

Fund Information		30 November 2022			
Fund Size	\$1.104 Billion				
Fund Type	PIE				
Investment management	PIMCO				
Benchmark	Bloomberg Barclays Global Aggregate Index - \$NZ hedged				
Performance (gross)	1 month	3 months	1 Year	3 Year pa	
Portfolio (%)	+2.50%	-1.57%	-10.73%	-1.54%	
Benchmark (%)	+2.36%	-1.55%	-11.00%	-2.47%	
Alpha (%)	+0.14%	-0.02%	+0.27%	+0.93%	

The performance in this fact sheet is gross of fees and tax. Investors should also refer to the Quarterly Fund Update, which is available on hunterinvestments.co.nz and business.govt.nz/disclose.

Performance update

The Hunter Global Fixed Interest Fund outperformed its benchmark in November, the Fund experiencing strong positive returns following a somewhat volatile month in investment markets.

Contributors this month included underweight positions in Europe (especially longer maturities) and China as yields rose in those markets. Conversely, a long duration position in Australia, particularly around the 10 year portion of the curve, also added value as yields fell sharply there.

Meanwhile, spread trades generally subtracted value particularly exposure to investment grade industrial corporates and Government related agency securities where credit spreads widened in November. Similarly, our underweight to US duration, especially around the 10 year portion of the curve, detracted as yields fell sharply into month end.

Investment markets

Financial markets saw wild price action in November, the month ending with strong positive returns in most asset classes, particularly bolstered by Fed Chairman Powell's comments on the last day of the month. As had been expected, the US Fed hiked the Fed Funds rate by 0.75% but investors focused on the rhetoric especially a new phrase: "committee will take into account the cumulative tightening of monetary policy, the lags with which monetary policy affects economic activity and inflation". This was seen to a signal for a "dovish" pivot in the near future sparking rallies in both Treasury bonds and risk assets. US 10 year treasury yields finished 0.44% lower at monthend while the MSCI World equity index was up nearly 7% (in NZD hedged terms).

However, the picture in China remains confused with escalating protests against Xi's zero COVID policy seeing investors beginning to position for an earlier easing in

COVID restrictions although the impact on world growth and inflation remains uncertain.

Portfolio positioning

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

The Fund's nominal duration reduced slightly in November but its benchmark relative duration position is largely unchanged, currently 5.9 years vs. 6.8 years for the Fund and benchmark respectively. The Fund is predominantly underweight in the 3-5 year and the 10 year+ sections of the yield curve. PIMCO continues to prefer 5-10 year maturities.

PIMCO is predominantly underweight duration in North America, Japan and Emerging Markets with a smaller underweight to core Europe. We maintain an overweight to non-core Europe and Australia and are now neutral on the UK.

The Fund remains underweight corporate credit generally, targeting financials and non-cyclicals.

US Federal Reserve "tapering" expectations also sees PIMCO remaining underweight the agency and semi-government sectors, but retains an overweight exposure to the mortgage sector. Securitised assets remain PIMCO's preferred way to take spread exposure offering greater default protection in the current environment.

Currency strategies remain largely tactical or target portfolio diversification. We are underweight the UK and core Eurozone, predominantly versus non-EMU Europe and the US dollar. We are now have a small overweight exposure to the Emerging Markets currencies and remain overweight the Japanese Yen. We are also slightly underweight the Australian dollar.

The Fund continues to have a small allocation to inflation-linked bonds.

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30 November 2022

Hunter Global Fixed Interest Fund
Investment Portfolio Characteristics



Investment Statistics	
Effective Duration	5.9
Benchmark Duration	6.8
Average Maturity	6.9
Average Coupon	2.3
Average Quality	AA
Fund Total Carry	5.1
Benchmark Total Carry	4.5

Quality Breakdown		
Market Value % Portfolio		Market Value % Benchmark
72.5	AAA	40.3
7.9	AA	13.7
7.9	A	31.6
7.5	BBB	14.4
4.1	Sub Inv Grade	0.0
100	Total	100

Curve Exposure				
Duration Weighted Exposure		Duration Weighted Exposure		
% Portfolio	% Benchmark		Years Portfolio	Years Benchmark
2.2	0.0	0 - 1 years	0.1	0.0
8.1	7.1	1 - 3 years	0.5	0.5
11.2	13.1	3 - 5 years	0.7	0.9
49.2	34.1	5-10 years	2.9	2.3
29.3	45.6	10+ years	1.7	3.1
100	100	Total	5.9	6.8

Regional Breakdown by currency of settlement)				
Duration Weighted Exposure		Duration Weighted Exposure		
% Portfolio	% Benchmark		Years Portfolio	Years Benchmark
8.3	1.3	Australia/NZ	0.5	0.1
9.6	16.4	Japan	0.6	1.1
21.1	20.9	Europe - EMU	1.3	1.4
5.9	1.2	Europe - Non EMU	0.4	0.1
5.9	5.4	United Kingdom	0.4	0.4
45.5	44.2	North America	2.7	3.0
0.4	8.9	Emerging Markets	0.0	0.6
3.2	1.6	Other	0.2	0.1
100	100	Total	5.9	6.8

Sector Breakdown				
Duration Weighted Exposure		Duration Weighted Exposure		
% Portfolio	% Benchmark		Years Portfolio	Years Benchmark
55.3	51.3	Government	3.3	3.5
1.1	7.6	Agency/Semi	0.1	0.5
26.0	11.7	Mortgage	1.5	0.8
8.1	16.1	Inv Grade Corp	0.5	1.1
0.5	0.0	High Yield Corp	0.0	0.0
6.1	13.3	Emerging Markets	0.4	0.9
2.9	0.0	Cash Equivalents	0.2	0.0
100	100	Total	5.9	6.8

