

Fund Information	31 May 2023			
Fund Size	\$1.179 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 (%)	-0.49%	+2.13%	-2.20%	-1.63%
Benchmark (%)	-0.41%	+2.29%	-1.77%	-2.95%
Alpha (%)	-0.08%	-0.16%	-0.43%	+1.32%

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's performance was slightly behind its benchmark in May despite having less overall interest rate and credit risk in a market where rates were generally higher.

Duration positions generally added value, particularly underweights in Japan and the US where yield curves shifted higher. This was partially offset by an underweight to Chinese duration where disappointing economic data saw yields falling there.

Our underweight credit position also added value as spreads widened in May. However, an overweight to Australian duration detracted as yields rose there too. Currency positions also subtracted value in May.

Investment markets

Share markets were mixed over the month, the MSCI All Country World Index (ACWI) returned 2.0% in New Zealand dollar terms, and -0.2% in New Zealand dollar-hedged terms. There continued to be large dispersion within the index, with the information technology sector advancing 8.0% whilst the energy sector dropped -9.6%. Meanwhile bond market returns were mainly negative with yields higher in most markets

Economic growth data was mixed in May, the US surprising on the upside with first quarter GDP revised up to 1.3% q-o-q while Eurozone and UK Q1 GDP both came in at a fairly weak 0.1%. Germany was even weaker recording a Q1 GDP result of -0.3% creating a technical recession following their -0.5% result in Q4 2022.

May saw 0.25% official rate hikes in most developed markets and further yield curve inversion. Credit spreads were broadly stable. The US Federal Reserve hiked by another 25bps in May, despite a CPI reading that came in at 4.9% (the lowest since April 2021), suggesting they are

clearly still concerned with the stickiness of certain components. The market is now firmly convinced this could be the end of the FED hiking cycle and we're likely to see a pause until at least December. Both the Bank of England and the ECB hiked rates by 25bps, taking the UK's Bank Rate to 4.50% and the ECB's deposit facility to 3.25%.

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 duration remains at 5.5 years in May versus the benchmark's duration of 6.8 years.

PIMCO is maintaining an underweight duration in Japan and Emerging Markets with smaller underweights to North America and core Europe. PIMCO remains overweight Australia and is now also overweight duration in the UK. They maintain a slightly overweight position in non-core Europe.

In terms of the yield curve, the Fund is largely neutrally positioned out to 5 years, overweight the 5-10 year portion of the curve and underweight 10 year plus maturities. This is premised on an expected positive steepening of the curve, pivoting around 10 year maturities as inflation normalises.

The Fund remains underweight corporate credit generally, targeting financials and non-cyclicals, resulting in a portfolio with high credit quality, with an average rating of AA.

US Federal Reserve "tapering" expectations also sees PIMCO remaining underweight the agency and semi-government sectors, but retaining 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. Currently the fund is overweight the Australian dollar, Yen and Emerging market currencies, and non-EMU Europe predominantly against the North American dollar bloc. Exposure to core EMU Europe is now largely neutral.

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

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31 May 2023

Hunter Global Fixed Interest Fund
Investment Portfolio Characteristics



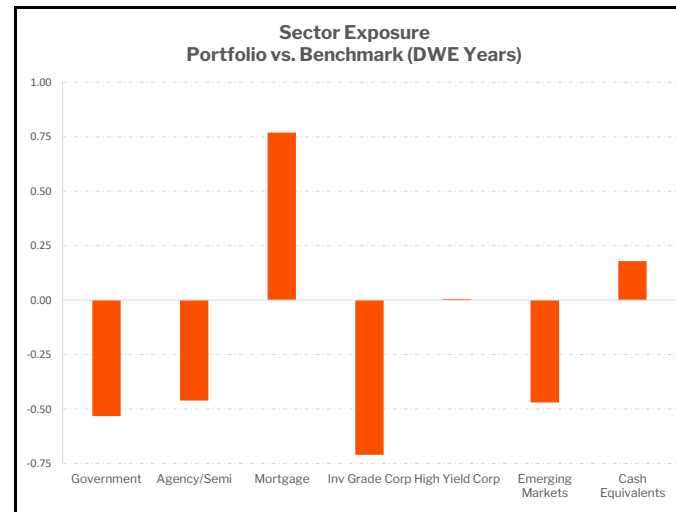
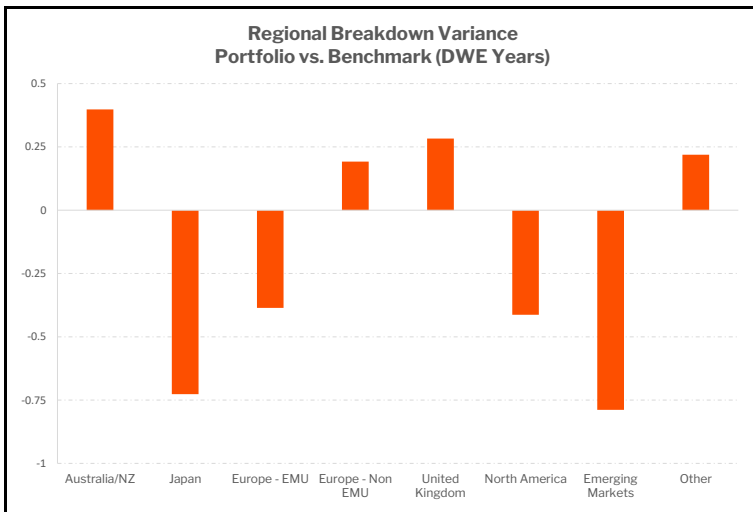
Investment Statistics	
Effective Duration	5.5
Benchmark Duration	6.8
Average Maturity	6.6
Average Coupon	2.7
Average Quality	AA
Fund Total Carry	6.2
Benchmark Total Carry	5.3

Quality Breakdown		
Market Value % Portfolio		Market Value % Benchmark
71.6	AAA	40.1
1.3	AA	13.5
9.3	A	32.1
14.4	BBB	14.4
3.3	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
6.5	7.4	1 - 3 years	0.4	0.5
17.2	12.6	3 - 5 years	1.0	0.9
54.7	34.9	5-10 years	3.0	2.4
19.4	45.1	10+ years	1.1	3.1
100	100	Total	5.5	6.8

Regional Breakdown by currency of settlement)				
Duration Weighted Exposure		Duration Weighted Exposure		
% Portfolio	% Benchmark		Years Portfolio	Years Benchmark
8.7	1.3	Australia/NZ	0.5	0.1
6.9	16.4	Japan	0.4	1.1
18.1	20.6	Europe - EMU	1.0	1.4
5.0	1.3	Europe - Non EMU	0.3	0.1
10.8	4.7	United Kingdom	0.6	0.3
47.0	44.6	North America	2.6	3.0
-2.7	9.4	Emerging Markets	-0.1	0.6
6.0	1.7	Other	0.3	0.1
100	100	Total	5.5	6.8

Sector Breakdown				
Duration Weighted Exposure		Duration Weighted Exposure		
% Portfolio	% Benchmark		Years Portfolio	Years Benchmark
51.9	50.4	Government	2.9	3.4
0.9	7.5	Agency/Semi	0.0	0.5
28.7	12.1	Mortgage	1.6	0.8
6.7	16.0	Inv Grade Corp	0.4	1.1
0.1	0.0	High Yield Corp	0.0	0.0
8.5	13.9	Emerging Markets	0.5	0.9
3.3	0.0	Cash Equivalents	0.2	0.0
100	100	Total	5.5	6.8



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 Manufacturers;
- 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.

ESG Metrics

	Fund	Benchmark
Gender Diversity (workforce >40% female representation)	41%	22%
Modern Slavery Statement	31%	15%
Majority Independent Board	36%	28%

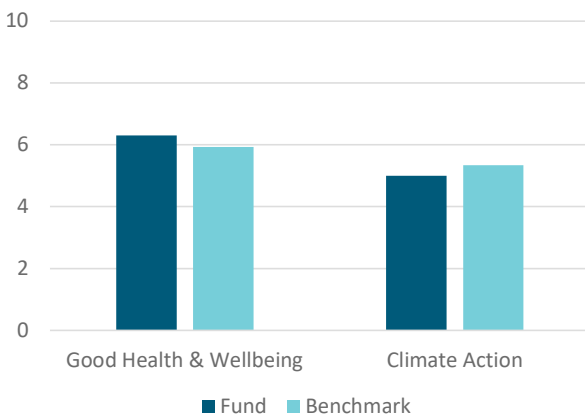
Numbers represent the proportion of holdings meeting the above criteria. We assess only the corporate bond holdings of both the Benchmark and Fund, figures shown are as a percentage of those holdings in order to maintain comparability.

Climate Targets

	Fund	Benchmark
TCFD Recommendations	41%	25%
SBTi Committed	21%	5%
SBTi Targets Set	10%	9%

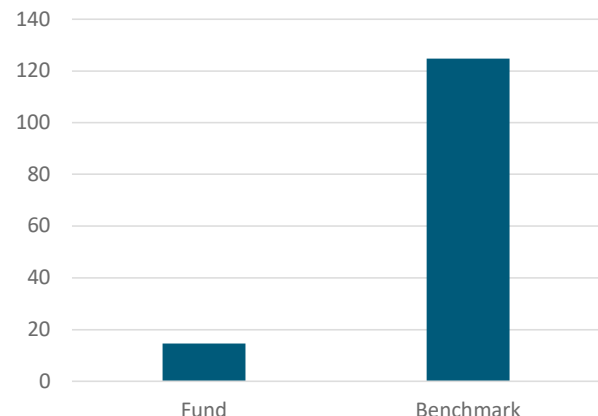
TCFD Recommendations: proportion of portfolio holdings that have committed to adopting recommendations of the Task Force for Climate-Related Financial Disclosures (TCFD). Does not indicate a complete TCFD disclosure.
 SBTi Committed indicates the company has made a public commitment to set a science-based 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 Emissions Intensity (USD)



Scope 1 & 2 Carbon Emissions Intensity reflects the portfolios weighted average total carbon emissions per million USD of revenue, as a proxy of the carbon efficiency per unit of output.

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COMPLIANCE CERTIFICATE

HUNTER GLOBAL FIXED INTEREST FUND (THE “FUND”) (RETAIL UNIT TRUST)

Investment Mandate Compliance Certificate for month ended 31 May 2023

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 1st October 2022;
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 Compliance
Harbour Asset Management Limited

6.06.2023

Date