

Harbour Income Fund

MONTHLY FUND FACT SHEET

Information as at 31 December 2020

Fund Description

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.

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 year periods.

Fund Update

Portfolio performance was strong in December, with domestic equity performance providing the single biggest boost to returns. Global equities also performed well, while fixed interest markets fell as investors identified some light at the end of the Covid-19 tunnel. Helpful markets and active management decisions over the last 6 months enabled annual performance to reach a healthy level, despite the stress seen in the March quarter.

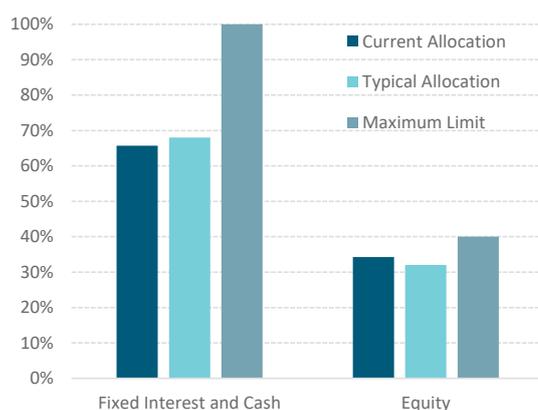
Performance

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

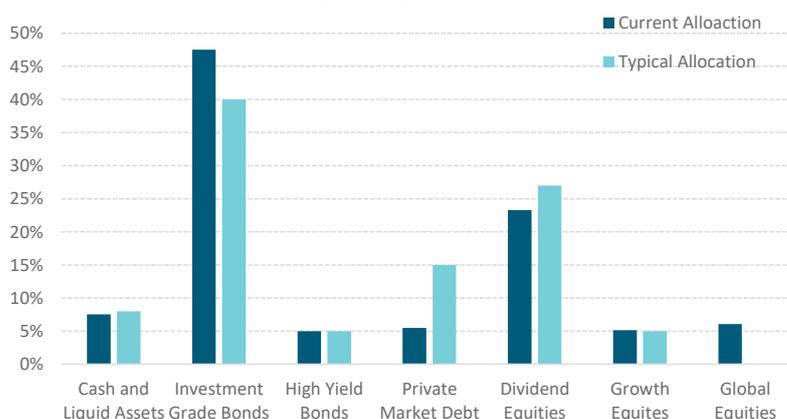
	1 mth	3 mth	1 yr (% p.a)	2 yr (% p.a)	3 yr (% p.a)	5 yr (% p.a)	Since inception (annualised)
Return (reflects no deductions)	1.96%	5.97%	8.48%	9.84%	7.75%	7.29%	7.04%
Benchmark return (reflects no deductions)	0.63%	3.81%	6.81%	9.26%	7.27%	7.48%	7.45%
Return (after deductions for charges, before tax)	1.91%	5.78%	7.75%	9.14%	7.04%	6.52%	6.29%

Inception: 28 October 2015.

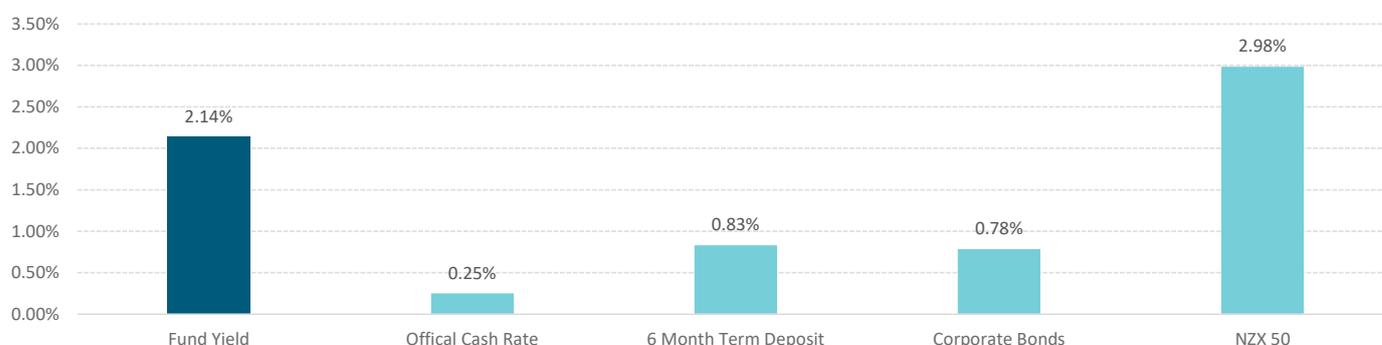
Equities & Fixed Interest Mix



Asset Allocation



Yield



Example Holdings

New Zealand Govt Bonds 17.43%

The Fund holds its largest position in New Zealand Government Bonds. This is a defensive holding in an uncertain environment and provides liquidity to take advantage of an falls in equity markets. We currently view Government Bonds as attractive relative to corporate bonds, particularly at long-dated maturities.

Westpac Bonds 3.77%

Westpac Bank is the largest holding within the investment grade bond portion of the Fund. Thanks to years of incrementally more stringent regulation from the RBNZ post the GFC, we believe the New Zealand bank sector is in a strong position.

Mainfreight Shares 2.05%

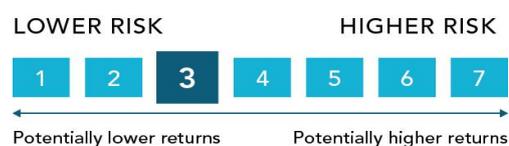
While the majority of the Fund's equity investments are made in companies that pay above average but stable dividends, the Fund also allocates companies such as Mainfreight to grow capital and protect against inflation. In our opinion, Mainfreight is a well-run business with a proven ability to develop new markets.

Revolution Private Debt Fund 3.03%

The Fund has outsourced some of its private debt investment to Sydney-based specialist Revolution Investment Management. Revolution have lent money to a number of private entities including two private hospital operators. Investors do not pay additional fees for this outsourcing.

Key Information

Unit Price	1.054
Unit Pricing	Daily
Fund Size (GAV)	\$147,369,063
Fund Inception Date	28 October 2015
Currency	NZD
Estimated Total Fund charge:	0.63%pa
Performance fee	None
Entry/exit fees	None
Distribution frequency	Monthly
Last distribution Cents Per Unit (CPU)	0.28



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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