

Harbour Enhanced Cash Fund

MONTHLY FUND FACT SHEET

Information as at 31 December 2020

Fund Description

The Fund principally holds cash or cash like securities and seeks to enhance returns through active interest rate management. It may also hold NZ dollar Government Stock, investment grade bonds and bank deposits.

Benchmark

S&P/NZX Bank Bills 90-Day Index

Fund Objective

The investment objective of the Fund is to outperform the benchmark by 85 basis points per annum over a rolling 3-year period.

Performance

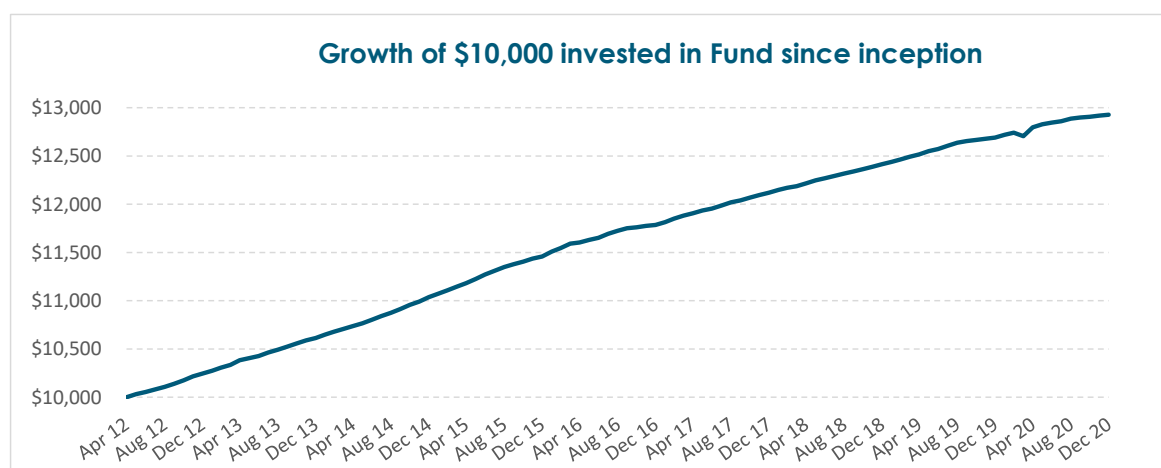
	1 mth	3 mth	1 yr (% p.a)	2 yr (% p.a)	3 yr(% p.a)	5 yr(% p.a)	Since inception (annualised)
Return (reflects no deductions)*	0.09%	0.28%	2.13%	2.31%	2.44%	2.71%	3.27%
Benchmark return (reflects no deductions)	0.02%	0.07%	0.65%	1.16%	1.43%	1.76%	2.31%
Return (after deductions for charges, before tax)**	0.07%	0.22%	1.87%	2.05%	2.18%	2.44%	3.00%

*Returns prior to 31 July 2019 were for the wholesale Harbour NZ Short Duration Fund (inception 27 April 2012). This Fund transitioned to the Harbour Enhanced Cash Fund on 1 August 2019. As a result, Returns from 1 August 2019 onward are a combination of both Funds.

Fund Update

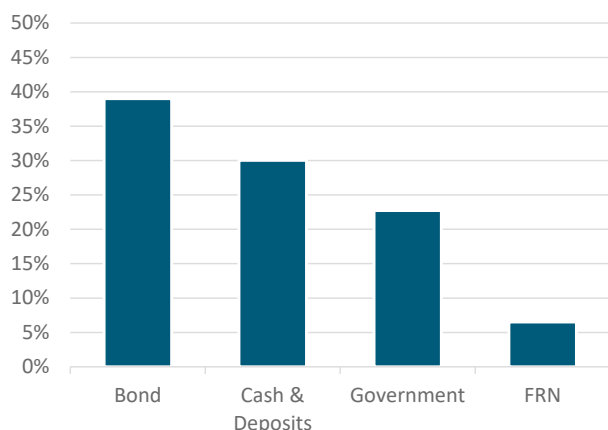
While longer dated bond yields rose over December, pushing returns into negative territory, there was little change in cash markets. Positioning in the fund added value and delivered a small positive return overall. Over the quarter and through 2020 the Fund has been mostly well positioned for the Covid-induced volatility, beating index gross returns by 0.2% and 1.5% respectively.

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

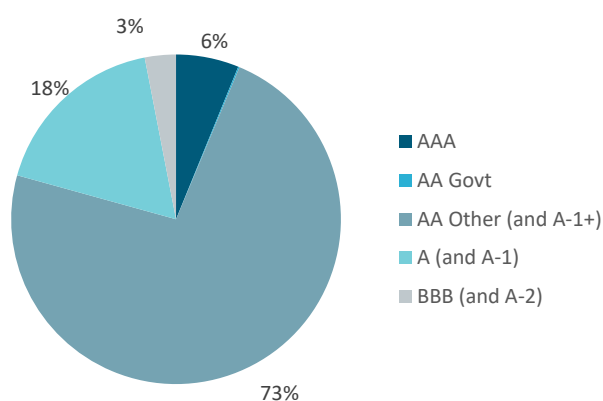


If you had invested \$10,000 in this Fund at inception, as at 31 Dec 2020 it would be worth: **\$ 12,927** after deductions for charges but before tax.

Security Types



Ratings



Risk Profile

This Fund has a risk rating of 1, based on returns data from the 5 years to 31 December 2020. For more information on the risks associated with this Fund, please see our Product Disclosure Statement (PDS).

Top 10 Issuer Exposures

% Portfolio

New Zealand Government	22.7%
Westpac	13.3%
ANZ	10.4%
Kiwibank	8.3%
BNZ / NAB	6.7%
ASB / CBA	5.0%
Mitsubishi UFJ Financial Group	4.7%
Transpower New Zealand	4.3%
Bank of China	4.1%
Cash	2.8%

Key Information

Unit Price	1.2926
Unit Pricing	Daily
Fund Size (GAV)	\$175,152,615
Fund Inception Date*	1/08/2019
Estimated Total Fund charge:	0.25%pa
Performance fee	None
Entry/exit fees	None
Distribution frequency	Does not distribute
Portfolio yield to maturity	0.62%
Yield above 90 day bank bills	0.35%
Modified duration** (years)	0.33
Credit duration (years)	0.84

* Fund transitioned from Harbour NZ Short Duration Fund (inception 27 April 2012) to Harbour Enhanced Cash Fund on 01 August 2019.

**Duration measures the sensitivity of the Fund's value to changes in interest rates. If interest rates rise by 1.0% then the Fund's percentage value will fall by approximately the duration (and vice versa for a fall in interest rates).

LOWER RISK

HIGHER RISK



Investment Team for this Fund

Mark Brown
Head of Fixed Income



George Henderson, CFA
Portfolio Manager



Hamish Pepper
Fixed Income Market Strategist



Simon Pannett, CFA
Director, Senior Credit Analyst



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