

HARBOUR AUSTRALASIAN EQUITY FUND

Fund Update

for the quarter ended 30 September 2016

Harbour Investment Funds

First published 25 October 2016

What is the purpose of this update?

This document tells you how the Harbour Australasian Equity Fund has performed and what fees were charged. The document will help you compare the Fund with other funds. Harbour Asset Management Limited prepared this update in accordance with the Financial Markets Conduct Act 2013. This information is not audited and may be updated.

Description of this fund

The Fund provides actively managed exposure to New Zealand and Australian listed equities. This Fund has a growth-oriented investment management approach to generate alpha (return over the benchmark) for investors.

Investment Objective: To achieve a gross return of 5.0% per annum above the benchmark over the long term.

Benchmark: S&P/NZX 50 Index.

Total value of the Fund

NZ\$146,659,340

The date the Fund started

11 April 2010

What are the risks of investing?

LOWER RISK

HIGHER RISK



Potentially lower returns

Potentially higher returns

The risk indicator is rated from **1 (low) to 7 (high)**. The rating reflects how much the value of the Fund's assets goes up and down. A higher risk generally means higher potential returns over time, but more ups and downs along the way. To help you clarify your own attitude to risk, you can seek financial advice or work out your risk profile at www.sorted.org.nz.

Note that even the lowest category does not mean a risk-free investment, and there are other risks that are not captured by this rating.

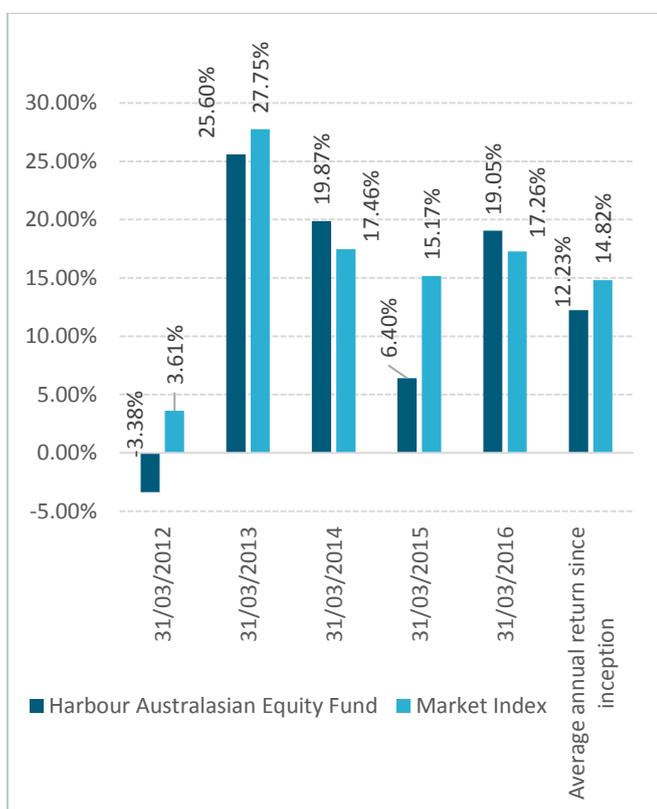
This risk indicator is not a guarantee of a Fund's future performance. The risk indicator is based on the returns data for the five years to 30 September 2016. While risk indicators are usually relatively stable, they do shift from time to time. The risk indicator will continue to be updated in future fund updates. See the Product Disclosure Statement ([PDS](#)) for more information about the risks associated with investing in this Fund.

How has the Fund performed?

	Average over past 5 years	Past Year
Annual Return¹ (after deductions for charges and tax)	16.63%	30.24%
Annual Return¹ (after deductions for charges but before tax)	17.92%	31.36%
Market index annual return¹ (reflects no deduction for charges and tax)	18.63%	33.15%

The market index annual return is based on the weighted average return of the market indices used to measure performance of the underlying fund. In this case the Market Index is the S&P/NZX50 Index to 30 September 2016. Additional information about the market index is available on the offer register at www.business.govt.nz/disclose.

Annual Return Graph²



This shows the return after Fund charges and tax for each year ending 31 March since the Fund started. The last bar shows the annualised annual return since the Fund started, up to 30 September 2016. The Market Index Returns do not include any tax, expenses or charges.

Important: This does not tell you how the Fund will perform in the future. Returns in this update are after tax at the highest prescribed investor rate (PIR) of tax for an individual New Zealand resident. Your tax may be lower.

What fees are investors charged?

Investors in the Fund are charged fund charges. In the year to 30 June 2016 these were as follows:

	% of net asset value
Total fund charges (Inc. GST)	1.12%
Which are made up of:	
Total management and administration charges	1.12%
Including-	
Manager's basic fee	0.92%
Other management and administration charges ³	0.20%
Total Performance-based fees	0.00%

Investors may also be charged individual action fees for specific actions or decisions (for example, for withdrawing from or switching funds). See the [PDS](#) and Other Material Information Document ([OMI](#)) for more information about fees.

Example of how this applies to an investor

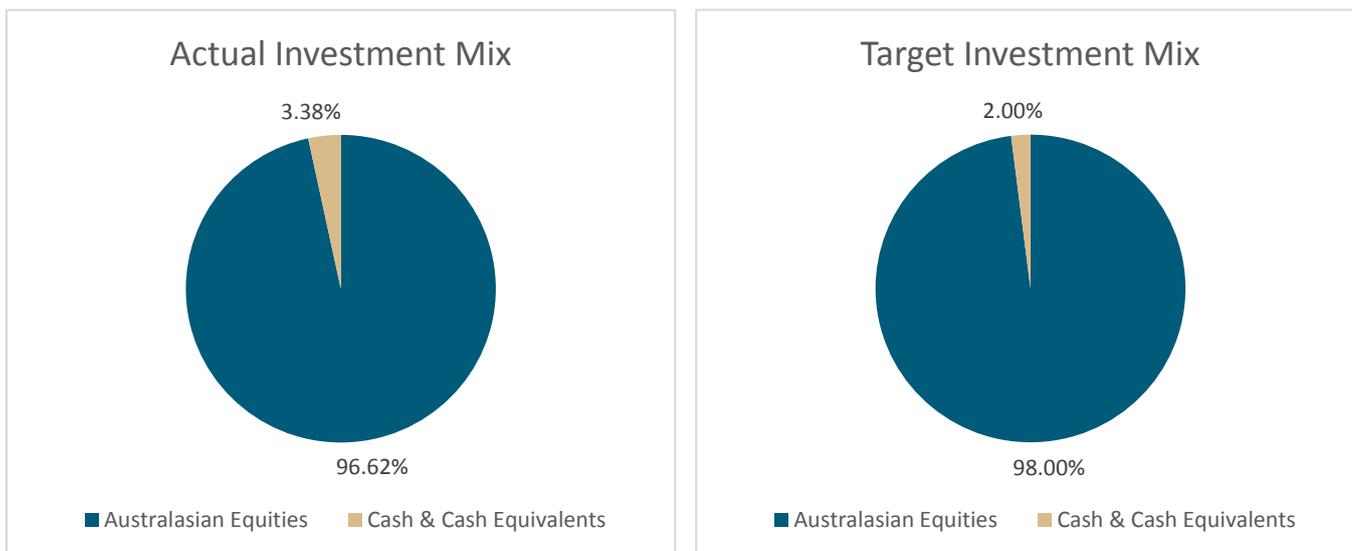
Small differences in fees and charges can have a big impact on your investment over the long term.

Jenny had \$10,000 in the Harbour Australasian Equity Fund at the start of the year and did not make any further contributions. At the end of the year, Jenny received a return after fund charges were deducted of \$3,136 (that is 31.36% of her initial \$10,000). This gives Jenny a total return after tax of \$3,024 for the year.



What does the Fund invest in?

This shows the types of assets that the fund invests in.



Actual asset allocation to 30 September 2016. Actual asset allocations will vary from the target asset allocation as market conditions change and if we pursue tactical investment opportunities.

Top 10 investments

Name	% of Fund net assets	Type	Country
Fletcher Building Limited	10.66%	Australasian equities	NZ
Fisher & Paykel Healthcare Corp Ltd	10.16%	Australasian equities	NZ
Auckland International Airport Limited	6.65%	Australasian equities	NZ
Mainfreight Limited	5.57%	Australasian equities	NZ
Spark New Zealand Limited	4.80%	Australasian equities	NZ
The A2 Milk Company Limited	4.33%	Australasian equities	NZ
Contact Energy Limited	4.07%	Australasian equities	NZ
Summerset Group Ltd	4.03%	Australasian equities	NZ
Ryman Healthcare	3.24%	Australasian equities	NZ
Sydney Airport	2.95%	Australasian equities	AU

The top 10 investments make up 56.46% of the net asset value of the Fund.



Key Personnel

Name	Current Position	Time in current position	Previous position	Time in previous position
 Andrew Bascand	Managing Director & Portfolio Manager.	6 years & 8 months	Senior Vice President & Portfolio Manager, Alliance Bernstein	10 years
 Shane Solly	Director, Portfolio Manager & Research Analyst.	2 years & 6 months	Head of Equities, Mint Asset Management	7 years & 2 months
 Craig Stent	Executive Director & Portfolio Manager.	6 years & 8 months	Research Analyst, Alliance Bernstein	7 years & 3 month

Further information

You can also obtain this information, the PDS for the Harbour Australasian Equity Fund, and some additional information from the offer register at www.business.govt.nz/disclose.

Notes:

- Returns to 30 September 2016.
- The bar chart shows fund returns after the deduction of fees and tax, however the market index returns are shown before any fees or tax is deducted.
- Other fees: These charges cover the general management of the Fund e.g. administration, Supervisor, legal, and audit fees and costs required to comply with relevant legislation. These charges are based on the audited financial statements for the Fund to 30 June 2016. These also include underlying fund charges for retail funds holding units in other Harbour Funds. More information on these charges can be found in the PDS and the other material information document (OMI) on the [Disclose Register](#).
- The Fund currently has 24.61% of assets invested in Australian equities. Of this exposure, we have a 9.8% hedge on these Australian dollar denominated assets.



HARBOUR AUSTRALASIAN EQUITY INCOME FUND

Fund Update

for the quarter ended 30 September 2016

Harbour Investment Funds

First published 25 October 2016

What is the purpose of this update?

This document tells you how the Harbour Australasian Equity Income Fund has performed and what fees were charged. The document will help you compare the Fund with other funds. Harbour Asset Management Limited prepared this update in accordance with the Financial Markets Conduct Act 2013. This information is not audited and may be updated.

Description of this fund

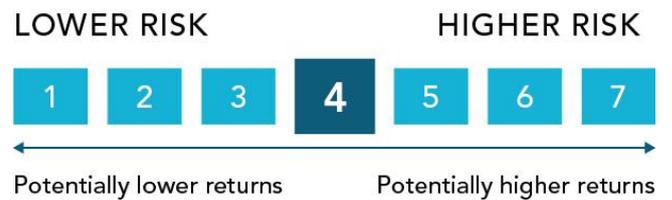
The Fund is designed to generate quarterly income from a diversified portfolio of Australasian listed equities that pay sustainable and growing dividend yields (the amount a company pays out in dividends each year relative to its share price) as well as holding cash and fixed interest securities.

Investment Objective: The performance objective of the Fund is to generate a higher yield than the New Zealand and Australian markets.

Benchmark: 60% S&P/ASX Industrials Index and 40% S&P/NZX Portfolio Index.

Total value of the Fund	NZ\$51,217,976
The date the Fund started	01 November 2011

What are the risks of investing?



A combination of actual Fund returns and market index returns have been used to determine the risk indicator for the Harbour Australasian Equity Income Fund (inception 1 November 2011), as the Fund has not been operational for the required 5 years. The risk indicator may therefore provide a less reliable indicator of potential future volatility of this Fund.

The risk indicator is rated from **1 (low) to 7 (high)**. The rating reflects how much the value of the Fund's assets goes up and down. A higher risk generally means higher potential returns over time, but more ups and downs along the way. To help you clarify your own attitude to risk, you can seek financial advice or work out your risk profile at www.sorted.org.nz/tools/investor-kickstarter.

Note that even the lowest category does not mean a risk-free investment, and there are other risks that are not captured by this rating.

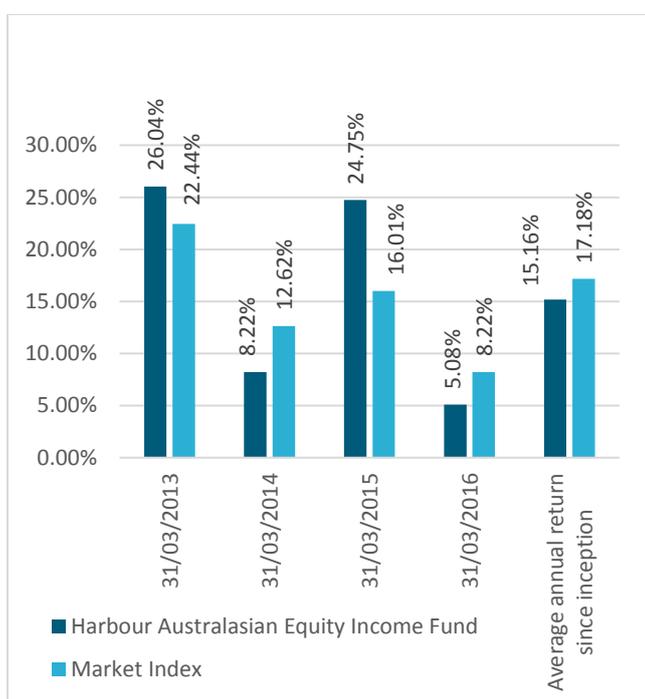
This risk indicator is not a guarantee of a fund's future performance. The risk indicator is based on both returns and index data for the five years to 30 September 2016. While risk indicators are usually relatively stable, they do shift from time to time. The risk indicator will continue to be updated in future fund updates. See the Product Disclosure Statement ([PDS](#)) for more information about the risks associated with investing in this Fund.

How has the Fund performed?

	Past Year
Annual Return¹ (after deductions for charges and tax)	14.19%
Annual Return¹ (after deductions for charges but before tax)	15.26%
Market index annual return¹ (reflects no deduction for charges and tax)	24.38%

The market index annual return is based on the weighted average return of the market indices used to measure performance of the underlying Fund. In this case the Market Index is 60% S&P/ASX industrials Index and 40% S&P/NZX portfolio Index. Additional information about the market index is available on the offer register at www.business.govt.nz/disclose.

Annual Return Graph²



This shows the return after fund charges and tax for each year ending 31 March since the Fund started. The last bar shows the annualised annual return since the Fund started, up to 30 September 2016. The Market Index Returns do not include any tax, expenses or charges.

Important: This does not tell you how the Fund will perform in the future. Returns in this update are after tax at the highest prescribed investor rate (PIR) of tax for an individual New Zealand resident. Your tax may be lower.

What fees are investors charged?

Investors in the Fund are charged fund charges. In the year to 30 June 2016 these were as follows:

	% of net asset value
Total fund charges (Inc. GST)*	1.11%
Which are made up of:	
Total management and administration charges	1.11%
Including-	
Manager's basic fee	0.80%
Other management and administration charges ³	0.31%
Total Performance-based fees	0.00%

** It is expected that fund charges for the year to 30 June 2017 will be different from the fees presented in the table above due to changes that have been made to the fee structure for the Fund. The PDS sets out an estimate of the fund charges based on the new fee structure and we suggest this will provide you with a more accurate indication of the likely fund charges for the year to 30 June 2017, than the actual charges for the year to 30 June 2016 presented above.*

Investors may also be charged individual action fees for specific actions or decisions (for example, for withdrawing from or switching funds). See the [PDS](#) and Other Material Information Document ([OMI](#)) for more information about fees.

Example of how this applies to an investor

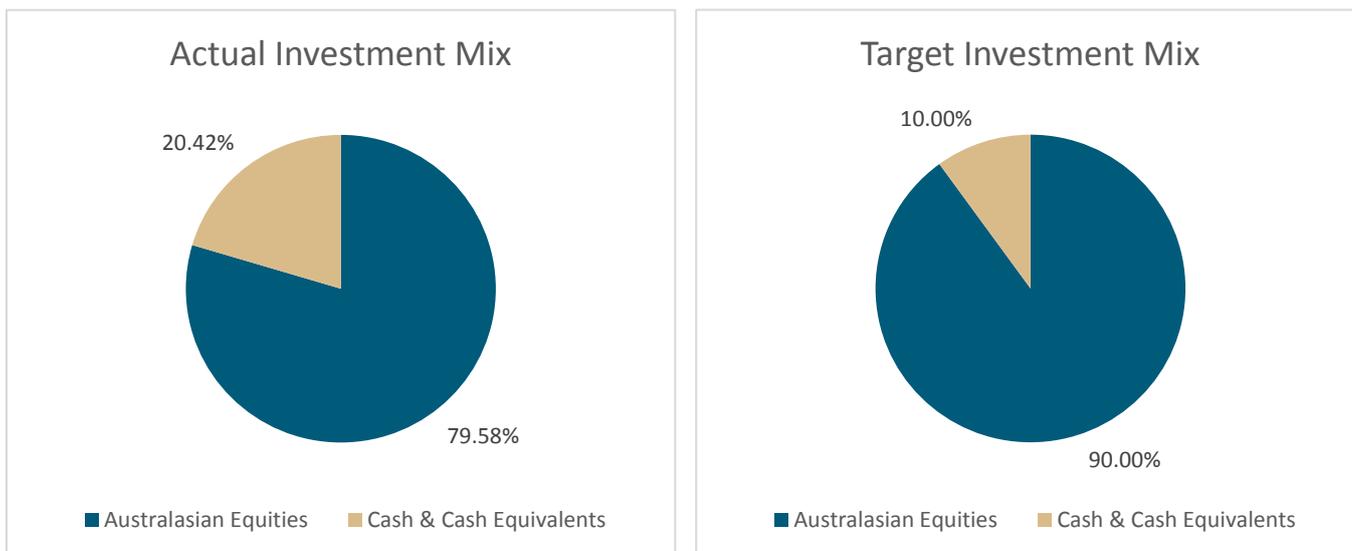
Small differences in fees and charges can have a big impact on your investment over the long term.

Jenny had \$10,000 in the Harbour Australasian Equity Income Fund at the start of the year and did not make any further contributions. At the end of the year, Jenny received a return after fund charges were deducted of \$1,526 (that is 15.26% of her initial \$10,000). This gives Jenny a total return after tax of \$1,419 for the year.



What does the Fund invest in?

This shows the types of assets that the fund invests in.



Actual asset allocation to 30 September 2016. Actual asset allocations will vary from the target asset allocation as market conditions change and if we pursue tactical investment opportunities.

Top 10 investments

Name	% of Fund net assets	Type	Country
Charter Hall Group	3.18%	Australasian equities	AU
Fletcher Building Limited	3.08%	Australasian equities	NZ
Vital Healthcare Property Trust	3.03%	Australasian equities	NZ
Challenger Limited	2.90%	Australasian equities	AU
Macquarie Atlas Roads Group	2.73%	Australasian equities	AU
Sydney Airport	2.65%	Australasian equities	AU
Restaurant Brands NZ	2.46%	Australasian equities	NZ
Goodman Property Trust	2.32%	Australasian equities	NZ
Z Energy Limited	2.31%	Australasian equities	NZ
Precinct Properties New Zealand Limited	2.27%	Australasian equities	NZ

The top 10 investments make up 26.93% of the net asset value of the Fund.



Key Personnel

Name	Current Position	Time in current position	Previous position	Time in previous position
Craig Stent 	Executive Director, Portfolio Manager.	6 years & 8 months	Research Analyst, Alliance Bernstein	7 years & 3 months
Shane Solly 	Director, Portfolio Manager & Research Analyst.	2 years & 6 months	Head of Equities, Mint Asset Management	7 years & 2 months
Andrew Bascand 	Managing Director, Portfolio Manager.	6 years & 8 months	Senior Vice President & Portfolio Manager, Alliance Bernstein	10 years

Further information

You can also obtain this information, the PDS for the Harbour Australasian Equity Income Fund, and some additional information from the offer register at www.business.govt.nz/disclose.

Notes:

- Returns to 30 September 2016.
- The bar chart shows fund returns after the deduction of fees and tax, however the market index returns are shown before any fees or tax is deducted.
- Other fees: These charges cover the general management of the Fund e.g. administration, Supervisor, legal, and audit fees and costs required to comply with relevant legislation. These charges are based on the audited financial statements for the Fund to 30 June 2016 and include any applicable GST. These also include underlying fund charges for retail funds holding units in other Harbour Funds. More information on these charges can be found in the PDS and the other material information document (OMI) on the [Disclose Register](#).



HARBOUR AUSTRALASIAN EQUITY FOCUS FUND

Fund Update

for the quarter ended 30 September 2016

Harbour Investment Funds

First published 25 October 2016

What is the purpose of this update?

This document tells you how the Harbour Australasian Equity Focus Fund has performed and what fees were charged. The document will help you compare the fund with other funds. Harbour Asset Management Limited prepared this update in accordance with the Financial Markets Conduct Act 2013. This information is not audited and may be updated.

Description of this fund

The Fund is an actively managed fund investing in New Zealand and Australian listed equities. It is a high conviction fund where the portfolio will consist of companies our analysts have researched and have a high belief will perform over the medium to longer-term. A higher rated company will have a higher weighting in the portfolio.

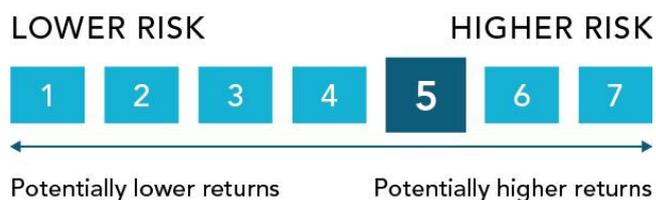
Investment Objective: To deliver medium to long term capital growth through investing in quality businesses with strong growth prospects.

Benchmark: 50% S&P/NZX 50 and a 50% S&P/ASX 200 Index (which is 50% hedged into NZ dollars).

Total value of the Fund NZ\$8,367,793

The date the Fund started 10 April 2014

What are the risks of investing?



A combination of actual Fund returns and market index returns have been used to determine the risk indicator for the Harbour Australasian Equity Focus Fund (inception 10 April 2014), as the Fund has not been operational for the required 5 years. The risk indicator may therefore provide a less reliable indicator of potential future volatility of this Fund.

The risk indicator is rated from **1 (low) to 7 (high)**. The rating reflects how much the value of the Fund's assets goes up and down. A higher risk generally means higher potential returns over time, but more ups and downs along the way.

To help you clarify your own attitude to risk, you can seek financial advice or work out your risk profile at www.sorted.org.nz/tools/investor-kickstarter.

Note that even the lowest category does not mean a risk-free investment, and there are other risks that are not captured by this rating.

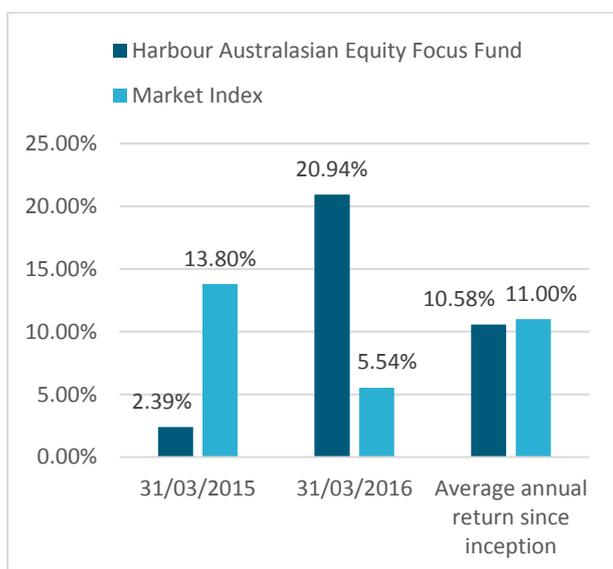
This risk indicator is not a guarantee of a fund's future performance. The risk indicator is based on a combination of return & market index data for the five years to 30 September 2016. While risk indicators are usually relatively stable, they do shift from time to time. The risk indicator will continue to be updated in future fund updates. See the Product Disclosure Statement ([PDS](#)) for more information about the risks associated with investing in this Fund.

How has the Fund performed?

	Past Year
Annual Return¹ (after deductions for charges and tax)	24.04%
Annual Return¹ (after deductions for charges but before tax)	24.44%
Market index annual return¹ (reflects no deduction for charges and tax)	21.71%

The market index annual return is based on the weighted average return of the market indices used to measure performance of the underlying fund. In this case the Market Index is 50% S&P/NZX 50 and a 50% S&P/ASX 200 Index (which is 50% hedged into NZ dollars). Additional information about the market index is available on the offer register at www.business.govt.nz/disclose.

Annual Return Graph²



This shows the return after Fund charges and tax for each year ending 31 March since the Fund started. The last bar shows the annualised annual return since the Fund started, up to 30 September 2016. The Market Index Returns do not include any tax, expenses or charges.

Important: This does not tell you how the Fund will perform in the future. Returns in this update are after tax at the highest prescribed investor rate (PIR) of tax for an individual New Zealand resident. Your tax may be lower.

What fees are investors charged?

Investors in the Fund are charged fund charges. In the year to 30 June 2016 these were as follows:

	% of net asset value
Total fund charges (incl GST)*	1.79%
Which are made up of:	
Total management and administration charges	1.32%
Including-	
Manager's basic fee	0.98%
Other management and administration charges ³	0.34%
Total Performance-based fees	0.47%

** It is expected that fund charges for the year to 30 June 2017 will be different from the fees presented in the table above due to changes that have been made to the fee structure for the Fund. The PDS sets out an estimate of the fund charges based on the new fee structure and we suggest this will provide you with a more accurate indication of the likely fund charges for the year to 30 June 2017, than the actual charges for the year to 30 June 2016 presented above.*

Investors may also be charged individual action fees for specific actions or decisions (for example, for withdrawing from or switching funds). See the [PDS](#) and Other Material Information Document ([OMI](#)) for more information about fees.

Example of how this applies to an investor

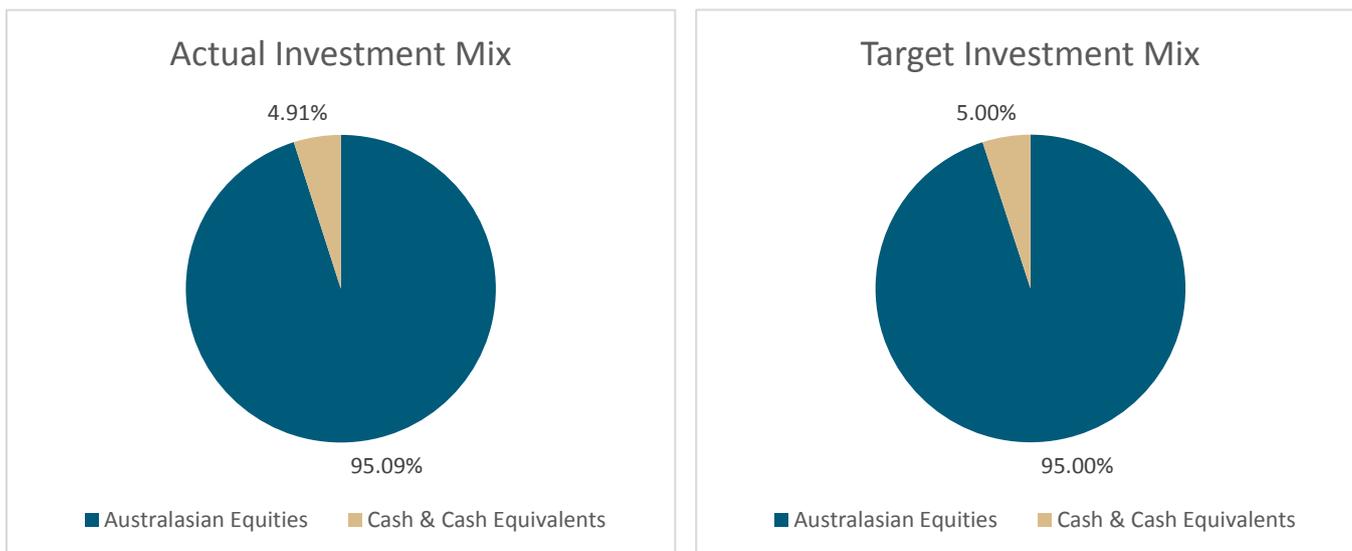
Small differences in fees and charges can have a big impact on your investment over the long term.

Jenny had \$10,000 in the Harbour Australasian Equity Focus Fund at the start of the year and did not make any further contributions. At the end of the year, Jenny received a return after fund charges were deducted of \$2,444 (that is 24.44% of her initial \$10,000). This gives Jenny a total return after tax of \$2,404 for the year.



What does the Fund invest in?

This shows the types of assets that the Fund invests in.



Actual asset allocation to 30 September 2016. Actual asset allocations will vary from the target asset allocation as market conditions change and if we pursue tactical investment opportunities.

Top 10 investments

Name	% of Fund net assets	Type	Country
Fisher & Paykel Healthcare Corp Ltd	8.24%	Australasian equities	NZ
Mainfreight Limited	6.79%	Australasian equities	NZ
Vista Group International Limited	6.05%	Australasian equities	NZ
Sydney Airport	5.78%	Australasian equities	AU
The A2 Milk Company Limited	5.77%	Australasian equities	NZ
Summerset Group Ltd	5.53%	Australasian equities	NZ
CSL Limited	5.51%	Australasian equities	AU
Challenger Limited	5.39%	Australasian equities	AU
APN Outdoor Group Limited	5.22%	Australasian equities	AU
Macquarie Group Limited	4.83%	Australasian equities	AU

The top 10 investments make up 59.11% of the net asset value of the Fund.



Key Personnel

Name	Current Position	Time in current position	Previous position	Time in previous position
Shane Solly 	Director, Portfolio Manager & Research Analyst.	2 years & 6 months	Head of Equities, Mint Asset Management	7 years & 2 months
Craig Stent 	Executive Director, Portfolio Manager.	6 years & 8 months	Research Analyst, Alliance Bernstein	7 years & 3 month
Andrew Bascand 	Managing Director, Portfolio Manager.	6 years & 8 months	Senior Vice President & Portfolio Manager, Alliance Bernstein	10 years

Further information

You can also obtain this information, the PDS for the Harbour Australasian Equity Focus Fund, and some additional information from the offer register at www.business.govt.nz/disclose.

Notes:

- Returns to 30 September 2016.
- The bar chart shows fund returns after the deduction of fees and tax, however the market index returns are shown before any fees or tax is deducted.
- Other fees: These charges cover the general management of the Fund e.g. administration, Supervisor, legal, and audit fees and costs required to comply with relevant legislation. These charges are based on the audited financial statements for the Fund to 30 June 2016 and include any applicable GST. These also include underlying fund charges for retail funds holding units in other Harbour Funds. More information on these charges can be found in the PDS and the other material information document (OMI) on the [Disclose Register](#).

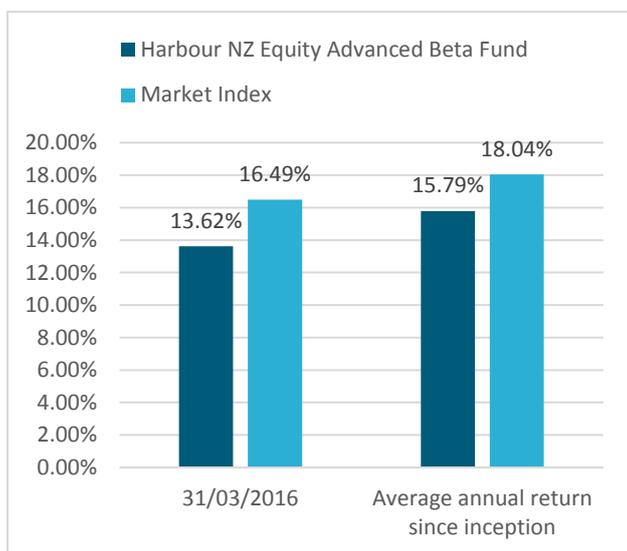


How has the Fund performed?

	Past Year
Annual Return¹ (after deductions for charges and tax)	27.25%
Annual Return¹ (after deductions for charges but before tax)	29.13%
Market index annual return¹ (reflects no deduction for charges and tax)	31.33%

The market index annual return is based on the weighted average return of the market indices used to measure performance of the underlying fund. In this case the Market Index is the S&P/NZX portfolio Index. Additional information about the market index is available on the offer register at www.business.govt.nz/disclose.

Annual Return Graph²



This shows the return after fund charges and tax for each year ending 31 March since the fund started. The last bar shows the annualised annual return since the

fund started, up to 30 September 2016. The Market Index Returns do not include any tax, expenses or charges.

Important: This does not tell you how the Fund will perform in the future. Returns in this update are after tax at the highest prescribed investor rate (PIR) of tax for an individual New Zealand resident. Your tax may be lower.

What fees are investors charged?

Investors in the Fund are charged fund charges. In the year to 30 June 2016 these were as follows:

	% of net asset value
Total fund charges (Inc. GST)	0.55%
Which are made up of:	
Total management and administration charges	0.55%
Including-	
Manager's basic fee	0.38%
Other management and administration charges ³	0.17%
Total Performance-based fees	0.00%

Investors may also be charged individual action fees for specific actions or decisions (for example, for withdrawing from or switching funds). See the [PDS](#) and Other Material Information Document ([OMI](#)) for more information about fees.

Example of how this applies to an investor

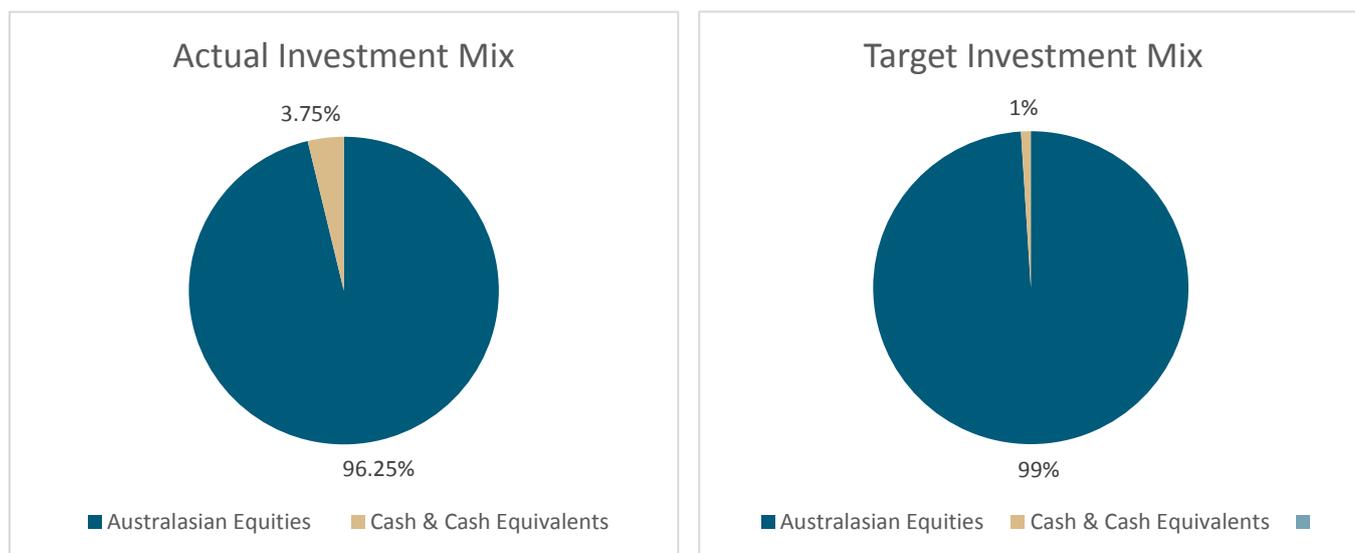
Small differences in fees and charges can have a big impact on your investment over the long term.

Jenny had \$10,000 in the Harbour NZ Equity Advanced Beta Fund at the start of the year and did not make any further contributions. At the end of the year, Jenny received a return after fund charges were deducted of \$2,913 (that is 29.13% of her initial \$10,000). This gives Jenny a total return after tax of \$2,725 for the year.



What does the Fund invest in?

This shows the types of assets that the fund invests in.



Actual asset allocation to 30 September 2016. Actual asset allocations will vary from the target asset allocation as market conditions change and if we pursue tactical investment opportunities.

Top 10 investments

Name	% of Fund net assets	Type	Country
Spark New Zealand Limited	4.51%	Australasian equities	NZ
Fletcher Building Limited	4.25%	Australasian equities	NZ
Ryman Healthcare	4.18%	Australasian equities	NZ
Contact Energy Limited	3.86%	Australasian equities	NZ
Fisher & Paykel Healthcare Corp Ltd	3.71%	Australasian equities	NZ
Meridian Energy Limited	3.55%	Australasian equities	NZ
Auckland International Airport Limited	3.45%	Australasian equities	NZ
Z Energy Limited	3.38%	Australasian equities	NZ
Sky Network Television Limited	3.16%	Australasian equities	NZ
Sky City Entertainment Group	3.08%	Australasian equities	NZ

The top 10 investments make up 37.14% of the net asset value of the Fund.



Key Personnel

Name	Current Position	Time in current position	Previous position	Time in previous position
Susanna Lee 	Implementation & Quantitative Research Manager.	4 years & 4 months	Quantitative Investment Analyst. AXA Global Investors/AMP Capital	4 years & 2 months
Craig Stent 	Executive Director, Portfolio Manager.	6 years & 8 months	Research Analyst, Alliance Bernstein	7 years & 3 month
Andrew Bascand 	Managing Director, Portfolio Manager.	6 years & 8 months	Senior Vice President & Portfolio Manager, Alliance Bernstein	10 years
Shane Solly 	Director, Portfolio Manager & Research Analyst.	2 years & 6 months	Head of Equities, Mint Asset Management	7 years & 2 months

Further information

You can also obtain this information, the PDS for the Harbour NZ Equity Advanced Beta Fund, and some additional information from the offer register at www.business.govt.nz/disclose.

Notes:

- Returns to 30 September 2016.
- The bar chart shows fund returns after the deduction of fees and tax, however the market index returns are shown before any fees or tax is deducted.
- Other fees: These charges cover the general management of the Fund e.g. administration, Supervisor, legal, and audit fees and costs required to comply with relevant legislation. These charges are based on the audited financial statements for the Fund to 30 June 2016 and includes any applicable GST. More information on these charges can be found in the PDS and the other material information document (OMI) on the [Disclose Register](#).



HARBOUR INCOME FUND

Fund Update

for the quarter ended 30 September 2016

Harbour Investment Funds

First published 25 October 2016

What is the purpose of this update?

This document tells you how the Harbour Income Fund has performed and what fees were charged. The document will help you compare the fund with other funds. Harbour Asset Management Limited prepared this update in accordance with the Financial Markets Conduct Act 2013. This information is not audited and may be updated.

Description of this fund

The Fund is designed to generate a favourable level of income. The Fund invests predominately in New Zealand Fixed Interest securities with some exposure to Australasian equities paying a sustainable dividend yield.

Investment Objective: The objective is to exceed the Official Cash Rate (OCR) plus 2% pa over rolling three year periods.

Benchmark: 70% S&P/NZX A Grade Corporate Bond Index; 18% S&P/ASX 200 Index (90% hedged); and 12% S&P/NZX Portfolio Index.

Total value of the Fund

NZ\$ 2,119,239

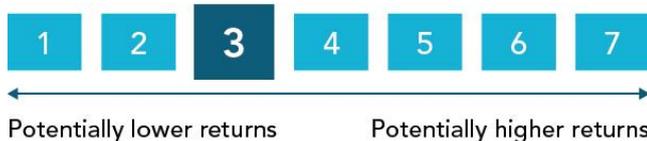
The date the Fund started

28 October 2015

What are the risks of investing?

LOWER RISK

HIGHER RISK



A combination of actual Fund returns and market index returns have been used to determine the risk indicator for the Harbour Income Fund (inception 28 October 2015), as the Fund has not been operational for the required 5 years. The risk indicator may therefore provide a less reliable indicator of potential future volatility of this Fund.

The risk indicator is rated from **1 (low) to 7 (high)**. The rating reflects how much the value of the Fund's assets goes up and down. A higher risk generally means higher potential returns over time, but more ups and downs along the way. To help you clarify your own attitude to risk, you can seek financial advice or work out your risk profile at www.sorted.org.nz.

Note that even the lowest category does not mean a risk-free investment, and there are other risks that are not captured by this rating.

This risk indicator is not a guarantee of a fund's future performance. The risk indicator is based on the return & index data for the five years to 30 September 2016. While risk indicators are usually relatively stable, they do shift from time to time. The risk indicator will continue to be updated in future fund updates. See the Product Disclosure Statement ([PDS](#)) for more information about the risks associated with investing in this Fund.



How has the Fund performed?

	Past Year
Annual Return¹ (after deductions for charges and tax)	Not applicable (as Fund has not been running for a year)
Annual Return¹ (after deductions for charges but before tax)	Not applicable (as Fund has not been running for a year)
Market index annual return¹ (reflects no deduction for charges and tax)	11.21%

The market index annual return is based on the weighted average return of the market indices used to measure performance of the underlying Fund. In this case the Market Index is 70% S&P/NZX A Grade Corporate Bond Index; 18% S&P/ASX 200 Index (90% hedged); and 12% S&P/NZX Portfolio Index. Additional information about the market index is available on the offer register at www.business.govt.nz/disclose.

What fees are investors charged?

Investors in the Fund are charged fund charges. This Fund has not been open for a year to 30 June 2016. As such, below are estimates of fees to 30 September 2016:

	% of net asset value
Total fund charges*	0.77%
Which are made up of:	
Total management and administration charges	0.77%
including-	
Manager's basic fee	0.50%
Other management and administration charges ³	0.27%
Total Performance-based fees	0.00%

Investors may also be charged individual action fees for specific actions or decisions (for example, for withdrawing from or switching funds). See the [PDS](#) and Other Material Information Document ([OMI](#)) for more information about fees

Example of how this applies to an investor

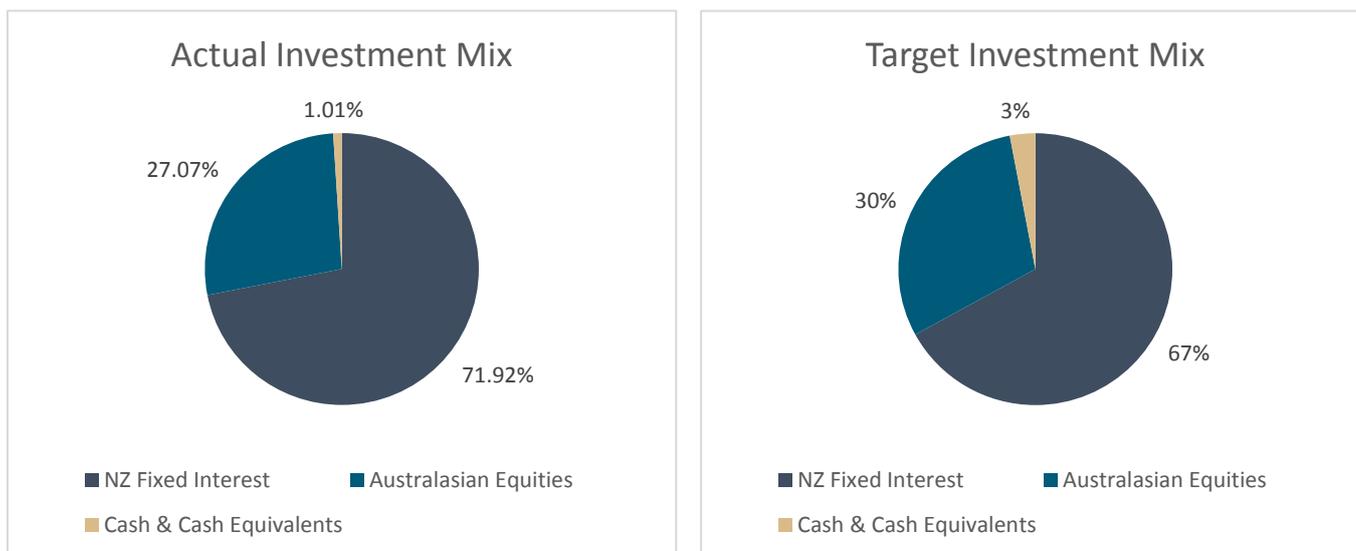
Small differences in fees and charges can have a big impact on your investment over the long term.

Jenny had \$10,000 in the Harbour Income Fund on 28 October 2015 (inception date) and did not make any further contributions. At the end of September 2016, Jenny received a return after fund charges were deducted of \$658 (that is 6.58% of her initial \$10,000). This gives Jenny a total return after tax of \$523 for the period 28 October 2015 to 30 September 2016.



What does the Fund invest in?

This shows the types of assets that the fund invests in.



Actual asset allocation to 30 September 2016. Actual asset allocations will vary from the target asset allocation as market conditions change and if we pursue tactical investment opportunities.

Top 10 investments

Name	% of Fund net assets	Type	Country	Credit rating
NZ Government Stock	3.67%	New Zealand fixed interest	NZ	AA+
Westpac NZ Ltd	3.58%	New Zealand fixed interest	NZ	AA-
BNZ	3.16%	New Zealand fixed interest	NZ	AA-
Westpac NZ Ltd	2.78%	New Zealand fixed interest	NZ	AA-
NZ Local Government Funding Agency	2.69%	New Zealand fixed interest	NZ	AA+
ANZ	2.15%	New Zealand fixed interest	NZ	AA-
Auckland Int'l Airport	2.14%	New Zealand fixed interest	NZ	A-
Kiwibank	2.00 %	New Zealand fixed interest	NZ	A+
Kommunalbanken	1.93%	New Zealand fixed interest	NZ	AAA
ASB	1.84%	New Zealand fixed interest	NZ	AA-

The top 10 investments make up 25.94% of the net asset value of the Fund.



Key Personnel

Name	Current Position	Time in current position	Previous position	Time in previous position
 Simon Pannett	Investment Analyst	3 years & 2 months	Investment Solutions, UK Investment Analyst	1 year & 7 months
 Mark Brown	Portfolio Manager	6 years	AXA/Alliance Bernstein, Head of Fixed Interest	16 years & 4 months
 Shane Solly	Director, Portfolio Manager & Research Analyst.	2 years & 6 months	Head of Equities, Mint Asset Management	7 years & 2 months
 Craig Stent	Executive Director.	6 years & 8 months	Research Analyst, Alliance Bernstein	7 years & 3 month

Further information

You can also obtain this information, the PDS for the Harbour Income Fund, and some additional information from the offer register at www.business.govt.nz/disclose.

Notes:

- Returns to 30 September 2016.
- The bar chart shows fund returns after the deduction of fees and tax, however the market index returns are shown before any fees or tax is deducted.
- Other fees: These charges cover the general management of the Fund e.g. administration, Supervisor, legal, and audit fees and costs required to comply with relevant legislation. These charges are based on estimates to 30 September 2016 and exclude any GST (if applicable). There are also underlying fund charges included in “other fees” for retail funds holdings unit in other Harbour Funds. More information on these charges can be found in the PDS and the other material information document (OMI) on the [Disclose Register](#).



HARBOUR NZ CORPORATE BOND FUND

Fund Update

for the quarter ended 30 September 2016

Harbour Investment Funds

First published 25 October 2016

What is the purpose of this update?

This document tells you how the Harbour NZ Corporate Bond Fund has performed and what fees were charged. The document will help you compare the Fund with other funds. Harbour Asset Management Limited prepared this update in accordance with the Financial Markets Conduct Act 2013. This information is not audited and may be updated.

Description of this fund

The Fund provides access to favourable income yields through a diversified portfolio of primarily investment grade corporate bond fixed interest securities.

Investment Objective: The investment objective of the Fund is to exceed the return of the benchmark portfolio after fees on a rolling 12 month basis.

Benchmark: S&P/NZX A Grade Corporate Bond Index.

Total value of the Fund

NZ\$288,168,689

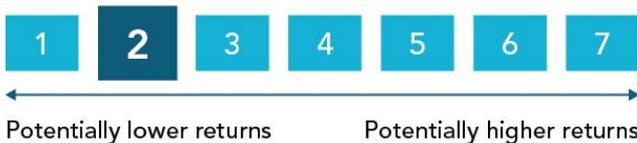
The date the Fund started

16 February 2009

What are the risks of investing?

LOWER RISK

HIGHER RISK



The risk indicator is rated from **1 (low) to 7 (high)**. The rating reflects how much the value of the Fund's assets goes up and down. A higher risk generally means higher potential returns over time, but more ups and downs along the way. To help you clarify your own attitude to risk, you can seek financial advice or work out your risk profile at www.sorted.org.nz.

Note that even the lowest category does not mean a risk-free investment, and there are other risks that are not captured by this rating.

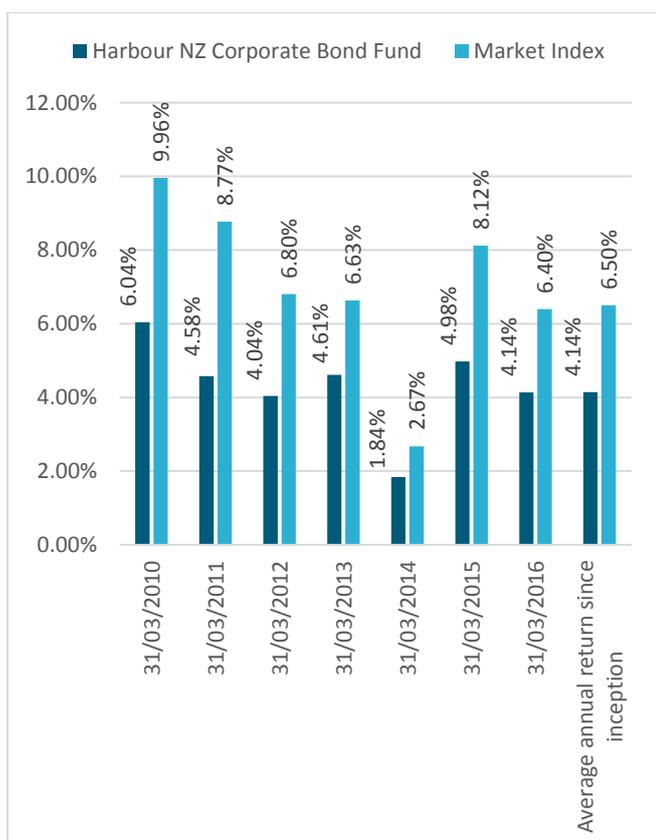
This risk indicator is not a guarantee of a fund's future performance. The risk indicator is based on the returns data for the five years to 30 September 2016. While risk indicators are usually relatively stable, they do shift from time to time. The risk indicator will continue to be updated in future fund updates. See the Product Disclosure Statement ([PDS](#)) for more information about the risks associated with investing in this Fund.

How has the Fund performed?

	Average over past 5 years	Past Year
Annual Return¹ (after deductions for charges and tax)	3.80%	3.60%
Annual Return¹ (after deductions for charges but before tax)	5.32%	5.04%
Market index annual return¹ (reflects no deduction for charges and tax)	5.89%	5.75%

The market index annual return is based on the weighted average return of the market indices used to measure performance of the underlying fund. In this case the Market Index is the S&P/NZX A Grade Corporate Bond Index to 30 September 2016. Additional information about the market index is available on the offer register at www.business.govt.nz/disclose.

Annual Return Graph²



This shows the return after fund charges and tax for each year ending 31 March since the fund started. The

last bar shows the annualised annual return since the fund started, up to 30 September 2016. The Market Index Returns do not include any tax, expenses or charges.

Important: This does not tell you how the Fund will perform in the future. Returns in this update are after tax at the highest prescribed investor rate (PIR) of tax for an individual New Zealand resident. Your tax may be lower.

What fees are investors charged?

Investors in the Fund are charged fund charges. In the year to 30 June 2016 these were as follows:

	% of net asset value
Total fund charges (Inc. GST)	0.64%
Which are made up of:	
Total management and administration charges	0.64%
Including-	
Manager's basic fee	0.54%
Other management and administration charges ³	0.10%
Total Performance-based fees	0.00%

Investors may also be charged individual action fees for specific actions or decisions (for example, for withdrawing from or switching funds). See the [PDS](#) and Other Material Information Document ([OMI](#)) for more information about fees.

Example of how this applies to an investor

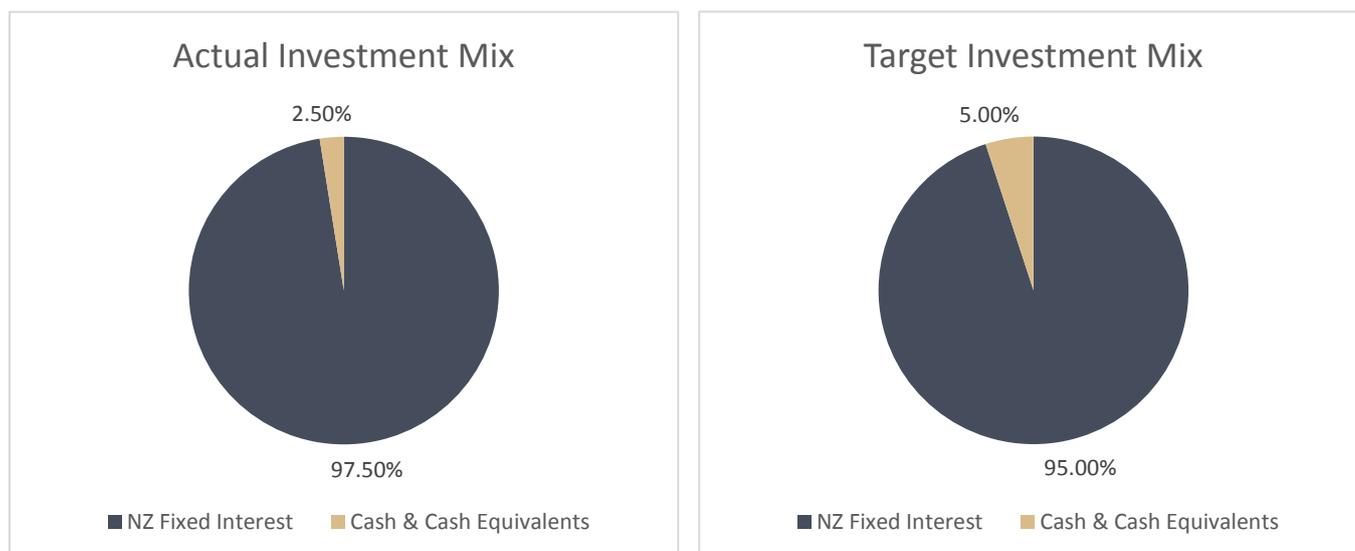
Small differences in fees and charges can have a big impact on your investment over the long term.

Jenny had \$10,000 in the Harbour NZ Corporate Bond Fund at the start of the year and did not make any further contributions. At the end of the year, Jenny received a return after fund charges were deducted of \$504 (that is 5.04% of her initial \$10,000). This gives Jenny a total return after tax of \$360 for the year.



What does the Fund invest in?

This shows the types of assets that the fund invests in.



Actual asset allocation to 30 September 2016. Actual asset allocations will vary from the target asset allocation as market conditions change and if we pursue tactical investment opportunities.

Top 10 investments

Name	% of Fund net assets	Type	Country	Credit rating
NZ Government Stock	5.11%	New Zealand fixed interest	NZ	AA+
Westpac NZ Ltd	5.05%	New Zealand fixed interest	NZ	AA-
BNZ	4.08%	New Zealand fixed interest	NZ	AA-
Westpac NZ Ltd	3.38%	New Zealand fixed interest	NZ	AA-
NZ Local Government Funding Agency	3.33%	New Zealand fixed interest	NZ	AA+
ANZ	2.76%	New Zealand fixed interest	NZ	AA-
Auckland Int'l Airport	2.76%	New Zealand fixed interest	NZ	A-
Kiwibank	2.58%	New Zealand fixed interest	NZ	A+
Kommunalbanken	2.39%	New Zealand fixed interest	NZ	AAA
ASB	2.39%	New Zealand fixed interest	NZ	AA-

The top 10 investments make up 33.83% of the net asset value of the Fund.



Key Personnel

Name	Current Position	Time in current position	Previous position	Time in previous position
Mark Brown 	Portfolio Manager	6 years	AXA/Alliance Bernstein, Head of Fixed Interest	16 years & 4 months
Christian Hawkesby 	Head of Fixed Interest	6 years	Bank of England	9 years & 1 month
Simon Pannett 	Investment Analyst	3 years & 2 months	Investment Solutions, UK Investment Analyst	1 year & 7 months

Further information

You can also obtain this information, the PDS for the Harbour NZ Corporate Bond Fund, and some additional information from the offer register at www.business.govt.nz/disclose.

Notes:

- Returns to 30 September 2016.
- The bar chart shows fund returns after the deduction of fees and tax, however the market index returns are shown before any fees or tax is deducted.
- Other fees: These charges cover the general management of the Fund e.g. administration, Supervisor, legal, and audit fees and costs required to comply with relevant legislation. These charges are based on the audited financial statements for the Fund to 30 June 2016 and includes any applicable GST. More information on these charges can be found in the PDS and the other material information document (OMI) on the [Disclose Register](#).



HARBOUR NZ CORE FIXED INTEREST FUND

Fund Update

for the quarter ended 30 September 2016

Harbour Investment Funds

First published 25 October 2016

What is the purpose of this update?

This document tells you how the Harbour NZ Core Fixed Interest Fund has performed and what fees were charged. The document will help you compare the Fund with other funds. Harbour Asset Management Limited prepared this update in accordance with the Financial Markets Conduct Act 2013. This information is not audited and may be updated.

Description of this fund

The Fund is an actively managed investment grade bond fund that invests mainly in New Zealand Government and corporate bond fixed interest securities.

Investment Objective: The investment objective of the Fund is to outperform the benchmark by 100 basis points per annum over a rolling three year period.

Benchmark: 50:50 weighted average of the S&P/NZX Government Bond Index and S&P/NZX A Grade Corporate Bond Index.

Total value of the Fund

NZ\$147,513,872

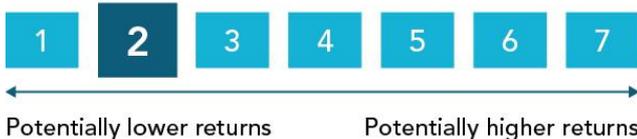
The date the Fund started

24 May 2011

What are the risks of investing?

LOWER RISK

HIGHER RISK



The risk indicator is rated from **1 (low) to 7 (high)**. The rating reflects how much the value of the Fund's assets goes up and down. A higher risk generally means higher potential returns over time, but more ups and downs along the way. To help you clarify your own attitude to risk, you can seek financial advice or work out your risk profile at www.sorted.org.nz.

Note that even the lowest category does not mean a risk-free investment, and there are other risks that are not captured by this rating.

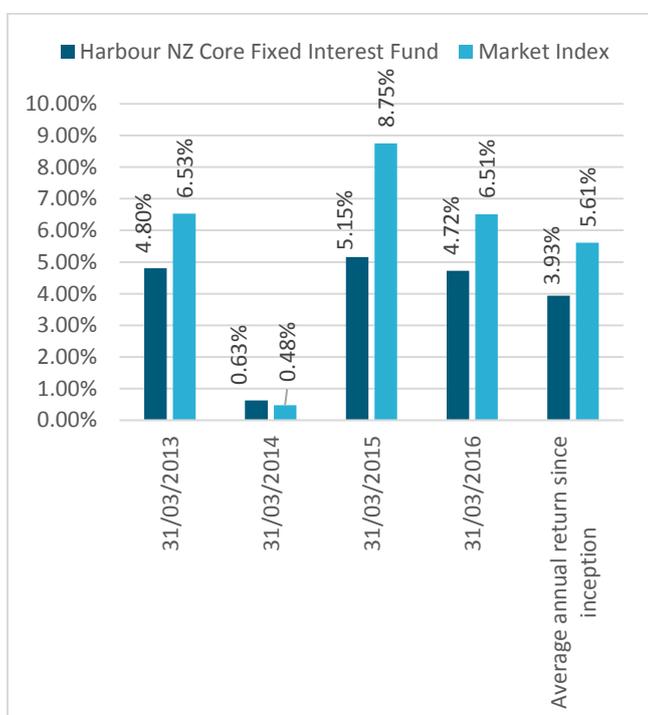
This risk indicator is not a guarantee of a fund's future performance. The risk indicator is based on the returns data for the five years to 30 September 2016. While risk indicators are usually relatively stable, they do shift from time to time. The risk indicator will continue to be updated in future fund updates. See the Product Disclosure Statement ([PDS](#)) for more information about the risks associated with investing in this Fund.

How has the Fund performed?

	Average over past 5 years	Past Year
Annual Return¹ (after deductions for charges and tax)	3.85%	4.54%
Annual Return¹ (after deductions for charges but before tax)	5.40%	6.37%
Market index annual return¹ (reflects no deduction for charges and tax)	5.61%	6.18%

The market index annual return is based on the weighted average return of the market indices used to measure performance of the underlying Fund. In this case the Market Index is: 50:50 weighted average of the S&P/NZX Government Bond Index and S&P/NZX A Grade Corporate Bond Index. Additional information about the market index is available on the offer register at www.business.govt.nz/disclose.

Annual Return Graph²



This shows the return after fund charges and tax for each year ending 31 March since the Fund started. The last bar shows the annualised annual return since the Fund started,

up to 30 September 2016. The Market Index Returns do not include any tax, expenses or charges.

Important: This does not tell you how the Fund will perform in the future. Returns in this update are after tax at the highest prescribed investor rate (PIR) of tax for an individual New Zealand resident. Your tax may be lower.

What fees are investors charged?

Investors in the Fund are charged fund charges. In the year to 30 June 2016 these were as follows:

	% of net asset value
Total fund charges (Inc. GST)*	0.75%
Which are made up of:	
Total management and administration charges	0.75%
Including-	
Manager's basic fee	0.51%
Other management and administration charges ³	0.24%
Total Performance-based fees	0.00%

** It is expected that fund charges for the year to 30 June 2017 will be different from the fees presented in the table above due to changes that have been made to the fee structure for the Fund. The PDS sets out an estimate of the fund charges based on the new fee structure and we suggest this will provide you with a more accurate indication of the likely fund charges for the year to 30 June 2017, than the actual charges for the year to 30 June 2016 presented above.*

Investors may also be charged individual action fees for specific actions or decisions (for example, for withdrawing from or switching funds). See the [PDS](#) and Other Material Information Document ([OMI](#)) for more information about fees

Example of how this applies to an investor

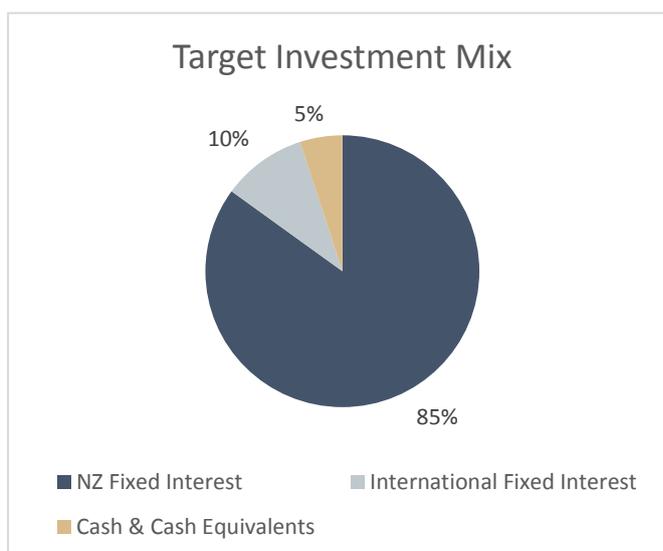
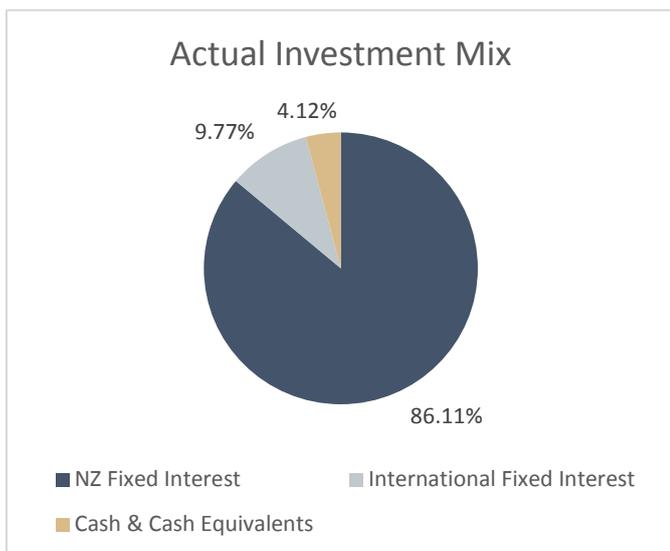
Small differences in fees and charges can have a big impact on your investment over the long term.

Jenny had \$10,000 in the Harbour NZ Core Fixed Interest Fund at the start of the year and did not make any further contributions. At the end of the year, Jenny received a return after fund charges were deducted of \$637 (that is 6.37% of her initial \$10,000). This gives Jenny a total return after tax of \$454 for the year.



What does the Fund invest in?

This shows the types of assets that the fund invests in.



Actual asset allocation to 30 September 2016. Actual asset allocations will vary from the target asset allocation as market conditions change and if we pursue tactical investment opportunities.

Top 10 investments

Name	% of fund net assets	Type	Country	Credit rating
NZ Government Stock	10.75%	New Zealand fixed interest	NZ	AA+
NZ Government Stock	9.11%	New Zealand fixed interest	NZ	AA+
NZ Government Stock	7.05%	New Zealand fixed interest	NZ	AA+
NZ Government Stock	5.17%	New Zealand fixed interest	NZ	AA+
NZ Government Stock	3.65%	New Zealand fixed interest	NZ	AA+
NZGS Index Linked Bond	3.41%	New Zealand fixed interest	NZ	AA+
NZ Government Stock	2.53%	New Zealand fixed interest	NZ	AA+
NZ Government Stock	2.25%	New Zealand fixed interest	NZ	AA+
NZ Government Stock	2.13%	New Zealand fixed interest	NZ	AA+
Westpac NZ Ltd	2.06%	New Zealand fixed interest	NZ	AA-

The top 10 investments make up 48.11% of the net asset value of the Fund.



Key Personnel

Name	Current Position	Time in current position	Previous position	Time in previous position
Mark Brown 	Portfolio Manager	6 years	AXA/Alliance Bernstein, Head of Fixed Interest	16 years & 4 months
Christian Hawkesby 	Head of Fixed Interest	6 years	Bank of England	9 years & 1 month
Simon Pannett 	Investment Analyst	3 years & 2 months	Investment Solutions, UK Investment Analyst	1 year & 7 months

Further information

You can also obtain this information, the PDS for the Harbour NZ Core Fixed Interest Fund, and some additional information from the offer register at www.business.govt.nz/disclose.

Notes:

- Returns to 30 September 2016.
- The bar chart shows fund returns after the deduction of fees and tax, however the market index returns are shown before any fees or tax is deducted.
- Other fees: These charges cover the general management of the Fund e.g. administration, Supervisor, legal, and audit fees and costs required to comply with relevant legislation. These charges are based on the audited financial statements for the Fund to 30 June 2016 and includes any applicable GST. More information on these charges can be found in the PDS and the other material information document (OMI) on the [Disclose Register](http://www.business.govt.nz/disclose).



T. ROWE PRICE GLOBAL EQUITY GROWTH FUND

Fund Update

for the quarter ended 30 September 2016

Harbour Investment Funds

First published 25 October 2016

What is the purpose of this update?

This document tells you how the T. Rowe Price Global Equity Growth Fund has performed and what fees were charged. The document will help you compare the Fund with other funds. Harbour Asset Management Limited prepared this update in accordance with the Financial Markets Conduct Act 2013. This information is not audited and may be updated.

Description of this fund

The Fund invests primarily in a portfolio of securities of companies which are traded, listed or due to be listed, on recognised exchanges and/or markets throughout the world. It may include securities of companies traded on recognised exchanges of developing countries.

Investment Objective: The Fund's objective is to provide long-term capital appreciation by investing primarily in a portfolio of securities of companies which are traded, listed or due to be listed, on recognized exchanges and/or markets throughout the world.

Benchmark: MSCI All Country World Index (unhedged).

Total value of the Fund

NZ\$11,759,379

The date the Fund started

21 October 2015

What are the risks of investing?

LOWER RISK

HIGHER RISK



Potentially lower returns

Potentially higher returns

A combination of actual Fund returns and market index returns have been used to determine the risk indicator for the T. Rowe Price Global Equity Growth Fund (inception 21 October 2015), as the Fund has not been operational for the required 5 years. The risk indicator may therefore provide a less reliable indicator of potential future volatility of this Fund.

The risk indicator is rated from **1 (low) to 7 (high)**. The rating reflects how much the value of the Fund's assets goes up and down. A higher risk generally means higher potential returns over time, but more ups and downs along the way. To help you clarify your own attitude to risk, you can seek financial advice or work out your risk profile at www.sorted.org.nz.

Note that even the lowest category does not mean a risk-free investment, and there are other risks that are not captured by this rating.

This risk indicator is not a guarantee of a fund's future performance. The risk indicator is based on the return and index data for the five years to 30 September 2016. While risk indicators are usually relatively stable, they do shift from time to time. The risk indicator will continue to be updated in future fund updates. See the Product Disclosure Statement ([PDS](#)) for more information about the risks associated with investing in this Fund.



How has the Fund performed?

	Past Year
Annual Return¹ (after deductions for charges and tax)	Not applicable (as Fund has not been running for a year)
Annual Return¹ (after deductions for charges but before tax)	Not applicable (as Fund has not been running for a year)
Market index annual return¹ (reflects no deduction for charges and tax)	-1.40%

The market index annual return is based on the weighted average return of the market indices used to measure performance of the underlying Fund. In this case the Market Index is MSCI All Country World Index (unhedged). Additional information about the market index is available on the offer register at www.business.govt.nz/disclose.

What fees are investors charged?

Investors in the Fund are charged fund charges. In the year to 30 June 2016 these were as follows:

	% of net asset value
Total fund charges (Incl. GST)*	1.14%
Which are made up of:	
Total management and administration charges	1.14%
Including-	
Manager's basic fee	0.96%
Other management and administration charges ³	0.18%
Total Performance-based fees	0.00%

** It is expected that fund charges for the year to 30 June 2017 will be different from the fees presented in the table above due to changes that have been made to the fund type (previously a wholesale fund but changed to a retail fund on 21 October 2015) & fee structure for the Fund. The PDS sets out an estimate of the fund charges based on the new fee structure and we suggest this will provide you with a more accurate indication of the likely fund charges for the year to 30 June 2017, than the actual charges for the year to 30 June 2016 presented above.*

Investors may also be charged individual action fees for specific actions or decisions (for example, for withdrawing from or switching funds). See the [PDS](#) and Other Material Information Document ([OMI](#)) for more information about fees

Example of how this applies to an investor

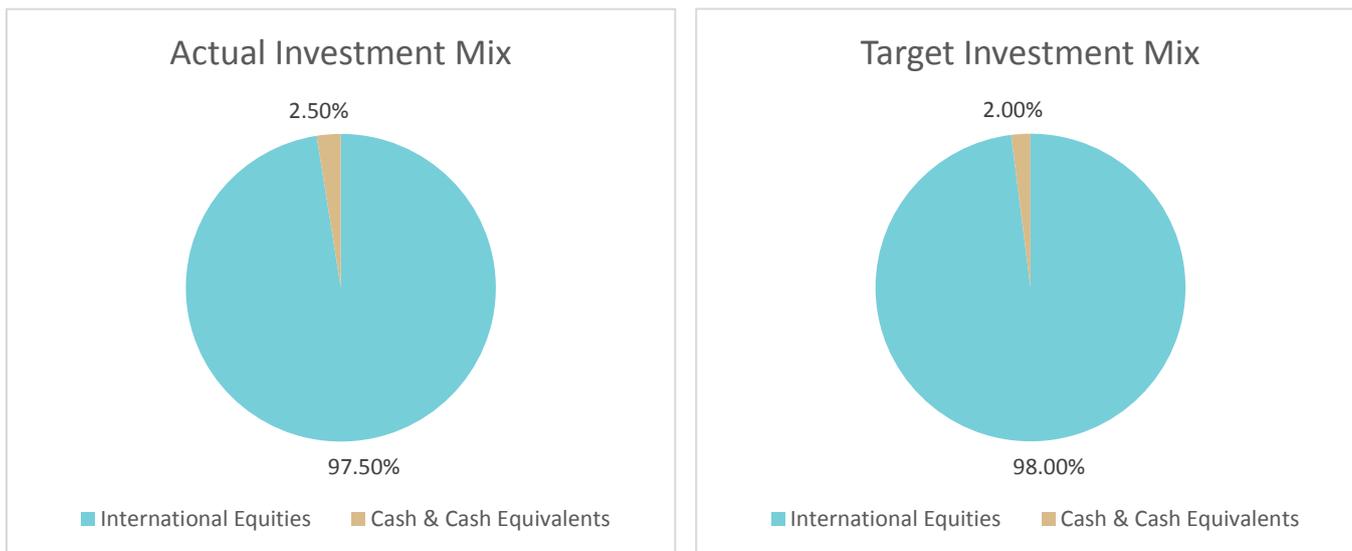
Small differences in fees and charges can have a big impact on your investment over the long term.

Jenny had \$10,000 in the T. Rowe Price Global Equity Growth Fund on 21 October 2015 (inception date) and did not make any further contributions. At the end of September 2016, Jenny incurred a loss after fund charges were deducted of -\$160 (that is -1.60% of her initial \$10,000). This gives Jenny a total loss after tax of -\$292 for the period 21 October 2015 to 30 September 2016.



What does the Fund invest in?

This shows the types of assets that the fund invests in.



Actual asset allocation to 30 September 2016. Actual asset allocations will vary from the target asset allocation as market conditions change and if we pursue tactical investment opportunities.

Top 10 investments

Name	% of Fund net assets	Type	Country
Amazon Com Inc	3.00%	International equities	US
Unilever	2.26%	International equities	GB
Colgate Palmolive	1.75%	International equities	US
Alphabet	1.73%	International equities	US
Bank Central Asia	1.57%	International equities	ID
SM Investments	1.44%	International equities	PH
Citigroup Inc	1.43%	International equities	US
Roper Technologies Inc	1.43%	International equities	US
Morgan Stanley	1.41%	International equities	US
Hexagon	1.31%	International equities	SE

The top 10 investments make up 17.33% of the net asset value of the Fund.



Key Personnel

Name	Current Position	Time in current position	Previous position	Time in previous position
Andrew Bascand 	Managing Director	6 years & 8 months	Senior Vice President & Portfolio Manager, Alliance Bernstein	10 years
Simon Pannett 	Investment Analyst	3 years & 2 months	Investment Solutions, UK Investment Analyst	1 year & 7 months

Further information

You can also obtain this information, the PDS for the T. Rowe Price Global Equity Growth Fund, and some additional information from the offer register at www.business.govt.nz/disclose.

Notes:

1. Returns to 30 September 2016.
2. The bar chart shows fund returns after the deduction of fees and tax, however the market index returns are shown before any fees or tax is deducted.
3. Other fees: These charges cover the general management of the Fund e.g. administration, Supervisor, legal, and audit fees and costs required to comply with relevant legislation. These charges are based on the audited financial statements for the Fund to 30 June 2016 and includes any applicable GST. More information on these charges can be found in the PDS and the other material information document (OMI) on the [Disclose Register](#).

