

How has the Fund performed?

	Past Year
Annual Return¹ (after deductions for charges and tax)	32.45%
Annual Return¹ (after deductions for charges but before tax)	33.42%
Market index annual return¹ (reflects no deduction for charges and tax)	32.37%

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.

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 31 December 2019:

	% of net asset value
Total fund charges (Inc. GST)	0.72%
Which are made up of:	
Total management and administration	0.72%
Including-	
Manager's basic fee	0.55%
Other management and administration charges ²	0.17%
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.

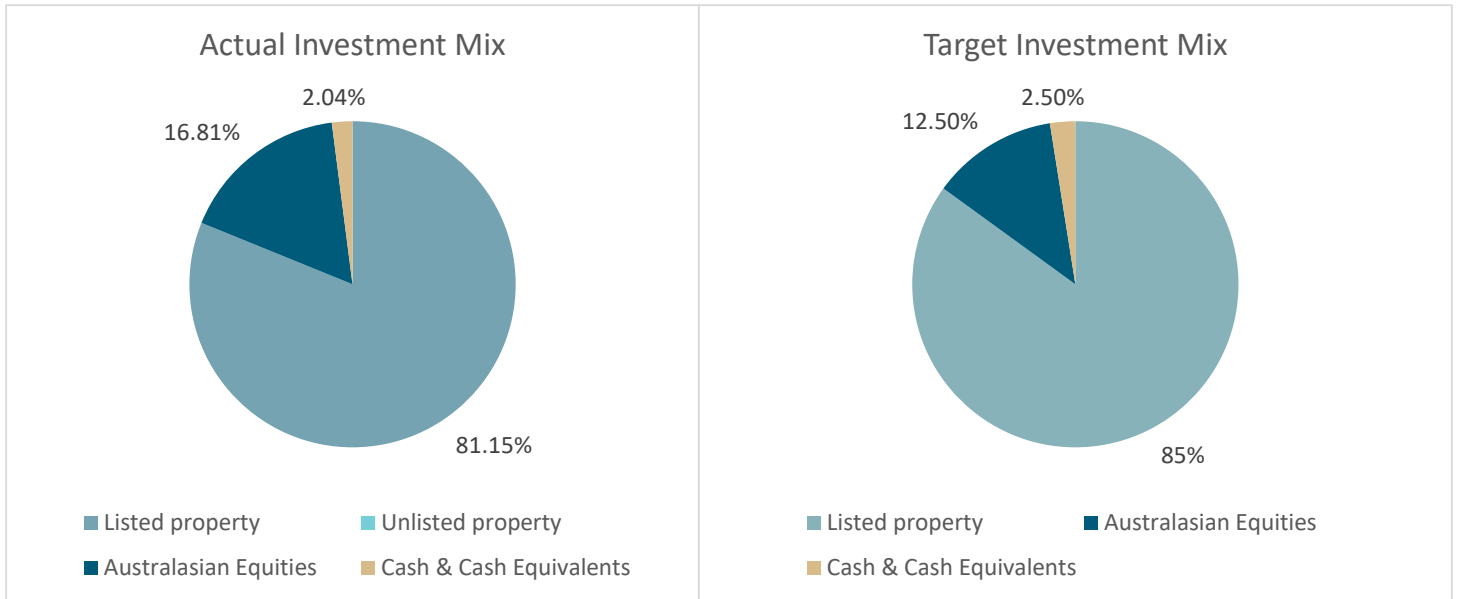
Example of how this applies to an investor

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 Real Estate Investment Fund at the start of the year and did not make any further contributions. At the end of December 2019, Jenny received a return after fund charges were deducted of \$3,342 (that is 33.42% of her initial \$10,000). This gives Jenny a total return after tax of \$3,245 for the year.

What does the Fund invest in?

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



Actual asset allocation to 31 December 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	14.51%	Listed property	NZ
Kiwi Property Group	10.59%	Listed property	NZ
Goodman Property Trust	9.60%	Listed property	NZ
Vital Healthcare Property	9.58%	Listed property	NZ
Property For Industry	7.74%	Listed property	NZ
Argosy Property	7.09%	Listed property	NZ
Goodman Group	4.87%	Listed property	AU
Charter Hall Group	3.59%	Listed property	AU
Stride Property	3.50%	Listed property	NZ
Investore Property	3.25%	Listed property	NZ

The top 10 investments make up **74.3%** 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 & 10 months	Head of Equities, Mint Asset Management	7 years & 2 months
Andrew Bascand 	Managing Director	10 years & 0 months	Senior Vice President & Portfolio Manager, Alliance Bernstein	10 Years
Craig Stent 	Executive Director, Head of Equities	10 years & 0 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.

Notes:

- Returns to 31 December 2019.
- 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.
- 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 2019 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 16.81% of assets invested in Australian equities. Of this exposure, we have a 85.17% hedge on these Australian dollar denominated assets.

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/>