

Performance update

The Hunter Global Fixed Interest Fund returned 0.79% for the month of April, which was marginally ahead of the benchmark return of 0.76% (being the Bloomberg Barclays Global Aggregate Index - \$NZ hedged).

Global fixed interest markets performed well in April against a backdrop of shares and more risky assets marching higher, with volatility measures remaining low despite large uncertainties regarding the Trump administration's priorities and policies. The US dollar fell on the back of officials expressing concern about its recent strength, which then contributed to emerging markets performing well for the month. Equities finished higher and credit spreads tightened, while interest rates were relatively stable after large moves in prior months.

Within the Fund's portfolio, sovereign rate strategies added value in April, especially in Europe and the US where the yield curves steepened. These gains were slightly offset by being overweight to Danish duration, as rates rose.

The Fund's credit spread strategies also drove gains relative to the benchmark for the month as spreads narrowed for lower grade credit and non-agency mortgage backed securities. These gains were somewhat offset by holding agency mortgage backed securities, where spreads widened.

Currency strategies detracted for the month. The Fund's long US dollar position against a basket of emerging market Asian currencies detracted from performance, as these currencies appreciated throughout the month. Being underweight the euro also detracted.

Portfolio Positioning

Relative to the benchmark the Fund has a short duration, with PIMCO indicating that this will probably move towards being more neutral, given global uncertainty. The Fund is underweight duration in the Eurozone.

The Fund has an underweight exposure to investment grade corporate credit, which is balanced by an overweight to a select exposure of lower grade corporates, including non-agency mortgage backed securities. PIMCO believes

that the trajectory of US growth, abundant global liquidity, and reduced issuance provides a supportive backdrop for lower grade corporate credit securities and non-agency mortgages.

In currencies, PIMCO has an overweight to the US dollar against the British pound, and favour relative value opportunities among select emerging market currencies. This includes underweight positions against a basket of emerging Asian currencies, balanced by overweight positions in Latin American currencies.

Outlook and strategy

PIMCO's cyclical outlook forecasts moderate global growth as political and policy uncertainty has risen. Global influences will likely continue to weigh on US rates in the near-term. PIMCO is carefully monitoring the 3 Cs – China, Commodities and Central Banks. Globally, PIMCO expect a mild reflationary macroeconomic backdrop and will emphasize relative value positions along individual sovereign yield curves.

PIMCO are reducing credit risk as relative valuations appear fair compared to historic averages. They favour financial corporates among corporates, and maintain exposure to non-Agency mortgages and European securitized debt.

Portfolio characteristics and information

Fund Information	30 April 2017
Fund Size	\$199 million
Fund Type	PIE
Investment management	PIMCO
Benchmark	Bloomberg Barclays Global Aggregate Index - \$NZ hedged

Page 2 provides key portfolio statistics and positioning.

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30 April 2017

Hunter Global Fixed Interest Fund
Investment Portfolio Characteristics



Investment Statistics	
Effective Duration	6.1
Benchmark Duration	7
Average Maturity	9.1
Average Coupon	2.2
Average Quality	AA-
Total Carry	4.7

Quality Breakdown	
Market Value % Portfolio	Market Value % Benchmark
51	AAA
9	AA
15	A
17	BBB
8	Sub Inv Grade
100	Total
	100

Curve Exposure			
Duration Weighted Exposure		Duration Weighted Exposure	
% Portfolio	% Benchmark	Years Portfolio	Years Benchmark
4	0	0 - 1 years	0.0
2	7	1 - 3 years	0.5
14	15	3 - 5 years	1.0
45	15	5 - 7 years	1.0
5	6	7 - 8 years	0.4
4	10	8 - 10 years	0.7
26	47	10+ years	3.4
100	100	Total	6.1
			7.1

Regional Breakdown by currency of settlement			
Duration Weighted Exposure		Duration Weighted Exposure	
% Portfolio	% Benchmark	Years Portfolio	Years Benchmark
1.8	2.5	Australia/NZ	
17.1	22.9	Japan	
18.4	23.2	Europe - EMU	
5.7	1.7	Europe - Non EMU	
5.1	8.4	United Kingdom	
50.1	38.8	North America	
1.8	1.0	Emerging Markets	
0.0	1.5	Other	
100.0	100.0	Total	

Sector Breakdown			
Duration Weighted Exposure		Duration Weighted Exposure	
% Portfolio	% Benchmark	Years Portfolio	Years Benchmark
66	63	Governments	4.0
6	0	ILBs	0.0
17	17	Corporates	1.0
1	0	High Yield	0.0
-13	0	Swaps	-0.8
7	6	Agency/Semi	0.4
12	11	Mortgage	0.7
0	0	Other	0.0
1	3	Emerging Markets	0.1
3	0	Front End	0.2
100	100	Total	6.1
			7.0

