



# Hunter Global Fixed Interest Fund

31 MAY 2026

<b>1 month performance</b> <b>0.84%</b> Before fees & tax	<b>1 year performance</b> <b>3.24%</b> Before fees & tax	<b>Fund size</b> <b>\$3,096,548,557</b> NZD	<b>Investment Management</b> <b>PIMCO</b>
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**The Hunter Global Fixed Interest Fund outperformed its benchmark in May.**

May remained a very volatile month for global bond markets, with interest rates fluctuating on each piece of news of a potential peace deal in the Middle East and the reopening of the Strait of Hormuz. Bond markets continue to focus on the potential inflation effects of the jump in oil prices, particularly potential second round inflation effects if the dispute is prolonged.

Indications of a possible resolution to the Iran conflict early in the month saw bond investors push yields lower before an intra-month reversal, as hopes of a deal faded. Further "deal" optimism late in the month moderated the movements in US bond yields and saw European sovereign bond markets rally.

The market will remain volatile until we get more certainty around the outcome of the Iran conflict as stagflation fears vie with a market that has already priced a significant degree of tightening. An early resolution is likely to trigger some significant short covering in markets.

Accordingly, PIMCO believes that current interest rate levels are a great place to wait out the Iran situation and a good indication of likely average base returns going forward.

**The average credit rating of the Fund is in line with the benchmark at AA-, while the Fund's total carry was 5.3% 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 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	0.84%	-2.01%	3.24%	4.38%	4.70%	1.00%	-	2.76%
Benchmark return	0.52%	-1.30%	2.27%	3.87%	3.54%	0.29%	-	1.93%
Relative return	0.32%	-0.71%	0.97%	0.51%	1.16%	0.71%	-	0.83%

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	3.73%
Yield to maturity	5.03%
Average quality	AA-
Fund total carry	5.27%
Benchmark total carry	3.81%

## Quality breakdown

	FUND	BENCHMARK
AAA	17.87%	12.76%
AA	51.09%	43.47%
A	9.72%	30.73%
BBB	18.57%	13.03%
Sub inv grade	2.75%	0.00%

## Duration weighted curve exposure

	0-1 YEARS	1-3 YEARS	3-5 YEARS	5-10 YEARS	10+ YEARS	TOTAL
Benchmark %	-0.04	8.47	14.06	35.80	41.71	100.00
Portfolio %	13.26	-3.33	8.98	54.09	27.00	100.00
Years Benchmark	0.00	0.53	0.87	2.22	2.59	6.20
Years Portfolio	0.87	-0.22	0.59	3.57	1.78	6.59

## Duration weighted regional breakdown (by settlement currency)

	FUND	BENCHMARK	FUND%	BENCHMARK %
Australia/NZ	0.38	0.16	5.79%	2.64%
Japan	0.12	0.61	1.78%	9.77%
Europe	1.78	1.51	26.97%	24.35%
United Kingdom	0.58	0.29	8.74%	4.68%
North America	2.85	2.55	43.25%	41.18%
Emerging markets	0.76	0.88	11.58%	14.16%
Other	0.12	0.20	1.89%	3.21%
Total	6.59	6.20	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	2.98	25.47%	48.04%
Agency/Semi	0.39	0.48	5.96%	7.77%
Mortgage	2.03	0.64	30.77%	10.27%
Inv Grade Corp	0.50	1.06	7.65%	17.11%
High Yield Corp	0.01	0.00	0.19%	0.00%
Emerging Markets	1.10	1.04	16.62%	16.81%
Cash Equivalents	0.88	0.01	13.34%	0.11%
Total	6.59	6.19	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)	62.78%	21.01%
Modern slavery statement	52.80%	19.35%
Majority independent board	51.99%	36.01%

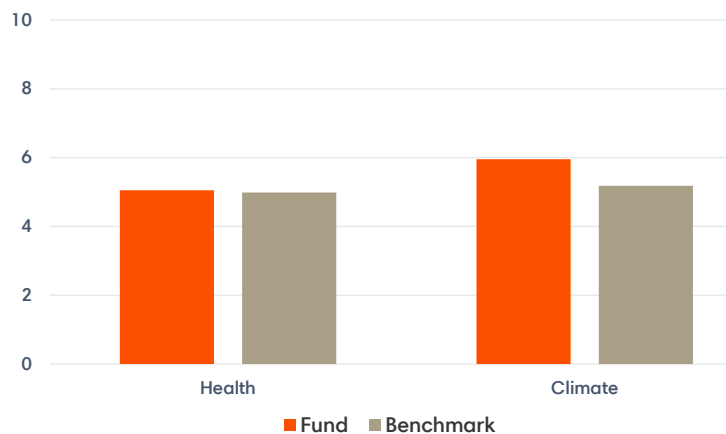
Numbers represent the proportion of holdings meeting the above criteria. We assess only the corporate bond holdings of both the Benchmark and Fund, figures shown are as a percentage of those holdings in order to maintain comparability.

## Climate targets

	FUND	BENCHMARK
TCFD reporting	49.57%	27.33%
SBTi committed	2.36%	1.87%
SBTi targets set	2.81%	14.60%

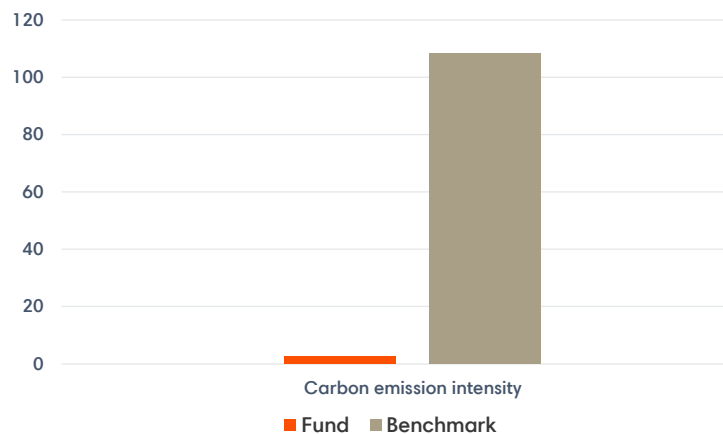
TCFD Recommendations: proportion of portfolio holdings that have committed to adopting recommendations of the Task Force for Climate-Related Financial Disclosures (TCFD). Does not indicate a complete TCFD disclosure. SBTi Committed indicates the company has made a public commitment to set a science-based 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 portfolio's 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** delivering a +0.84% return vs the benchmark's return of +0.52%.

May remained a very volatile month for global bond markets, with interest rates fluctuating on each piece of news of a potential peace deal in the Middle East and, hence, reopening of the Strait of Hormuz. Bond markets continue to focus on the potential inflation effects of the jump in oil prices, particularly potential second round inflation effects if the dispute is prolonged.

Indications of a possible resolution to the Iran conflict, early in the month, saw bond investors push yields lower before an intra-month reversal, as hopes of a deal faded. Further "deal" optimism late in the month moderated the movements in US bond yields and saw European sovereign bond markets rally.

The market will remain volatile until we get more certainty around the outcome of the Iran conflict as stagflation fears vie with a market that has already priced a significant degree of tightening. An early resolution is likely to trigger some significant short covering in markets.

Positive contributors to performance this month included an overweight to UK duration as yields moved lower, especially at the front end of the curve. Similarly, the overweight to Australian duration also added value as rates rallied, especially around the middle of the yield curve.

Exposure to Agency MBS also added value as spreads tightened.

Detractors this month were limited to Japanese 10-year duration, where the curve steepened further.

## Investment markets

**Markets closed May stronger overall**, though the path was far from smooth. Early optimism around a potential U.S.-Iran deal to reopen the Strait of Hormuz supported risk sentiment and pushed oil prices lower, easing stagflation concerns. However, mid-month setbacks - after the proposal was deemed unacceptable - drove a reversal, with Brent rising before renewed progress late in the month saw it fall again, ending -11.9% at \$91/bbl. Precious metals extended their losing streak into a third consecutive month, with gold down -1.68%. That said, it's more of a pause than a reversal, with the asset still comfortably in positive territory year-to-date (+5.11%). Global assets held up well overall, with the MSCI World Index up +4.37% and the Bloomberg Global Aggregate Bond Index (unhedged) returning +0.34%.

**In the U.S., bond markets were volatile as the shifting geopolitical narrative coincided with firm inflation data.** Treasury yields pushed higher mid-month, with the 30-year reaching 5.18% - the highest since 2007 - before retracing on improved sentiment around the deal. Month-end moves were more contained, with the 2-year and 10-year up +14bps and +6bps, respectively. Equities performed strongly, supported by robust earnings and renewed optimism in technology and semiconductors, with the S&P 500 rising +5.15%, while the U.S. dollar strengthened modestly (DXY +0.9%) as markets leaned towards pricing in further central bank tightening before year-end.

**Across Europe, sentiment improved into month-end, supporting a rally in sovereign bonds.** Italian, French and German 10-year yields declined -21bps, -14bps and -10bps, respectively. In the UK, political volatility initially pushed yields higher, but fading fiscal concerns and softer inflation led to a strong rally, with 10- and 30-year gilt yields down -20bps and -17bps. Equities were mixed, with the Euro Stoxx 50 up +2.87% and the FTSE 100 up +0.29%. Across Asia and emerging markets, improving risk sentiment and strength in AI-related sectors drove outperformance, with the MSCI EM Index rising +9.69%, helping markets end the month on a resilient footing despite ongoing uncertainty.

## Portfolio positioning

PIMCO's focus is on country selection given the 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.

Regarding, the Iran conflict and impact of oil prices, they see an early resolution allowing central banks to look through short-term inflation effects and would expect yield curves to positively steepen. A longer period of conflict is likely to be both inflationary but also lead to a significant drop in global growth. Ultimately, fiscal constraints will mean interest rates would have to do any heavy lifting in regard to stimulating growth.

**Overweight duration, with variation in country selection:** PIMCO modestly increased their 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 maintained the overweight to UK duration, while slightly increasing the overweight in the Euro Bloc (Eurozone and non-EMU European countries). From a curve positioning perspective, they maintain a steepening bias, preferring the 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. They maintain an underweight to Japanese duration and have near neutral exposure to Emerging Markets.

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

**Tactical currency positions:** PIMCO significantly reduced their short USD position primarily by reducing their JPY overweight and increasing their underweights to the Euro zone and Australasia. They largely maintained other active currency positions, including an overweight to a basket of EM currencies, GBP and non-euro Europe. They continue to be underweight a diversified basket of funding currencies including CAD, NZD, and select Asian currencies as an offset for their overweights, particularly to EM.

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# COMPLIANCE CERTIFICATE

## Hunter Global Fixed Interest Fund

For month ended 31 May 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 04 June 2026**