

Harbour Income Fund

MONTHLY FUND FACT SHEET

Information as at 30 June 2022

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 year periods

Fund Update

Following market weakness, the Fund now holds more equities than its typical allocation, but the composition of these equities remains defensive, concentrated in stable dividend paying businesses rather than high growth enterprises. The manager has recently reduced the exposure to high yielding fixed interest securities to below 5% of the portfolio. During June the Fund exited a private market credit investment exposed to Australian property markets and rotated towards private market lending to New Zealand businesses. In aggregate these moves resulted in a modest increase to the Fund's private credit allocation.

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

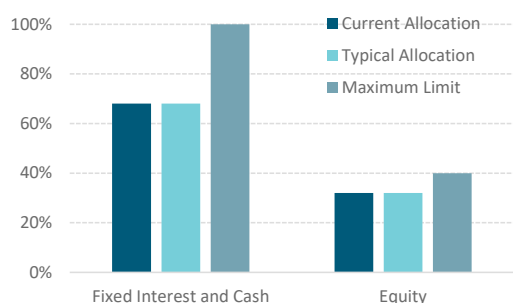
Performance

	1 mth	3 mth	1 yr (% p.a)	2 yr (% p.a)	3 yr (% p.a)	5 yr (% p.a)	Since inception (annualised)
Return (reflects no deductions)	-1.63%	-3.03%	-2.43%	5.32%	4.15%	5.47%	5.53%
Benchmark return (reflects no deductions)	-1.97%	-4.33%	-7.72%	-0.67%	0.70%	3.68%	4.59%

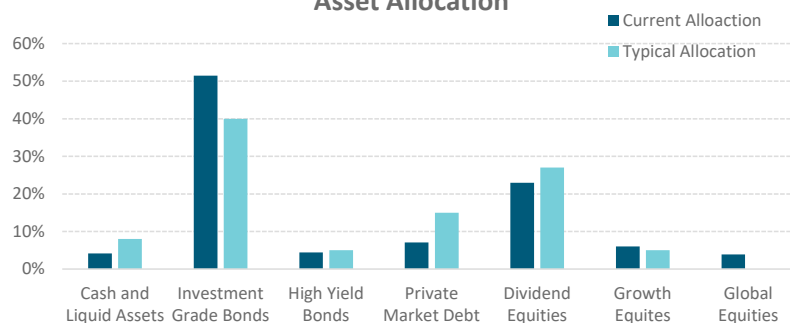
Return (after deductions for charges, before tax)	-1.52%	-3.11%	-2.96%	4.71%	3.54%	4.80%	4.82%
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Inception: 28 October 2015.

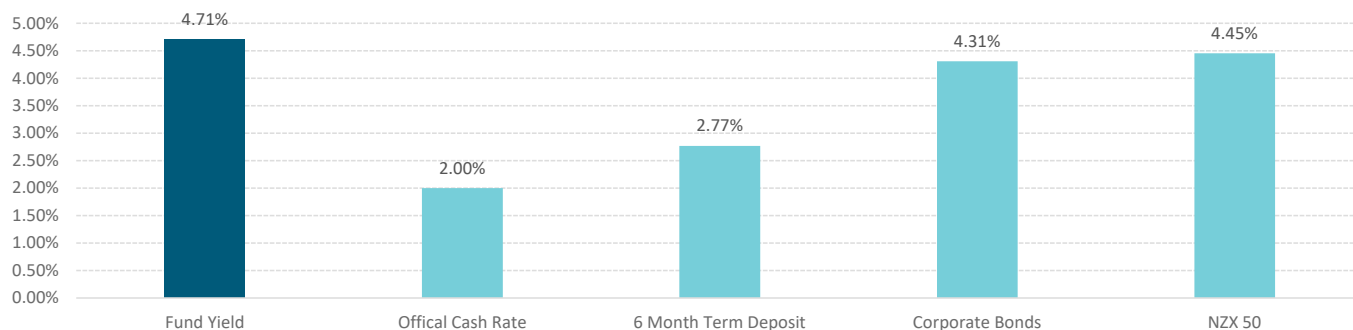
Equities & Fixed Interest Mix



Asset Allocation



Yield



Example Holdings

NZ Govt Inflation Linked Bonds 10.73%

While headline inflation may have peaked, it appears unlikely to fall swiftly especially given lockdowns in some Chinese cities as well as the conflict in Ukraine impacting oil and food prices. We believe the price of inflation protection offered by these bonds continues to provide attractive cover for the risk of continued higher inflation.

PCG Diversified New Zealand Debt Fund 1.23%

The newly launched PCG Fund will provide senior (i.e. unsubordinated) lending to New Zealand businesses. Investors in the Harbour Income Fund do not pay an additional layer of management fees for this investment.

SCT Logistics Bonds 0.22%

A holding of 0.2% is typical of lower rated debt instruments such as those issued by family-owned rail haulage firm SCT Logistics. SCT is one of two major operators to provide rail freight across Australia's east / west corridor.

Spark Shares 1.70%

Spark is one of the largest individual equity holdings. Spark's mature business model in a relatively stable industry provides the yield stability the Fund looks for within the equity income segment of the portfolio.

Key Information

Unit Price	1.0004
Unit Pricing	Daily
Fund Size (GAV)	\$243,543,350
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)	0.27

Risk Profile

This Fund has a risk rating of 4, based on returns data from the 5 years to 30 June 2022. For more information on the risks associated with this Fund, please see our Product Disclosure Statement (PDS).

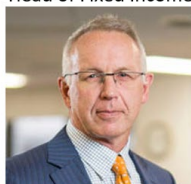


Investment Team for this Fund

Simon Pannett
Senior Credit Analyst



Mark Brown
Director,
Head of Fixed Income



Craig Stent
Executive Director,
Head of Equities



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