

Fund Information		31 December 2023			
Fund Size	\$1.418 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 (%)	+3.58%	+6.19%	+8.03%	-1.72%	
Benchmark (%)	+3.12%	+5.67%	+6.59%	-2.42%	
Alpha (%)	+0.46%	+0.52%	+1.44%	+0.70%	

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 significantly outperformed its benchmark in December in what was a month of strongly positive returns for investors as interest rates continued to fall across the world.

Interest rate and yield curve strategies dominated performance with duration and curve positioning in Europe, the UK and Australia contributing strongly to performance. Our overweights to 10-year maturities in those countries benefiting from strong rallies in that part of the yield curve.

However, our US curve strategy detracted slightly due to our preference for 10-year bonds over the longer duration 30-year maturity which outperformed.

Spread strategies and currency positioning had a negligible impact on performance in December.

Investment markets

December continued the November rally in interest rates as encouraging inflation data and a perceived “dovish” pivot by the US Federal Reserve saw the markets price ever increasing cuts in official interest rates rate through 2024. More generally, 2023 has been a rollercoaster ride for financial markets, equity markets lifted early by a rampant tech sector before falling back a little on mixed economic data and increasing geo-political risks. Meanwhile, for much of the year bond investors saw rising rates on the “higher for longer” mantra as growth and inflation remained resilient. Softening inflation data in the last quarter together with the more “dovish” Fed speak renewed hopes for a “soft landing” and saw both equities and bonds finish the year strongly.

PIMCO continues to see significant value in bonds but remain sceptical about the chances of a “soft landing”, their base case being a “soft recession”. However, this less optimistic outcome is still bullish for bond investors.

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 overall duration has increased slightly to 5.9 years, still significantly less than the benchmark’s duration of 6.7 years, the increase largely reflecting the impact of lower yields on duration.

The underweight duration position is quite targeted, focussed on Japan and Emerging Markets while maintaining a very slight underweight in North America. Elsewhere, duration exposure is largely neutral although they maintain an overweight in more interest rate sensitive markets or where they see strong evidence of economic slowing, specifically, Australasia and the UK.

In terms of the yield curve, the Fund is now largely neutral in the 1-3 and 3-5 years while still overweight to the 5–10 years portion of the curve. The Fund’s largest yield curve position remains its underweight to 10 years plus maturities. This positioning is premised on an expected positive steepening of the curve, pivoting around 10-year maturities, as inflation normalises and investors demand term premiums again.

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

US Federal Reserve “tapering” programme 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 Yen, the Australian dollar, emerging market currencies and non-EMU Europe, predominantly against the North American dollar bloc, the Euro and a number of minor currencies.

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

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31 December 2023

Hunter Global Fixed Interest Fund
Investment Portfolio Characteristics



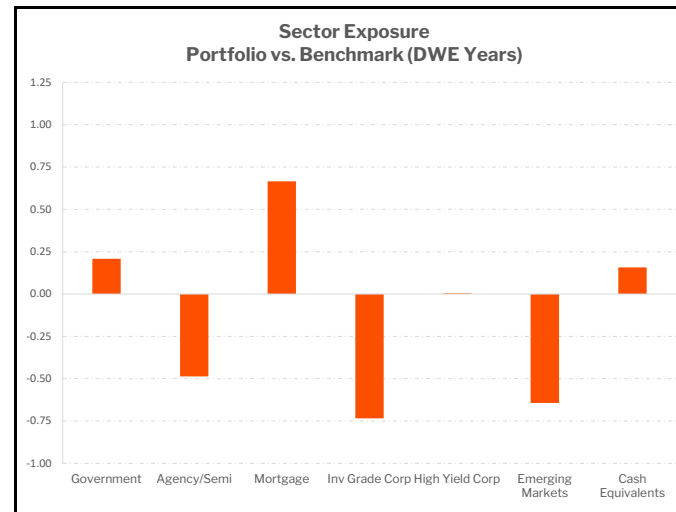
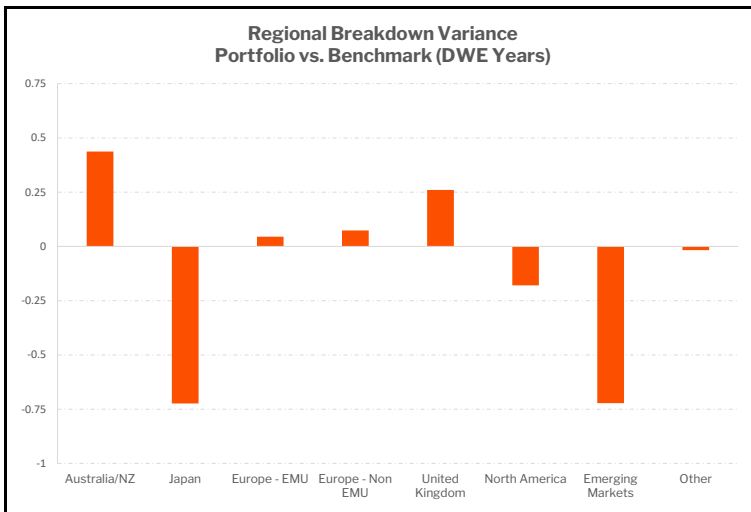
Investment Statistics	
Effective Duration	5.9
Benchmark Duration	6.7
Average Maturity	6.6
Average Coupon	3.1
Average Quality	AA
Fund Total Carry	5.8
Benchmark Total Carry	4.8

Quality Breakdown		
Market Value % Portfolio		Market Value % Benchmark
64.7	AAA	11.8
7.9	AA	42.2
8.5	A	31.8
16.7	BBB	14.2
2.2	Sub Inv Grade	0.0
100	Total	100

Curve Exposure				
Duration Weighted Exposure		Duration Weighted Exposure		
% Portfolio	% Benchmark		Years Portfolio	Years Benchmark
2.7	0.0	0 - 1 years	0.2	0.0
8.1	7.7	1 - 3 years	0.5	0.5
13.9	12.8	3 - 5 years	0.8	0.9
67.7	33.7	5-10 years	4.0	2.3
7.7	45.8	10+ years	0.5	3.1
100	100	Total	5.9	6.7

Regional Breakdown by currency of settlement)				
Duration Weighted Exposure		Duration Weighted Exposure		
% Portfolio	% Benchmark		Years Portfolio	Years Benchmark
8.9	1.3	Australia/NZ	0.5	0.1
4.9	15.1	Japan	0.3	1.0
25.2	21.4	Europe - EMU	1.5	1.4
2.8	1.4	Europe - Non EMU	0.2	0.1
10.3	5.1	United Kingdom	0.6	0.3
47.1	44.0	North America	2.8	2.9
-1.2	9.7	Emerging Markets	-0.1	0.7
1.9	1.9	Other	0.1	0.1
100	100	Total	5.9	6.7

Sector Breakdown				
Duration Weighted Exposure		Duration Weighted Exposure		
% Portfolio	% Benchmark		Years Portfolio	Years Benchmark
60.9	50.3	Government	3.6	3.4
0.5	7.7	Agency/Semi	0.0	0.5
24.5	11.5	Mortgage	1.4	0.8
5.9	16.1	Inv Grade Corp	0.3	1.1
0.1	0.0	High Yield Corp	0.0	0.0
5.4	14.4	Emerging Markets	0.3	1.0
2.7	0.0	Cash Equivalents	0.2	0.0
100	100	Total	5.9	6.7



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)	78%	28%
Modern Slavery Statement	64%	31%
Majority Independent Board	34%	34%

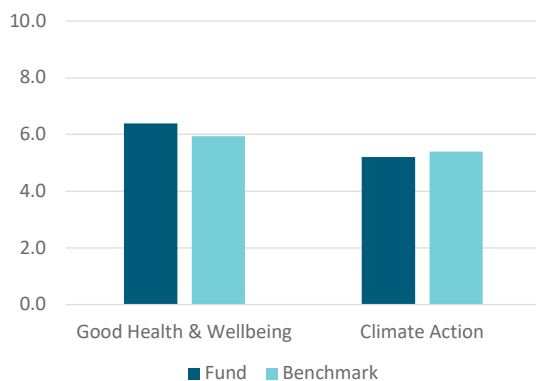
Numbers represent the proportion of holdings meeting the above criteria. We assess only the corporate bond holdings of both the Benchmark and Fund, figures shown are as a percentage of those holdings in order to maintain comparability.

Climate Targets

	Fund	Benchmark
TCFD Recommendations	81%	50%
SBTi Committed	3%	5%
SBTi Targets Set	8%	11%

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).

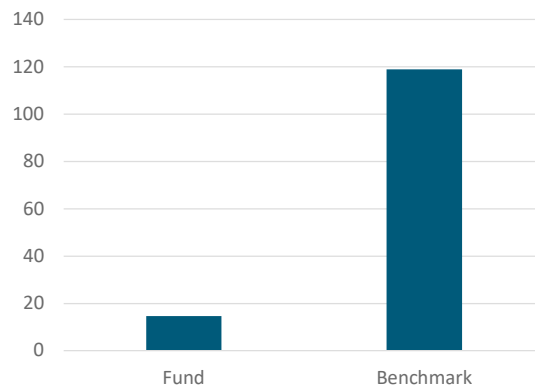
Contribution to UN SDGs



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 (tonnes) 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 December 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 September 2023;
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

08.01.2024

Date