

# Harbour Long Short Fund Fund Update

for the quarter ended 30 June 2020

Harbour Investment Funds

This fund update was first made publicly available on 28 July 2020

## What is the purpose of this update?

This document tells you how the Harbour Long Short 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, high conviction portfolio investing principally in 'long' and 'short' listed Australasian equities.

The focus is on delivering positive returns through the market cycle by investing in long and short-sold equity positions with no particular attention to an equity benchmark.

The fund is expected to have lower volatility than equity benchmarks.

We can actively allocate investments between Australasian listed equities, fixed interest and cash. The Fund may also use derivatives to hedge currency and equity risk.

**Investment Objective:** To deliver positive absolute returns through the economic cycle with low volatility and low correlation of returns with equity markets.

Total value of the Fund (NZD)

\$2,531,664

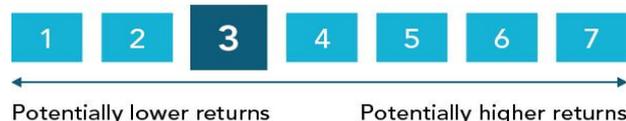
The date the Fund started

3 January 2019

## 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 Long Short Fund (inception 3 January 2019), 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](http://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 5 years to 30 June 2020. 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.

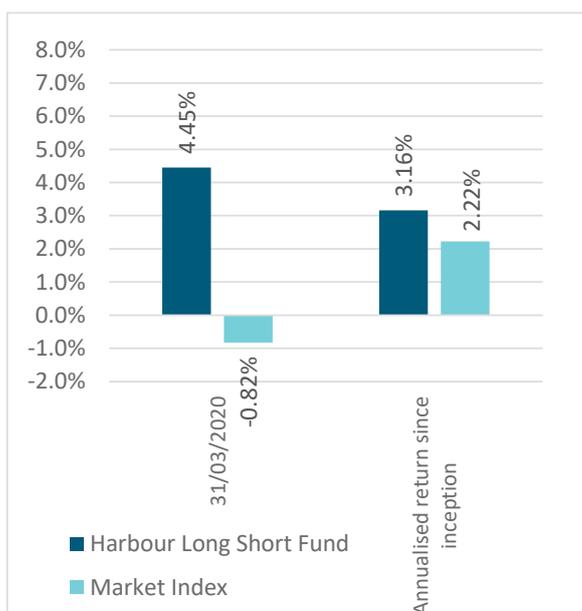
See the Product Disclosure Statement (PDS) for more information about the risks associated with investing in this Fund.

## How has the Fund performed?

	Past Year
<b>Annual Return<sup>1</sup></b> (after deductions for charges and tax)	<b>9.87%</b>
<b>Annual Return<sup>1</sup></b> (after deductions for charges but before tax)	<b>9.58%</b>
<b>Market index annual return<sup>1</sup></b> (reflects no deduction for charges and tax)	<b>2.04%</b>

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 15% S&P NZX50 Index: 15% S&P/ASX 200 Index & 70% S&P/NZX Bank Bills 90-Day Index. Additional information about the market index is available on the offer

## Annual Return Graph<sup>2</sup>



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 June 20.

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. This Fund has not been open for a year to 30 June 2019. As such, below are estimates of fees to 30 June 2020:

	% of net asset value
<b>Total fund charges (Inc. GST)</b>	<b>1.90%</b>
Which are made up of:	
<b>Total management and administration</b>	<b>1.90%</b>
Including-	
Manager's basic fee	1.25%
Other management and administration charges <sup>3</sup>	0.18%
<b>Total Performance-based fees</b>	<b>0.47%</b>

*The fees for this Fund have reduced on 1 July 2020. Please refer to the latest PDS which details these estimated fees and charges to provide you with an indication for the year to 30 June 2021. In addition, the above performance fee is an estimate based on data to 30 June 2020. We estimate a performance fee of 0.47% may be payable for the year ending 31 December 2020. This is subject to change (up or down) depending on relative performance for the remainder of the calendar year for 2020. See OMI for more information on how performance fees are charged.*

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.

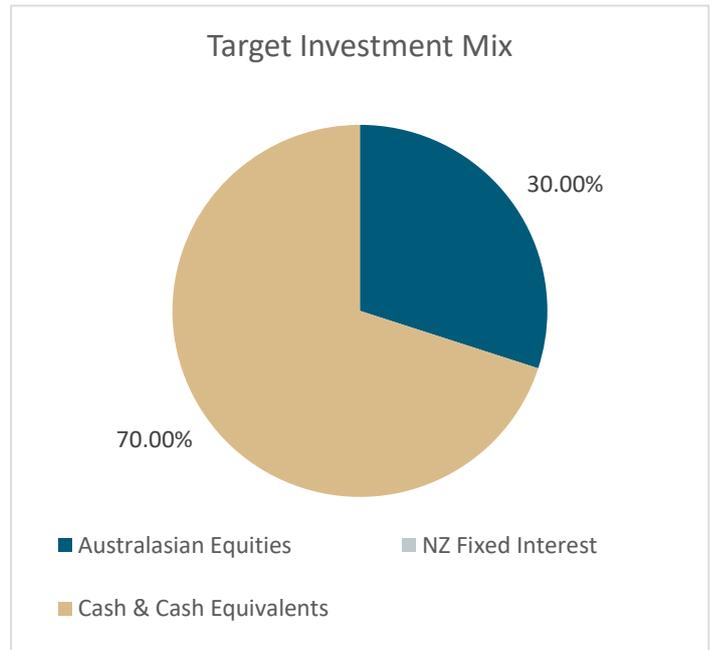
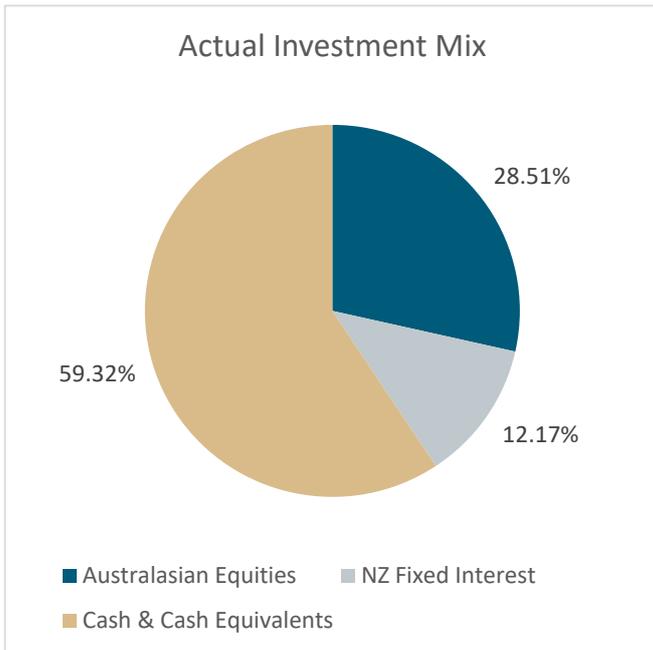
## Example of how this applies to an investor

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 Long Short 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 \$958 (that is 9.58% of her initial \$10,000). This gives Jenny a total return after tax of \$987 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 June 2020. Actual asset allocation 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
Macquarie Margin A/C	24.95%	Cash and cash equivalents	AU
ANZ 28 A/C	24.94%	Cash and cash equivalents	NZ
JP Morgan A/c	9.45%	Cash and cash equivalents	AU
The A2 Milk Company Limited	3.62%	Australasian equities	NZ
Infratil Limited	2.80%	Australasian equities	NZ
Mainfreight Limited	2.47%	Australasian equities	NZ
Contact Energy Limited	2.26%	Australasian equities	NZ
Aristocrat Leisure Limited	2.24%	Australasian equities	AU
National Australia Bank	2.21%	Australasian equities	AU
EBOS Group Limited	1.98%	Australasian equities	NZ

The top 10 investments make up **76.9%** 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, Head of Equities	10 years & 6 months	Research Analyst, Alliance Bernstein	7 years & 3 months
Oyvinn Rimer 	Director, Senior Research Analyst	10 years & 6 months	Research Analyst, Alliance Bernstein	2 years & 3 months

## Further information

You can also obtain this information, the PDS for the Harbour Long Short Fund, and some additional information from the offer register at [www.business.govt.nz/disclose](http://www.business.govt.nz/disclose).

## Notes:

1. Returns to 30 June 2020.
2. 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 30 June 2020 and exclude 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.
4. The Fund currently has 40.67% of assets invested in Australian equities. Of this exposure, we have a 49.61% hedge on these Australian dollar denominated assets.

## Hyperlinks to Harbour documents:

Links to the latest PDS, SIPO & OMI for the Harbour Funds can be found on the Harbour website:  
<https://www.harbourasset.co.nz/our-funds/investor-documents/>

# Harbour Australasian Equity Focus Fund Fund Update

for the quarter ended 30 June 2020

Harbour Investment Funds

This fund update was first made publicly available on 28 July 2020

## 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).

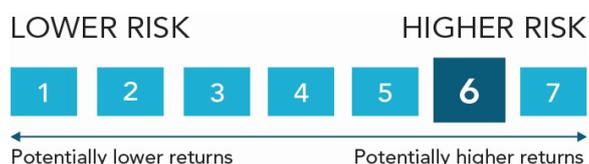
**Total value of the Fund (NZD)**

**\$ 15,372,468**

**The date the Fund started**

**10 April 2014**

## What are the risks of investing?



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](http://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 5 years to 30 June 2020. 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.

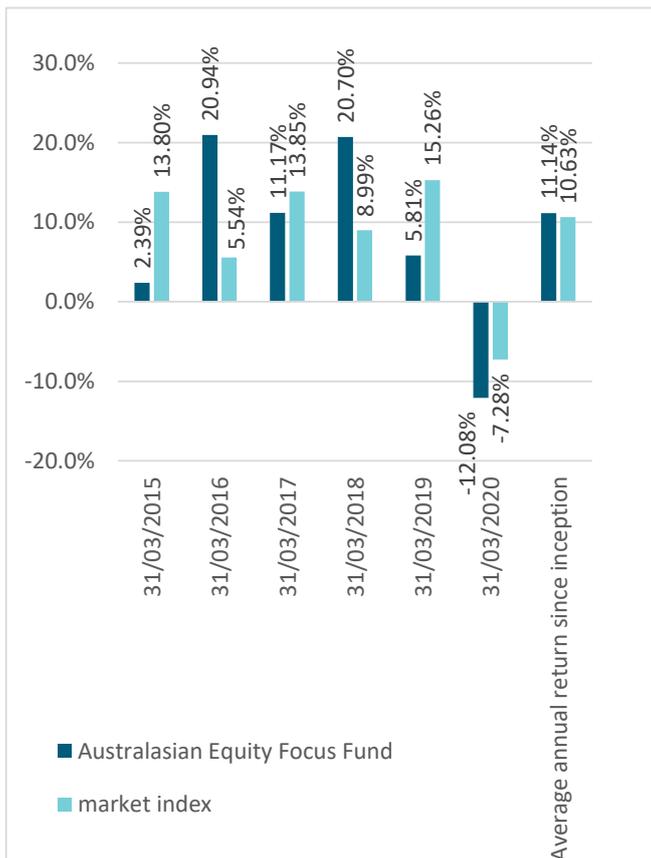
See the Product Disclosure Statement (PDS) for more information about the risks associated with investing in this Fund.

## How has the Fund performed?

	Average over past 5 years	Past Year
<b>Annual Return<sup>1</sup></b> (after deductions for charges and tax)	<b>12.79%</b>	<b>5.11%</b>
<b>Annual Return<sup>1</sup></b> (after deductions for charges but before tax)	<b>13.23%</b>	<b>5.60%</b>
<b>Market index annual return<sup>1</sup></b> (reflects no deduction for charges and tax)	<b>10.80%</b>	<b>1.57%</b>

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/NZX50 and a 50% S&P/ASX 200 Index (which is hedged into NZD). Additional information about the market index is available on the offer register at [www.business.govt.nz/disclose](http://www.business.govt.nz/disclose).

## Annual Return Graph<sup>2</sup>



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 June 20.

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 2019 these were as follows:

	% of net asset value
<b>Total fund charges (Inc. GST)*</b>	<b>1.29%</b>
Which are made up of:	
<b>Total management and administration</b>	<b>1.29%</b>
Including-	
Manager's basic fee	0.95%
Other management and administration charges <sup>3</sup>	0.34%
<b>Total Performance-based fees</b>	<b>0.00%</b>

*The fees for this Fund have reduced on 1 July 2020. Please refer to the latest PDS which details these estimated fees and charges to provide you with an indication for the year to 30 June 2021.*

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. Also see the product disclosure statement for more information about the basis on which performance fees are charged.

## Example of how this applies to an investor

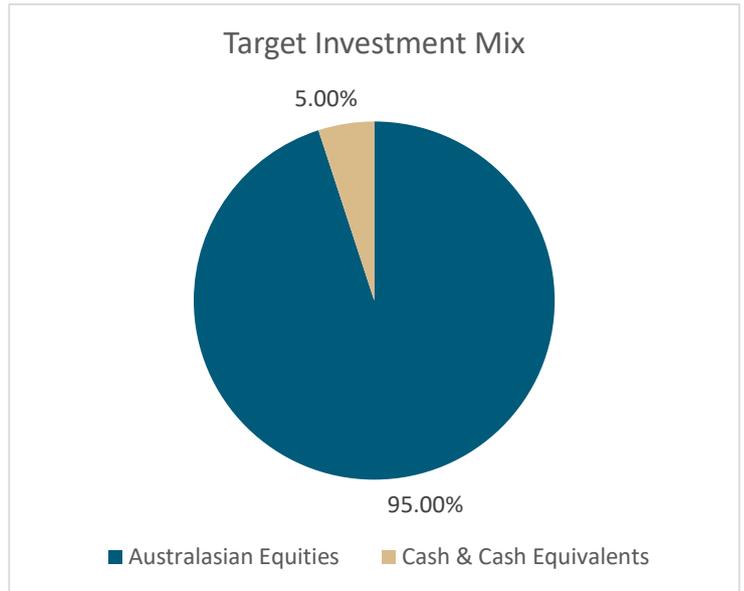
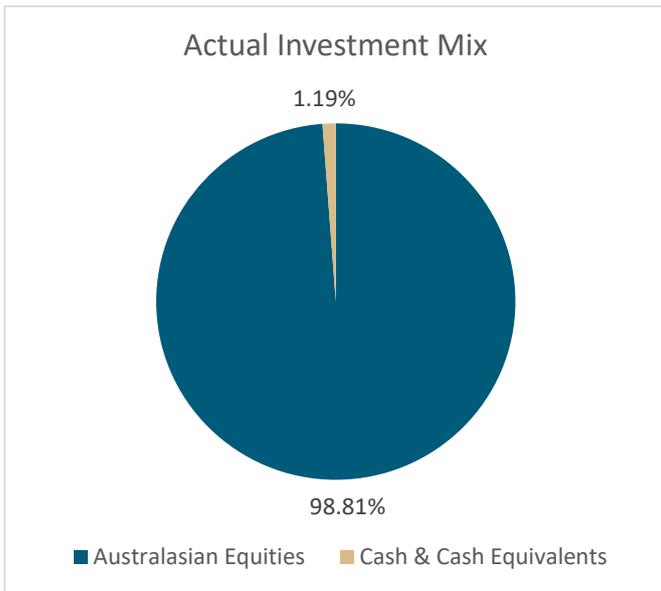
Small differences in fees and charges can have a big impact on your investment over the long term.

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 \$560 (that is 5.60% of her initial \$10,000). This gives Jenny a total return after tax of \$511 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 June 2020. Actual asset allocation 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
A2 Milk	12.50%	Australasian equities	NZ
Mainfreight	8.41%	Australasian equities	NZ
Summerset Group Holdings	7.07%	Australasian equities	NZ
CSL Limited	6.08%	Australasian equities	AU
Xero Limited	5.98%	Australasian equities	AU
Goodman Group	5.72%	Australasian equities	AU
Ebos Group	5.68%	Australasian equities	NZ
Macquarie Group	4.50%	Australasian equities	AU
Contact Energy Limited	4.15%	Australasian equities	NZ
Charter Hall Group	3.95%	Australasian equities	AU

The top 10 investments make up **64.0%** 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	6 years & 3 months	Head of Equities, Mint Asset Management	7 years & 2 months
Andrew Bascand 	Managing Director	10 years & 6 months	Senior Vice President & Portfolio Manager, Alliance Bernstein	10 Years
Craig Stent 	Executive Director, Head of Equities	10 years & 6 months	Research Analyst, Alliance Bernstein	7 years & 3 months

## 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](http://www.business.govt.nz/disclose).

## Notes:

1. Returns to 30 June 2020.
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 2019 and includes 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.
4. The Fund currently has 38.07% of assets invested in Australian equities. Of this exposure, we have a 24.84% hedge on these Australian dollar denominated assets.

## Harbour documents:

Links to the latest PDS, SIPO & OMI for the Harbour Funds can be found on the Harbour website:

<https://www.harbourasset.co.nz/our-funds/investor-documents/>

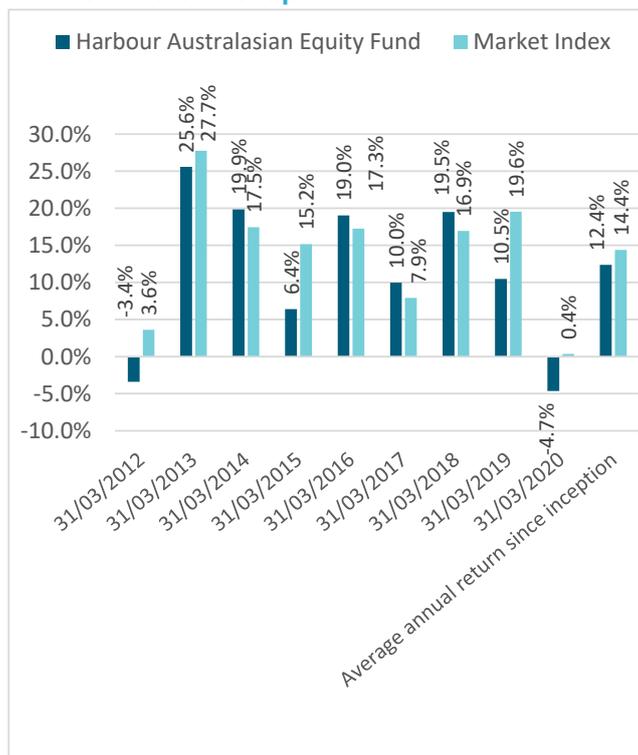


## How has the Fund performed?

	Average over past 5 years	Past Year
<b>Annual Return<sup>1</sup></b> (after deductions for charges and tax)	<b>14.72%</b>	<b>10.14%</b>
<b>Annual Return<sup>1</sup></b> (after deductions for charges but before tax)	<b>15.55%</b>	<b>10.76%</b>
<b>Market index annual return<sup>1</sup></b> (reflects no deduction for charges and tax)	<b>16.10%</b>	<b>9.85%</b>

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. Additional information about the market index is available on the offer register at [www.business.govt.nz/disclose](http://www.business.govt.nz/disclose).

## Annual Return Graph<sup>2</sup>



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 June 20. 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 2019 these were as follows:

	% of net asset value
<b>Total fund charges (Inc. GST)</b>	<b>1.13%</b>
Which are made up of:	
<b>Total management and administration</b>	<b>1.13%</b>
Including-	
Manager's basic fee	0.93%
Other management and administration charges <sup>3</sup>	0.20%
<b>Total Performance-based fees</b>	<b>0.00%</b>

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. Also see the product disclosure statement for more information about the basis on which performance fees are charged.

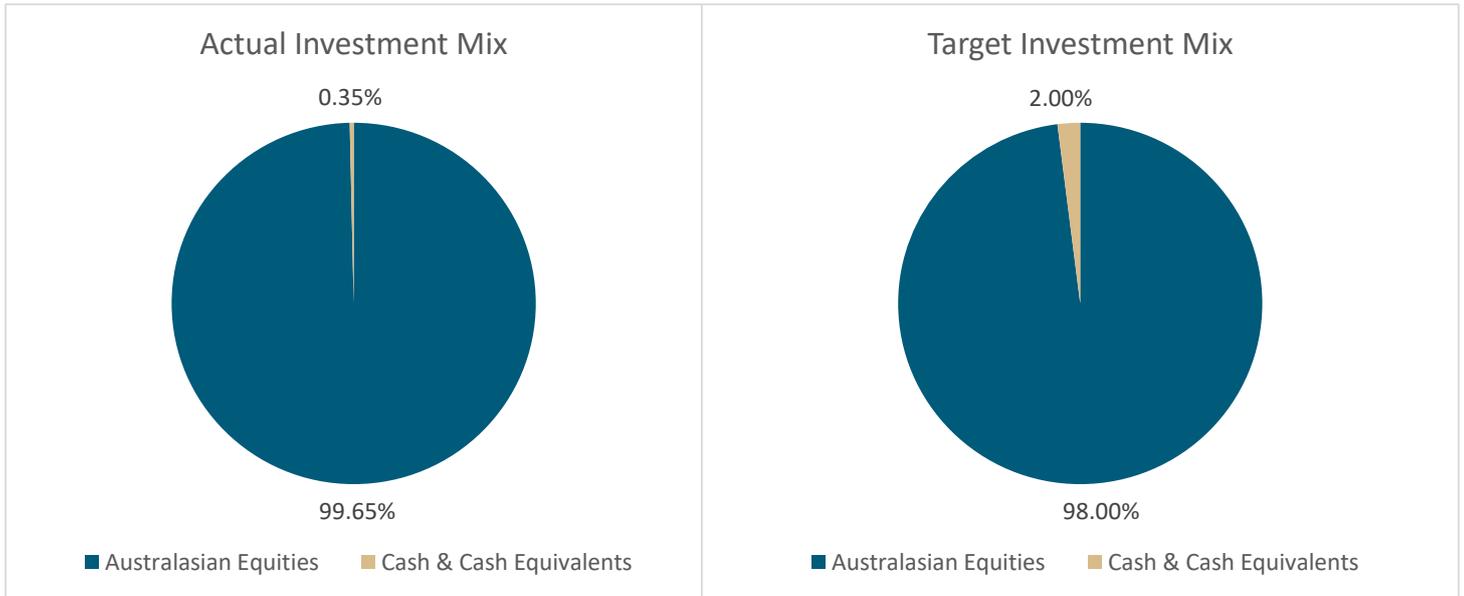
## Example of how this applies to an investor

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 \$1,076 (that is 10.76% of her initial \$10,000). This gives Jenny a total return after tax of \$1,014 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 June 2020. Actual asset allocation 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
A2 Milk	16.52%	Australasian equities	NZ
Fisher & Paykel Healthcare	15.17%	Australasian equities	NZ
Mainfreight	6.73%	Australasian equities	NZ
Ebos Group	4.61%	Australasian equities	NZ
Contact Energy	4.32%	Australasian equities	NZ
Summerset Group Holdings	4.27%	Australasian equities	NZ
Auckland Intl Airport	4.21%	Australasian equities	NZ
Ryman Healthcare	3.56%	Australasian equities	NZ
Spark New Zealand	3.55%	Australasian equities	NZ
Meridian Energy	2.82%	Australasian equities	NZ

The top 10 investments make up **65.8%** 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	10 years & 6 months	Senior Vice President & Portfolio Manager, Alliance Bernstein	10 Years
Shane Solly 	Director, Portfolio Manager	6 years & 3 months	Head of Equities, Mint Asset Management	7 years & 2 months
Craig Stent 	Executive Director, Head of Equities	10 years & 6 months	Research Analyst, Alliance Bernstein	7 years & 3 months

## 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](http://www.business.govt.nz/disclose).

## Notes:

- Returns to 30 June 2020.
- 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 2019 and includes 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.
- The Fund currently has 18.00% of assets invested in Australian equities. Of this exposure, we have a 35.68% hedge on these Australian dollar denominated assets.

## Hyperlinks to Harbour documents:

Links to the latest PDS, SIPO & OMI for the Harbour Funds can be found on the Harbour website: <https://www.harbourasset.co.nz/our-funds/investor-documents/>

# Harbour Australasian Equity Income Fund Fund Update

for the quarter ended 30 June 2020

Harbour Investment Funds

This fund update was first made publicly available on 28 July 2020

## 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.

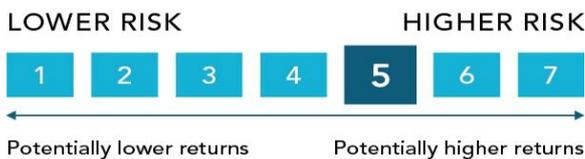
**Total value of the Fund (NZD)**

\$ 48,607,807

**The date the Fund started**

1 November 2011

## What are the risks of investing?



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](http://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.

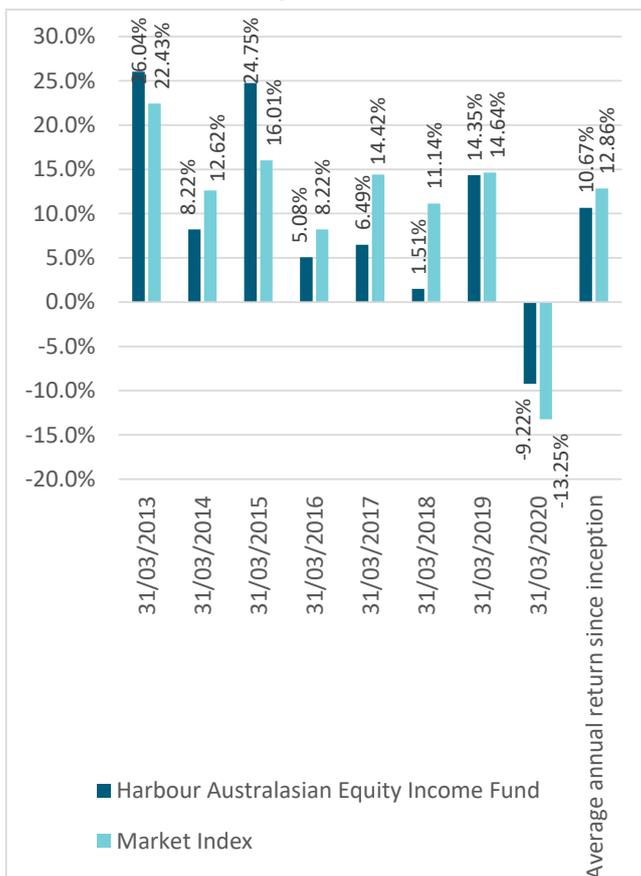
This risk indicator is not a guarantee of a fund's future performance. The risk indicator is based on the returns data for the 5 years to 30 June 2020. While risk indicators are usually relatively stable, they do shift from time to time. The risk indicator will continue to be updated in future fund updates. See the Product Disclosure Statement (PDS) for more information about the risks associated with investing in the Fund.

## How has the Fund performed?

	Average over past 5 years	Past Year
<b>Annual Return<sup>1</sup></b> (after deductions for charges and tax)	<b>6.47%</b>	<b>-3.05%</b>
<b>Annual Return<sup>1</sup></b> (after deductions for charges but before tax)	<b>7.49%</b>	<b>-2.23%</b>
<b>Market index annual return<sup>1</sup></b> (reflects no deduction for charges and tax)	<b>11.38%</b>	<b>-0.65%</b>

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](http://www.business.govt.nz/disclose).

## Annual Return Graph<sup>2</sup>



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 June 20.

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 2019 these were as follows:

	% of net asset value
<b>Total fund charges (Inc. GST)</b>	<b>1.13%</b>
Which are made up of:	
<b>Total management and administration</b>	<b>1.13%</b>
Including-	
Manager's basic fee	0.77%
Other management and administration charges <sup>3</sup>	0.36%
<b>Total Performance-based fees</b>	<b>0.00%</b>

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.

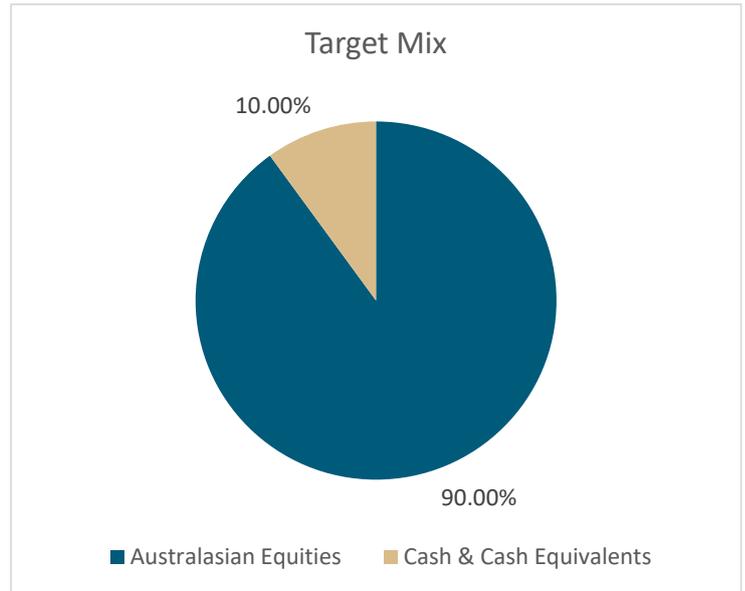
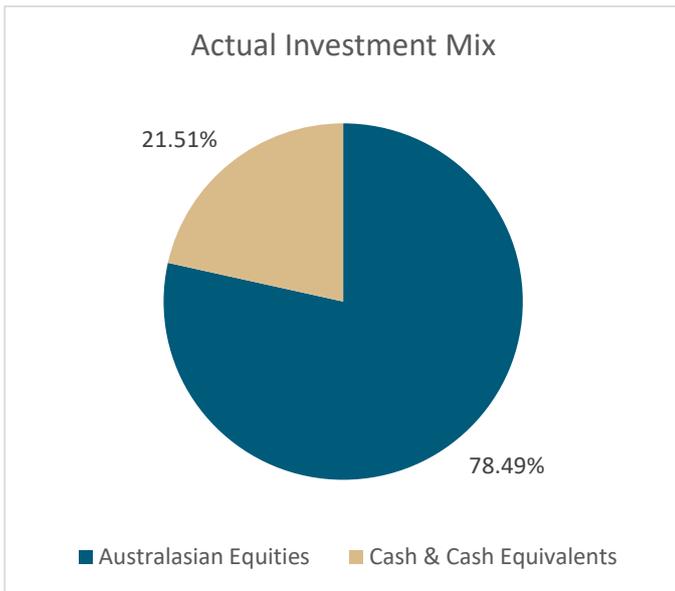
## Example of how this applies to an investor

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 -\$223 (that is -2.23% of her initial \$10,000). This gives Jenny a total return after tax of -\$305 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 June 2020. Actual asset allocation will vary from the target asset allocation as market conditions and if we pursue tactical investment opportunities.

## Top 10 investments

Name	% of Fund net assets	Type	Country
Spark New Zealand Limited	5.50%	Australasian equities	NZ
Contact Energy Limited	5.34%	Australasian equities	NZ
ANZ A/C	4.61%	Cash and cash equivalents	NZ
Infratil Limited	4.60%	Australasian equities	NZ
Mercury NZ Limited	3.90%	Australasian equities	NZ
Precinct Properties New Zealand Limited	3.71%	Australasian equities	NZ
Meridian Energy Limited	3.54%	Australasian equities	NZ
Charter Hall Group	3.49%	Australasian equities	AU
Goodman Group	3.35%	Australasian equities	AU
Vital Healthcare Property Trust	3.27%	Australasian equities	NZ

The top 10 investments make up **41.3%** 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, Head of Equities	10 years & 6 months	Research Analyst, Alliance Bernstein	7 years & 3 months
Shane Solly 	Director, Portfolio Manager	6 years & 3 months	Head of Equities, Mint Asset Management	7 years & 2 months
Andrew Bascand 	Managing Director	10 years & 6 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](http://www.business.govt.nz/disclose).

## Notes:

1. Returns to 30 June 2020.
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 2019 and includes 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.
4. The Fund currently has 29.01% of assets invested in Australian equities. Of this exposure, we have a 77.77% hedge on these Australian dollar denominated assets.

## Hyperlinks to Harbour documents:

Links to the latest PDS, SIPO & OMI for the Harbour Funds can be found on the Harbour website:

<https://www.harbourasset.co.nz/our-funds/investor-documents/>

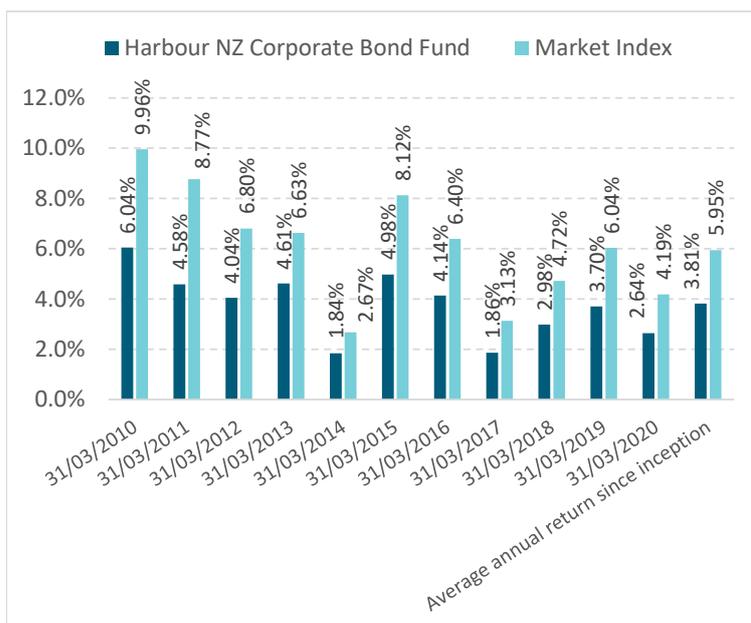


## How has the Fund performed?

	Average over past 5 years	Past Year
<b>Annual Return<sup>1</sup></b> (after deductions for charges and tax)	<b>3.36%</b>	<b>3.93%</b>
<b>Annual Return<sup>1</sup></b> (after deductions for charges but before tax)	<b>4.69%</b>	<b>5.49%</b>
<b>Market index annual return<sup>1</sup></b> (reflects no deduction for charges and tax)	<b>5.25%</b>	<b>5.82%</b>

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 Total Return Index. Additional information about the market index is available on the offer register at [www.business.govt.nz/disclose](http://www.business.govt.nz/disclose)

## Annual Return Graph<sup>2</sup>



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 June 2020. 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 2019 these were as follows:

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

*The fees for this Fund have reduced on 1 July 2019. Please refer to the latest PDS which details these estimated fees and charges to provide you with an indication for the year to 30 June 2020.*

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.

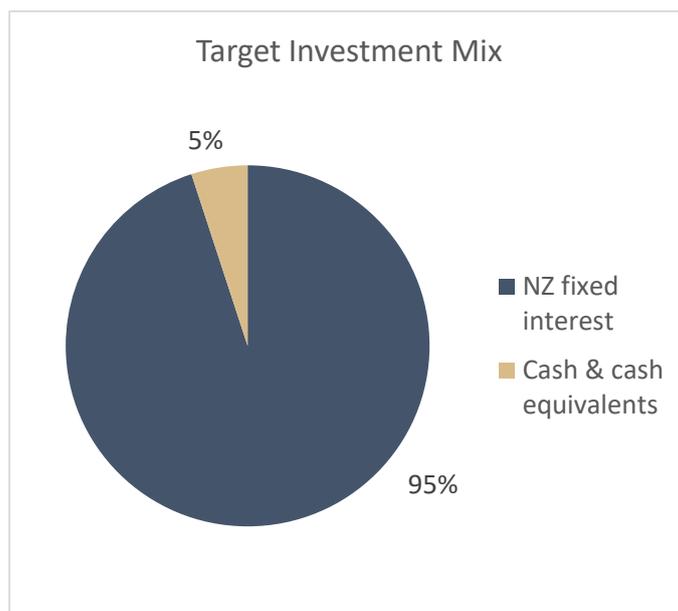
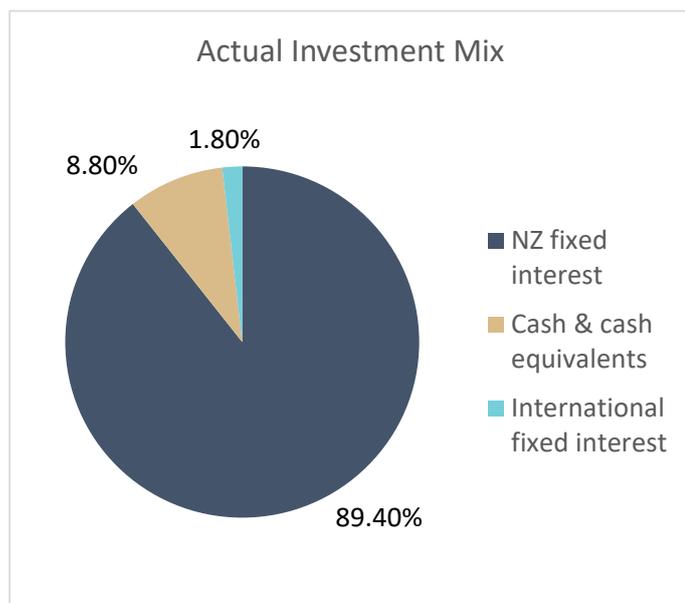
## Example of how this applies to an investor

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 \$549 (that is 5.49% of her initial \$10,000). This gives Jenny a total return after tax of \$393.

## What does the Fund invest in?

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



Actual asset allocation to 30 June 2020. Actual asset allocation 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 15/04/2023 5.50%	4.99%	New Zealand fixed interest	NZ	AA+
NZ Local Gov Fund Agency 15/04/25 2.75%	4.73%	New Zealand fixed interest	NZ	AA+
Kommunalbanken AS 12/06/2025 0.75%	3.29%	New Zealand fixed interest	NO	AAA
Housing New Zealand Ltd 12/06/25 3.36%	3.27%	New Zealand fixed interest	NZ	AA+
ANZ A/C	2.63%	Cash and cash equivalents	NZ	AA
Dunedin City Treasury 17/07/2025 3.61%	2.59%	New Zealand fixed interest	NZ	AA
Landwirtschaftliche Ren 23/04/24 5.375%	2.44%	New Zealand fixed interest	DE	AAA
ASB Bank Deposit A/C 12/8/2020	2.29%	Cash and cash equivalents	NZ	AA
Auckland Council 24/03/2025 4.176%	2.12%	New Zealand fixed interest	NZ	AA
NZ Local Gov Fund Agency 14/04/33 3.50%	2.09%	New Zealand fixed interest	NZ	AA+

The top 10 investments make up **30.4%** 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 	Director, Head of Fixed Income	9 years & 9 months	AXA/Alliance Bernstein, Head of Fixed Interest	16 years & 5 months
George Henderson 	Portfolio Manager	2 years & 0 months	Portfolio Manager, Royal London Asset Management	11 Years & 6 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](http://www.business.govt.nz/disclose).

## Notes:

1. Returns to 30 June 2020.
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 2019 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.

## Hyperlinks to Harbour documents:

Links to the latest PDS, SIPO & OMI for the Harbour Funds can be found on the Harbour website:  
<https://www.harbourasset.co.nz/our-funds/investor-documents/>



## How has the Fund performed?

	Average over past 5 years	Past Year
<b>Annual Return<sup>1</sup></b> (after deductions for charges and tax)	<b>11.22%</b>	<b>-0.21%</b>
<b>Annual Return<sup>1</sup></b> (after deductions for charges but before tax)	<b>12.65%</b>	<b>0.71%</b>
<b>Market index annual return<sup>1</sup></b> (reflects no deduction for charges and tax)	<b>14.30%</b>	<b>1.32%</b>

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](http://www.business.govt.nz/disclose).

## Annual Return Graph<sup>2</sup>



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 June 20. 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 2019 these were as follows:

	% of net asset value
<b>Total fund charges (Inc. GST)</b>	<b>0.55%</b>
Which are made up of:	
<b>Total management and administration</b>	<b>0.55%</b>
Including-	
Manager's basic fee	0.43%
Other management and administration charges <sup>3</sup>	0.12%
<b>Total Performance-based fees</b>	<b>0.00%</b>

*The fees for this Fund have reduced on 1 July 2019. Please refer to the latest PDS which details these estimated fees and charges to provide you with an indication for the year to 30 June 2020.*

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. Also see the product disclosure statement for more information about the basis on which performance fees are charged.

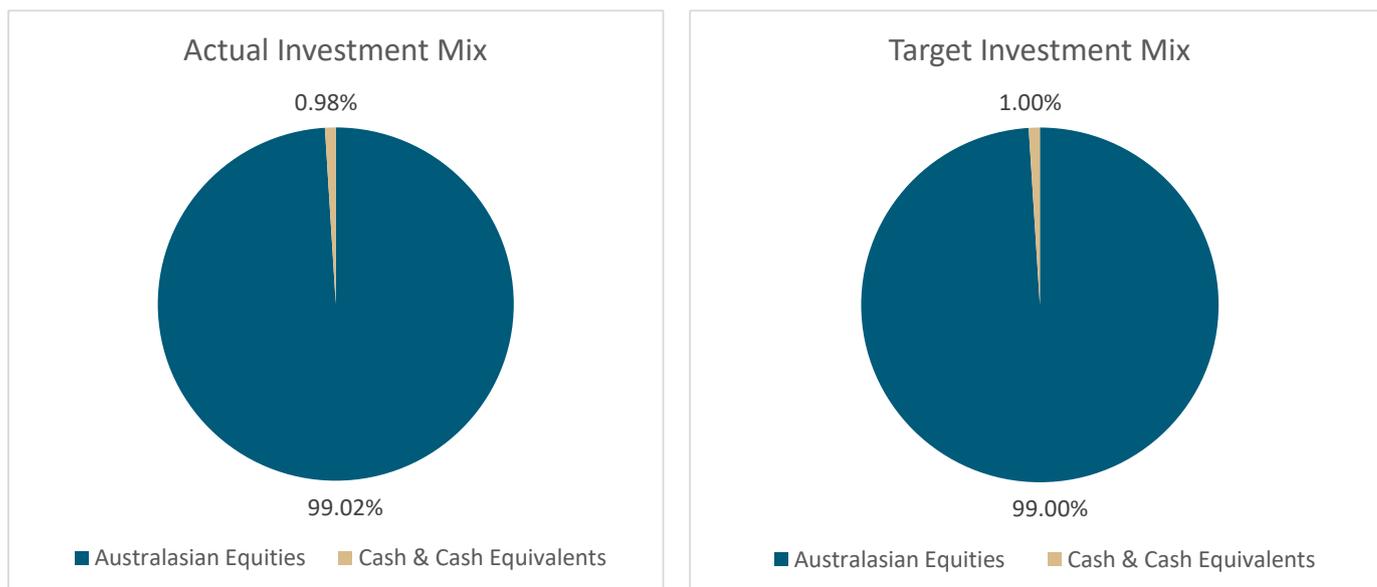
## Example of how this applies to an investor

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 \$71 (that is 0.71% of her initial \$10,000). This gives Jenny a total return after tax of -\$21 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 June 2020. Actual asset allocation 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
A2 Milk	6.42%	Australasian equities	NZ
Fisher & Paykel Healthcare	6.35%	Australasian equities	NZ
Meridian Energy	4.49%	Australasian equities	NZ
Spark New Zealand	4.44%	Australasian equities	NZ
Contact Energy	4.33%	Australasian equities	NZ
Ebos Group	4.17%	Australasian equities	NZ
Precinct Properties New Zealand Limited	3.63%	Australasian equities	NZ
Mainfreight Limited	3.55%	Australasian equities	NZ
Infratil Limited	3.38%	Australasian equities	NZ
Ryman Healthcare	3.36%	Australasian equities	NZ

The top 10 investments make up **44.1%** 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 	Director, Portfolio Manager	8 years and 1 months	Quantitative Investment Analyst. AXA Global Investors/AMP Capital	4 years & 2 months
Andrew Bascand 	Managing Director	10 years and 5 months	Senior Vice President & Portfolio Manager, Alliance Bernstein	10 years
Craig Stent 	Executive Director, Head of Equities	10 years and 5 months	Research Analyst, Alliance Bernstein	7 years & 3 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](http://www.business.govt.nz/disclose).

### Notes:

1. Returns to 30 June 2020.
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 2019 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.

### Hyperlinks to Harbour documents:

Links to the latest PDS, SIPO & OMI for the Harbour Funds can be found on the Harbour website:

<https://www.harbourasset.co.nz/our-funds/investor-documents/>

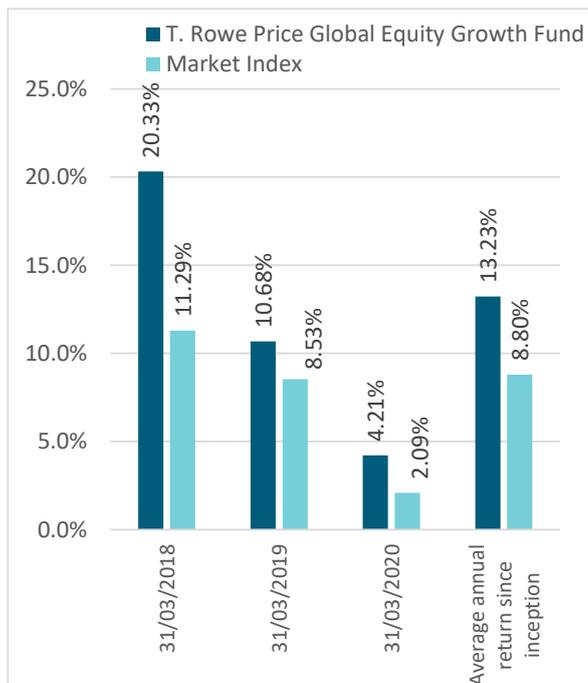


## How has the Fund performed?

	Past Year
<b>Annual Return<sup>1</sup></b> (after deductions for charges and tax)	<b>20.50%</b>
<b>Annual Return<sup>1</sup></b> (after deductions for charges but before tax)	<b>21.74%</b>
<b>Market index annual return<sup>1</sup></b> (reflects no deduction for charges and tax)	<b>6.54%</b>

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](http://www.business.govt.nz/disclose).

## Annual Return Graph<sup>2</sup>



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 June 20.

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 2019 these were as follows:

	% of net asset value
<b>Total fund charges (Inc. GST)</b>	<b>1.25%</b>
Which are made up of:	
<b>Total management and administration</b>	<b>1.25%</b>
Including-	
Manager's basic fee	1.05%
Other management and administration charges <sup>3</sup>	0.20%
<b>Total Performance-based fees</b>	<b>0.00%</b>

*The fees for this Fund have reduced on 1 July 2020. Please refer to the latest PDS which details these estimated fees and charges to provide you with an indication for the year to 30 June 2021.*

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 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 \$2,174 (that is 21.74% of her initial \$10,000). This gives Jenny a total return after tax of \$2,050 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 June 2020. Actual asset allocation 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	4.07%	International equities	US
Alibaba Group Holding	2.97%	International equities	CN
Alphabet	2.34%	International equities	US
Facebook	2.09%	International equities	US
Tencent Holdings	1.54%	International equities	CN
Evotec	1.33%	International equities	DE
Salesforce.com	1.29%	International equities	US
Morgan Stanley	1.24%	International equities	US
Wix.com	1.14%	International equities	US
Microsoft	1.14%	International equities	US

The top 10 investments make up **19.2%** 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	10 years & 6 months	Senior Vice President & Portfolio Manager, Alliance Bernstein	10 Years

## 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](http://www.business.govt.nz/disclose).

## Notes:

1. Returns to 30 June 2020.
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 2019 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.

## Hyperlinks to Harbour documents:

Links to the latest PDS, SIPO & OMI for the Harbour Funds can be found on the Harbour website:  
<https://www.harbourasset.co.nz/our-funds/investor-documents/>

# Harbour Enhanced Cash Fund Fund Update

for the quarter ended 30 June 2020

Harbour Investment Funds

This fund update was first made publicly available on 28 July 2020

## What is the purpose of this update?

This document tells you how the Harbour Enhanced Cash 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 Harbour Enhanced Cash Fund is an actively managed portfolio that holds liquid money market securities, NZ Government Stock, corporate bonds and bank deposits, all denominated in New Zealand Dollars. The Fund is designed to earn a premium over 90 day bank bills, while aiming to avoid the volatility of traditional fixed interest funds. The maximum permitted duration of the Fund is 2 years. The Fund maintains a core holding of highly liquid securities in order to minimise transaction costs and facilitate investor cash flow requirements at short notice. The Fund also uses hedging instruments to manage interest rate risk within prescribed limits.

**Investment Objective:** To outperform the benchmark of the portfolio by 85 basis points per annum over a rolling 3-year period.

### Benchmark:

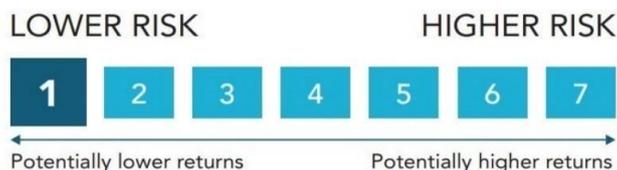
Total value of the Fund (NZD)

\$158,036,974

The date the Fund started

1 August 2019

## What are the risks of investing?



A combination of Fund returns for the Harbour NZ Short Duration Fund (to 31 July 19) which transitioned into the Enhanced Cash Fund (on 1 August 19) have been used to determine the risk indicator for the Harbour Enhanced Cash Fund. 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](http://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 5 years to 30 June 2020. 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
<b>Annual Return<sup>1</sup></b> (after deductions for charges and tax)	<b>Not applicable</b> (as Fund has not been running for a year)
<b>Annual Return<sup>1</sup></b> (after deductions for charges but before tax)	<b>Not applicable</b> (as Fund has not been running for a year)
<b>Market index annual return<sup>1</sup></b> (reflects no deduction for charges and tax)	<b>1.20%</b>

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 Bank Bills 90-Day Index. Additional information about the market index is available on the offer register at [www.business.govt.nz/disclose](http://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. As such, below are estimates of fees to 30 June 2020:

	% of net asset value
<b>Total fund charges (Inc. GST)</b>	<b>0.25%</b>
Which are made up of:	
<b>Total management and administration</b>	<b>0.25%</b>
Including-	
Manager's basic fee	0.16%
Other management and administration charges <sup>2</sup>	0.09%
<b>Total Performance-based fees</b>	<b>0.00%</b>

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. Also see the product disclosure statement for more information about the basis on which performance fees are charged.

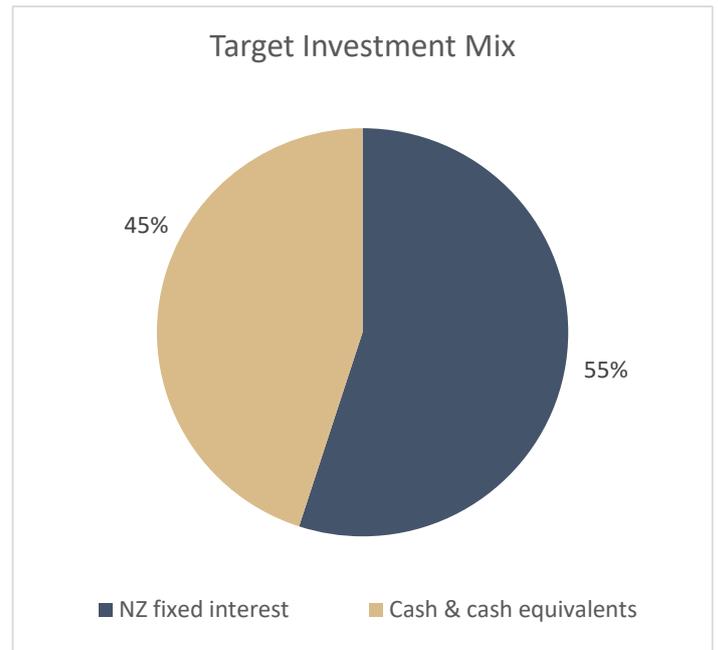
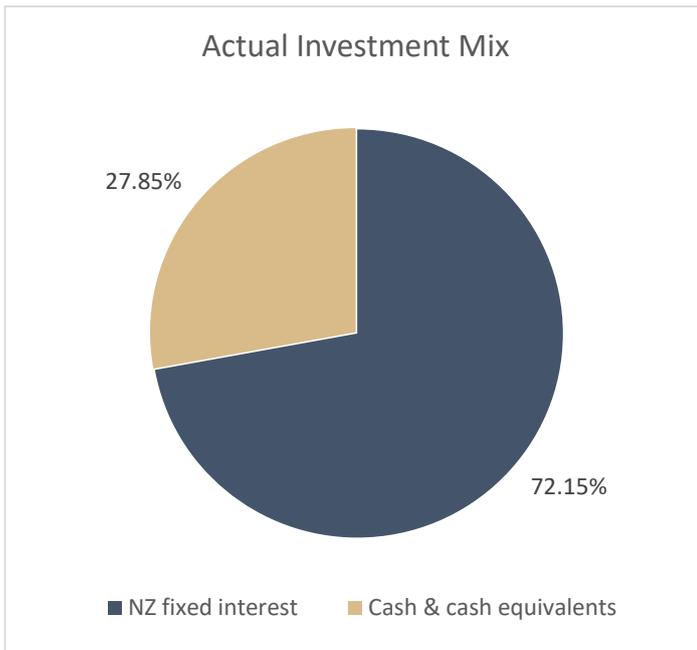
## Example of how this applies to an investor

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 Enhanced Fund on 1 August 2019 (inception date) and did not make any further contributions. At the end of 30 June 2020, Jenny received a return after fund charges were deducted of \$191 (that is 1.91% of her initial \$10,000). This gives Jenny a total return after tax of \$137 for the period 1 August 2019 to 30 June 2020.

## What does the Fund invest in?

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



Actual asset allocation to 30 June 2020. Actual asset allocation 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 15/04/2023 5.50%	13.16%	New Zealand fixed interest	NZ	AA+
ANZ Bank NZ Limited 22/03/2021 4.00%	6.87%	New Zealand fixed interest	NZ	AA-
Auckland Council 12/08/2020	5.06%	New Zealand fixed interest	NZ	A-1+
Westpac NZ Limited 07/06/2022 3.775%	4.22%	New Zealand fixed interest	NZ	AA-
Bank of New Zealand 27/07/2022 3.856%	4.11%	New Zealand fixed interest	NZ	AA-
Westpac NZ Limited 28/04/21 3.795%	3.93%	New Zealand fixed interest	NZ	AA-
ANZ Bank NZ Limited 01/09/2022 3.75%	3.88%	New Zealand fixed interest	NZ	AA-
ANZ 28 A/C	3.87%	Cash and cash equivalents	NZ	AA
ASB Bank Deposit A/C 2/9/2020	3.83%	Cash and cash equivalents	NZ	AA
Kiwibank Deposit A/C 20/11/2020	3.17%	Cash and cash equivalents	NZ	A+

The top 10 investments make up **52.1%** 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 	Director, Head of Fixed Interest	9 years & 9 months	AXA/Alliance Bernstein, Head of Fixed Interest	16 years & 5 months
George Henderson 	Portfolio Manager	2 years & 0 months	Portfolio Manager, Royal London Asset Management	11 Years & 6 months

## Further information

You can also obtain this information, the PDS for the Harbour Enhanced Cash Fund, and some additional information from the offer register at [www.business.govt.nz/disclose](http://www.business.govt.nz/disclose).

## Notes:

1. Returns to 30 June 2020.
2. 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 30 June 2020 and exclude 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 documents:

Links to the latest PDS, SIPO & OMI for the Harbour Investment Funds can be found on the Harbour website:

<https://www.harbourasset.co.nz/our-funds/investor-documents/>

# Harbour NZ Core Fixed Interest Fund

## Fund Update

for the quarter ended 30 June 2020

Harbour Investment Funds

This fund update was first made publicly available on 28 July 2020

### 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.

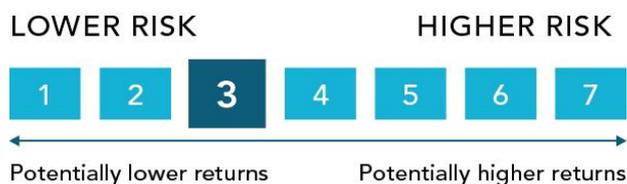
**Investment Objective:** The investment objective of the Fund is to outperform the benchmark by 100 basis points per annum over a rolling three year period.

**Benchmark:** Bloomberg NZ Bond Composite 0+Yr Index

**Total value of the Fund (NZD)** **\$178,200,780**

**The date the Fund started** **24 May 2011**

### What are the risks of investing?



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](http://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 5 years to 30 June 2020. 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.

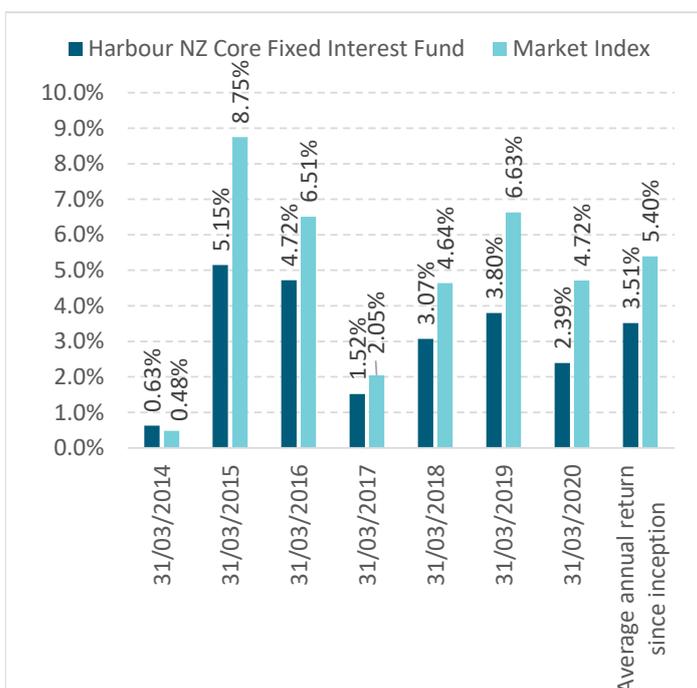
See the Product Disclosure Statement (PDS) for more information about the risks associated with investing in this Fund.

## How has the Fund performed?

	Average over past 5 years	Past Year
<b>Annual Return<sup>1</sup></b> (after deductions for charges and tax)	<b>3.32%</b>	<b>3.31%</b>
<b>Annual Return<sup>1</sup></b> (after deductions for charges but before tax)	<b>4.64%</b>	<b>4.58%</b>
<b>Market index annual return<sup>1</sup></b> (reflects no deduction for charges and tax)	<b>5.13%</b>	<b>5.36%</b>

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 a combination of Bloomberg NZ Bond Composite 0+Yr Index (from 1-1-19 current Index) and 50:50 weighted average of the S&P/NZX Government Bond Index and S&P/NZX A Grade Corporate Bond Total Return Index. Additional information about the market index is available on the offer register at [www.business.govt.nz/disclose](http://www.business.govt.nz/disclose).

## Annual Return Graph<sup>2</sup>



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 June 20.

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 2019 these were as follows:

	% of net asset value
<b>Total fund charges (Inc. GST)</b>	<b>0.65%</b>
Which are made up of:	
<b>Total management and administration</b>	<b>0.65%</b>
Including-	
Manager's basic fee	0.54%
Other management and administration charges <sup>3</sup>	0.11%
<b>Total Performance-based fees</b>	<b>0.00%</b>

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.

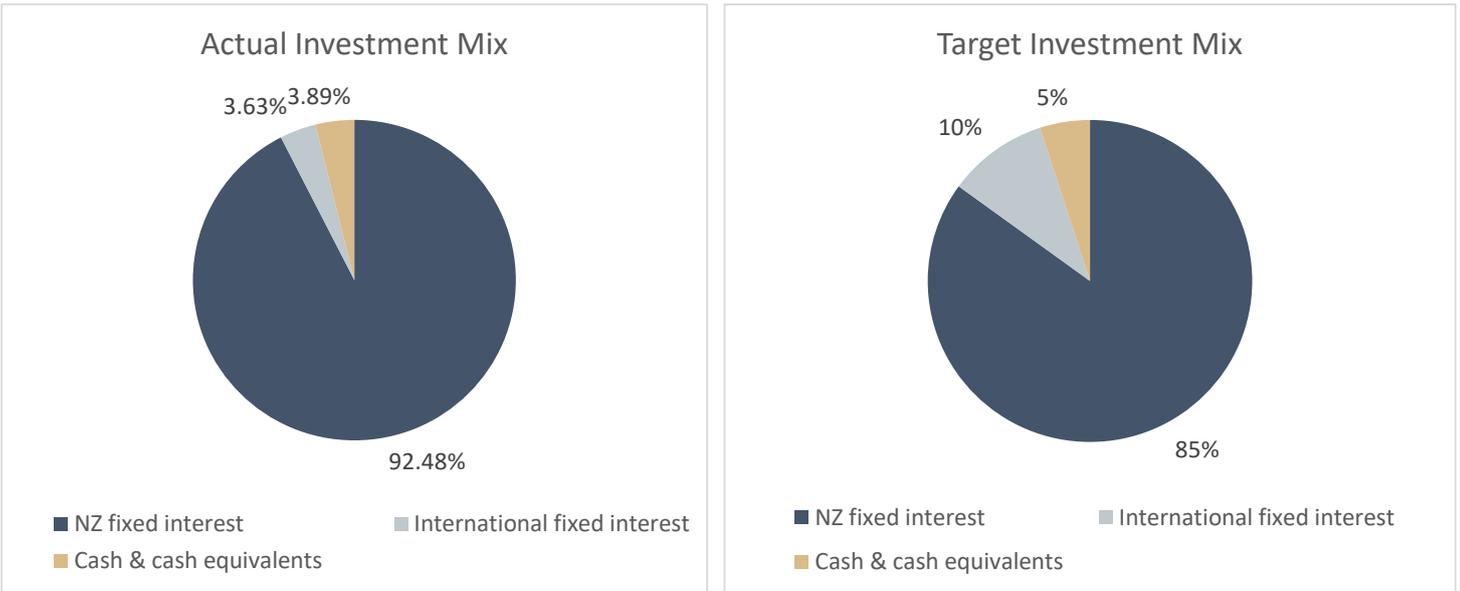
## Example of how this applies to an investor

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 \$458 (that is 4.58% of her initial \$10,000). This gives Jenny a total return after tax of \$331 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 June 2020. Actual asset allocation 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 20/04/2029 3.00%	16.49%	New Zealand fixed interest	NZ	AA+
NZ Government Stock 15/05/2031 1.50%	9.34%	New Zealand fixed interest	NZ	AA+
NZGS Index Linked Bond 20/09/2025 2.00%	8.09%	New Zealand fixed interest	NZ	AA+
NZ Government Stock 15/04/2023 5.50%	5.74%	New Zealand fixed interest	NZ	AA+
NZ Government Stock 15/04/2025 2.75%	5.68%	New Zealand fixed interest	NZ	AA+
NZ Government Stock 14/04/2033 3.50%	2.99%	New Zealand fixed interest	NZ	AA+
NZ Government Stock 15/05/2024 0.50%	1.97%	New Zealand fixed interest	NZ	AA+
NZGS Index Linked Bond 3.00% 20/09/2030	1.73%	New Zealand fixed interest	NZ	AA+
Housing New Zealand Ltd 24/04/30 2.183%	1.41%	New Zealand fixed interest	NZ	AA+
NZ Local Gov Fund Agency 20/04/29 1.50%	1.30%	New Zealand fixed interest	NZ	AA+

The top 10 investments make up **54.7%** 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 	Director, Head of Fixed Income	9 years & 9 months	AXA/Alliance Bernstein, Head of Fixed Interest	16 years & 5 months
George Henderson 	Portfolio Manager	2 years & 0 months	Portfolio Manager, Royal London Asset Management	11 years & 6 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](http://www.business.govt.nz/disclose).

## Notes:

1. Returns to 30 June 2020.
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 2019 and includes any applicable GST.  
More information on charges can be found in the PDS and the other material information document (OMI) on the Disclose Register.

## Hyperlinks to Harbour documents:

Links to the latest PDS, SIPO & OMI for the Harbour Funds can be found on the Harbour website:  
<https://www.harbourasset.co.nz/our-funds/investor-documents/>

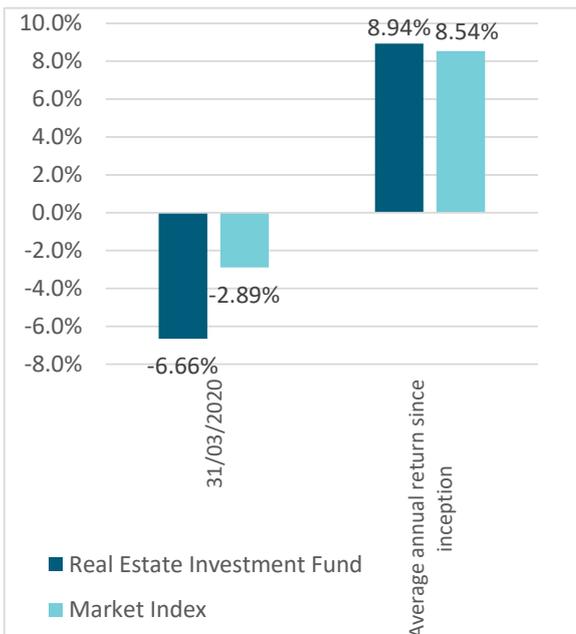


## How has the Fund performed?

	Past Year
<b>Annual Return<sup>1</sup></b> (after deductions for charges and tax)	<b>-4.54%</b>
<b>Annual Return<sup>1</sup></b> (after deductions for charges but before tax)	<b>-4.00%</b>
<b>Market index annual return<sup>1</sup></b> (reflects no deduction for charges and tax)	<b>-7.71%</b>

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 All Real Estate Index. Additional information about the market index is available on the offer register at [www.business.govt.nz/disclose](http://www.business.govt.nz/disclose).

## Annual Return Graph<sup>2</sup>



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 June 20.

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. This Fund has not been open for a year to 30 June 2019. As such, below are estimates of fees to 30 June 2020:

	% of net asset value
<b>Total fund charges (Inc. GST)</b>	<b>0.72%</b>
Which are made up of:	
<b>Total management and administration</b>	<b>0.72%</b>
Including-	
Manager's basic fee	0.55%
Other management and administration charges <sup>3</sup>	0.17%
<b>Total Performance-based fees</b>	<b>0.00%</b>

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.

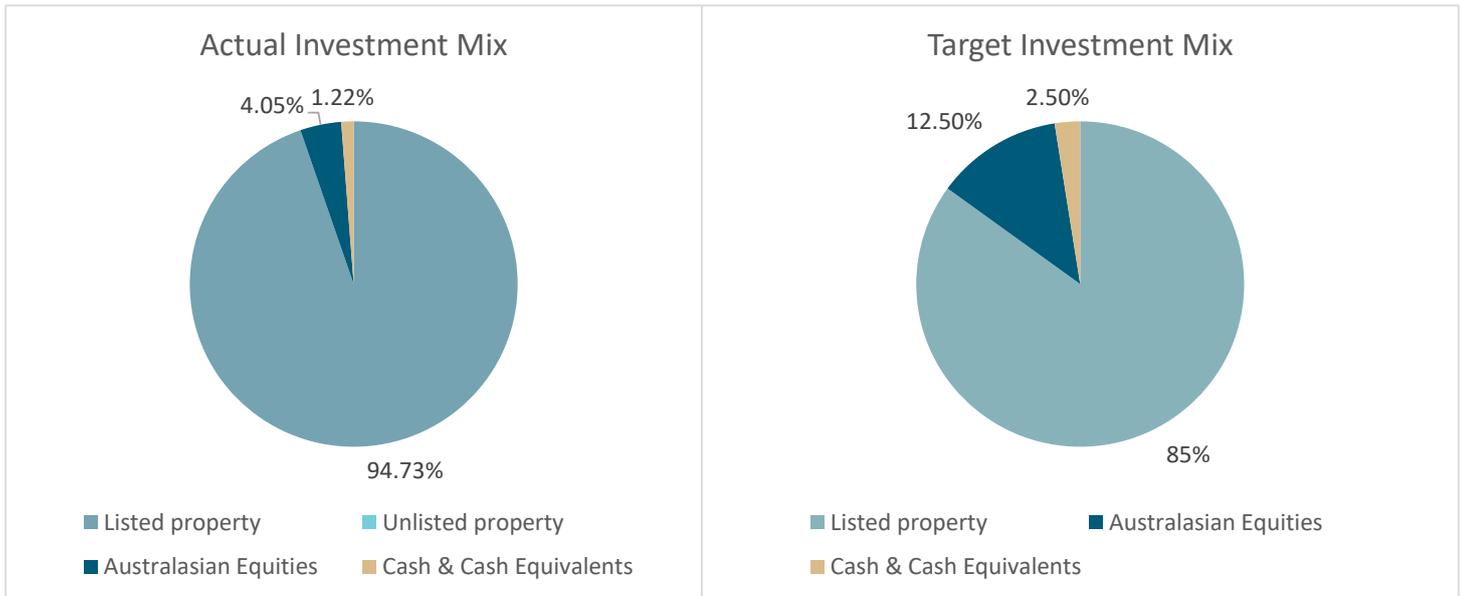
## Example of how this applies to an investor

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 Real Estate Investment 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 -\$400 (that is -4.00% 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 June 2020. Actual asset allocation 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
Precinct Properties NZ	16.02%	Listed property	NZ
Goodman Property Trust	12.17%	Listed property	NZ
Property For Industry	11.59%	Listed property	NZ
Kiwi Property Group	9.53%	Listed property	NZ
Argosy Property	9.42%	Listed property	NZ
Vital Healthcare Property	8.99%	Listed property	NZ
Augusta Capital	5.63%	Listed property	NZ
Stride Property	5.52%	Listed property	NZ
Investore Property	4.08%	Listed property	NZ
Goodman Group	3.46%	Listed property	AU

The top 10 investments make up **86.4%** 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	6 years & 3 months	Head of Equities, Mint Asset Management	7 years & 2 months
Andrew Bascand 	Managing Director	10 years & 6 months	Senior Vice President & Portfolio Manager, Alliance Bernstein	10 Years
Craig Stent 	Executive Director, Head of Equities	10 years & 6 months	Research Analyst, Alliance Bernstein	7 years & 3 months

## Further information

You can also obtain this information, the PDS for the Harbour Real Estate Investment Fund, and some additional information from the offer register at [www.business.govt.nz/disclose](http://www.business.govt.nz/disclose).

## Notes:

- Returns to 30 June 2020.
- 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 June 2020 and exclude 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.
- The Fund currently has 14.61% of assets invested in Australian equities. Of this exposure, we have a 85.67% hedge on these Australian dollar denominated assets.

## Hyperlink to Harbour Investor Documents:

Links to the latest PDS, SIPO & OMI for the Harbour Funds can be found on the Harbour website:  
<https://www.harbourasset.co.nz/our-funds/investor-documents/>



## How has the Fund performed?

	Past Year
<b>Annual Return<sup>1</sup></b> (after deductions for charges and tax)	na
<b>Annual Return<sup>1</sup></b> (after deductions for charges but before tax)	na
<b>Market index annual return<sup>1</sup></b> (reflects no deduction for charges and tax)	4.67%

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 5% S&P/NZX Bank Bills 90-day Index, 25% Bloomberg Composite 0+ Yr Index, 10% S&P/NZX All Real Estate Index, 22.5% S&P/NZX 50 Index, 7.5% S&P/ASX 200 Index (50% hedged to NZD), 30% MSCI All Country World Index (unhedged). Additional information about the market index is available on the offer register at [www.business.govt.nz/disclose](http://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 2019. As such, below are estimates of fees to 30 June 2020.

	% of net asset value
<b>Total fund charges (Inc. GST)</b>	<b>0.99%</b>
Which are made up of:	
<b>Total management and administration</b>	<b>0.99%</b>
Including-	
Manager's basic fee	0.77%
Other management and administration charges <sup>2</sup>	0.18%
<b>Total Performance-based fees</b>	<b>0.04%</b>

The above performance fee estimate relates to the Harbour Active Growth Fund's investment in the Harbour Long Short Fund.

The performance fee is an estimate based on data to 30 June 2020. We estimate a performance fee of 0.04% may be payable for the year ending 31 December 2020. This is subject to change (up or down) depending on relative performance within the Long Short Fund for the remainder of the calendar year for 2020. See OMI for more information on how performance fees are charged.

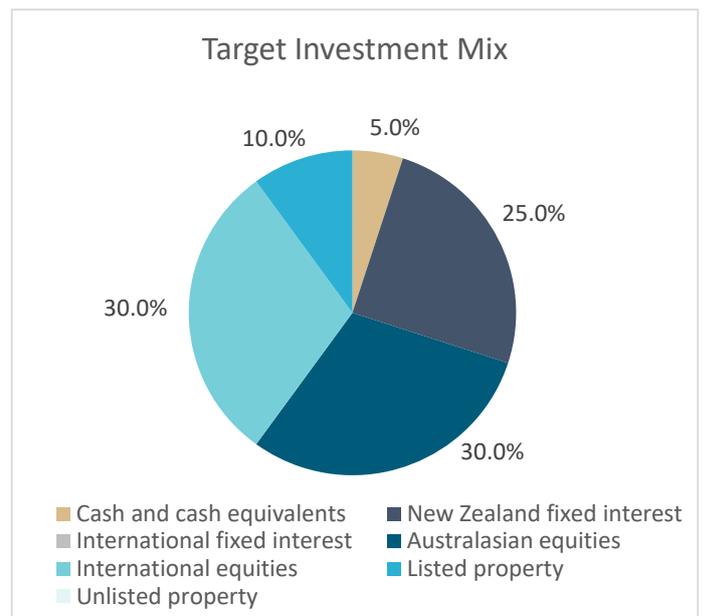
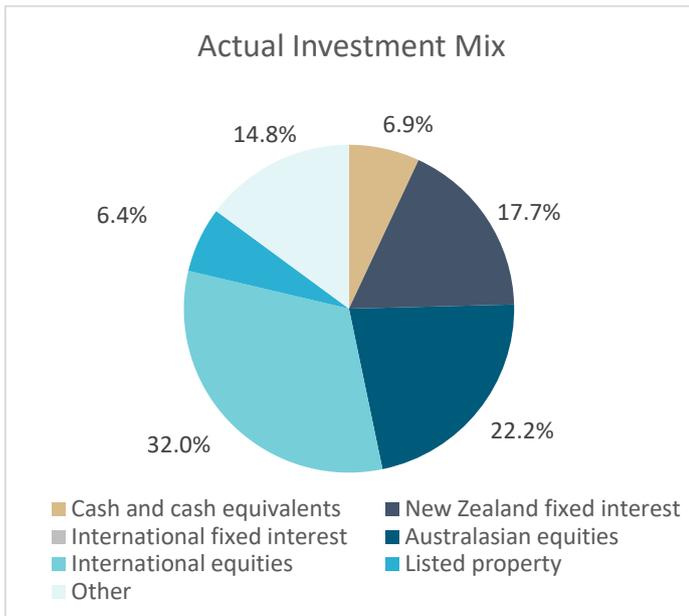
Investors may also be charged individual action fees for specific actions or decisions (for example, for withdrawing from or switching funds). See the PDS and Other Material Information Document OMI for more information about fees. Also see the product disclosure statement for more information about the basis on which performance fees are charged.

## 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 Active Growth Fund on 1 November 2019 (inception date) and did not make any further contributions. At the end of June 2020, Jenny received a return after fund charges were deducted of \$696 (that is 6.96% of her initial \$10,000). This gives Jenny a total return after tax of \$645 for the period 1 November 2019 to 30 June 2020.

## What does the Fund invest in?

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



Actual asset allocation to 30 June 2020. Actual asset allocation 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
ANZ cash account	8.92%	Cash and cash equivalents	NZ
Baillie Gifford World Wide Discovery Fund	7.94%	International equities	IE
First State Investments Global Listed Infrastructure PIE	5.95%	International fixed interest	NZ
iShares MSCI EMU ESG Screened UCITS ETF	3.73%	International equities	IE
NZ Government Stock 20/04/2029 3.00%	2.91%	New Zealand fixed interest	NZ
The A2 Milk Company Limited	2.89%	Australasian equities	NZ
Premia CSI Caixin China New Economy ETF	2.40%	International equities	HK
Macquarie Margin AUD	2.22%	Cash and cash equivalents	AU
Mainfreight Limited	1.99%	Australasian equities	NZ
Summerset Group Ltd	1.66%	Australasian equities	NZ

The top 10 investments make up **40.6%** of the net asset value of the Fund.

## Key Personnel

Name	Current Position	Time in current position	Previous position	Time in previous position
Chris Di Leva 	Multi Asset Specialist	1 years and 9 months	Mercer- Portfolio Manager	8 Years & 0 months

## Further information

You can also obtain this information, the PDS for the Harbour Active Growth Fund, and some additional information from the offer register at [www.business.govt.nz/disclose](http://www.business.govt.nz/disclose).

## Notes:

1. Returns to 30 June 2020.
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 estimates to 30 June 2020 and exclude 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.

## Hyperlink to Harbour Investor Documents:

Links to the latest PDS, SIPO & OMI for the Harbour Funds can be found on the Harbour website:  
<https://www.harbourasset.co.nz/our-funds/investor-documents/>

# Harbour Income Fund Fund Update

for the quarter ended 30 June 2020

Harbour Investment Funds

This fund update was first made publicly available on 28 July 2020

## 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 give a favourable level of income. The Fund invests predominantly in New Zealand investment grade fixed interest securities and Australasian equities which pay a sustainable dividend yield. Other tools, such as active management and scope to invest in sub investment grade securities may also be used to enhance returns.

**Investment Objective:** The investment objective of the Fund is to exceed the Official Cash Rate (OCR) plus 3.5% pa over rolling three year periods.

**Benchmark:** 68% S&P/NZX A Grade Corporate Bond Total Return Index; 16% S&P/ASX200 Industrials Index (100% hedged to NZ dollars); and 16% S&P/NZX Portfolio Index.

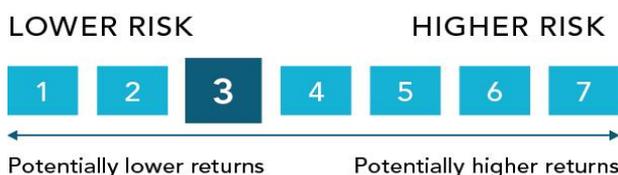
**Total value of the Fund (NZD)**

**\$129,014,579**

**The date the Fund started**

**28 October 2015**

## 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 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](http://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 5 years to 30 June 2020. 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.

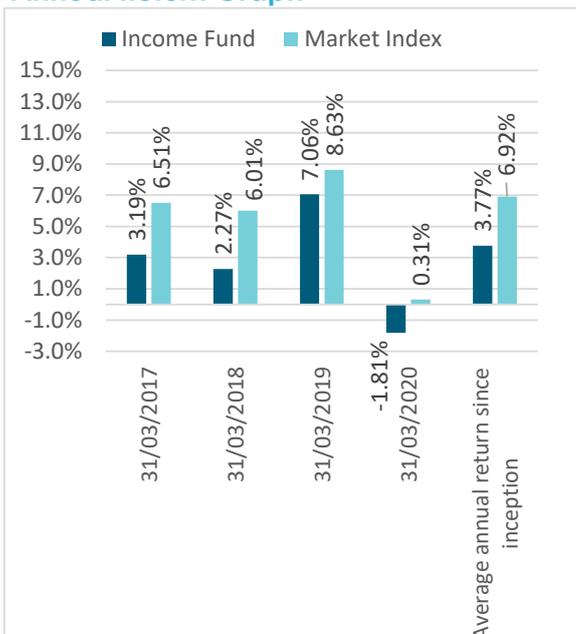
See the Product Disclosure Statement (PDS) for more information about the risks associated with investing in this Fund.

## How has the Fund performed?

	Past Year
<b>Annual Return<sup>1</sup></b> (after deductions for charges and tax)	<b>0.40%</b>
<b>Annual Return<sup>1</sup></b> (after deductions for charges but before tax)	<b>1.25%</b>
<b>Market index annual return<sup>1</sup></b> (reflects no deduction for charges and tax)	<b>3.48%</b>

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 68% S&P/NZX A Grade Corporate Bond Total Return Index; 16% S&P/ASX200 Industrials Index (100% hedged to NZ dollars); and 16% S&P/NZX Portfolio Index. Additional information about the market index is available on the offer register at [www.business.govt.nz/disclose](http://www.business.govt.nz/disclose).

## Annual Return Graph<sup>2</sup>



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 June 20. 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 2019 these were as follows:

	% of net asset value
<b>Total fund charges (Inc. GST)</b>	<b>0.67%</b>
Which are made up of:	
<b>Total management and administration</b>	<b>0.67%</b>
Including-	
Manager's basic fee	0.48%
Other management and administration charges <sup>3</sup>	0.19%
<b>Total Performance-based fees</b>	<b>0.00%</b>

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.

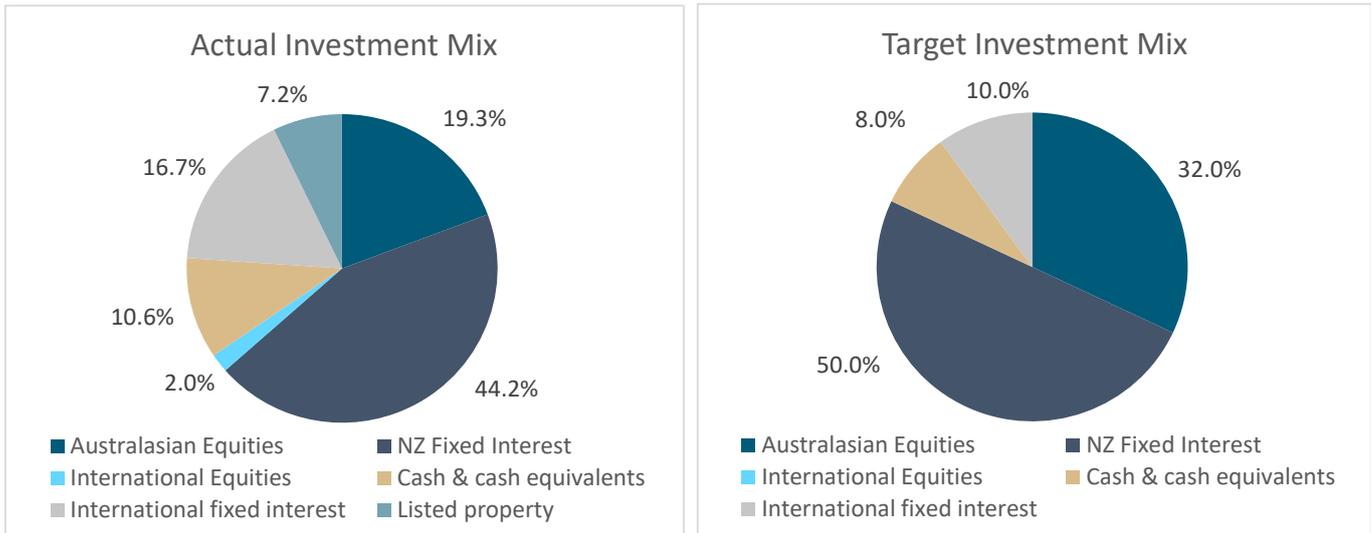
## Example of how this applies to an investor

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 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 \$125 (that is 1.25% of her initial \$10,000). This gives Jenny a total return after tax of \$40 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 June 2020. Actual asset allocation 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
ANZ cash A/C	8.65%	Cash and cash equivalents	NZ	AA
NZ Government Stock 15/04/2037 2.75%	3.25%	New Zealand fixed interest	NZ	AA+
NZGS Index Linked Bond 20/09/2030 3.00%	3.18%	New Zealand fixed interest	NZ	AA+
NZ Government Stock 15/05/2031 1.50%	2.96%	New Zealand fixed interest	NZ	AA+
NZGS Index Linked Bond 20/09/2025 2.00%	2.81%	New Zealand fixed interest	NZ	AA+
Revolution Private Debt Fund II	2.61%	International fixed interest	AU	
Australian Government 21/11/22 2.25%	2.44%	International fixed interest	AU	AAA
Contact Energy Limited	2.23%	Australasian equities	NZ	
NZ Government Stock 15/04/2025 2.75%	1.99%	International fixed interest	NZ	AA+
Spark New Zealand Limited	1.88%	Australasian equities	NZ	

The top 10 investments make up **32.0%** 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 	Director, Head of Fixed Income	9 years and 9 months	AXA/Alliance Bernstein, Head of Fixed Interest	16 years & 5 months
Craig Stent 	Executive Director & Head of Equities	10 years and 6 months	Alliance Bernstein, Research Analyst	7 years & 3 months

## 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](http://www.business.govt.nz/disclose).

## Notes:

1. Returns to 30 June 2020.
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 audited financial statements to 30 June 2019 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.

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