

Harbour Long Short Fund Fund Update

for the quarter ended 30 June 2024

Harbour Investment Funds

This fund update was first made publicly available on 26 July 2024

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.

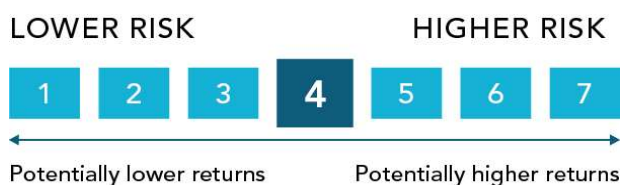
Benchmark: 15% S&P NZX50 Index; 15% S&P/ASX 200 Index & 70% S&P/NZX Bank Bills 90-Day Index.

Total value of the Fund (NZD) **\$10,319,500**

The date the Fund started **3 January 2019**

What are the risks of investing?

Risk indicator for the Harbour Long Short 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 returns data for the 5 years to 30 June 2024. 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.

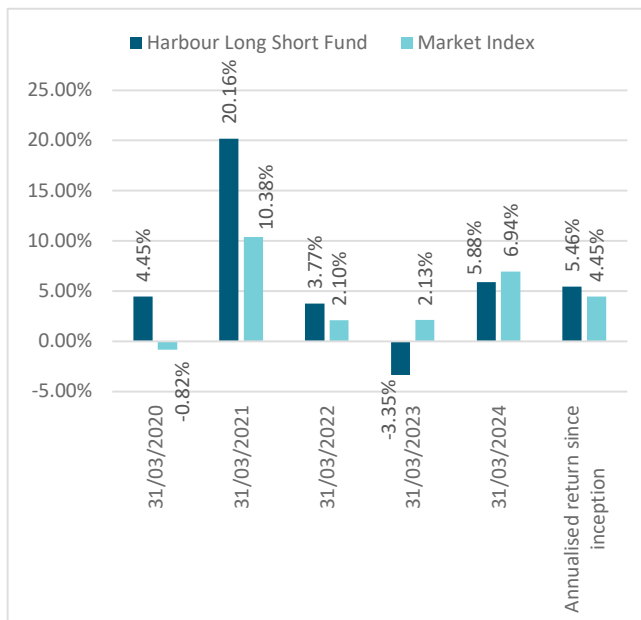
See the Product Disclosure Statement (PDS) for more information about the risks associated with investing in this Fund.

How has the Fund performed?

	Average over past 5 years	Past Year
Annual Return¹ (after deductions for charges and tax)	5.81%	5.81%
Annual Return¹ (after deductions for charges but before tax)	5.76%	6.60%
Market index annual return¹ (reflects no deduction for charges and tax)	3.64%	5.97%

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 register at <https://disclose-register.companiesoffice.govt.nz/>.

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 June 2024.

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 2023 these were as follows:

	% of net asset value
Total fund charges (Inc. GST)	1.14%
Which are made up of:	
Total management and administration	1.14%
Including-	
Manager's basic fee	0.67%
Other management and administration charges ³	0.47%
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. Also see the product disclosure statement for more information about the basis on which performance fees are charged.

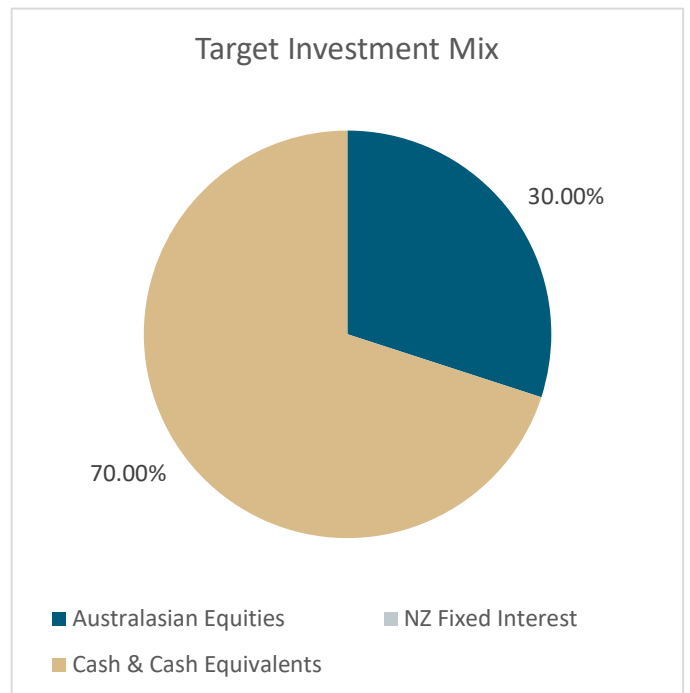
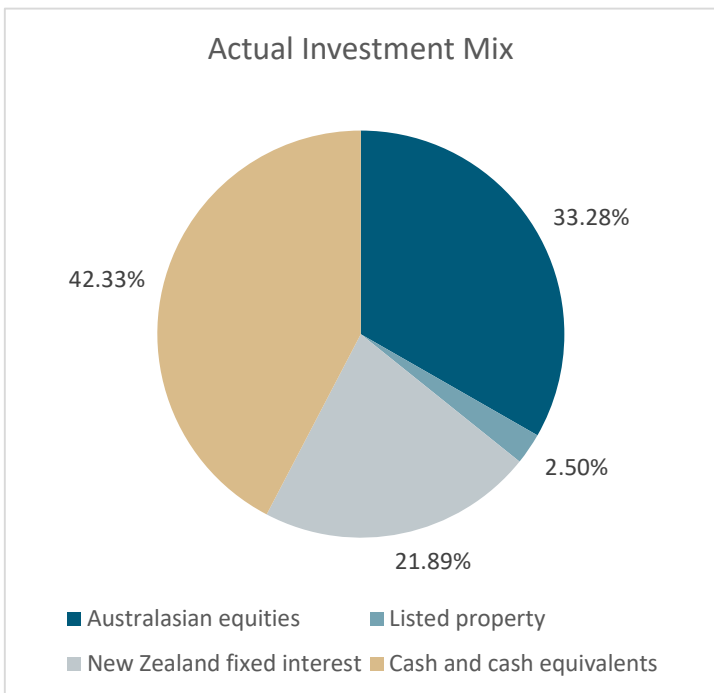
Example of how this applies to an investor

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 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 \$660 (that is 6.60% of her initial \$10,000). This gives Jenny a total return after tax of \$581 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 2024. 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*
Macquarie Margin Cash	32.24%	Cash and cash equivalents	AU	A2
NZ Government Stock 15/04/2025 2.75%	19.10%	New Zealand fixed interest	NZ	AAA
JP Morgan AUD Cash	8.68%	Cash and cash equivalents	AU	A-
Contact Energy	3.49%	Australasian equities	NZ	NA
CSL	2.87%	Australasian equities	AU	NA
ResMed	2.78%	Australasian equities	AU	NA
Infratil	2.77%	Australasian equities	NZ	NA
Mainfreight	2.75%	Australasian equities	NZ	NA
a2 Milk Company	2.72%	Australasian equities	NZ	NA
Xero	2.67%	Australasian equities	AU	NA

* Securities specified as "NA" are those where there is no applicable rating by rating agencies such as S&P, Moody's and Fitch.

The top 10 investments make up **80.07%** 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	14 years & 6 months	Research Analyst, Alliance Bernstein	7 years & 3 months
Oyvinn Rimer 	Director, Senior Research Analyst	14 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 <https://disclose-register.companiesoffice.govt.nz/>.

Notes:

1. Returns to 30 June 2024.
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 2023 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.
4. The Fund currently has 14.86% of assets invested in Australian equities. Of this exposure, we have a 64.62% 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/>