

Hunter Global Fixed Interest Fund

31 AUGUST 2025

1 month performance

0.94%

Before fees & tax

1 year performance

4.49%

Before fees & tax

Fund size

\$2,655,510,655

NZD

Investment Management

PIMCO

The Hunter Global Fixed Interest Fund outperformed its benchmark in August with strong nominal returns for the period despite longer dated global bonds yields generally rising on fiscal concerns while shorter maturities rallied on renewed rate cut expectations.

PIMCO continues to believe that global **policy rates will ease through the year** but with a US cut now likely in 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 August. 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. |
|--------------------------|---------|---------|----------------|----------------|----------------|----------------|-----------------|----------------------------|
| Return before fees & tax | 0.94% | 2.07% | 4.49% | 6.21% | 4.36% | 1.02% | - | 2.87% |
| Benchmark return | 0.45% | 1.10% | 2.60% | 4.82% | 3.13% | -0.10% | - | 1.97% |
| Relative return | 0.49% | 0.97% | 1.90% | 1.39% | 1.23% | 1.13% | - | 0.91% |

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) | 6.4 |
| Average maturity (years) | 9.4 |
| Average coupon | 3.72% |
| Yield to maturity | 4.97 % |
| Average quality | AA- |
| Fund total carry | 5.53% |
| Benchmark total carry | 3.7% |

Quality breakdown

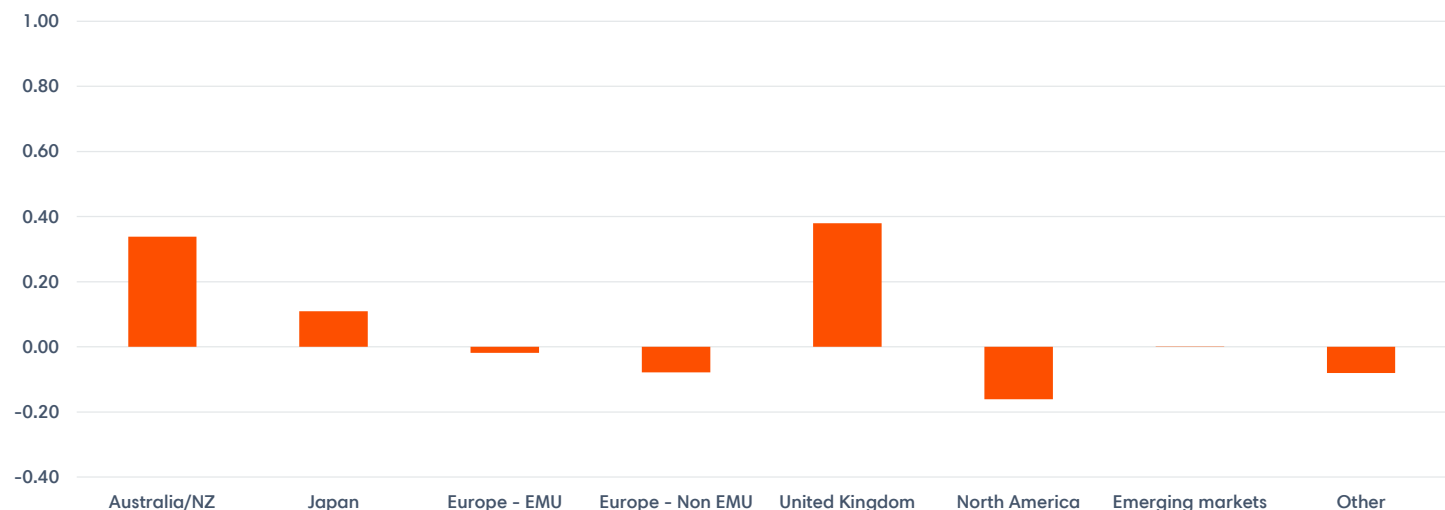
| | FUND | BENCHMARK |
|---------------|--------|-----------|
| AAA | 19.67% | 12.19% |
| AA | 47.10% | 42.58% |
| A | 9.46% | 31.04% |
| BBB | 22.07% | 14.18% |
| Sub inv grade | 1.70% | 0.00% |

| Duration weighted curve exposure | 0-1 YEARS | 1-3 YEARS | 3-5 YEARS | 5-10 YEARS | 10+ YEARS | TOTAL |
|----------------------------------|-----------|-----------|-----------|------------|-----------|--------|
| Benchmark % | 0.09 | 8.21 | 13.73 | 35.34 | 42.63 | 100.00 |
| Portfolio % | 7.81 | 3.93 | 26.21 | 42.27 | 19.79 | 100.00 |
| Years Benchmark | 0.01 | 0.53 | 0.88 | 2.27 | 2.74 | 6.43 |
| Years Portfolio | 0.54 | 0.27 | 1.81 | 2.93 | 1.37 | 6.92 |

Duration weighted regional breakdown (by settlement currency)

| | FUND | BENCHMARK | FUND% | BENCHMARK % |
|------------------|------|-----------|---------|-------------|
| Australia/NZ | 0.42 | 0.09 | 6.13% | 1.34% |
| Japan | 0.88 | 0.77 | 12.67% | 11.94% |
| Europe - EMU | 1.44 | 1.46 | 20.78% | 22.65% |
| Europe - Non EMU | 0.02 | 0.10 | 0.30% | 1.54% |
| United Kingdom | 0.68 | 0.30 | 9.81% | 4.65% |
| North America | 2.69 | 2.85 | 38.89% | 44.36% |
| Emerging markets | 0.73 | 0.73 | 10.51% | 11.29% |
| Other | 0.06 | 0.14 | 0.92% | 2.24% |
| Total | 6.92 | 6.43 | 100.00% | 100.00% |

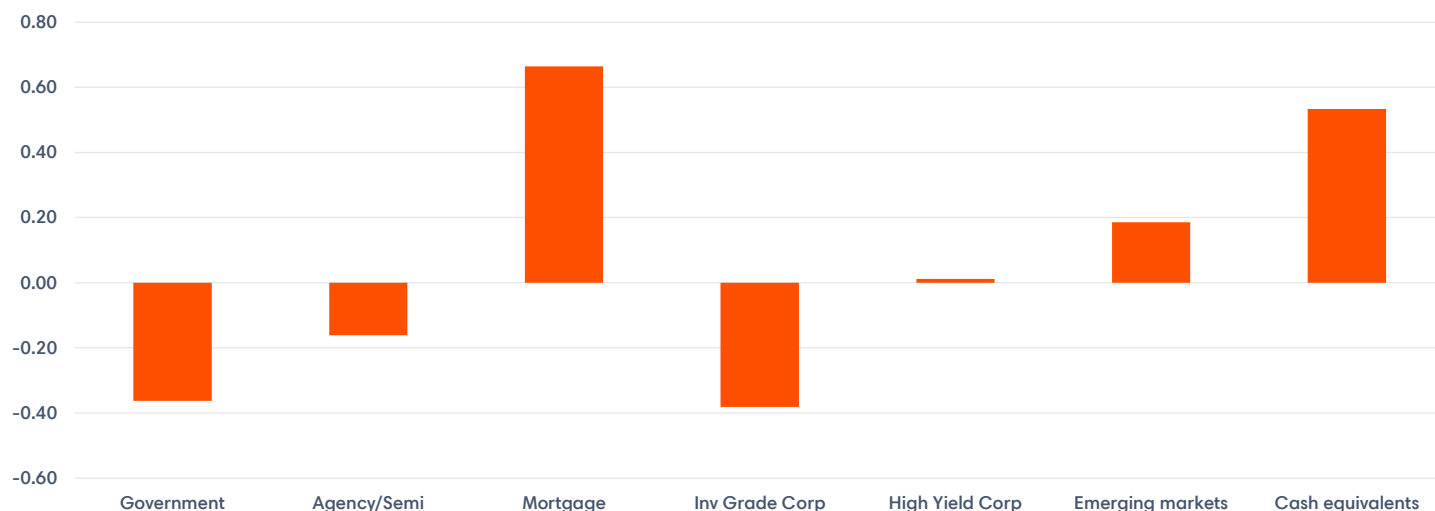
Regional breakdown variance portfolio vs benchmark (DWE years)



Duration weighted sector breakdown (by settlement currency)

| | FUND | BENCHMARK | FUND% | BENCHMARK% |
|------------------|------|-----------|---------|------------|
| Government | 2.76 | 3.12 | 39.82% | 48.49% |
| Agency/Semi | 0.35 | 0.51 | 5.10% | 7.99% |
| Mortgage | 1.38 | 0.71 | 19.88% | 11.07% |
| Inv Grade Corp | 0.65 | 1.03 | 9.38% | 16.03% |
| High Yield Corp | 0.01 | 0.00 | 0.17% | 0.00% |
| Emerging Markets | 1.24 | 1.06 | 17.93% | 16.41% |
| Cash Equivalents | 0.53 | 0.00 | 7.73% | 0.02% |
| Total | 6.92 | 6.43 | 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) | 66.00% | 26.00% |
| Modern slavery statement | 61.00% | 27.00% |
| Majority independent board | 53.00% | 37.00% |

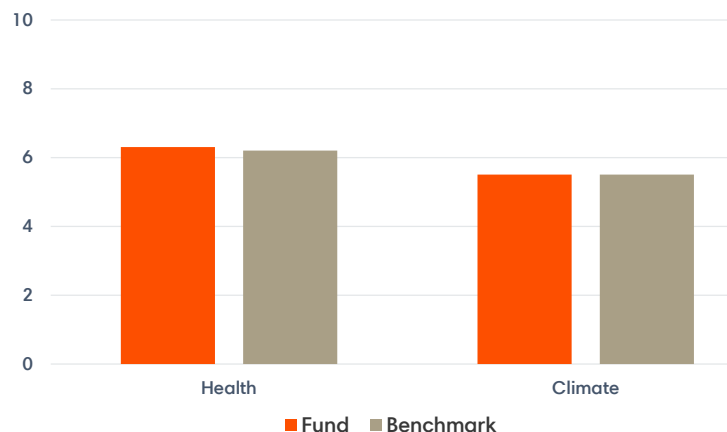
Numbers represent the proportion of holdings meeting the above criteria. We assess only the corporate bond holdings of both the Benchmark and Fund, figures shown are as a percentage of those holdings in order to maintain comparability.

Climate targets

| | FUND | BENCHMARK |
|------------------|--------|-----------|
| TCFD reporting | 60.00% | 37.00% |
| SBTi committed | 3.00% | 3.00% |
| SBTi targets set | 6.00% | 15.00% |

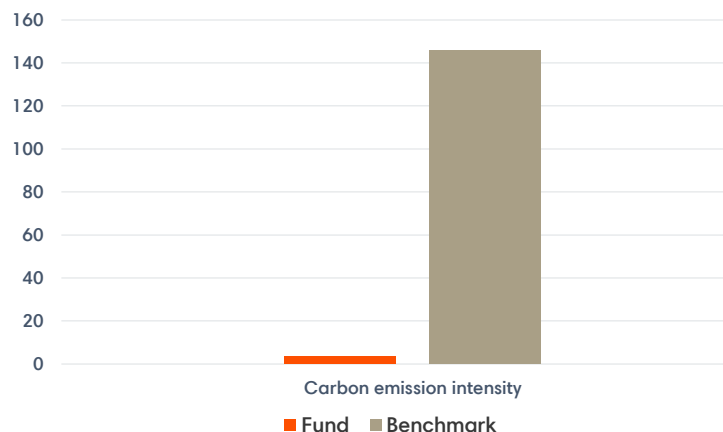
TCFD Recommendations: proportion of portfolio holdings that have committed to adopting recommendations of the Task Force for Climate-Related Financial Disclosures (TCFD). Does not indicate a complete TCFD disclosure. SBTi Committed indicates the company has made a public commitment to set a science-based 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 significantly outperformed its benchmark in August returning a strong positive return for the period. Yield curves generally steepened around the world with longer maturities selling off on increased fiscal concerns and uncertainty around the imminent expiry of the 90-day tariff pause. Meanwhile shorter maturities benefitted from either official rate cuts or, in the case of the US, renewed expectations for rate cuts starting as early as September. US economic data continued to be mixed, CPI printing in line with expectations while core-CPI surprised on the upside. Fed Chairman Powell's Jackson Hole speech seemed to signal a more flexible monetary policy approach and helped short bonds rally.

The bulk of the added value this month came from our duration and yield curve positioning in the US and Euro-bloc, the Fund benefitting from steepening yield curves and its underweight to longer maturities.

Our overweight to high carry/high coupon securitised assets and short US dollar position also added value in August.

However, our overweight curve and duration positioning in Japan and the UK detracted slightly as rates rose and curves steepened in those markets.

Investment markets

Investment markets were again mixed in August with US equity markets proving resilient on strong earnings while the US bond market grew more confident that the Fed would cut rates soon but worried over its independence as President Trump continued to put pressure on Fed Governors.

In the market in August:

August was marked by renewed policy uncertainty and diverging market performance across regions. In the U.S., long-anticipated tariffs finally took effect, but equities proved resilient: the S&P 500 rose 1.91% and the Dow gained 3.20%, as investors focused on robust corporate earnings. U.S. technology led gains, with the Mag7 up 2.00%, though Nvidia's results hinted at a possible cooldown. A U.S. appeals court ruled Trump had overstepped his authority in imposing tariffs, setting up a likely Supreme Court review. The Fed narrative grew more complex with Governor Kugler's resignation and a Trump-backed campaign to oust Governor Lisa Cook, raising concerns over Fed independence and adding pressure to the U.S. dollar and long-end yields. Despite these cross-currents, Q2 GDP beat expectations, though consumer sentiment softened as tariff concerns lingered.

Fixed income markets told a more nuanced story. **U.S. Treasuries rallied and the yield curve steepened**, with the 2s30s spread widening by 37bps. By mid-month, markets had priced in a September rate cut, supported by in-line CPI prints and Powell's flexible tone at Jackson Hole. U.S. 2-year and 10-year yields dropped 34bps and 15bps, respectively, but the rally faded as headline and core PPI surprised to the upside, dampening hopes for imminent easing. **The dollar continued to weaken**, while fiscal uncertainty persisted with the "One Big Beautiful Bill" still in the House and the 90-day tariff pause set to expire.

In Europe, **the Bank of England delivered a widely expected 25bps rate cut**, but the move did little to calm fiscal nerves. **Long-term gilt yields surged**, with the 30-year peaking at 5.61%. In France, Prime Minister Bayrou's €44bn tightening plan faced resistance, leading to a confidence vote and pushing French OAT yields higher. French equities suffered, with the CAC40 down 0.88% for the month. Across the region, political and fiscal uncertainty weighed on rates and risk assets. As August closed, investors were left watching the interplay of policy, politics, and performance, with little sign of a quiet end to the summer.

Portfolio positioning

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

Following recent interest rate moves, PIMCO has slightly decreased the Fund's overall aggregate duration to 6.9 years, still 0.5 years more than the index at 6.4 years. This reflects PIMCO's view that at around current interest rate levels, bonds continue to represent better than fair value and their 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 0.2 years in North America. The key over weights remain focussed in more interest rate sensitive markets, 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 but has reduced the size of that underweight. The Fund remains significantly overweight 3-5 year maturities and the 5-10 year section of the yield curve but has slightly reduced the size of these over weights reflecting the positive steepening in the shape of the curve in August. 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 as PIMCO believe corporate credit spreads are abnormally tight. 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 reduced 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, non-EMU Europe and is now slightly overweight the Euro. 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 deglobalisation 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, defence 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, probably 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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COMPLIANCE CERTIFICATE

Hunter Global Fixed Interest Fund

For month ended 31 August 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 28th August 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 September 2025