Hunter Global Fixed Interest Fund

31 MAY 2025

1 month performance	1 year performance	Fund size	Investment Management
-0.23%	**5.53%**	**$2,400,011,971**	**PIMCO**
Before fees & tax	Before fees & tax	NZD	

The Hunter Global Fixed Interest Fund outperformed its benchmark in May although nominal returns were slightly negative as interest rates generally finished higher on the back of persistent concerns over the size of the US deficit.

However, 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% 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 remains slightly higher than benchmark at AA, while the Fund's total carry was 5.8% at the end of May. 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	-0.23%	-0.09%	5.53%	5.44%	2.83%	1.14%	-	2.70%
Benchmark	-0.42%	0.00%	5.48%	4.18%	2.16%	-0.16%	-	1.89%
Relative return	0.19%	-0.09%	0.04%	1.26%	0.67%	1.30%	-	0.81%

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

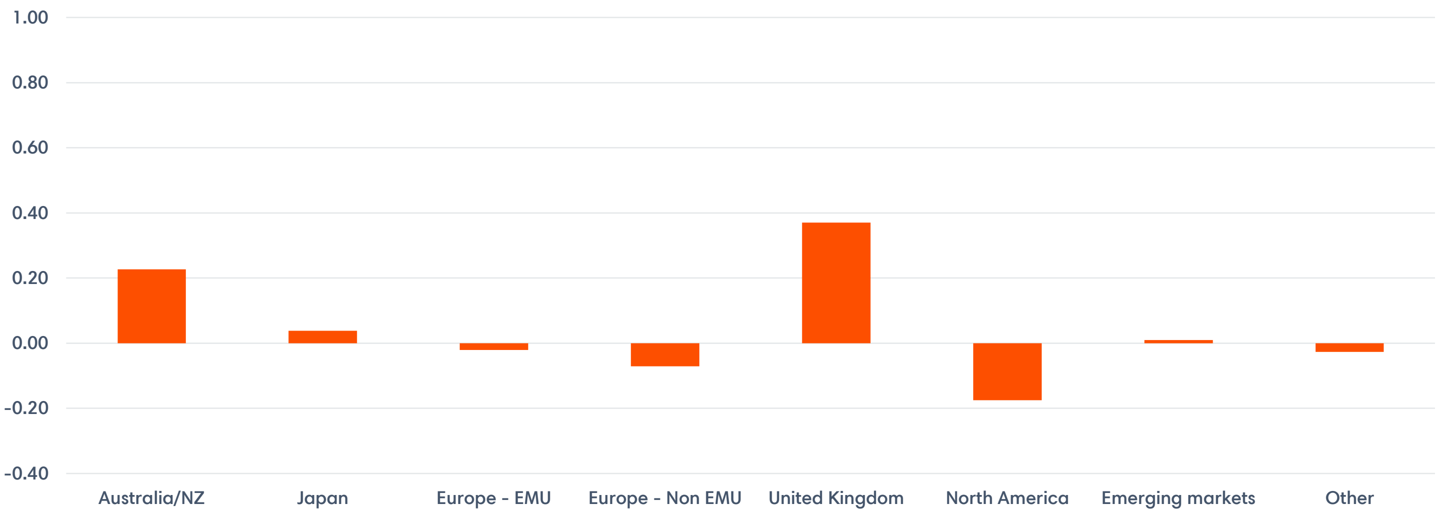
Investment statistics	FUND
Effective duration (years)	6.9
Benchmark duration (years)	6.5
Average maturity (years)	10.1
Average coupon	3.78%
Average quality	AA
Fund total carry	5.81%
Benchmark total carry	3.89%

Quality breakdown	FUND	BENCHMARK
AAA	15.66%	12.09%
AA	58.76%	42.40%
A	7.67%	31.33%
BBB	16.56%	14.18%
Sub inv grade	1.35%	0.00%

Duration weighted curve exposure	0-1 YEARS	1-3 YEARS	3-5 YEARS	5-10 YEARS	10+ YEARS	TOTAL
Benchmark %	0.08	7.86	13.51	35.42	43.14	100.00
Portfolio %	8.00	1.76	30.40	36.32	23.52	100.00
Years Benchmark	0.00	0.51	0.88	2.31	2.81	6.52
Years Portfolio	0.55	0.12	2.09	2.50	1.62	6.87

Duration weighted regional breakdown (by settlement currency)	FUND	BENCHMARK	FUND%	BENCHMARK %
Australia/NZ	0.31	0.08	4.53%	1.29%
Japan	0.86	0.82	12.45%	12.53%
Europe - EMU	1.46	1.48	21.20%	22.67%
Europe - Non EMU	0.03	0.10	0.40%	1.51%
United Kingdom	0.68	0.31	9.92%	4.77%
North America	2.69	2.86	39.08%	43.89%
Emerging markets	0.74	0.73	10.72%	11.14%
Other	0.12	0.14	1.71%	2.21%
Total	6.87	6.52	100.00%	100.00%

Regional breakdown variance portfolio vs benchmark (DWE years)



Duration weighted sector breakdown (by settlement currency)	FUND	BENCHMARK	FUND%	BENCHMARK%
Government	2.26	3.18	32.86%	48.80%
Agency/Semi	0.37	0.52	5.35%	7.96%
Mortgage	1.88	0.74	27.30%	11.32%
Inv Grade Corp	0.62	1.03	9.06%	15.81%
High Yield Corp	0.00	0.00	0.05%	0.00%
Emerging Markets	1.20	1.05	17.41%	16.09%
Cash Equivalents	0.55	0.00	7.98%	0.02%
Total	6.87	6.52	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)	70.37%	24.66%
Modern slavery statement	52.49%	17.79%
Majority independent board	54.37%	36.86%

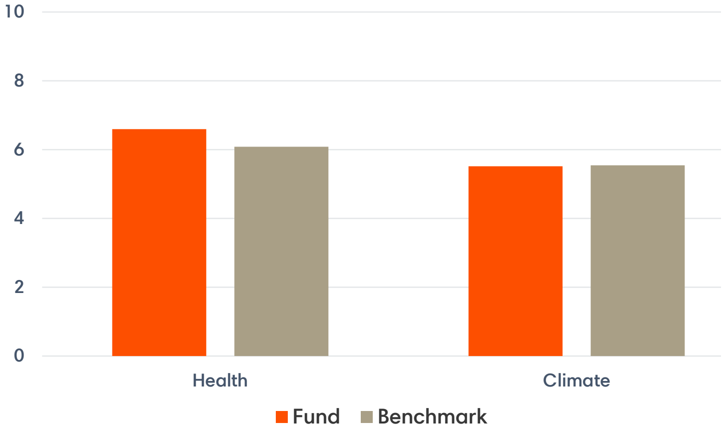
Numbers represent the proportion of holdings meeting the above criteria. We assess only the corporate bond holdings of both the Benchmark and Fund, figures shown are as a percentage of those holdings in order to maintain comparability.

Climate targets

	FUND	BENCHMARK
TCFD reporting	62.64%	29.66%
SBTi committed	4.33%	3.45%
SBTi targets set	5.99%	14.28%

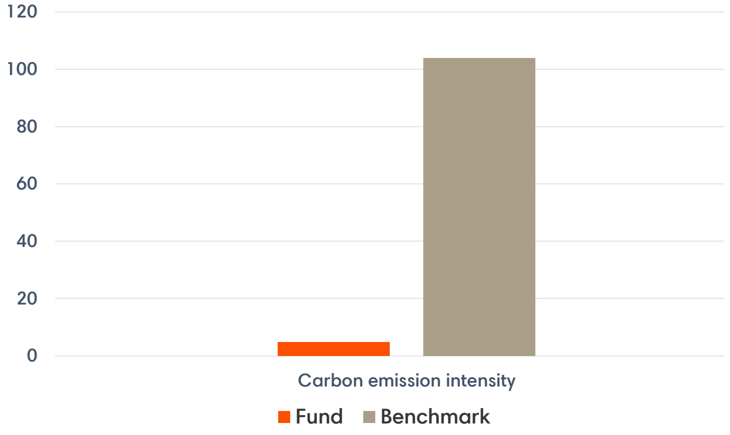
TCFD Recommendations: proportion of portfolio holdings that have commited to adopting recommendations of the Task Force for Climate-Related Financial Disclosures (TCFD). Does not indicate a complete TCFD disclosure. SBTi Committed indicates the company has made a public commitment to set a science-based 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 outperformed its benchmark in May although nominal returns were slightly negative as interest rates generally finished higher on the back of persistent concerns over the size of the US deficit.

Adding value this month was our positioning in securitized assets particularly US non-agency mortgages, where spreads tightened, and coupon selection in Agency mortgages as higher coupon bonds outperformed.

Similarly, positioning for the yield curve to steepen in Euro-bloc countries also added value as long dated bonds underperformed shorter maturities.

However, our overweight Japanese long duration subtracted value this month as interest rates there rose, similarly our short positioning in Asian EM currencies also detracted this month as the currencies appreciated relative to the USD. Positioning in Australian duration also detracted slightly.

Investment markets

Investment markets were mixed in May, with risk markets (equities and credit markets) generally stronger while core government bond markets sold off, especially in the US, on concerns around increased government borrowing programs and ongoing deficits.

Inflation concerns moderated slightly as Trump wound back or delayed the implementation of some of his tariff policies leading investors to again begin to view tariffs as a negotiating ploy.

In the market:

Markets rebounded strongly in May. U.S. equities surged, with the Nasdaq rising about 10% and the S&P 500 climbing 6.3%, marking its best monthly performance since late 2023. This rally was driven by easing trade tensions and better-than-expected corporate earnings. However, f**ixed income markets sold off sharply amid persistent concerns over the growing U.S. fiscal deficit.** Moody's downgraded U.S. government debt from Aaa to Aa1, citing rising risks of prolonged fiscal slippage, compounded by Trump's 'big, beautiful bill.' The 30-year Treasury yield briefly touched 5.1% before closing at 4.93%. The Federal Reserve held rates steady at 4.25%–4.50%, with projections suggesting possible cuts later this year. Economic growth showed signs of strain, with GDP forecasts just under 1.5% for 2025 and rising jobless claims. Inflation remained subdued but with warnings of potential price pressures ahead.

European markets also faced volatility amid trade and fiscal developments. On the positive side, the U.S. and UK signed a trade agreement, while the UK and EU agreed on a "Brexit reset" deal covering energy, defense, food standards, mobility, and fisheries, including the prospect of regaining access to e-gates at select EU airports. However, a hot April inflation print in the UK (3.5% vs. 2.6% prior) triggered a fresh sell-off in Gilts, with the 30-year yield reaching 5.6%, a level not seen since 1998. Germany's 30-year Bund yield hit 3.2%, the highest since the euro crisis, reflecting rising fiscal concerns.

In currencies, **the dollar faced a rough patch**, with the DXY down 8% year-to-date, while the yen snapped a four-month winning streak. This, combined with bond sell-offs where yields climbed to 3.2% amid core inflation of 3.5%, prompted verbal interventions from Tokyo policymakers to manage currency depreciation and rising yields across the JGB curve. Outside traditional assets, Bitcoin staged a major comeback, fueled by renewed risk appetite amid fiscal sustainability concerns and growing institutional adoption. BTC peaked at $111k toward month-end and closed May at $104.6k. While May did not signal a regime shift, it underscored ongoing challenges: higher-for-longer rates, uncertain trade policies, and renewed fiscal risks.

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 6.9 years, 0.4 years more than the index at 6.5 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 largely neutral duration in Europe, Japan and Emerging Markets. PIMCO have retained their duration underweight to North America although they have reduced the size of the position slightly. However, the portfolio retains its overweight duration positioning 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 is underweight 1-3 years maturities but remains significantly overweight to the 3-5 year and has a smaller overweight exposure to the 5–10 years parts of the curve. The Fund's retains a significant underweight to 10 years plus maturities but PIMCO continues 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 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 remains AA reflecting an increased focus on higher rated assets 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 underlying currency themes were little changed in May although the size of some positions increased, specifically increasing the underweight to North American currencies against increased overweights in the Japanese Yen and Euro. PIMCO has maintained the overweight exposures to the UK Pound and to high yielding emerging market currencies, largely unchanged. The Fund remains underweight to Australasia and a basket of minor currencies.

More generally, **PIMCO's continue to believe that tariffs** will eventually settle around 10%+ level on average, with China and some specific products attracting higher tariffs.

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 still expect 3 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.**

Disclaimer

COMPLIANCE CERTIFICATE

Hunter Global Fixed Interest Fund

For month ended 31 May 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 June 2025