



# Hunter Global Fixed Interest Fund

31 MARCH 2026

<b>1 month performance</b> <b>-3.24%</b> Before fees & tax	<b>1 year performance</b> <b>2.13%</b> Before fees & tax	<b>Fund size</b> <b>\$2,950,495,971</b> NZD	<b>Investment Management</b> <b>PIMCO</b>
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**The Hunter Global Fixed Interest Fund significantly underperformed its benchmark in March.**

The escalation of the conflict between the US, Israel and Iran saw a sharp shift higher in the geopolitical risk premia. Rising energy prices remained the primary transmission channel for the conflict, lifting inflation expectations and seeing sharp moves in both interest rates and currencies.

Despite "safe haven" status, Government bond yields rose sharply with yield curves "bear flattening" as inflation and policy uncertainty saw investors reverse rate cut expectations and begin to price tightening monetary conditions. Currencies generally weakened against the US dollar, most obviously in emerging market currency and bond markets. Credit spreads widened modestly during the month and volatility has increased.

PIMCO believes that energy markets will continue to be the main transmission channel for the conflict and that an early resolution will see central banks look through short term inflationary effects with rate cut expectations reemerging. A longer time frame increases the likelihood of global recession and, with little fiscal wriggle room for governments, will ultimately see rates lower.

**The average credit rating of the Fund is in line with the benchmark at AA-, while the Fund's total carry was 5.1% at the end of March.**

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	-3.24%	-1.79%	2.13%	3.51%	4.25%	0.87%	-	2.67%
Benchmark return	-2.00%	-0.58%	2.02%	3.09%	3.33%	0.25%	-	1.89%
Relative return	-1.24%	-1.21%	0.11%	0.41%	0.92%	0.62%	-	0.78%

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)	6.6
Benchmark duration (years)	6.2
Average maturity (years)	10.1
Average coupon	3.87%
Yield to maturity	4.8%
Average quality	AA-
Fund total carry	5.08%
Benchmark total carry	3.7%

## Quality breakdown

	FUND	BENCHMARK
AAA	21.28%	12.59%
AA	44.06%	43.79%
A	12.59%	30.64%
BBB	19.35%	12.98%
Sub inv grade	2.72%	0.00%

## Duration weighted curve exposure

	0-1 YEARS	1-3 YEARS	3-5 YEARS	5-10 YEARS	10+ YEARS	TOTAL
Benchmark %	0.07	8.56	13.99	35.79	41.60	100.00
Portfolio %	17.49	-3.85	5.90	55.82	24.64	100.00
Years Benchmark	0.00	0.53	0.87	2.22	2.59	6.22
Years Portfolio	1.16	-0.25	0.39	3.70	1.63	6.62

## Duration weighted regional breakdown (by settlement currency)

	FUND	BENCHMARK	FUND%	BENCHMARK %
Australia/NZ	0.37	0.17	5.66%	2.68%
Japan	0.24	0.64	3.58%	10.23%
Europe	1.65	1.48	24.97%	23.80%
United Kingdom	0.60	0.29	8.99%	4.60%
North America	2.87	2.59	43.36%	41.66%
Emerging markets	0.71	0.87	10.79%	13.92%
Other	0.18	0.19	2.64%	3.11%
Total	6.62	6.22	100.00%	100.00%

## Regional breakdown variance portfolio vs benchmark (DWE years)



## Duration weighted sector breakdown (by settlement currency)

	FUND	BENCHMARK	FUND%	BENCHMARK%
Government	1.68	3.00	25.38%	48.43%
Agency/Semi	0.42	0.47	6.38%	7.58%
Mortgage	1.73	0.65	26.16%	10.49%
Inv Grade Corp	0.57	1.05	8.59%	16.93%
High Yield Corp	0.01	0.00	0.22%	0.00%
Emerging Markets	1.06	1.03	15.94%	16.56%
Cash Equivalents	1.15	0.01	17.34%	0.21%
Total	6.62	6.20	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)	56.00%	17.00%
Modern slavery statement	34.00%	13.00%
Majority independent board	43.00%	26.00%

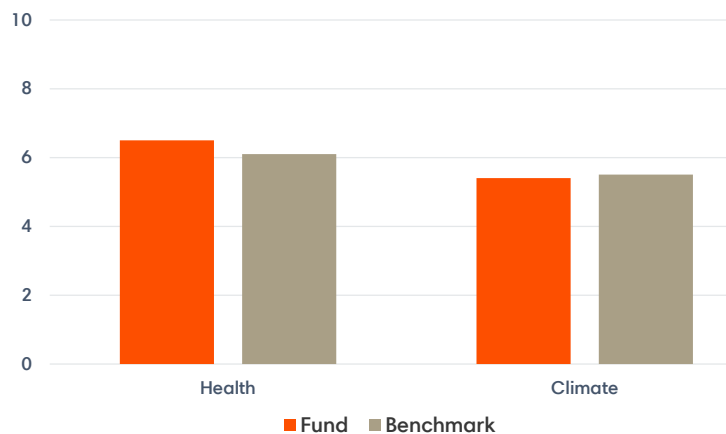
Numbers represent the proportion of holdings meeting the above criteria. We assess only the corporate bond holdings of both the Benchmark and Fund, figures shown are as a percentage of those holdings in order to maintain comparability.

## Climate targets

	FUND	BENCHMARK
TCFD reporting	40.00%	21.00%
SBTi committed	3.00%	2.00%
SBTi targets set	3.00%	14.00%

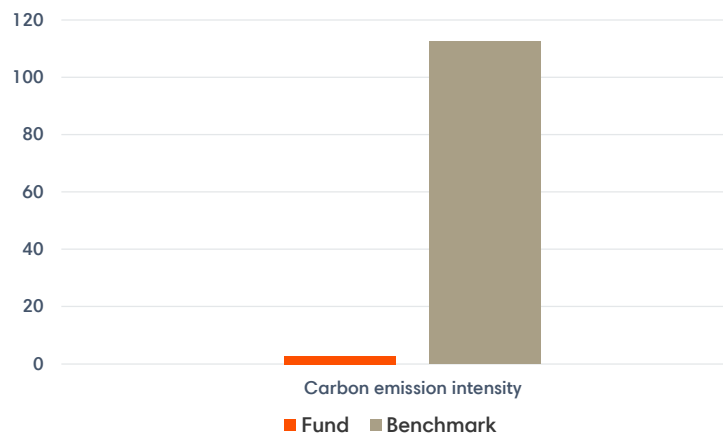
TCFD Recommendations: proportion of portfolio holdings that have committed to adopting recommendations of the Task Force for Climate-Related Financial Disclosures (TCFD). Does not indicate a complete TCFD disclosure. SBTi Committed indicates the company has made a public commitment to set a science-based 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 under-performed its benchmark in March, delivering a -3.24% return vs the benchmark's return of -2.00%.**

The escalation of the conflict between the US, Israel and Iran saw a sharp shift higher in the geopolitical risk premia. Rising energy prices remained the primary transmission channel for the conflict, lifting inflation expectations and seeing sharp moves in both interest rates and currencies.

Despite "safe haven" status, Government bond yields rose sharply with yield curves "bear flattening" as inflation and policy uncertainty saw investors reverse rate cut expectations and begin to price tightening monetary conditions. Currencies generally weakened against the US dollar, most obviously in emerging market currency and bond markets. Credit spreads widened modestly during the month and volatility has increased.

While our underweight to Japanese and Singaporean duration added value this month, this was easily overwhelmed by our duration and curve positioning in US, UK and Europe where we were overweight duration particularly sub ten-year maturities which sold off sharply on building inflation concerns and scaled back rate cut expectations.

Similarly, our positioning in higher yielding emerging market currencies vs the US dollar also detracted as the US dollar rallied on its apparent safe-haven status.

Spread strategies also detracted slightly as credit spreads widened in most sectors.

## Investment markets

**March marked a sharp inflection in risk sentiment as geopolitical escalation, higher energy prices and a reset in rate expectations weighed simultaneously on equities and bonds.** Global equities fell materially (MSCI World -6.55%), while bond markets failed to provide diversification, with the Bloomberg Global Aggregate (unhedged USD) declining -3.07% as yields rose across major markets. Brent crude surged +43.82% following the escalation of conflict in the Middle East, materially complicating the inflation outlook and pushing expectations for rate cuts further out, pricing in both immediate disruption risk and a higher geopolitical risk premium. Volatility increased with the VIX up +5.39% while the U.S. dollar rallied on investor risk aversion, with the DXY up +2.41%. Conversely, traditional safe havens such as gold and silver sold off, falling -11.57% and -19.85% respectively.

**U.S. and European equities were under significant pressure as higher yields compressed valuations and energy price sensitivity intensified.** The S&P 500 declined -5.09%, while European markets underperformed, with the Euro Stoxx 50 falling -9.36% and the FTSE down -6.73%. Government bond yields rose sharply, with U.S. and UK 10 year yields up +38bps and +68bps respectively. Italian government bonds severely underperformed their European peers with 10-year yields rising sharply by 70bps as investors cited heightened energy risk premia, while Spain and France 10-year government bonds saw yields rise 23bps and 28bps, respectively. Central banks maintained policy rates as the Fed, ECB, BoE all paused policy rate moves, emphasising that policy would remain data dependent while assessing the extent and persistence of the conflict.

While broader APAC regional equity performance was not a focal point, rising geopolitical risk and tighter global financial conditions weighed on sentiment with the MSCI AC Asia Pacific (USD) down -12.94%. In Japan markets were impacted primarily through higher global yields and energy price pressures, JGBs sold off with 10 year yields rising +24bps, while the Nikkei 225 fell -12.05% over the month, contributing to the broader global markets sell off. In Australia, the RBA raised the cash rate by 25bps to 4.10%, a contrast to international counterparts – with the decision highlighting upside risks to inflation from higher fuel costs and firm domestic demand. Outside of traditional markets, digital assets stood out as a relative pocket of resilience, with Bitcoin gaining +4.07% over the month, decoupling from broader risk assets amid heightened geopolitical and macro uncertainty. Macro forces were firmly in control by the end of the month, with rising yields, higher energy prices and renewed geopolitical risk continuing to weigh on markets.

## Portfolio positioning

**PIMCO's focus is on country selection given variation in growth and inflation dynamics globally, while maintaining a cautious stance towards corporate credit, with a focus on relative value positions and diversified alpha strategies. Within their broader risk exposures, they maintain tactical tilts that aim to benefit the portfolio across a variety of scenarios.**

**Overweight duration, with variation in country selection:** They modestly reduced our overweight exposure in overall duration (now 6.6 years vs 6.2 years for the index), focusing on countries where yields are at attractive levels or where downside macro scenarios are more likely to materialize. PIMCO maintain their overweight exposure to U.S. duration, with a preference for intermediate maturities. They also maintain their overweight to Dollar Bloc duration, which mainly consists of an overweight to Australia. PIMCO modestly reduced the overweight to UK duration, while moving overweight in the Euro Bloc (Eurozone and non-EMU European countries). From a curve positioning perspective, they maintain a steepening bias between the intermediate portion and long end of the Euro curve, preferring 5-10 year maturities, but remain underweight 10 year + maturities. Within the European country allocation, PIMCO maintain their exposure to European peripherals, which consists mostly of an overweight to Italian duration, while remaining cautious on France. Finally, they opened an underweight to Japanese duration and maintain an underweight to Singaporean duration.

**Cautious in corporate credit and preference for securitized assets:** PIMCO maintain a cautious position in their overall spread exposure, considering the tight valuations and remain underweight the investment grade corporate sector overall. With in the investment grade corporate credit sector, they modestly increased the underweight to non-financial investment grade corporate credit, while they continue to express a preference for financials. Securitized assets are PIMCO's preferred spread exposure, which includes positions in U.S. non-agency mortgages and UK residential mortgages. They maintain an overweight to agency MBS, favouring higher coupons, and also hold a modest allocation to covered bonds. PIMCO remain cautious in the EM external space, while maintaining a preference for higher-quality names.

**Tactical currency positions:** PIMCO reduced their short USD against a diversified basket of EM and DM FX, moving closer to neutral USD. They also maintain a long position in a diversified carry basket constituted of DM and EM currencies including BRL, MXN, and INR. With respect to funding currencies, PIMCO use a diversified basket including CAD, AUD, and select Asian currencies.

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# COMPLIANCE CERTIFICATE

## Hunter Global Fixed Interest Fund

For month ended 31 March 2026

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 02 April 2026**