

Harbour Real Estate Investment Fund Fund Update

for the quarter ended 30 June 2023

Harbour Investment Funds

This fund update was first made publicly available on 31 July 2023

What is the purpose of this update?

This document tells you how the Harbour Real Estate Investment 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 aims to capture the income yield and medium-term capital growth characteristics of investing principally in listed real estate assets and enhance diversification and return potential against the benchmark.

Investment Objective: To exceed the benchmark return plus 1% per annum over the medium term.

Benchmark: S&P/NZX All Real Estate Index.

Total value of the Fund (NZD)

\$99,565,724

The date the Fund started

1 October 2018

What are the risks of investing?

Risk indicator for the Harbour Real Estate Investment Fund



A combination of actual Fund returns and Market Index returns have been used to determine the risk indicator for the Harbour Real Estate Investment Fund (inception 1 October 2018), 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 returns data for the 5 years to 30 June 2023. 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.

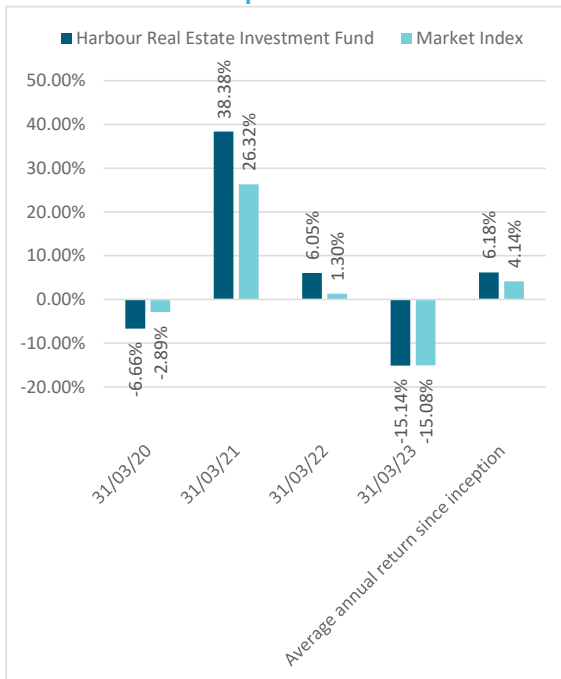
See the Product Disclosure Statement (PDS) for more information about the risks associated with investing in this Fund.

How has the Fund performed?

	Past Year
Annual Return¹ (after deductions for charges and tax)	1.61%
Annual Return¹ (after deductions for charges but before tax)	2.29%
Market index annual return¹ (reflects no deduction for charges and tax)	-0.09%

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.

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 2023.

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 2022 these were as follows:

	% of net asset value
Total fund charges (Inc. GST)	0.78%
Which are made up of:	
Total management and administration	0.78%
Including-	
Manager's basic fee	0.60%
Other management and administration charges ³	0.18%
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.

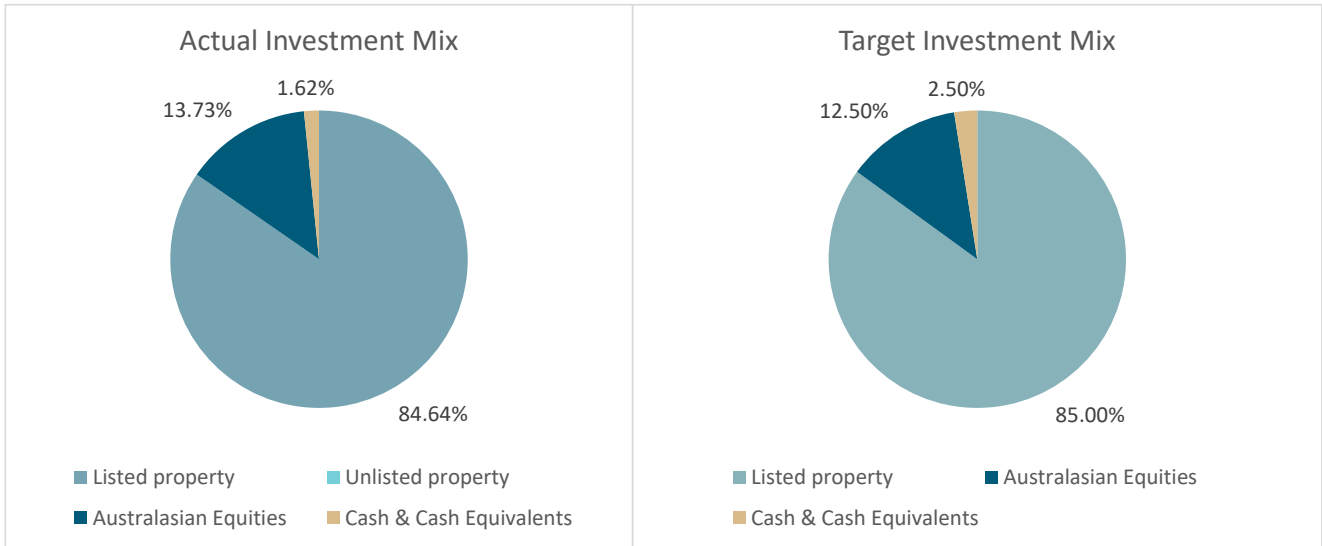
Example of how this applies to an investor

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 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 \$229 (that is 2.29% of her initial \$10,000). This gives Jenny a total return after tax of \$161 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 2023. 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
Goodman Property Trust	19.05%	Listed property	NZ
Precinct Properties Group	12.61%	Listed property	NZ
Kiwi Property Group	10.04%	Listed property	NZ
Vital Healthcare Property Trust	8.94%	Listed property	NZ
Property for Industry	8.15%	Listed property	NZ
Argosy Property	7.39%	Listed property	NZ
Stride Property	3.79%	Listed property	NZ
Goodman Group	3.00%	Listed property	AU
Ryman Healthcare	2.94%	Australasian equities	NZ
Infratil	2.72%	Australasian equities	NZ

The top 10 investments make up **78.63%** 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	9 years & 3 months	Head of Equities, Mint Asset Management	7 years & 2 months
Andrew Bascand 	Managing Director	13 years & 6 months	Senior Vice President & Portfolio Manager, Alliance Bernstein	10 Years
Craig Stent 	Executive Director, Head of Equities	13 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.

Notes:

- Returns to 30 June 2023.
- 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 audited financial statements to 30 June 2022 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.
- The Fund currently has 11.86% of assets invested in Australian equities. Of this exposure, we have a 94.42% 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/>