

# Harbour Real Estate Investment Fund Fund Update

for the quarter ended 31 March 2019

Harbour Investment Funds

This fund update was first made publicly available on 30 April 2019

## 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)

\$5,383,584

The date the Fund started

1 October 2018

## What are the risks of investing?

LOWER RISK

HIGHER RISK



Potentially lower returns

Potentially higher returns

A combination of actual Fund returns and Market Index returns have been used to determine the risk indicator for the 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

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 31 March 2019. 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
<b>Annual Return<sup>1</sup></b> (after deductions for charges and tax)	<b>Not applicable</b> (as Fund has not been running for a year)
<b>Annual Return<sup>1</sup></b> (after deductions for charges but before tax)	<b>Not applicable</b> (as Fund has not been running for a year)
<b>Market index annual return<sup>1</sup></b> (reflects no deduction for charges and tax)	<b>25.18%</b>

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](http://www.business.govt.nz/disclose).

## What fees are investors charged?

Investors in the Fund are charged fund charges. This Fund has not been open for a year to 30 June 2018. As such, below are estimates of fees to 31 December 2018:

	% of net asset value
<b>Total fund charges (Inc. GST)</b>	<b>0.72%</b>
Which are made up of:	
<b>Total management and administration</b>	<b>0.72%</b>
Including-	
Manager's basic fee	0.55%
Other management and administration charges <sup>2</sup>	0.17%
<b>Total Performance-based fees</b>	<b>0.00%</b>

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. Also see the product disclosure statement for more information about the basis on which performance fees are charged.

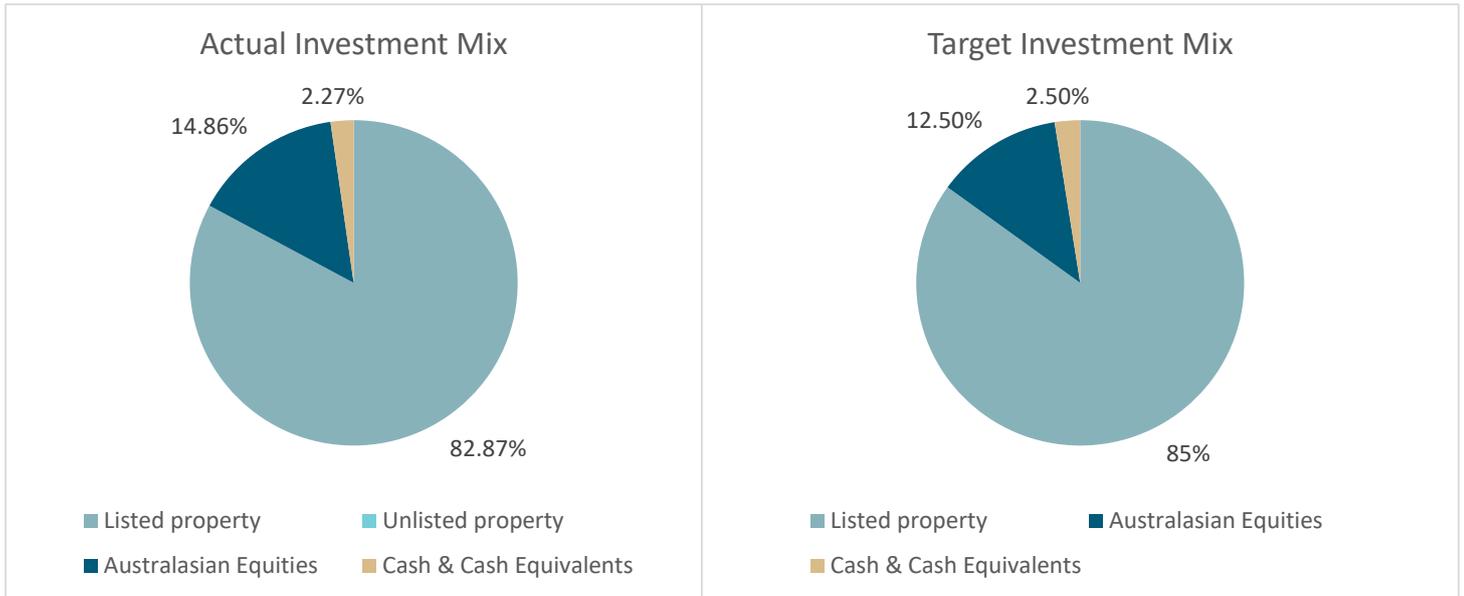
## Example of how this applies to an investor

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 on 1 October 2018 (inception date) and did not make any further contributions. At the end of March 2019, Jenny received a return after fund charges were deducted of \$1,060 (that is 10.60% of her initial \$10,000). This gives Jenny a total return after tax of \$1,014 for the period 1 October 2018 to 31 March 2019.

## What does the Fund invest in?

This shows the types of assets that the fund invests in.



Actual asset allocation to 31 March 2019. 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
Precinct Properties NZ	15.66%	Listed property	NZ
Kiwi Property Group	12.91%	Listed property	NZ
Property For Industry	9.98%	Listed property	NZ
Argosy Property	9.63%	Listed property	NZ
Goodman Property Trust	9.05%	Listed property	NZ
Vital Healthcare Property	7.53%	Listed property	NZ
Stride Property	5.51%	Listed property	NZ
Goodman Group	3.31%	Listed property	AU
Centuria Industrial	3.24%	Australasian Equities	AU
Charter Hall Group	3.16%	Listed property	AU

The top 10 investments make up **80.0%** 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	5 years & 0 months	Head of Equities, Mint Asset Management	7 years & 2 months
 Andrew Bascand	Managing Director	9 years & 3 months	Senior Vice President & Portfolio Manager, Alliance Bernstein	10 Years
 Craig Stent	Executive Director, Head of Equities	9 years & 3 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](http://www.business.govt.nz/disclose).

## Notes:

- Returns to 31 March 2019.
- 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 estimates to 31 December 2018 and exclude 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 24.49% of assets invested in Australian equities. Of this exposure, we have a 76.99% hedge on these Australian dollar denominated assets.

## Hyperlinks to Harbour documents:

Product Disclosure statement (PDS)

Other material information (OMI)

Statement of Investment policy & objectives (SIPO)