HUNTER
INVESTMENT FUNDS

Hunter Global Fixed Interest Fund

28 FEBRUARY 2025

1 month performance	1 year performance	Fund size	Investment Management
1.28%	**6.62%**	**$2,309,169,236**	**PIMCO**
Before fees & tax	Before fees & tax	NZD	

The **Hunter Global Fixed Interest Fund outperformed its benchmark again in February** through what was a very volatile month for interest rates as the market tried to price the frequent Trump government policy announcements on tariffs, Ukraine and foreign policy. However, **interest rates generally fell across the board** despite conflicting economic data, bonds benefitting from a flight to quality given the ongoing political uncertainties.

Adding value this month was an underweight to Japanese duration, especially around the 7 year maturity, Japan being an outlier with rates rising this month. Elsewhere, overweight's to European and UK duration added value as rates rallied there. However, our underweight to US duration subtracted value given the fall in interest rates. Positioning in Chinese duration also detracted from performance as rates shifted higher there.

PIMCO believes that policy rates will ease through the year from what they consider to still be restrictive levels. However, their expectations for the speed and size of future easing, especially in the US, has moderated as they view President Trump's policies to date as likely to prove at least mildly inflationary in the US. However, a tit for tat tariff war is likely to both slow growth while pushing inflation higher. At this stage PIMCO foresee a relatively broad US tariff policy but settling around the 5-10% rate. Given that the bulk of US GDP is internal, the impact of tariffs is likely to be significantly higher outside 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.**

PIMCO remain focused on government debt and deficits levels but is now more confident that the DOGE could deliver some meaningful savings in the US. Overall, they still believe that **yield curves will need to remain positively shaped to compensate for the additional term risk in longer bonds given the forecast increase in government borrowing**.

The average credit rating of the Fund remains AA-, in line with the benchmark, while the Fund's total carry was 5.8% at the end of February. The Fund has had no credit defaults and while we expect ongoing month to month volatility in returns, we believe that ultimately Central Banks will be successful in constraining inflation and the Fund will continue to deliver strong returns as we progress through the easing cycle and normalisation of interest rates.

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	1.28%	1.44%	6.62%	6.60%	1.18%	1.03%	-	2.80%
Benchmark	1.18%	0.66%	5.61%	5.36%	0.43%	-0.12%	-	1.95%
Relative return	0.10%	0.78%	1.01%	1.24%	0.75%	1.15%	-	0.85%

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)	6.7
Benchmark duration (years)	6.6
Average maturity (years)	10.1
Average coupon	4.16%
Average quality	AA-
Fund total carry	5.76%
Benchmark total carry	4.07%

Quality breakdown

	FUND	BENCHMARK
AAA	58.47%	11.66%
AA	7.94%	42.90%
A	5.60%	31.33%
BBB	26.61%	14.11%
Sub inv grade	1.38%	0.00%

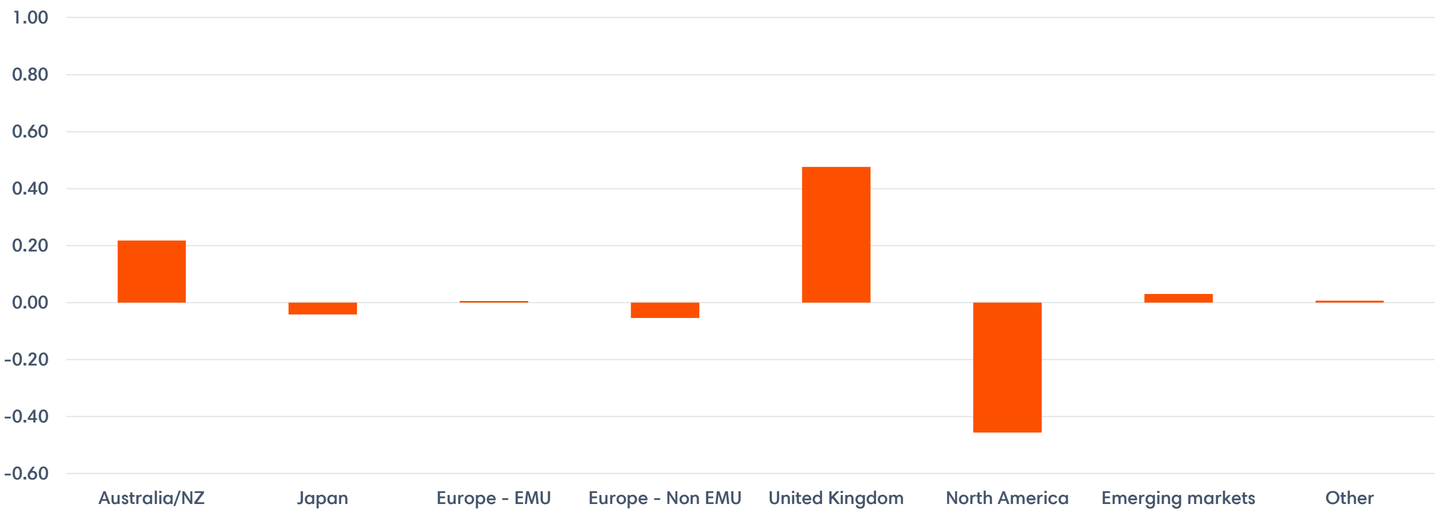
Duration weighted curve exposure

	0-1 YEARS	1-3 YEARS	3-5 YEARS	5-10 YEARS	10+ YEARS	TOTAL
Benchmark %	0.10	7.87	13.26	34.44	44.34	100.00
Portfolio %	7.91	3.06	34.92	38.06	16.05	100.00
Years Benchmark	0.01	0.52	0.87	2.26	2.91	6.56
Years Portfolio	0.53	0.21	2.35	2.57	1.08	6.74

Duration weighted regional breakdown (by settlement currency)

	FUND	BENCHMARK	FUND%	BENCHMARK %
Australia/NZ	0.30	0.08	4.44%	1.26%
Japan	0.80	0.84	11.90%	12.86%
Europe - EMU	1.40	1.40	20.81%	21.31%
Europe - Non EMU	0.04	0.09	0.53%	1.38%
United Kingdom	0.78	0.30	11.59%	4.65%
North America	2.53	2.98	37.48%	45.48%
Emerging markets	0.75	0.72	11.12%	10.98%
Other	0.14	0.14	2.13%	2.09%
Total	6.74	6.56	100.00%	100.00%

Regional breakdown variance portfolio vs benchmark (DWE years)



Duration weighted sector breakdown (by settlement currency)

	FUND	BENCHMARK	FUND%	BENCHMARK%
Government	2.08	3.20	30.87%	48.81%
Agency/Semi	0.38	0.51	5.62%	7.76%
Mortgage	1.93	0.74	28.61%	11.34%
Inv Grade Corp	0.57	1.06	8.45%	16.19%
High Yield Corp	0.00	0.00	0.06%	0.00%
Emerging Markets	1.25	1.04	18.56%	15.88%
Cash Equivalents	0.53	0.00	7.82%	0.03%
Total	6.74	6.56	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)	66.55%	22.28%
Modern slavery statement	46.87%	15.21%
Majority independent board	28.05%	14.50%

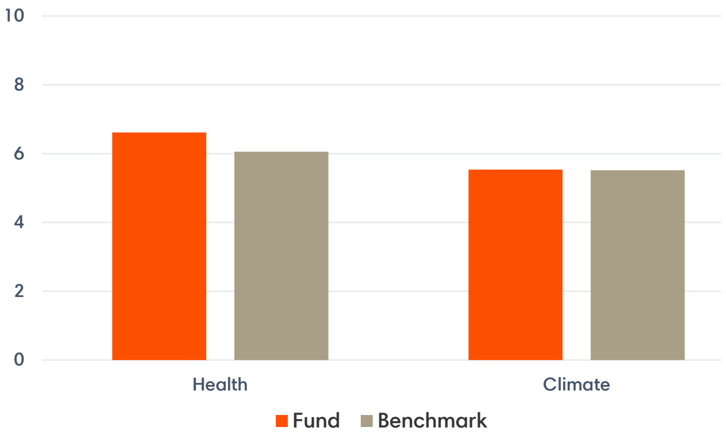
Numbers represent the proportion of holdings meeting the above criteria. We assess only the corporate bond holdings of both the Benchmark and Fund, figures shown are as a percentage of those holdings in order to maintain comparability.

Climate targets

	FUND	BENCHMARK
TCFD reporting	56.70%	28.11%
SBTi committed	4.88%	3.80%
SBTi targets set	6.87%	13.93%

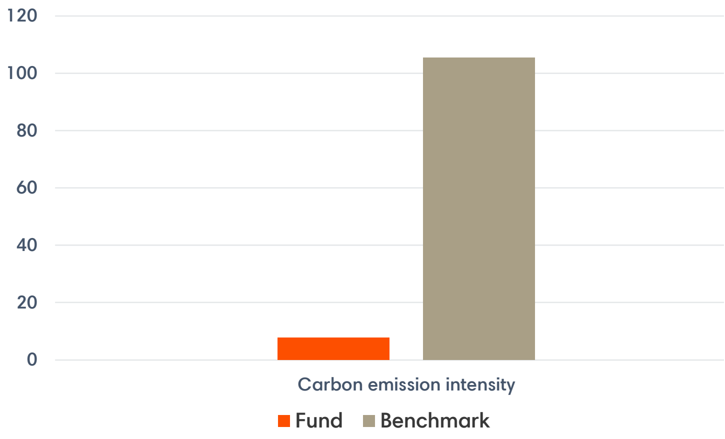
TCFD Recommendations: proportion of portfolio holdings that have commited to adopting recommendations of the Task Force for Climate-Related Financial Disclosures (TCFD). Does not indicate a complete TCFD disclosure. SBTi Committed indicates the company has made a public commitment to set a science-based 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

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Investment markets

February was a turbulent time for markets with mixed US economic data; slowing jobs growth conflicting with rising wages and a drop in unemployment while CPI inflation data also printed higher. Despite this interest rates fell sharply in US and generally around the world as Trump's tariff and foreign policies, which seemed to take a more Moscow friendly tilt, dampened growth expectations and saw investors adopting a more "risk off' approach in the US.

Against this backdrop, ongoing economic weakness saw the Bank of England cut official interest rates for the third time while European equities generally rallied on news of increased defense spending as US appeared to be pulling back from their NATO commitments.

In the market:

- February was a turbulent month, both in markets and politics. In the U.S., Trump's policy agenda began to take shape with the announcement of new tariffs on Mexico, Canada, and China. President Trump made several controversial comments regarding Russia-Ukraine during his exchange with Zelensky, suggesting a potential realignment of U.S. foreign policy that resonates more with Moscow's stance on the conflict. U.S. equities started the month strong but could not maintain momentum as concerns over tariffs and disappointing earnings from NVIDIA tempered enthusiasm for major tech firms. The AI space remained in the spotlight, with Elon Musk's $97.4 billion bid for OpenAI and his growing influence in the Department of Government Efficiency (DOGE) to accelerate integration of AI into federal operations.
- In Europe, Germany emerged as a key focus as U.S. Vice President J.D. Vance kicked off the month with a speech at the Munich Security Conference, indicating a shift in transatlantic relations. Friedrich Merz led the conservative CDU/CSU bloc back to power, defeating Olaf Scholz, with an impressive voter turnout of nearly 85%, and will begin exploratory talks on forming a new coalition government with the SPD. The Bank of England (BoE) implemented its third rate cut in six months, lowering rates to 4.5% in the context of an economy that grew by just 0.1% in Q4 of 2024. European stocks experienced a rally, bolstered by strong performances in defense stocks and the rate cut, with the STOXX 50 rising nearly 3.5% and the FTSE up by 1.5%.
- On the economic front, U.S. payroll data showed the economy added 143,000 jobs, below the expected 170,000, but accompanied by wage growth and a slight dip in unemployment to 4.0%. Inflation data surprised, with U.S. CPI posting its strongest print since March 2023. In bond markets, U.S. Treasuries led among developed market sovereigns, with a strong rally in the intermediate to long parts of the curve (5Y, 10Y, and 30Y all up approximately 30bps). Other developed markets saw modest positive movements, while Japan was the outlier, with rates selling off around 10bps and equities sliding just over 6%.

Portfolio positioning

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

PIMCO slightly reduced overall aggregate duration this month to 6.7 years, now only 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 neutral duration in Japan, Europe and Emerging Markets while being 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 remains significantly overweight to the 3-5 year and slightly overweight 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 Central Banks cut short term rates while 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-.

The Fund remains slightly underweight the agency and semi-government sectors but has increased its 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.

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 28 February 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 March 2025