

Harbour Active Growth Fund Fund Update

for the quarter ended 30 June 2020

Harbour Investment Funds

This fund update was first made publicly available on 28 July 2020

What is the purpose of this update?

This document tells you how the Harbour Active Growth 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 designed to provide investors with exposure to a wide range of domestic and global assets. The Fund invests approximately two thirds in growth assets such as shares, property and infrastructure and approximately one third into more defensive assets, predominantly investment grade bonds. The Manager will use active management to enhance returns and manage downside risks.

Investment Objective: The objective is to exceed the Official Cash Rate (OCR) plus 5% over rolling 5-year periods.

Benchmark: 5% S&P/NZX Bank Bills 90-day Index, 25% Bloomberg Composite 0+ Yr Index, 10% S&P/NZX All Real Estate Index, 22.5% S&P/NZX 50 Index, 7.5% S&P/ASX 200 Index (50% hedged to NZD), 30% MSCI All Country World Index (unhedged).

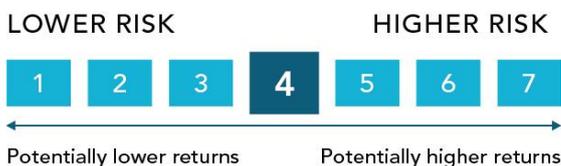
Total value of the Fund (NZD)

\$7,222,587

The date the Fund started

1 November 2019

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 Active Growth Fund (inception 1 November 2019), 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 June 2020. 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)	4.67%

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 5% S&P/NZX Bank Bills 90-day Index, 25% Bloomberg Composite 0+ Yr Index, 10% S&P/NZX All Real Estate Index, 22.5% S&P/NZX 50 Index, 7.5% S&P/ASX 200 Index (50% hedged to NZD), 30% MSCI All Country World Index (unhedged). 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 2019. As such, below are estimates of fees to 30 June 2020.

	% of net asset value
Total fund charges (Inc. GST)	0.99%
Which are made up of:	
Total management and administration	0.99%
Including-	
Manager's basic fee	0.77%
Other management and administration charges ²	0.18%
Total Performance-based fees	0.04%

The above performance fee estimate relates to the Harbour Active Growth Fund's investment in the Harbour Long Short Fund.

The performance fee is an estimate based on data to 30 June 2020. We estimate a performance fee of 0.04% may be payable for the year ending 31 December 2020. This is subject to change (up or down) depending on relative performance within the Long Short Fund for the remainder of the calendar year for 2020. See OMI for more information on how performance fees are charged.

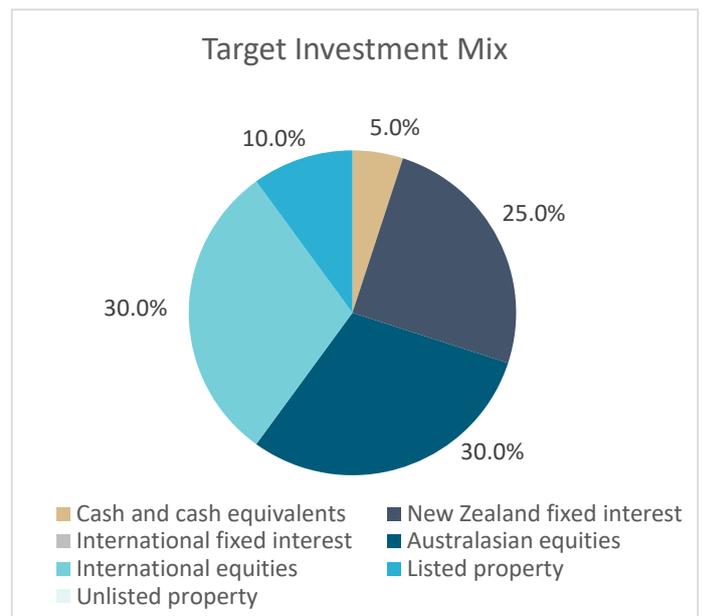
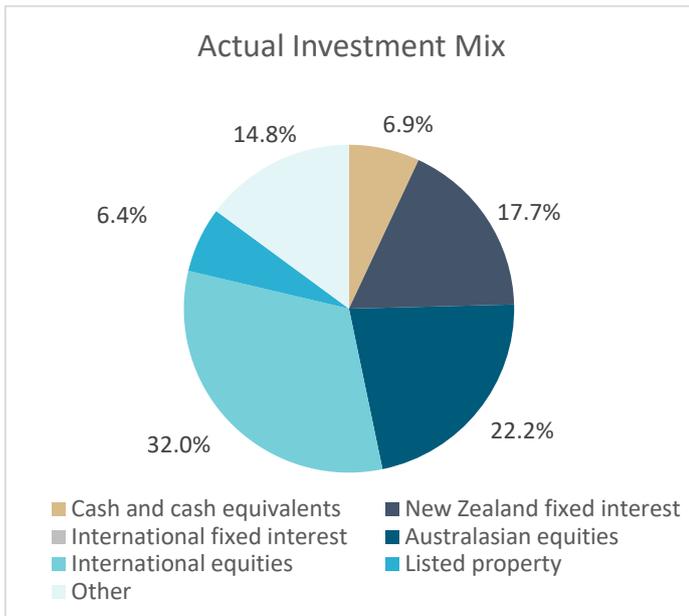
Investors may also be charged individual action fees for specific actions or decisions (for example, for withdrawing from or switching funds). See the PDS and Other Material Information Document OMI for more information about fees. Also see the product disclosure statement for more information about 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 Active Growth Fund on 1 November 2019 (inception date) and did not make any further contributions. At the end of June 2020, Jenny received a return after fund charges were deducted of \$696 (that is 6.96% of her initial \$10,000). This gives Jenny a total return after tax of \$645 for the period 1 November 2019 to 30 June 2020.

What does the Fund invest in?

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



Actual asset allocation to 30 June 2020. 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
ANZ cash account	8.92%	Cash and cash equivalents	NZ
Baillie Gifford World Wide Discovery Fund	7.94%	International equities	IE
First State Investments Global Listed Infrastructure PIE	5.95%	International fixed interest	NZ
iShares MSCI EMU ESG Screened UCITS ETF	3.73%	International equities	IE
NZ Government Stock 20/04/2029 3.00%	2.91%	New Zealand fixed interest	NZ
The A2 Milk Company Limited	2.89%	Australasian equities	NZ
Premia CSI Caixin China New Economy ETF	2.40%	International equities	HK
Macquarie Margin AUD	2.22%	Cash and cash equivalents	AU
Mainfreight Limited	1.99%	Australasian equities	NZ
Summerset Group Ltd	1.66%	Australasian equities	NZ

The top 10 investments make up **40.6%** of the net asset value of the Fund.

Key Personnel

Name	Current Position	Time in current position	Previous position	Time in previous position
Chris Di Leva 	Multi Asset Specialist	1 years and 9 months	Mercer- Portfolio Manager	8 Years & 0 months

Further information

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

Notes:

1. Returns to 30 June 2020.
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 June 2020 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.

Hyperlink to Harbour Investor 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/>