

Fund Information	31 March 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 (%)	+1.37%	+0.74%	+5.76%	-0.85%
Benchmark (%)	+0.91%	-0.02%	+3.80%	-1.60%
Alpha (%)	+0.46%	+0.76%	+1.96%	+0.75%

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 March despite relative calm in interest rate markets for the month.

Sector strategies generally dominated performance in March, specifically stock selection within the investment grade corporate debt sector and our overweight to securitised assets which outperformed as credit spreads tightened. Duration and yield curve strategies also added value in March, especially our overweight to Australian duration in the 5-year sector of the curve where rates rallied.

Currency and FX carry strategies also added value in March.

Investment markets

Ongoing investor optimism that the world was going to see a “soft landing” saw “risk assets” generally rally through the March quarter. Equities and commodity markets were both stronger while credit spreads generally tightened. Risk investors were happy to look through macroeconomic data showing inflation stickiness and ongoing economic resilience.

In contrast, bond markets were less optimistic, the inflation and growth outcomes seeing central banks continue to push out the timing of eventual rate cuts as the ongoing economic strength in the US allows them to take their time in implementing rate cuts while inflation remained higher than target.

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”. This less optimistic economic outcome is more bullish for core bonds but less so for credit markets.

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 remains underweight at 5.2 years, significantly less than the benchmark’s duration of 6.7 years, largely a reflection of PIMCO yield curve strategy.

The underweight duration position remains quite targeted, focussed on Japan, North America and Emerging Markets. Elsewhere, PIMCO remain overweight duration in more interest rate sensitive markets or where they see strong evidence of economic slowing, specifically, Australasia and the UK. European duration is near benchmark.

In terms of the yield curve, the Fund is largely neutral in the 1-3 and the 3-5 year maturities but significantly 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. It is expected that 5-10 year maturities will benefit disproportionately in a variety of scenarios (no landing, soft landing, soft recession) with the an expected positive steepening of the curve, pivoting around 10-year maturities. Longer bonds face increased issuance and potential demand for term premia.

The Fund remains underweight corporate credit generally, targeting 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 and historically high sector credit margins in the current environment.

Currency strategies remain largely tactical or target portfolio diversification. Currently the fund is overweight the Yen, emerging market currencies and North America, predominantly against European currencies, including Euro, and a number of minor currencies.

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

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31 March 2024

Hunter Global Fixed Interest Fund
Investment Portfolio Characteristics



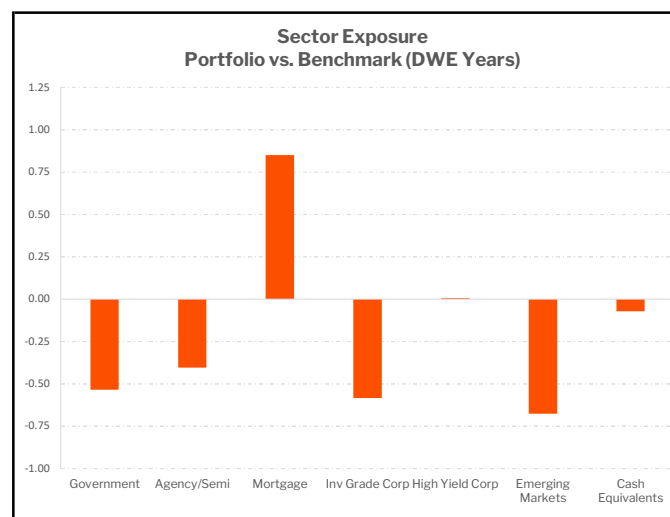
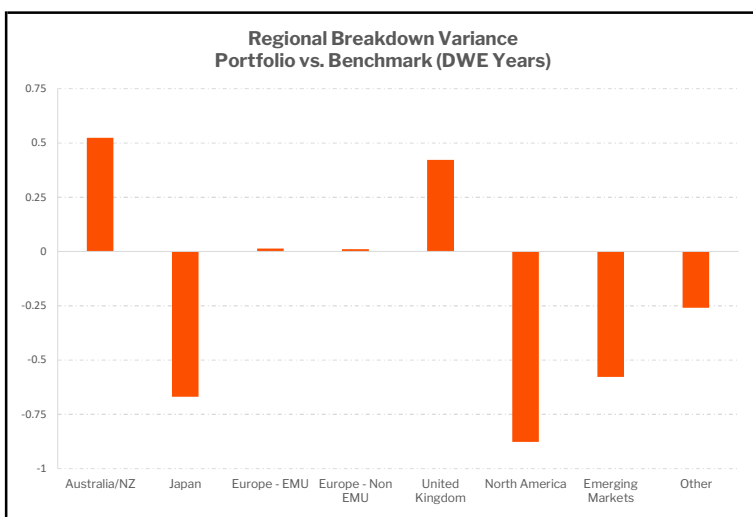
Investment Statistics	
Effective Duration	5.2
Benchmark Duration	6.7
Average Maturity	6.5
Average Coupon	4.3
Average Quality	AA-
Fund Total Carry	6.2
Benchmark Total Carry	5.1

Quality Breakdown		
Market Value		Market Value
% Portfolio		% Benchmark
51.0	AAA	11.9
4.9	AA	42.2
14.0	A	31.5
27.6	BBB	14.4
2.5	Sub Inv Grade	0.0
100	Total	100

Curve Exposure				
Duration Weighted Exposure		Duration Weighted Exposure		
% Portfolio	% Benchmark		Years Portfolio	Years Benchmark
-1.3	0.1	0 - 1 years	-0.1	0.0
10.6	7.7	1 - 3 years	0.6	0.5
16.6	13.1	3 - 5 years	0.9	0.9
70.9	34.3	5-10 years	3.7	2.3
3.3	44.9	10+ years	0.2	3.0
100	100	Total	5.2	6.7

Regional Breakdown by currency of settlement)				
Duration Weighted Exposure		Duration Weighted Exposure		
% Portfolio	% Benchmark		Years Portfolio	Years Benchmark
11.6	1.3	Australia/NZ	0.6	0.1
5.2	14.2	Japan	0.3	0.9
28.0	21.8	Europe - EMU	1.5	1.5
1.9	1.4	Europe - Non EMU	0.1	0.1
14.4	5.0	United Kingdom	0.8	0.3
39.7	44.4	North America	2.1	3.0
1.8	10.1	Emerging Markets	0.1	0.7
-2.6	1.9	Other	-0.1	0.1
100	100	Total	5.2	6.7

Sector Breakdown				
Duration Weighted Exposure		Duration Weighted Exposure		
% Portfolio	% Benchmark		Years Portfolio	Years Benchmark
52.5	49.4	Government	2.8	3.3
2.1	7.8	Agency/Semi	0.1	0.5
31.1	11.8	Mortgage	1.6	0.8
9.6	16.3	Inv Grade Corp	0.5	1.1
0.1	0.0	High Yield Corp	0.0	0.0
5.8	14.7	Emerging Markets	0.3	1.0
-1.4	0.0	Cash Equivalents	-0.1	0.0
100	100	Total	5.2	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)	61%	22%
Modern Slavery Statement	24%	10%
Majority Independent Board	26%	23%

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

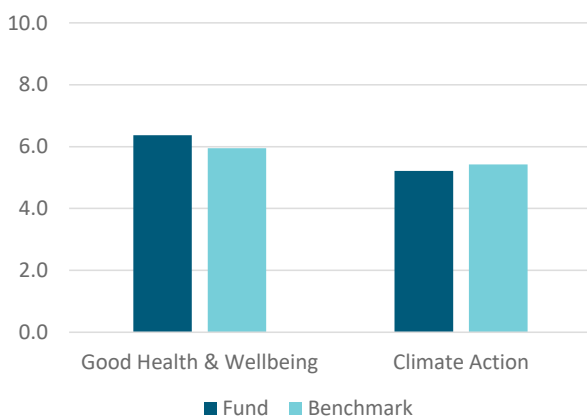
	Fund	Benchmark
TCFD Recommendations	46%	25%
SBTi Committed	8%	5%
SBTi Targets Set	8%	12%

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.

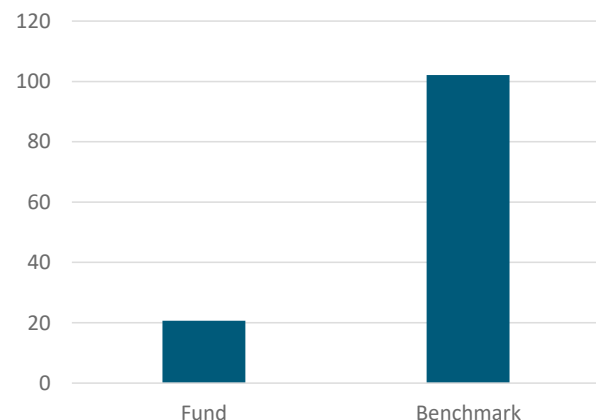
'Targets Set' indicates that SBTi has reviewed and validated the company's target(s).

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 31st March 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

03.04.2024

Date