

Harbour Sustainable NZ Shares Fund Fund Update

for the quarter ended 30 September 2021

Harbour Investment Funds

This fund update was first made publicly available on 28 October 2021

What is the purpose of this update?

This document tells you how the Harbour Sustainable NZ Shares 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 is managed against companies in the S&P NZX Portfolio Index, with exclusions to companies that are exposed to large carbon emitters, alcohol, gambling, munitions, adult entertainment, nuclear armaments, firearms, tobacco and recreational cannabis, child labour and companies with human and animal right violations. There will also be positive and negative tilts to the remaining companies based on Harbour’s proprietary Corporate Behaviour Score.

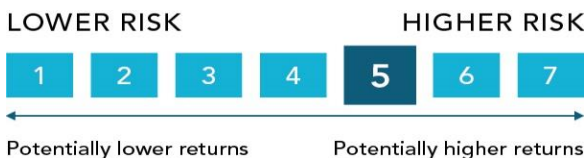
Investment Objective: To provide investors exposure to constituents of the S&P/NZX Portfolio Index with exclusions to companies that do not meet Harbours’ criteria of Responsible investing.

Benchmark: S&P/NZX 50 Portfolio Index.

Total value of the Fund (NZD) **\$137,349,542**

The date the Fund started **7 April 2021**

What are the risks of investing?



A combination of actual Fund returns and market index returns have been used to determine the risk indicator for the Harbour Sustainable NZ Shares Fund (inception 1 April 2021), 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 www.sorted.org.nz.

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 30 September 2021. 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
Annual Return¹ (after deductions for charges and tax)	na
Annual Return¹ (after deductions for charges but before tax)	na
Market index annual return¹ (reflects no deduction for charges and tax)	21.61%

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 Portfolio Index . Additional information about the market index is available on the offer register at 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 2021. As such, below are estimates of fees to 30 September 2021.

	% of net asset value
Total fund charges (excl. GST)	0.25%
Which are made up of:	
Total management and administration	0.25%
Including-	
Manager's basic fee	0.17%
Other management and administration charges ²	0.08%
Total Performance-based fees	0.00%

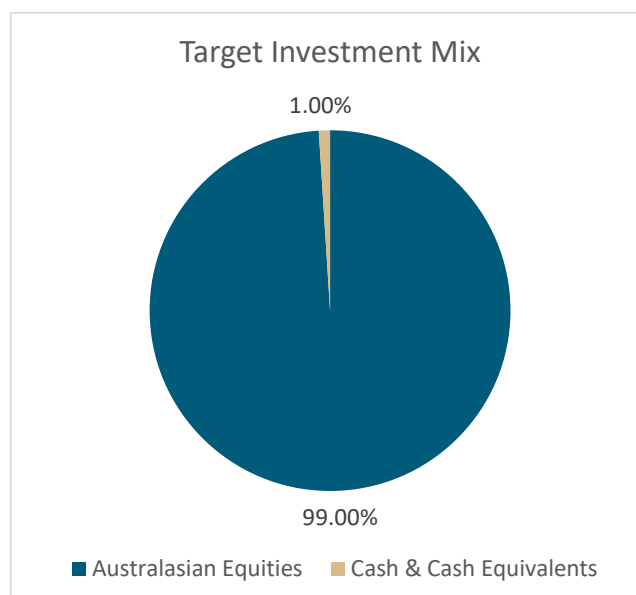
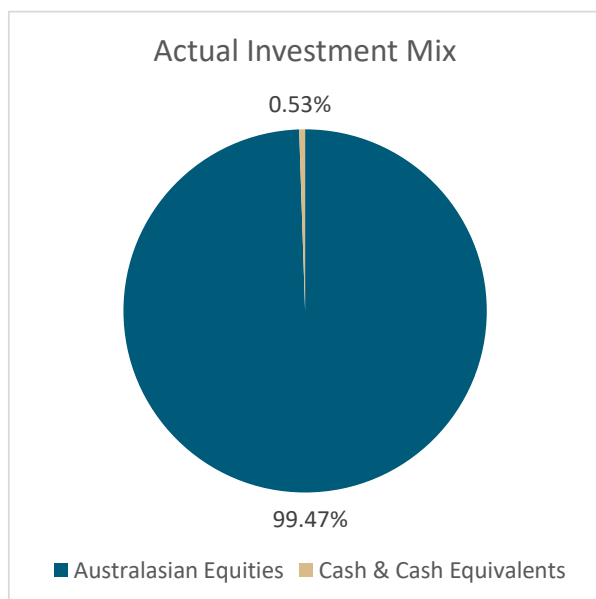
Investors may also be charged individual action fees for specific actions or decisions (for example, for withdrawing from or switching funds). See the PDS and Other Material Information Document OMI for more information about fees. Also see the product disclosure statement for more information about 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 Sustainable NZ Shares Fund on 1 April 2021 (inception date) and did not make any further contributions. At the end of September 2021, Jenny received a return after fund charges were deducted of \$536 (that is 5.36% of her initial \$10,000). This gives Jenny a total return after tax of \$494 for the period 1 April 2021 to 30 September 2020.

What does the Fund invest in?

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



Actual asset allocation to 30 September 2021. 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
Auckland International Airport Limited	5.96%	Australasian equities	NZ
Contact Energy Limited	5.94%	Australasian equities	NZ
Fisher & Paykel Healthcare Corp Ltd	5.81%	Australasian equities	NZ
Spark New Zealand Limited	5.62%	Australasian equities	NZ
Ryman Healthcare	5.52%	Australasian equities	NZ
Mainfreight Limited	5.51%	Australasian equities	NZ
Infratil Limited	5.48%	Australasian equities	NZ
Meridian Energy Limited	5.41%	Australasian equities	NZ
Fletcher Building Limited	5.13%	Australasian equities	NZ
The A2 Milk Company Limited	4.87%	Australasian equities	NZ

The top 10 investments make up **55.2%** of the net asset value of the Fund.

Key Personnel

Name	Current Position	Time in current position	Previous position	Time in previous position
Craig Stent 	Executive Director, Head of Equities	11 years and 9 months	Research Analyst, Alliance Bernstein	7 years & 3 months

Further information

You can also obtain this information, the PDS for the Harbour Sustainable NZ Shares Fund, and some additional information from the offer register at www.business.govt.nz/disclose.

Notes:

1. Returns to 30 September 2021.
2. The bar chart shows fund returns after the deduction of fees and tax, however the market index returns are shown before any fees or tax is deducted.
3. 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 30 September 21 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.

Hyperlinks to Harbour documents:

Links to the latest PDS, SIPO & OMI for the Harbour Funds can be found on the Harbour website:
<https://www.harbourasset.co.nz/our-funds/investor-documents/>