

# Harbour Income Fund

## MONTHLY FUND FACT SHEET

Information as at 31 December 2021

### Fund Description

The Fund is designed to give a favourable level of income with scope for some capital growth.

### Fund 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.

### Fund Objective

The investment objective of the Fund is to exceed the Official Cash Rate (OCR) plus 3.5% pa over rolling three

### Fund Update

We have continued with a more conservative mix of equity holdings, having reduced global growth equities in favour of less volatile domestic firms. The fixed interest sector has retained a longer duration, although this is predominantly in the 1 – 3 year region, where running yield is attractive relative to cash and market pricing already anticipates rate hikes through 2022.

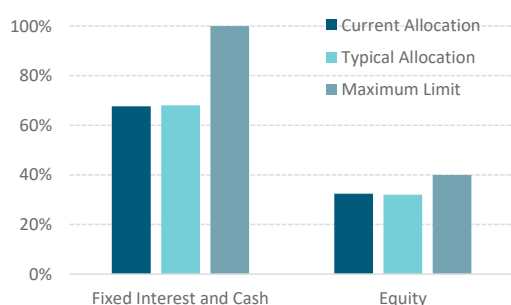
[Click here for the Harbour Market Commentary for this month.](#)

### Performance

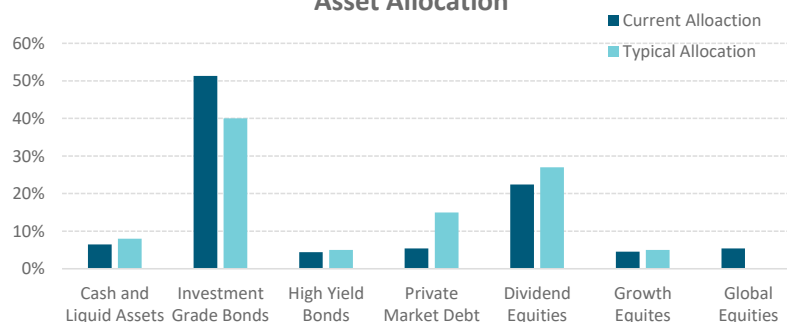
	1 mth	3 mth	1 yr (% p.a)	2 yr (% p.a)	3 yr (% p.a)	5 yr (% p.a)	Since inception (annualised)
<b>Return</b> (reflects no deductions)	<b>1.75%</b>	<b>1.03%</b>	<b>6.38%</b>	<b>7.42%</b>	<b>8.68%</b>	<b>7.56%</b>	<b>6.94%</b>
<b>Benchmark return</b> (reflects no deductions)	1.14%	-1.19%	0.28%	3.49%	6.18%	6.21%	6.26%
<b>Return</b> (after deductions for charges, before tax)	1.68%	0.86%	5.75%	6.74%	8.00%	6.83%	6.20%

Inception: 28 October 2015.

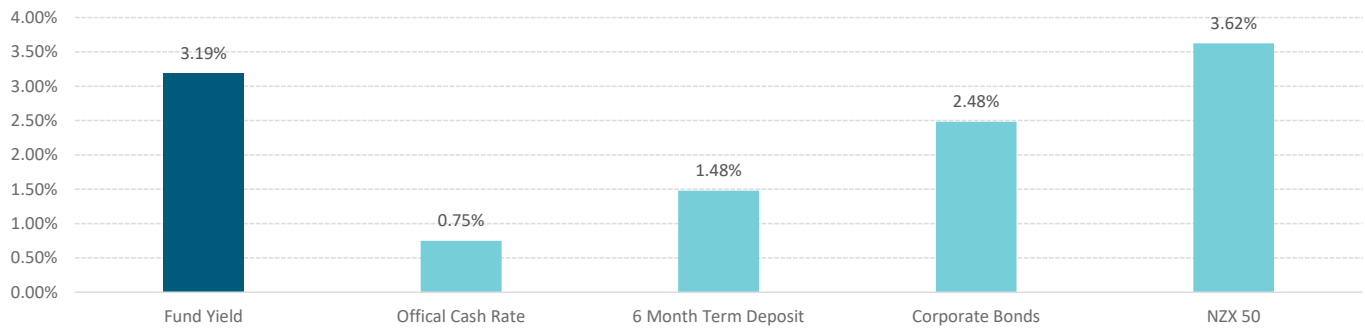
### Equities & Fixed Interest Mix



### Asset Allocation



## Yield



## Example Holdings

### Ebos Group Shares 1.63%

Distributor of healthcare, consumer and animal care products is one of the largest individual equity holdings within the portfolio after having participated in a recent equity raise to fund the purchase of LifeHealthcare, a medical device and therapeutic distribution business. Ebos also provided a strong trading update which has buoyed its shareprice.

### Vulcan Steel Shares 0.63%

Whilst market constraints that have led to strong earnings growth have been coming off to an extent, Vulcan Steel retains positive momentum and capacity to increase its market share in Australia as key future earnings drivers.

### Housing NZ Bonds 1.83%

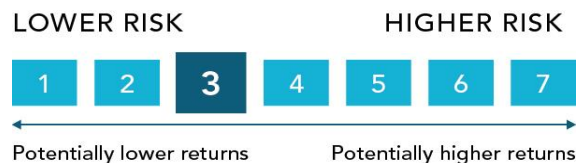
The Fund typically holds larger individual positions in high quality bonds. At 1.6% of the portfolio, Housing NZ Bonds are one of the largest individual bond holdings. These bonds provide a yield uplift above the Government despite being a Crown Entity.

### NAB Low Carbon Portfolio 0.12%

Alongside National Australia Bank, the Fund has lent to a portfolio of operational wind and solar farms in Australia. This holding has reduced from 4% of the Fund in 2018 as the loans have repaid principal and interest with each quarterly repayment. The final payment will be made in January 2022.

## Risk Profile

This Fund has a risk rating of 3, based on returns data from the 5 years to 31 December 2021. For more information on the risks associated with this Fund, please see our Product Disclosure Statement (PDS).



## Investment Team for this Fund

**Mark Brown**  
Head of Fixed Income



**Craig Stent**  
Head of Equities



**Simon Pannett**  
Senior Credit Analyst



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