

Fund Information	30 June 2024			
Fund Size	\$1.618 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 (%)	+0.87%	+0.45%	+6.07%	-1.04%
Benchmark (%)	+0.87%	+0.08%	+3.82%	-1.91%
Alpha (%)	+0.00%	+0.37%	+2.25%	+0.87%

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 performed in line with its benchmark in June as global interest rates generally fell and yield curves flattened.

Our overweight to Australian duration added value in June especially our overweight to 10-year portion of the Australian yield curve. Similarly, in the credit sector, our preference for investment grade industrial and utility stocks also added value as spreads tightened.

However, our underweight to US duration, especially in the 1-3 year part of the yield curve, subtracted value in the falling yield environment. Our overweight to securitised assets, especially Agency Mortgages backed securities, also detracted from performance as spreads widened in that sector.

Currency and FX carry strategies also detracted slightly.

Investment markets

Investment markets were generally stronger in June, the “magnificent 7” dragging both the Nasdaq and S&P 500 higher while US bond markets were also stronger following a slightly higher unemployment number and US CPI recording its smallest increase in 7 months. While the Federal Reserve held the Fed Funds rate steady, it appears that markets expectations are now aligned with Fed forecasts for a single rate cut by the end of the year. Less uncertainty equals greater optimism in both equity and interest rate markets.

Elsewhere, UK bond markets rallied strongly as inflation returned to the Bank of England’s 2% target for the first time in 3-years. German bonds also rallied sharply, partly in response to a significant sell-off in French bonds following Macron calling a snap election in France where Le Pen’s “far right” emerged as a strong contender. European equity markets also suffered from the uncertainty in French 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.

PIMCO has maintained the Fund’s overall duration at 5.2 years, significantly less than the benchmark’s duration of 6.6 years, and largely reflecting PIMCO’s yield curve positioning.

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 has largely benchmark exposure in the 1-3 maturities and is slightly overweight to 3-5 year maturities. It has a larger 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 with the an expected positive steepening of the curve, pivoting around 10-year maturities, as the central bank easing cycle begins. 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 UK, emerging market and North American currencies, predominantly against the Euro, Australasia and a number of minor currencies.

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

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30 June 2024

Hunter Global Fixed Interest Fund
Investment Portfolio Characteristics



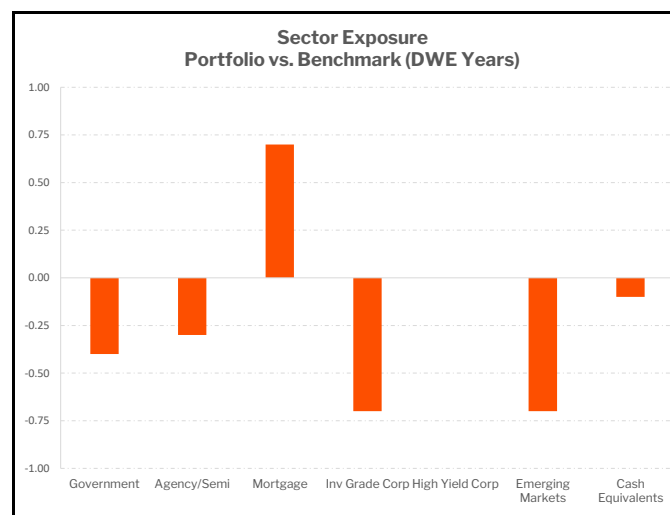
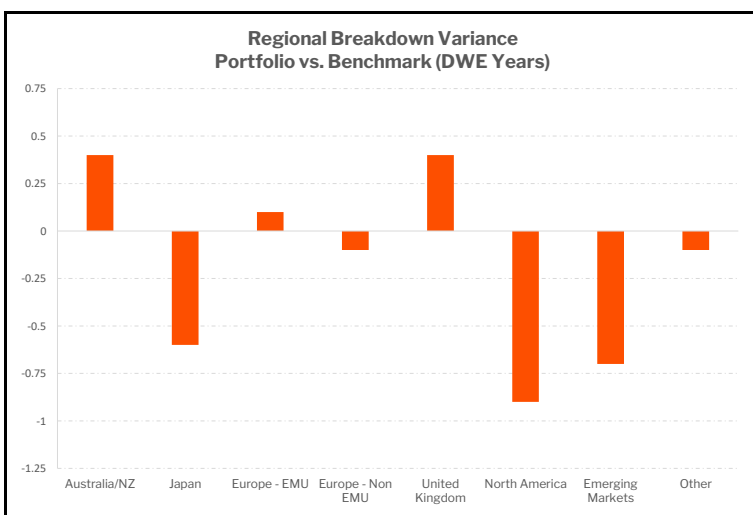
Investment Statistics	
Effective Duration	5.2
Benchmark Duration	6.6
Average Maturity	6.4
Average Coupon	4.0
Average Quality	AA-
Fund Total Carry	6.3
Benchmark Total Carry	5.4

Quality Breakdown		
Market Value % Portfolio		Market Value % Benchmark
59.0	AAA	12.0
5.0	AA	43.0
6.0	A	31.0
27.0	BBB	14.0
2.0	Sub Inv Grade	0.0
99	Total	100

Curve Exposure				
Duration Weighted Exposure		Duration Weighted Exposure		
% Portfolio	% Benchmark		Years Portfolio	Years Benchmark
-1.9	0.0	0 - 1 years	-0.1	0.0
11.5	7.6	1 - 3 years	0.6	0.5
21.2	13.6	3 - 5 years	1.1	0.9
59.6	34.8	5-10 years	3.1	2.3
7.7	43.9	10+ years	0.4	2.9
98	100	Total	5.2	6.6

Regional Breakdown by currency of settlement)				
Duration Weighted Exposure		Duration Weighted Exposure		
% Portfolio	% Benchmark		Years Portfolio	Years Benchmark
9.6	1.5	Australia/NZ	0.5	0.1
5.8	13.6	Japan	0.3	0.9
28.8	21.2	Europe - EMU	1.5	1.4
0.0	1.5	Europe - Non EMU	0.0	0.1
13.5	4.5	United Kingdom	0.7	0.3
40.4	45.5	North America	2.1	3.0
0.0	10.6	Emerging Markets	0.0	0.7
0.0	1.5	Other	0.0	0.1
98	100	Total	5.2	6.6

Sector Breakdown				
Duration Weighted Exposure		Duration Weighted Exposure		
% Portfolio	% Benchmark		Years Portfolio	Years Benchmark
53.8	48.5	Government	2.8	3.2
3.8	7.6	Agency/Semi	0.2	0.5
28.8	12.1	Mortgage	1.5	0.8
7.7	16.7	Inv Grade Corp	0.4	1.1
0.0	0.0	High Yield Corp	0.0	0.0
5.8	15.2	Emerging Markets	0.3	1.0
-1.9	0.0	Cash Equivalents	-0.1	0.0
98	100	Total	5.2	6.6



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)	71%	28%
Modern Slavery Statement	41%	18%
Majority Independent Board	52%	37%

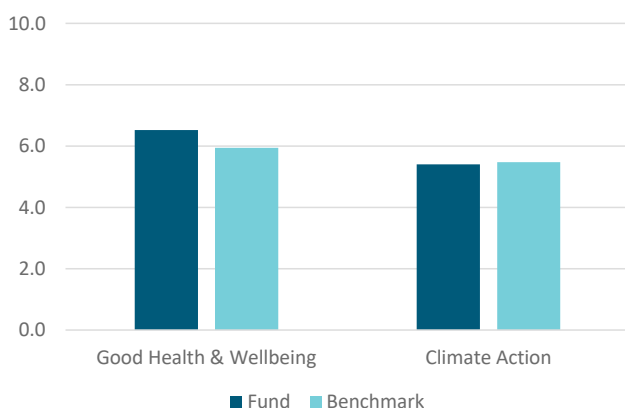
Numbers represent the proportion of holdings meeting the above criteria. We assess only the corporate bond holdings of both the Benchmark and Fund, figures shown are as a percentage of those holdings in order to maintain comparability.

Climate Targets

	Fund	Benchmark
TCFD Recommendations	62%	36%
SBTi Committed	9%	5%
SBTi Targets Set	7%	13%

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

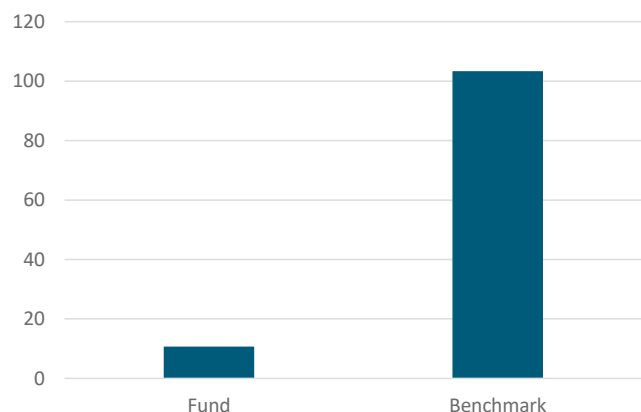


Represents the overall portfolio impact on progress towards the UN Sustainable Development Goals: 3. Good Health and Wellbeing, and 13. Climate Action, as assessed by ISS. On a scale of 0-10: 0 is a negative impact, 10 a positive impact, and 5 is no net impact.

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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.

COMPLIANCE CERTIFICATE

HUNTER GLOBAL FIXED INTEREST FUND (THE "FUND") (RETAIL UNIT TRUST)

Investment Mandate Compliance Certificate for month ended 30th June 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

04.07.2024

Date