Hunter Global Fixed Interest Fund

30 APRIL 2025

1 month performance	1 year performance	Fund size	Investment Management
0.41%	**6.89%**	**$2,350,739,452**	**PIMCO**
Before fees & tax	Before fees & tax	NZD	

The Hunter Global Fixed Interest Fund underperformed its benchmark in April in what was a very volatile month for investors although nominal returns remained positive. Markets had become somewhat complacent going into President Trump's "Liberation day" tariff announcement and were thoroughly shocked by the size and breadth of the proposed tariffs, the likely impact on both economic growth and inflation and the scope for an escalating trade war.

However, PIMCO believes that global **policy rates will ease through the year** but that the US will be slower to the party. That tariffs are here to stay but will eventually settle around a 10% average tariff rate except for China and a few specific product exceptions.

They **see global growth falling with inflation pressures rising temporarily in the US and falling elsewhere.** Further, that regardless of where tariff rates eventually settle, the damage is done furthering the de-globalisation process. Economic, energy and national security are all back in focus without the security umbrella previously provided by the US.

In this uncertain environment, PIMCO believes that **bonds at current yields continue to offer great value and a safe place to wait until the global environment becomes a little clearer.** The **average credit rating of the Fund is now slightly higher than benchmark at AA, while the Fund's total carry was 5.8% at the end of April.**

The Fund has had no credit defaults and while we expect ongoing month to month volatility in returns, we believe the Fund will continue to deliver strong returns going forward.

During the period, there were no liquidity concerns and no restrictions on redemptions.

Performance	1 MONTH	3 MONTH	1 YEAR P.A.	2 YEAR P.A.	3 YEAR P.A.	5 YEAR P.A.	10 YEAR P.A.	SINCE INCEPTION P.A.
Fund return	0.41%	1.43%	6.89%	5.30%	2.99%	1.40%	-	2.76%
Benchmark	0.89%	1.61%	6.85%	4.18%	2.25%	-0.01%	-	1.96%
Relative return	-0.48%	-0.18%	0.04%	1.12%	0.74%	1.42%	-	0.80%

Inception: 15 March 2017. Benchmark: Bloomberg GlobalAgg Total Return Index Hedged NZD. Past performance is not indicative of future results.

Investment statistics

	FUND
Effective duration (years)	6.8
Benchmark duration (years)	6.6
Average maturity (years)	10.3
Average coupon	3.78%
Average quality	AA
Fund total carry	5.79%
Benchmark total carry	3.84%

Quality breakdown

	FUND	BENCHMARK
AAA	62.01%	12.06%
AA	9.14%	42.60%
A	7.26%	31.27%
BBB	20.23%	14.08%
Sub inv grade	1.36%	0.00%

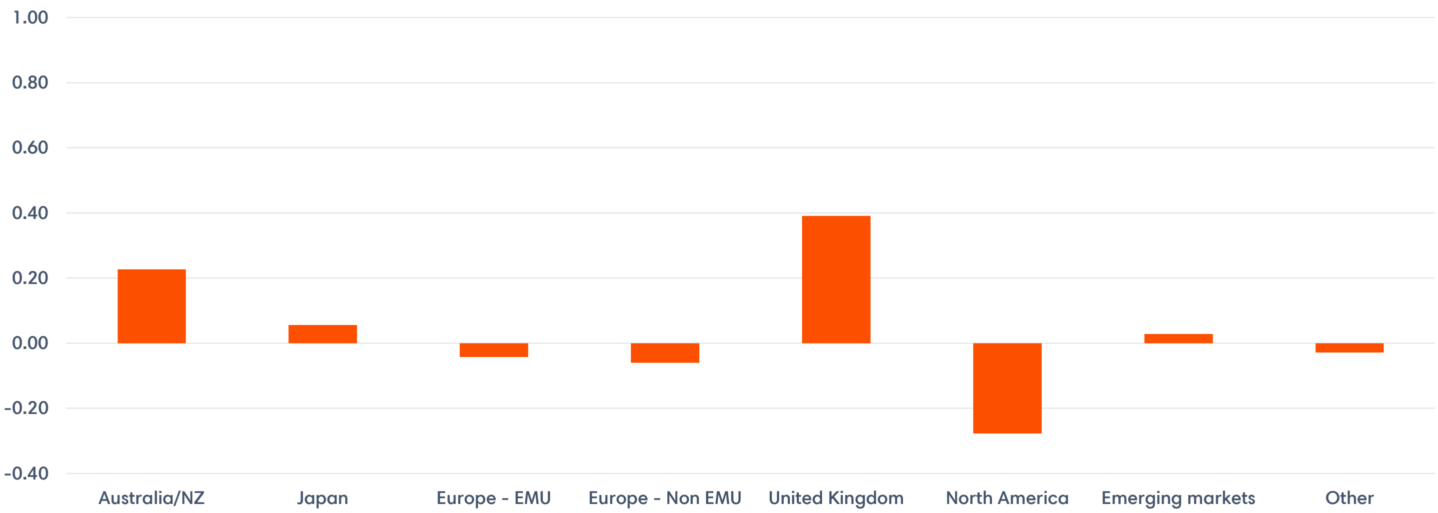
Duration weighted curve exposure

	0-1 YEARS	1-3 YEARS	3-5 YEARS	5-10 YEARS	10+ YEARS	TOTAL
Benchmark %	0.07	8.00	13.29	34.98	43.67	100.00
Portfolio %	8.23	1.87	31.37	30.98	27.54	100.00
Years Benchmark	0.00	0.52	0.87	2.29	2.86	6.55
Years Portfolio	0.56	0.13	2.15	2.12	1.89	6.85

Duration weighted regional breakdown (by settlement currency)

	FUND	BENCHMARK	FUND%	BENCHMARK %
Australia/NZ	0.31	0.08	4.53%	1.27%
Japan	0.90	0.85	13.17%	12.91%
Europe - EMU	1.43	1.47	20.82%	22.40%
Europe - Non EMU	0.04	0.10	0.54%	1.48%
United Kingdom	0.71	0.32	10.31%	4.81%
North America	2.60	2.88	38.03%	43.97%
Emerging markets	0.75	0.72	10.92%	10.98%
Other	0.11	0.14	1.67%	2.18%
Total	6.85	6.55	100.00%	100.00%

Regional breakdown variance portfolio vs benchmark (DWE years)



Duration weighted sector breakdown (by settlement currency)

	FUND	BENCHMARK	FUND%	BENCHMARK%
Government	2.24	3.23	32.78%	49.30%
Agency/Semi	0.38	0.52	5.57%	7.89%
Mortgage	1.89	0.74	27.66%	11.23%
Inv Grade Corp	0.54	1.03	7.94%	15.68%
High Yield Corp	0.00	0.00	0.05%	0.00%
Emerging Markets	1.21	1.04	17.74%	15.89%
Cash Equivalents	0.56	0.00	8.25%	0.02%
Total	6.85	6.55	100.00%	100.00%

Sector exposure portfolio (DWE years)

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 Manufacturer;
- 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.
- Companies involved in 'very severe' controversies that score 0 ('red flag') on MSCI's controversy criteria are excluded from all portfolios.

ESG metrics

	FUND	BENCHMARK
Gender diversity (workforce >40% female representation)	71.89%	23.56%
Modern slavery statement	52.37%	15.71%
Majority independent board	54.89%	36.04%

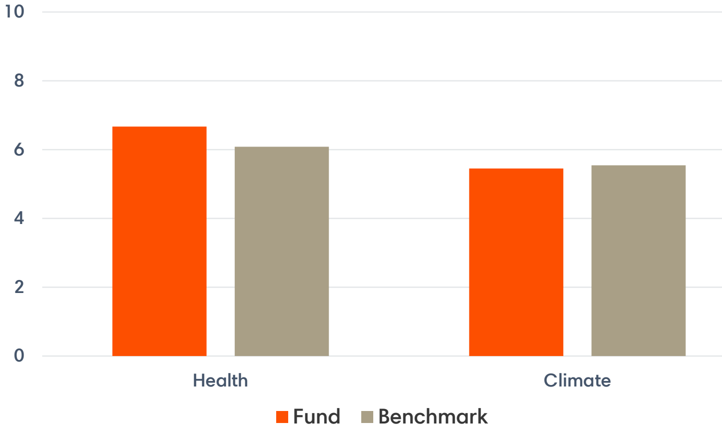
Numbers represent the proportion of holdings meeting the above criteria. We assess only the corporate bond holdings of both the Benchmark and Fund, figures shown are as a percentage of those holdings in order to maintain comparability.

Climate targets

	FUND	BENCHMARK
TCFD reporting	62.35%	28.24%
SBTi committed	4.55%	3.49%
SBTi targets set	2.49%	14.20%

TCFD Recommendations: proportion of portfolio holdings that have commited 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.

Scope 1 & 2 Carbon emission 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.

Performance update

The Hunter Global Fixed Interest Fund underperformed its benchmark in April in what was a very volatile month for investors although nominal returns remained positive. Markets had become somewhat complacent going into President Trump's "Liberation day" tariff announcement and were thoroughly shocked by the size and breadth of the proposed tariffs, the likely impact on both economic growth and inflation and the scope for an escalating trade war.

Adding value this month were our over weights to UK and Australia duration especially around the front end of the curve.

However, our positioning in securitised assets, notably Agency and non-agency mortgage backed securities, detracted sharply as spreads generally widened as investors sought both security and liquidity. Similarly, our yield curve positioning in Japan where the curve steepened and underweight to Eurozone duration, where rates rallied, also subtracted value this month.

Investment markets

Investors continued to face turbulent markets in April, with the focus shifting from current conditions to trying to anticipate the impact of Trumps trade policies. US President Trump's April 2nd announcement of his new tariff policy came as a shock with the focus on trade deficits mislabeled as "tariffs" resulting in substantial panic in markets, equity markets crashing while bond markets generally rallied on now lower growth expectations before the US bonds sold off again on increased inflation concerns (perhaps stagflation). Credit spreads also widened with the largest movements in the lower credit quality sectors. Private assets are yet to fully reflect these moves due to their much lower market liquidity.

Other core government markets have continued to rally on lower economic global growth expectation as a consequence of the tariffs and retaliatory responses. Similarly, it is likely that outside the US, the tariffs will prove dis-inflationary as goods meant for the US have to be redirected.

In the market:

April was a volatile month as escalating trade tensions took center stage. President Trump's 'Liberation Day' tariffs, some exceeding 100% on Chinese goods, dashed hopes for a soft landing and triggered sharp market reactions. The S&P 500 and Nasdaq experienced some of their worst single-day drops in years, the VIX surged, and Treasury yields spiked, with the US 10-year nearing 4.5% and the 30-year reaching 4.9%. In the UK, 30-year gilt yields hit levels not seen since 1998, while gold soared near $3,300 per ounce, setting new records and reflecting investor demand for safe-haven assets amid uncertainty.

Beyond tariffs, **Trump also targeted Federal Reserve Chair Powell**, demanding immediate rate cuts to boost growth. Powell remained firm, emphasizing that inflation, while easing, remains sticky at 2.4% year-on-year. This led markets to scale back expectations for rate cuts from nearly seven to four in 2025. Meanwhile, European central banks focused on their own policies: the ECB cut rates to 2.25%, and the BoE signaled a likely rate cut despite persistent core inflation. This resulted in a steeper yield curve but did not necessarily indicate stronger growth prospects.

Sector rotations followed the tariff-driven uncertainty, with trade-sensitive industries like semiconductors, luxury goods, and European autos suffering significant losses. Conversely, US healthcare rallied on expectations of protection from import duties, and defense stocks surged amid Middle East tensions and increased European defense spending. Despite the turmoil, April's earnings season offered optimism, particularly from US banks that benefited from volatility-driven trading gains. At a high level, a late-stage recovery across both bond and equity markets masked the wild swings beneath the surface, making April's month-end figures appear surprisingly calm. By month-end, bond yields had eased, and equities recovered some losses, closing the month flat or slightly down across Europe and the US.

Portfolio positioning

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

PIMCO slightly increased overall aggregate duration again this month to 6.8 years, slightly more than the index at 6.6 years. This is a reflection of PIMCO's view that at around current interest rate levels, bonds represent better than fair value and are a good place to sit given the uncertain global environment at present.

The Fund is now marginally underweight duration in Europe and largely neutral in Japan and Emerging Markets. They have increased their duration underweight to North America and it remains their largest underweight in the portfolio. Offsetting this, PIMCO remain overweight duration in more interest rate sensitive markets or where they see strong evidence of economic slowing, specifically Australasia and the UK, the UK duration being the largest overweight position.

In terms of the yield curve, the Fund is slightly underweight 1-3 years maturities but remains significantly overweight to the 3-5 year, the Fund's largest yield curve position, and has a slight underweight exposure to the 5–10 years parts of the curve. The Fund's retains a significant underweight to 10 years plus maturities but they continue to reduce the size of this underweight. It is expected that 3-5 years maturities will benefit disproportionately in a variety of scenarios with the yield curve expected to continue to become increasingly positively shaped as Central Banks cut short term rates. Longer bonds had been benefitting from safe haven status despite the inflationary implications in the US of Presidents Trump's tariff policies although overtime PIMCO believe investors will continue to 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 reflecting an increased allocation to higher rated assets especially AAA and a reduced exposure to BBB and below.

The Fund remains 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 currency positions shifted sharply in April significantly underweighting North American currencies while overweighting the Japanese Yen, Euro and the UK Pound. PIMCO has maintained the overweight exposure to high yielding Emerging market currencies. This is offset by underweights to Australasia and a basket of minor currencies.

More generally, **PIMCO's view around tariff impacts** has evolved, they see the final numbers likely to settle around 10%+ on average, with China and some specific products attracting higher tariffs.

However, together with the uncertainty around Ukraine outcomes, the damage has been done in that it seems to have cemented the deglobalization process and the need for individual countries to pay their own way. Already we have seen Germany approve higher levels of borrowing as countries move to ensure their own national interests in regard to trade, defense and energy security.

This means significantly more defense spending outside the US and **ongoing and higher deficits for the foreseeable future** across the globe.

Reduced trade with the US and the need for individual countries to spend more domestically has implications for US debt financing and the USD as the reserve currency as countries are likely to hold less USD. PIMCO believes that the USD will remain a reserve currency but may not be the only one going forward.

They see **this as a recipe for weaker global growth**, possibly recession, and believe inflation was already on its last mile, even in the US despite the impact of tariffs, and most major central banks have room to ease. The US Federal Reserve likely to lag other central banks.

In this environment, PIMCO will look to maintain portfolios designed to be resilient across a range of economic, geopolitical, and market outcomes, and to be liquidity providers during periods of greater market stress. In credit markets, PIMCO will seek to achieve a balance between near-term caution given the current uncertainty and a long-term focus on high quality, resilient assets. **PIMCO also anticipates the more typical negative correlations between high quality bonds and equities will continue to reassert themselves, thus improving the hedging and diversifying characteristics of core bond allocations.**

Disclaimer

COMPLIANCE CERTIFICATE

Hunter Global Fixed Interest Fund

For month ended 30 April 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 21st February 2025;
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 May 2025