the underlying investee companies and the timeliness impacted by the differing reporting periods and our use of an external ESG data provider.

The fund coverage and data quality scores provided in Appendix 4 and 5 should therefore be taken into account when analysing the climate metrics presented in this report.

Appendix 4: Coverage

To demonstrate the proportion of the Fund's assets that have been used to calculate the portfolio-level metrics, the coverage percentages are provided in the table below.

This coverage percentage captures both whether the asset type is covered by the metric calculations and if the raw climate data is available.

Note that some asset types such as cash, derivatives, collateralised debt, private debt and municipal bonds are excluded from these measurements which are reflected in the low coverage proportion for the fund in the Scheme as it holds some of these securities. The change in coverage from 2024 reflects the increased exposure to collateralised assets which have low coverage from an emissions perspective. Furthermore, there is less coverage of the more complex value at risk metrics by MSCI compared to the GHG emissions data.

CLIMATE DATA COVERAGE % OF FUM	JUNE 2025		JUNE 2024	
HUNTER GLOBAL FIXED INTEREST FUND	SCOPE 1+2 - % OF ASSET CLASS	CLIMATE VAR - % OF TOTAL PORTFOLIO	SCOPE 1+2 - % OF ASSET CLASS	CLIMATE VAR - % OF TOTAL PORTFOLIO
Corporate Bonds	100%	15%	100%	15%
Sovereign Bonds	95%	28%	100%	25%
Other – Securitised assets, collateralised assets, cash and derivatives	0%	0%	67%	0%
Private Equity and Private Credit	0%	0%	0%	0%
Total Portfolio Coverage	62%	43%	85%	40%

Appendix 5: Data Quality Score

As noted in Appendix 3, the quality of data used in this report, particularly GHG emissions, can be questionable, so we have provided a metric recommended by the PCAF Standard that attempts to measure this quality.

This metric is the weighted average data quality score where 1 represents the highest quality data and 5 the lowest quality. A score close to 1 would mean the majority of data used is verified company reported emissions, while scores close to 5 are mostly based on emissions estimates derived from economic activity measures.

The weighted average score for the Fund in the scheme is presented in the table below:

FINANCED EMISSIONS DATA QUALITY SCORE		
FUND	PCAF WEIGHTED SCORE 2025	PCAF WEIGHTED SCORE 2024
Corporate Bonds	2.6	2.2
Sovereign Bonds	4.0	N/A

We have included the data quality score for Sovereign bonds in 2025. A PCAF data quality score of “4” reflects the high level of estimation used for sovereign data in 2025. For countries who report Scope 1 emissions historically, but no recent reported emissions data is available, MSCI uses growth rates from modelled data sources to arrive at more recent emission estimates for a single year. Estimated data is assigned a PCAF data quality score of 4.

Note that the score calculated above is based only on the fund holdings for which emissions data is available or estimated (the remaining securities are excluded).

Appendix 6: Physical Climate Value at Risk

Harbour has used a physical climate value at risk metric to measure physical risk at the portfolio level for the Fund in the Scheme.

This metric has been calculated using MSCI's climate product and shows the percentage of the fund's assets that are at risk for physical climate hazards.

Both acute and chronic physical hazards are captured and the value at risk is calculated as the present value of each investee company's expected costs/profits as a result of these hazards under different global warming scenarios.

MSCI's methodology involves assessing each individual company's exposure to the various physical hazards such as coastal flooding, tropical cyclones, wildfires and others based on the location of its assets. MSCI uses mathematical modelling to estimate the costs/profits from each hazard.

Harbour has provided the physical climate value at risk for both the Orderly (1.5-degree Net Zero) and Hothouse (3-degree Current Policies) scenarios to show the difference in risk at the two opposite ends of the global warming spectrum in our analysis.

ND-GAIN Country Index

ND-GAIN Country Index score combines measurement of a country's current vulnerability to climate disruptions with an assessment of that country's readiness to leverage private and public sector investment for adaptive actions. The ND-GAIN score assesses the vulnerability of a country by considering six life-supporting sectors: food, water, health, ecosystem services, human habitat, and infrastructure. Each sector is in turn represented by six indicators that represent three cross-cutting components: the exposure of the sector to climate-related or climate-exacerbated hazards; the sensitivity of that sector to the impacts of the hazard and the adaptive capacity of the sector to cope with or adapt to these impacts.

Appendix 7: Green Revenue Exposure

The metric Harbour has used to measure climate-related opportunities for the fund is the weighted green revenue exposure. This has been calculated using MSCI's climate product that maps investee company revenues against the following environmental impact metrics:

Climate change

- Alternative Energy
- Energy Efficiency
- Green Building

Natural Capital

- Pollution Prevention
- Sustainable Water
- Sustainable Agriculture

Harbour has selected only the three climate-related themes as its modified definition of MSCI's green revenue exposure metric given the other environmental themes are outside of the scope of climate opportunities.

MSCI's methodology involves screening companies that generate revenues from products or services which have a positive impact on each of the categories above and are further delineated by sub-categories e.g. solar, wind and geothermal under the umbrella of alternative energy and zero emissions vehicles and LED/CFL lighting under the energy efficiency umbrella.

The metrics are calculated based on company disclosed activities and revenue as well as estimates of revenue that are extrapolated from company disclosures and other credible sources like non-government organisations.

Appendix 8: Low carbon transition risk

Harbour has measured transition risk for the Fund in the Scheme using the low carbon transition risk metric calculated by MSCI. This metric identifies the proportion of the Fund's market value that is exposed to three categories of transition risk: operational, product and asset stranding.

The metric represents the aggregate exposure of these three categories which are further detailed below.

Operational

Companies that have carbon-intensive operations or supply chains that could be exposed to climate transition costs such as carbon taxes, regulatory fines, rising raw material costs and other supply disruptions caused by supplier carbon-related risk.

MSCI uses company carbon emissions intensity to measure this climate transition risk. Company reported data is used where available for scope 1 and 2 emissions intensity while estimates are used for remaining companies and for scope 3 emissions intensity.

Examples of industries that may be captured by this risk category are cement and steel.

Products

Companies that have carbon intensive products or those in carbon-dependent industries where there is high revenue dependence on other companies with carbon intensive operations/products. These companies may face climate transition costs through reduced demand for their products and services.

MSCI uses estimated scope 3 carbon emissions intensity data according to its proprietary methodology to measure the risk exposure from this category.

Manufacturers of petrol fueled vehicles, steam turbines and other energy equipment and services companies are examples that are captured in this risk category.

Asset Stranding

Companies that are at risk of having their assets stranded as a result of regulatory, market or technological forces from the climate transition. These companies may face significant costs related to impairments and devaluations of their impacted assets.

MSCI measures the risk exposure in this category as those companies that operate in the fossil fuel value chain that exceed a specific carbon emissions intensity threshold according to its proprietary methodology.

For example, this risk category includes companies involved in coal mining, coal-based power generation and others in the oil and gas industry.





0800 460 830

contactus@harbourasset.co.nz

www.hunterinvestments.co.nz

