

Hunter Global Fixed Interest Fund

31 JULY 2025

1 month performance

-0.20%

Before fees & tax

1 year performance

4.00%

Before fees & tax

Fund size

\$2,555,457,992

NZD

Investment Management

PIMCO

The Hunter Global Fixed Interest Fund performed in line with its benchmark in July with nominal returns slightly negative for the period as global interest rates rose on increased fiscal concerns.

PIMCO continues to believe that global policy rates will ease through the year but with US cuts unlikely before September. That tariffs are here to stay but will eventually settle around a 10-15% 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 the tariff policy has done its damage furthering the de-globalisation process. Economic, energy and national security are all back in focus without the security umbrella previously provided by the US.

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 in line with the benchmark at AA-, while the Fund's total carry was still 5.5% at the end of July. The Fund has had no credit defaults and while we expect ongoing month to month volatility in returns, we believe the Fund will 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	-0.20%	0.88%	4.00%	5.77%	3.04%	0.87%	-	2.79%
Benchmark	-0.20%	0.23%	3.22%	4.51%	2.05%	-0.34%	-	1.93%
Relative return	0.00%	0.66%	0.78%	1.26%	0.99%	1.21%	-	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)	7.2
Benchmark duration (years)	6.5
Average maturity (years)	10.1
Average coupon	3.71%
Average quality	AA-
Fund total carry	5.46%
Benchmark total carry	3.8%

Quality breakdown

	FUND	BENCHMARK
AAA	17.83%	12.11%
AA	47.85%	42.70%
A	9.79%	31.01%
BBB	23.02%	14.18%
Sub inv grade	1.52%	0.00%

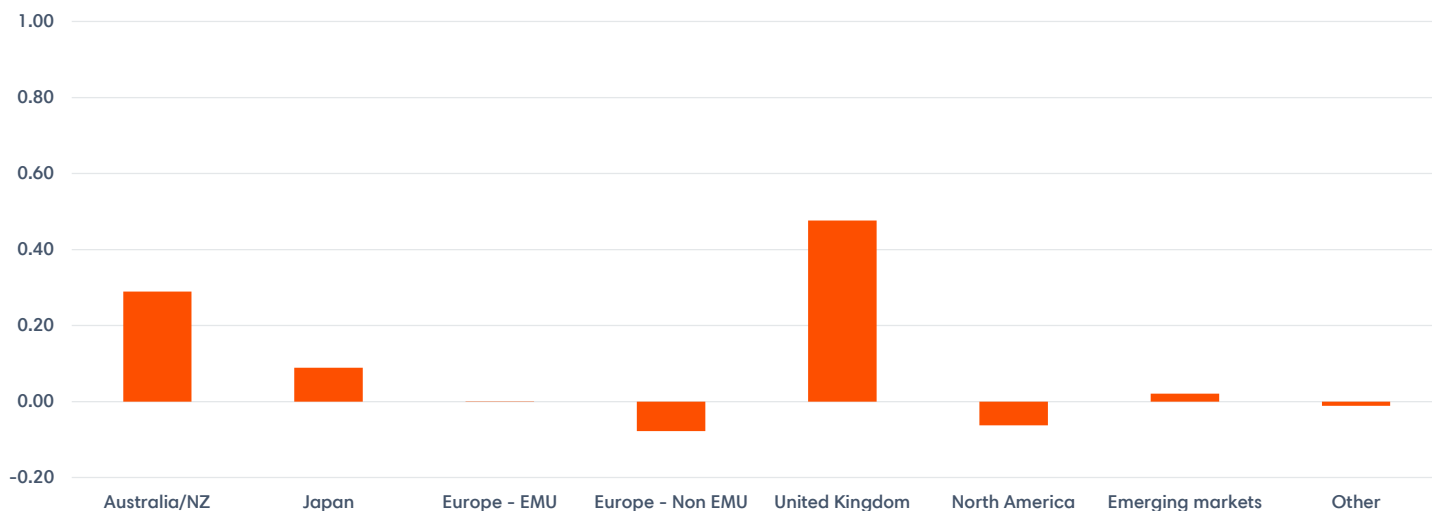
Duration weighted curve exposure

	0-1 YEARS	1-3 YEARS	3-5 YEARS	5-10 YEARS	10+ YEARS	TOTAL
Benchmark %	0.07	8.11	13.49	35.41	42.92	100.00
Portfolio %	7.12	1.70	27.62	43.32	20.25	100.00
Years Benchmark	0.00	0.52	0.87	2.29	2.78	6.47
Years Portfolio	0.51	0.12	1.99	3.11	1.46	7.19

Duration weighted regional breakdown (by settlement currency)

	FUND	BENCHMARK	FUND%	BENCHMARK %
Australia/NZ	0.37	0.09	5.21%	1.31%
Japan	0.86	0.77	11.92%	11.88%
Europe - EMU	1.47	1.47	20.38%	22.68%
Europe - Non EMU	0.02	0.10	0.27%	1.51%
United Kingdom	0.78	0.31	10.87%	4.73%
North America	2.81	2.87	39.01%	44.33%
Emerging markets	0.75	0.73	10.47%	11.32%
Other	0.13	0.15	1.86%	2.24%
Total	7.19	6.47	100.00%	100.00%

Regional breakdown variance portfolio vs benchmark (DWE years)



Duration weighted sector breakdown (by settlement currency)

	FUND	BENCHMARK	FUND%	BENCHMARK%
Government	2.56	3.13	35.57%	48.41%
Agency/Semi	0.37	0.51	5.08%	7.95%
Mortgage	1.71	0.72	23.79%	11.19%
Inv Grade Corp	0.68	1.04	9.47%	16.01%
High Yield Corp	0.01	0.00	0.12%	0.00%
Emerging Markets	1.35	1.06	18.78%	16.43%
Cash Equivalents	0.52	0.00	7.19%	0.02%
Total	7.19	6.47	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)	62.87%	25.76%
Modern slavery statement	53.17%	24.54%
Majority independent board	54.30%	37.48%

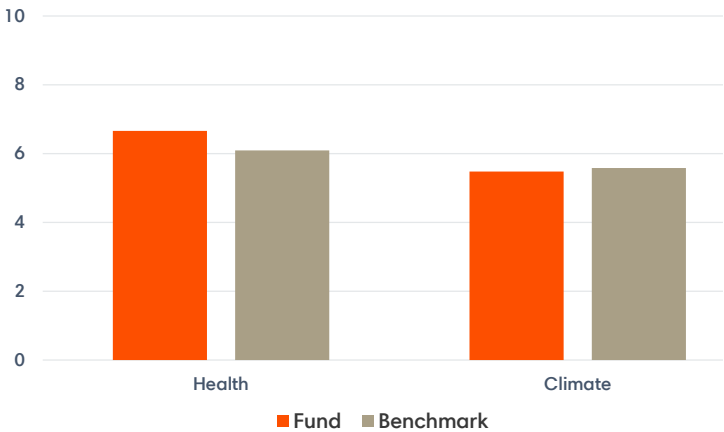
Numbers represent the proportion of holdings meeting the above criteria. We assess only the corporate bond holdings of both the Benchmark and Fund, figures shown are as a percentage of those holdings in order to maintain comparability.

Climate targets

	FUND	BENCHMARK
TCFD reporting	57.74%	33.94%
SBTi committed	3.08%	2.80%
SBTi targets set	6.04%	15.18%

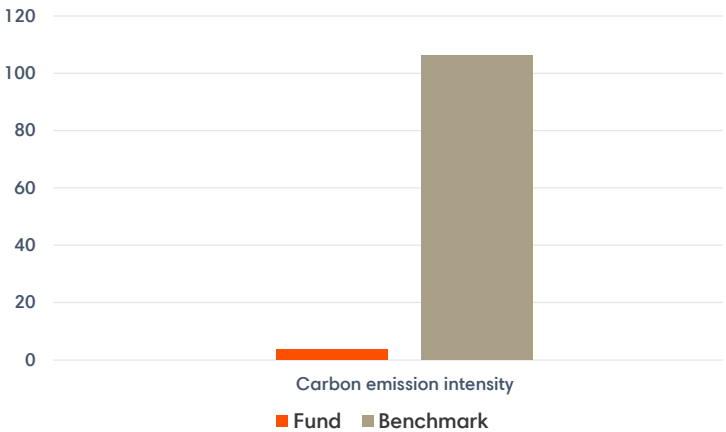
TCFD Recommendations: proportion of portfolio holdings that have committed to adopting recommendations of the Task Force for Climate-Related Financial Disclosures (TCFD). Does not indicate a complete TCFD disclosure. SBTi Committed indicates the company has made a public commitment to set a science-based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

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 performed in line with its benchmark in July with nominal returns slightly negative for the period. Interest rates generally rose this month on fiscal concerns in the US, following the passing of Presidents Trump's "one big beautiful bill" and higher than expected growth and inflation prints. Fiscal concerns also resonated globally seeing higher yields in other developed markets. Tariff uncertainties continued through the month with final outcomes remaining a "moving feast". Investors' expectations for further Central Bank rate cuts were pushed out further and are increasingly data dependent especially given the uncertainty around the final impact of the Tariff regime.

Adding value this month was our positioning in securitized assets particularly US agency mortgages, where higher coupon bonds outperformed again this month.

Similarly, positioning for the yield curve to steepen in US and Euro-bloc countries also added value as long dated bonds underperformed shorter maturities as interest rates rose through the month.

However, these relative gains were largely off-set by our overweight's to Japanese long duration and UK duration as rates rose in those markets too. Other active positions had little impact this month.

Investment markets

Investment markets were mixed in July with equity markets rising on strong corporate performance and a perceived reduction in the risk of a tariff inspired trade war, while government bond markets were generally weaker on increased fiscal concerns and the implications for increased borrowing and higher deficits.

Tariff headlines and shifting fiscal regimes continued to dominate in July. In Washington, the deadline for new tariffs was pushed from July 9 to August 1, culminating in a baseline 10% tariff, though rates varied significantly by region—Japan and the EU secured moderate 15% terms, Brazil faced a steep 50% levy, and Canadian goods could see an increase from 25% to 35%. Extensions were granted to countries like Mexico, while last-minute pauses on certain tariffs, particularly in the copper industry, triggered further uncertainty. The Bloomberg Copper Subindex fell 14.32% by month-end as supply chain concerns and market jitters took hold.

Despite ongoing geopolitical and trade uncertainty, equities ended July on a strong note, buoyed by solid corporate performance and a reduced risk of an escalating trade war. U.S. technology led the way, with Meta (+3.95%) and Microsoft (+11.25%) posting strong Q2 earnings, reigniting investor enthusiasm around AI and innovation. Financials also impressed, with robust balance sheets and earnings beats contributing to equity gains. UK corporates delivered similarly strong results, propelling the FTSE 100 to a standout 4.24% gain for the month. As the trade fog lifted and earnings shone, the dollar rebounded, with the DXY rising 3.19% in July.

Government bond markets faced headwinds as fiscal pressures drove yields higher across developed economies. The long-awaited 'One Big Beautiful Bill' passed the Senate, promising tax cuts and higher Treasury issuance. Alongside hotter-than-expected inflation (core PCE +0.3% MoM) and a strong Q2 GDP print (3.0% vs. 2.6% expected), this kept pressure on the long end of the US Treasury curve, with 30-year yields up 13bps. Central banks remained cautious: Powell maintained a "wait and see" stance, and market-implied rate cut expectations slipped to just 33bps by year-end. No cuts came from the BoJ, RBA, BoE, or ECB, with the latter signaling a 2% terminal rate. Fiscal concerns echoed globally, with yields rising: 10-year JGBs climbed 12bps, gilts 8bps, and US Treasuries 10bps.

Portfolio positioning

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

PIMCO has increased the Fund's overall aggregate duration at 7.2 years, 0.7 years more than the index at 6.5 years. This reflects PIMCO's view that at around current interest rate levels, bonds represent better than fair value and a greater conviction that the next major move in bond markets will see yields fall. Bonds also remain a good place to sit given the uncertain global environment at present. However, PIMCO believe that careful maturity and stock selection is imperative.

The Fund remains largely neutral duration in most individual markets being within 0.1 of a year of the index in Japan, Emerging Markets, Europe and North America. The key overweights remain focussed in more interest rate sensitive markets and where PIMCO see's 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 remains underweight 1-3 years maturities and has increased the size of that underweight. However, the Fund remains significantly overweight 3-5 year maturities having increased the size of that position to reflect changes in the yield curve last month. PIMCO has also increased the overweight exposure to the 5-10 years parts of the curve. The Fund's retains a significant underweight to 10 years plus maturities with PIMCO slightly increasing the size of the underweight to this section of the yield curve. 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. Longer bonds are expected to remain under pressure overtime as investors focus on increased government borrowing/deficits and hence, 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 is AA- in line with the benchmark.

The Fund maintained its slight underweight to the agency and semi-government sectors and has slightly increased the size of 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 underlying currency themes were little changed in July although the size of some positions have changed to reflect recent market dynamics. Specifically, the fund maintained its large underweight to North American currencies and increased its overweight in Emerging Markets currencies. The Fund remains overweight the Japanese Yen and non-EMU Europe. PIMCO has maintained the overweight exposures to the UK Pound and remains underweight to Australasia and a basket of minor currencies.

More generally, PIMCO's view has little changed this month, they continue to believe that tariffs will eventually settle around 10%-15% level on average, with China and some specific products attracting higher tariffs, despite President Trump's recent revision of tariff levels especially targeting countries he sees as supporting Russia.

However, together with the uncertainty around Ukraine outcomes, it appears that the damage has been done and seems to have cemented in the deglobalization process and the need for individual countries to pay their own way. This will generally mean higher levels of borrowing and increased deficits as countries move to ensure their own national interests in regard to trade, defense and energy security.

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. However, PIMCO believes that the USD will remain the reserve currency as it is the only currency with the quantity of sufficiently liquid quality assets to reliably fulfil the reserve function.

This remains a recipe for weaker global growth, possibly recession, PIMCO believes inflation is 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 is likely to lag other central banks but they expect at least 2 rate cuts before year end, perhaps starting in September.

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.

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Data sources:

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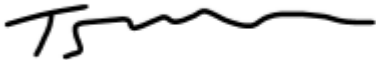
COMPLIANCE CERTIFICATE

Hunter Global Fixed Interest Fund

For month ended 31 July 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 August 2025