

Report & Commentary

31 January 2025

Fund Information	31 January 2025				
Fund Size	\$2.203 Billion				
Fund Type	PIE				
Investment management	PIMCO				
Benchmark	Bloomberg Barclays Global Aggregate Index - \$NZ hedged				
Performance (gross)	1 month	3 months	1 Year	3 Year pa	5 Year pa
Portfolio (%)	+0.60%	+1.65%	+4.61%	+0.27%	+0.90%
Benchmark (%)	0.37%	+0.66%	+3.65%	-0.38%	-0.11%
Alpha (%)	+0.23%	+0.99%	+0.96%	+0.65%	+1.01%

The performance in this fact sheet is gross of fees and tax. Investors should also refer to the Quarterly Fund Update, which is available on hunterinvestments.co.nz and business.govt.nz/disclose.

Performance update

The Hunter Global Fixed Interest Fund outperformed its benchmark in January through what was a very volatile month for interest rates as the market was unnerved by a robust US jobs report while it attempted to price the uncertain outcomes around incoming President Trump's policies. Interest rates rose early in the month before rallying back towards month end as actual inflation data confirmed the easing trend was intact.

Adding value this month was our underweight to Japanese duration where policy rates hit a 17-year high. Our overweight to securitised assets also contributed to outperformance as did strategic positioning to UK duration, especially the short end as rates rallied there.

However, our positioning in Chinese duration, especially around the 5yr portion of the curve, subtracted value as rates shifted higher there.

Investment markets

January saw significant market fluctuations influenced by monetary policy uncertainty, political changes in the U.S., and developments in the AI sector. Global sovereign bonds ended the month flat, starting on unstable ground due to strong labour markets and inflation fears. Equities experienced volatility, with some indices reaching all-time highs, while Nvidia faced record losses amid the DeepSeek saga. Despite this, the S&P 500 rose nearly 3%, and European stocks outperformed, with gold and Bitcoin also seeing gains.

Bonds faced a challenging start as inflation concerns loomed, particularly following a robust U.S. jobs report that exceeded expectations. Treasury yields spiked, with the 10-year hitting 4.8%, but later stabilized as inflation figures improved. UK Gilts also experienced volatility, with yields

rising sharply before rebounding. In Europe, the ECB's rate cut was overshadowed by persistent inflation, while Japan maintained a hawkish stance, raising its policy rate to a 17-year high.

Portfolio positioning

PIMCO continues to maintain a cautious view towards corporate credit, still focusing on relative value positions and diversified alpha strategies.

PIMCO increased aggregate duration again this month to 6.8 years, now slightly more than the index at 6.5 years. This is the first time fund duration has exceeded the benchmark for several years reflecting the current level of interest rates which, in some cases, PIMCO believes exceed fair value.

The Fund is now neutral duration in Japan, Europe and Emerging Markets while being slightly underweight duration in North America. Elsewhere, PIMCO remain overweight duration in more interest rate sensitive markets or where they see strong evidence of economic slowing, specifically, Australasia and the UK.

In terms of the yield curve, the Fund is underweight 1-3 years maturities but has increased the overweight to the 3-5 year and the 5-10 years parts of the curve. The Fund's largest yield curve position remains its underweight to 10 years plus maturities. It is expected that 3-10 years maturities will benefit disproportionately in a variety of scenarios with the yield curve expected to continue to become increasingly positively shaped as investors demand more term premia for moving longer on the curve.

The Fund has maintained its underweight to corporate credit, still targeting high credit quality. The average credit rating of the Fund remains AA-.

US Federal Reserve "tapering" programme also sees PIMCO remaining slightly underweight the agency and semi-government sectors but has maintained an overweight exposure to the mortgage sector. Securitised assets remain PIMCO's preferred way to take spread exposure.

Currency strategies remain largely tactical or target portfolio diversification. The fund's most significant position are overweights to UK, EM and North America currencies against Australasia, the Eurozone and a basket of minor currencies.

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Hunter Global Fixed Interest Fund
Investment Portfolio Characteristics



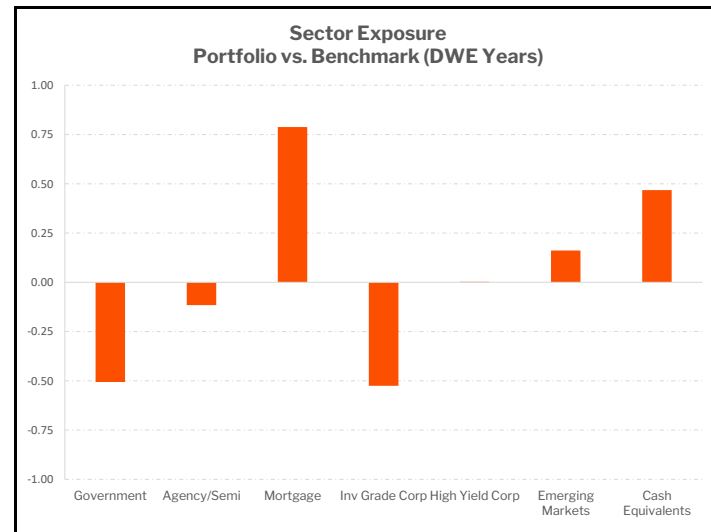
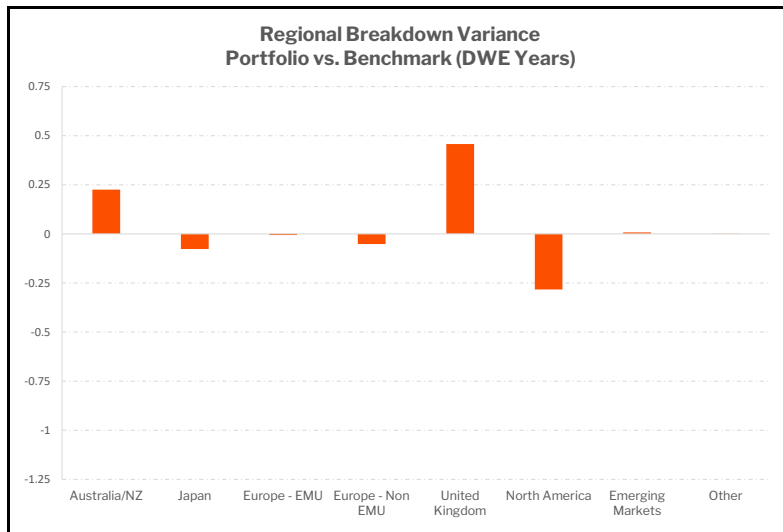
Investment Statistics	
Effective Duration	6.8
Benchmark Duration	6.5
Average Maturity	9.4
Average Coupon	4.3
Average Quality	AA-
Fund Total Carry	5.5
Benchmark Total Carry	4.3

Quality Breakdown		
Market Value % Portfolio		Market Value % Benchmark
54.3	AAA	11.7
7.6	AA	42.8
5.9	A	31.4
30.7	BBB	14.2
1.6	Sub Inv Grade	0.0
100	Total	100

Curve Exposure				
Duration Weighted Exposure		Duration Weighted Exposure		
% Portfolio	% Benchmark		Years Portfolio	Years Benchmark
7.0	0.1	0 - 1 years	0.5	0.0
4.3	7.8	1 - 3 years	0.3	0.5
38.0	13.5	3 - 5 years	2.6	0.9
37.6	34.9	5-10 years	2.6	2.3
13.2	43.8	10+ years	0.9	2.9
100	100	Total	6.8	6.5

Regional Breakdown by currency of settlement)				
Duration Weighted Exposure		Duration Weighted Exposure		
% Portfolio	% Benchmark		Years Portfolio	Years Benchmark
4.5	1.2	Australia/NZ	0.3	0.1
11.3	12.9	Japan	0.8	0.8
20.4	21.4	Europe - EMU	1.4	1.4
0.6	1.4	Europe - Non EMU	0.0	0.1
11.1	4.6	United Kingdom	0.8	0.3
39.2	45.1	North America	2.7	3.0
10.9	11.3	Emerging Markets	0.7	0.7
2.0	2.0	Other	0.1	0.1
100	100	Total	6.8	6.5

Sector Breakdown				
Duration Weighted Exposure		Duration Weighted Exposure		
% Portfolio	% Benchmark		Years Portfolio	Years Benchmark
39.0	48.4	Government	2.7	3.2
5.8	7.8	Agency/Semi	0.4	0.5
22.9	11.8	Mortgage	1.6	0.8
7.6	16.0	Inv Grade Corp	0.5	1.0
0.0	0.0	High Yield Corp	0.0	0.0
17.8	16.1	Emerging Markets	1.2	1.1
6.9	0.0	Cash Equivalents	0.5	0.0
100	100	Total	6.8	6.5



ESG Integration (PIMCO)

At PIMCO, we define ESG Integration as the integration of material ESG factors into investment research. We believe incorporating ESG factors should be part of a robust investment process. We recognize that ESG factors are increasingly material inputs into our understanding of global economies, markets, industries and business models. Whether climate change, income inequality, shifting consumer preferences, regulatory risks, human capital management or unethical conduct, ESG factors are important considerations when evaluating long-term investment opportunities. These factors are evaluated across markets and assets classes where applicable. Our commitment to ESG integration was one of the main drivers that led PIMCO to become a signatory to the Principles of Responsible Investment (PRI) in September 2011.

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 particular sectors, issuers, etc., our fundamental credit views will reflect this. While ESG scores play a role in security selection for portfolios that follow ESG strategies and guidelines, they are not a criterion for security selection in portfolios that do not follow ESG strategies and guidelines. Additionally, integrating material ESG factors into the evaluation process does not mean that ESG information is the sole consideration for an investment decision; instead, PIMCO's portfolio managers and analyst teams evaluate a variety of factors, which can include ESG considerations, to make investment decisions. By integrating material ESG factors into the evaluation process, PIMCO is increasing the total amount of information assessed to generate a more holistic view of an investment, in efforts to deliver the best performance outcomes for our clients.

Exclusions

Further to the ESG integration in the PIMCO investment process, the Hunter Global Fixed Interest Fund has the following exclusions (derivative positions that may include exposures as part of a basket are exempt from these restrictions, e.g. Basket CDS for spread trade or hedging etc.):

- Tobacco Companies;
- Armament Manufacturers;
- Cluster munitions development or production;
- The Portfolio will not invest in companies who derive more than 10% of their earnings from pornography or gambling; and
- The Portfolio will not invest in companies who derive more than 10% of their earnings from or whose only, core, or majority business is the exploration, extraction, refining or processing of fossil fuels. In addition, the Portfolio will not invest in any utility who primarily burns fossil fuels. The development or operation of pipelines are excluded from this restriction.

ESG Metrics

	Fund	Benchmark
Gender Diversity (workforce >40% female)	69%	29%
Modern Slavery Statement	64%	27%
Majority Independent Board	49%	33%

Numbers represent the proportion of holdings meeting the above criteria.

We assess only the corporate bond holdings of both the Benchmark and Fund, figures shown are as a percentage of those holdings in order to maintain comparability.

Climate Targets

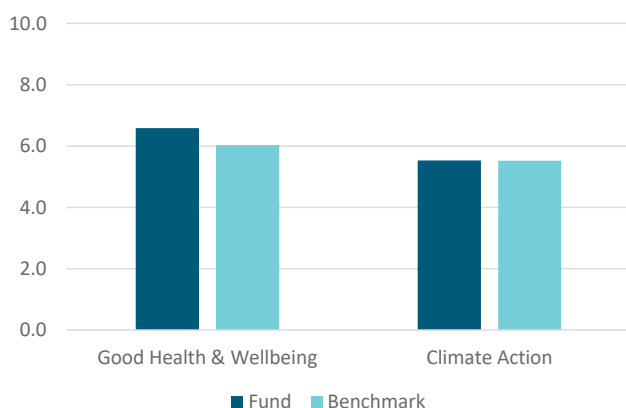
	Fund	Benchmark
TCFD Recommendations	75%	46%
SBTi Committed	7%	4%
SBTi Targets Set	5%	13%

TCFD Recommendations: proportion of portfolio holdings that have committed to adopting recommendations of the Task Force for Climate-Related Financial Disclosures (TCFD). Does not indicate a complete TCFD disclosure.

SBTi Committed indicates the company has made a public commitment to set a science-based target aligned with SBTi's target-setting criteria within 24 months.

'Targets Set' indicates that SBTi has reviewed and validated the company's target(s).

Contribution to UN SDGs

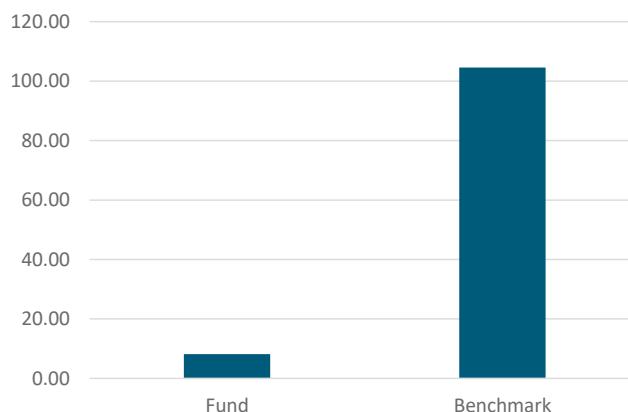


Represents the overall portfolio impact on progress towards the UN Sustainable Development Goals: 3. Good Health and Wellbeing, and 13. Climate Action, as assessed by ISS. On a scale of 0-10: 0 is a negative impact, 10 a positive impact, and 5 is no net impact.

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Scope 1 & 2 Carbon Emissions Intensity (USD)



Scope 1 & 2 Carbon Emissions Intensity reflects the portfolios weighted average total carbon emissions (tonnes) per million USD of revenue, as a proxy of the carbon efficiency per unit of output.

COMPLIANCE CERTIFICATE

Hunter Global Fixed Interest Fund

For month ended 31 January 2025

Harbour Asset Management Limited (the "Manager"), certifies that to the best of our knowledge, and having made reasonable enquiries, that, and except as specified in this certificate;

1. The Fund has at all times complied with the Fund's Trust Deed;
2. The Fund has complied with internal guidelines as described in the Statement of Investment Policy & Objectives (SIPO), dated 30th October 2024;
3. PIMCO Australia Pty Ltd ('PIMCO') as the appointed underlying specialist investment manager for the Hunter Global Fixed Interest Fund, provides Harbour with a monthly certification of compliance.



Tim Morrison
Head of Legal, Risk & Compliance
Harbour Asset Management Limited

Dated 04 February 2025