

Fund Information	31 January 2024			
Fund Size	\$1.422 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 (%)	+0.01%	+7.02%	+5.49%	-1.62%
Benchmark (%)	-0.22%	+6.23%	+4.05%	-2.31%
Alpha (%)	+0.23%	+0.79%	+1.45%	+0.69%

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 January as yields retreated higher through the month as optimism for a “soft landing” scenario pushed rate cut expectations further out.

Interest rate and yield curve strategies dominated performance with underweight duration and curve positioning in Japan and the US contributing strongly to performance as yields moved higher. Overweights to securitised assets also added value as spreads tightened slightly.

However, our UK and Australian duration overweight and curve strategies detracted due to the rising yields.

An underweight to Chinese duration also detracted value with yields falling in China as their economy continued to disappoint.

Investment markets

US economic data reinforced hopes for a “soft landing” with growth exceeding expectations for a second consecutive quarter while inflation was stable. However, inflation numbers in Europe and the UK edged higher. This was generally positive for growth assets, equity markets, except China and Hong Kong, generally rallying. Bond investors were less convinced as the US Federal Reserve dampened hopes for an early rate cut. The bond market had gotten ahead of itself in the December quarter causing the Fed to remind investors that, while inflation was trending in the right direction, it was still above target. The stronger economic growth also giving Central Bankers more leeway in waiting to ensure inflation was under control before cutting rates.

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 economic outcome is more bullish for bonds.

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 decreased slightly to 5.6 years, still significantly less than the benchmark’s duration of 6.7 years, the increase largely reflecting current yield curve positioning.

The underweight duration position remains quite targeted, focussed on Japan and Emerging Markets while maintaining a 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, slightly overweight 3-5 year maturities with main 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 which increased slightly last month. 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, the average credit rating of the Fund is 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, 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 January 2024

Hunter Global Fixed Interest Fund
Investment Portfolio Characteristics



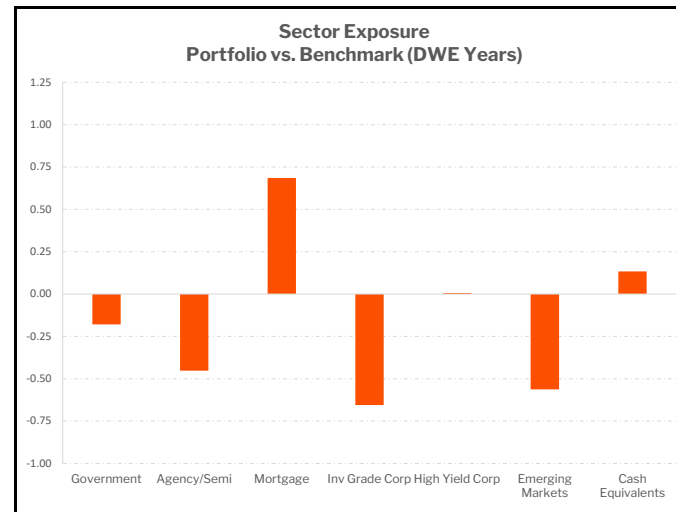
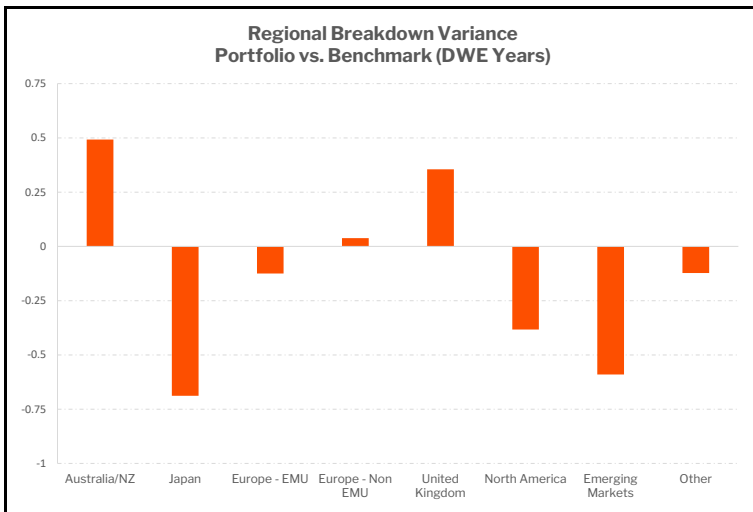
Investment Statistics	
Effective Duration	5.6
Benchmark Duration	6.7
Average Maturity	6.5
Average Coupon	3.1
Average Quality	AA-
Fund Total Carry	6.4
Benchmark Total Carry	5.0

Quality Breakdown		
Market Value % Portfolio		Market Value % Benchmark
60.8	AAA	11.8
5.5	AA	42.2
12.7	A	31.6
18.7	BBB	14.4
2.3	Sub Inv Grade	0.0
100	Total	100

Curve Exposure				
Duration Weighted Exposure		Duration Weighted Exposure		
% Portfolio	% Benchmark		Years Portfolio	Years Benchmark
2.5	0.1	0 - 1 years	0.1	0.0
7.5	7.7	1 - 3 years	0.4	0.5
18.9	13.0	3 - 5 years	1.1	0.9
66.2	34.3	5-10 years	3.7	2.3
4.9	45.0	10+ years	0.3	3.0
100	100	Total	5.6	6.7

Regional Breakdown by currency of settlement)				
Duration Weighted Exposure		Duration Weighted Exposure		
% Portfolio	% Benchmark		Years Portfolio	Years Benchmark
10.2	1.3	Australia/NZ	0.6	0.1
5.0	14.5	Japan	0.3	1.0
23.3	21.6	Europe - EMU	1.3	1.4
2.3	1.4	Europe - Non EMU	0.1	0.1
12.2	5.0	United Kingdom	0.7	0.3
45.7	44.5	North America	2.6	3.0
1.2	9.9	Emerging Markets	0.1	0.7
0.0	1.9	Other	0.0	0.1
100	100	Total	5.6	6.7

Sector Breakdown				
Duration Weighted Exposure		Duration Weighted Exposure		
% Portfolio	% Benchmark		Years Portfolio	Years Benchmark
55.5	49.7	Government	3.1	3.3
1.1	7.7	Agency/Semi	0.1	0.5
26.2	11.9	Mortgage	1.5	0.8
7.5	16.2	Inv Grade Corp	0.4	1.1
0.1	0.0	High Yield Corp	0.0	0.0
7.1	14.5	Emerging Markets	0.4	1.0
2.4	0.0	Cash Equivalents	0.1	0.0
100	100	Total	5.6	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)	69%	27%
Modern Slavery Statement	56%	29%
Majority Independent Board	34%	33%

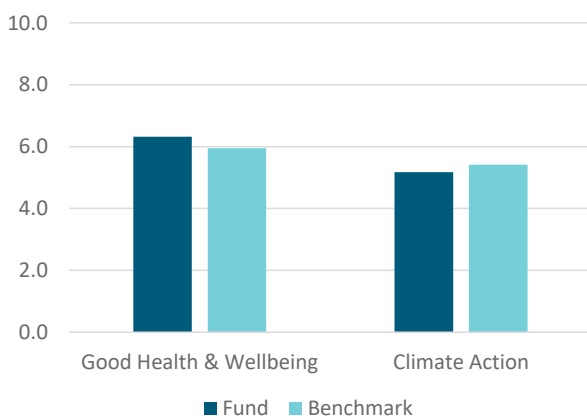
Numbers represent the proportion of holdings meeting the above criteria. We assess only the corporate bond holdings of both the Benchmark and Fund, figures shown are as a percentage of those holdings in order to maintain comparability.

Climate Targets

	Fund	Benchmark
TCFD Recommendations	70%	48%
SBTi Committed	3%	5%
SBTi Targets Set	8%	11%

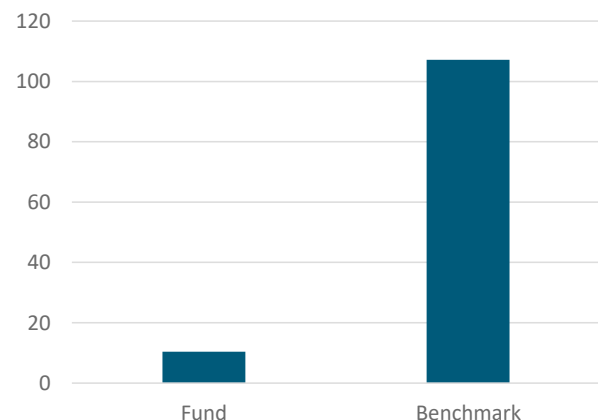
TCFD Recommendations: proportion of portfolio holdings that have committed to adopting recommendations of the Task Force for Climate-Related Financial Disclosures (TCFD). Does not indicate a complete TCFD disclosure.
 SBTi Committed indicates the company has made a public commitment to set a science-based 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 January 2024

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

05.02.2024

Date