Harbour Income Fund
Fund Update
for the quarter ended 30 September 2026

Harbour Investment Funds | **This fund update was first made publicly available on 29 October 2026**

What is the purpose of this update?

This document tells you how the Harbour Income 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

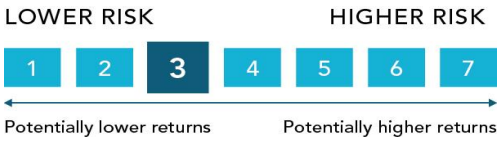
The Fund is designed to provide a favourable level of income for investors seeking income with scope for capital appreciation and/or with a low tolerance for large declines in investment values. The Fund invests predominantly in New Zealand investment grade fixed interest securities and Australasian equities which pay a sustainable dividend yield. Other tools, such as active management and scope to invest in sub investment grade securities may also be used to enhance returns.

Investment Objective: The investment objective of the Fund is to exceed the Official Cash Rate (OCR) plus 3.5% pa over rolling three year periods.

Total value of the Fund (NZD)	**$ 295,699,801**
The date the Fund started	**28 October 2015**

What are the risks of investing?

Risk indicator for the Harbour Income 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 2026. 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?

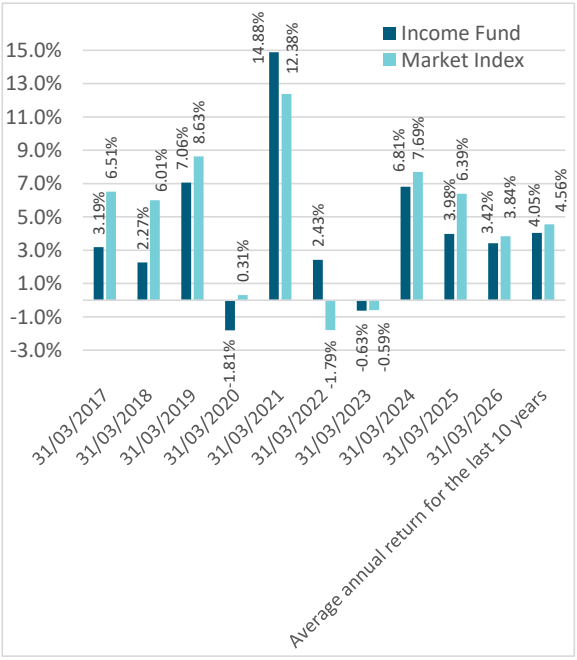
	Average over past 5 years	Past Year
Annual Return[1] (after deductions for charges and tax)	**2.86%**	**0.22%**
Annual Return[1] (after deductions for charges but before tax)	**3.99%**	**0.60%**
Market index annual return[1] (reflects no deduction for charges and tax)	**2.99%**	**-0.31%**

The market index annual return is based on the weighted average return of the market indices used to measure performance of the underlying fund. Where the Fund invests in assets for which no appropriate market index exists (for example private credit assets), those assets are excluded from the market index return calculation, and the remaining indices are re-weighted (grossed up for assets excluded from the market index return calculation) to reflect the Fund's target investment mix.

The market index (benchmark) return may be a less reliable indicator of Fund performance as a whole than if an appropriate market index existed for all the Fund's assets.

Additional information about the market index is available on the offer register (search HARBOUR INVESTMENT FUNDS) at https://disclose-register.companiesoffice.govt.nz/

Annual Return Graph[2]



This shows the return after fund charges and tax for each year ending 31 March for the last 10 years.
The last bar shows the annualised annual return for the last 10 years, up to 30 September 2026.
Market Index returns do not include any tax, expenses or charges.

Important: This does not tell you how the Fund will perform in the future. Returns in this update are after tax at the highest prescribed investor rate (PIR) of tax for an individual New Zealand resident. Your tax may be lower.

What fees are investors charged?

Investors in the Fund are charged fund charges. In the year to 30 June 2026 these were as follows:

	% of net asset value
Total fund charges (Inc. GST)	**0.63%**
Which are made up of:	
Total management and administration	**0.63%**
Including-	
Manager's basic fee	0.57%
Other management and administration charges[3]	0.06%
Total Performance-based fees	0.00%

The Harbour Income Fund does not charge a performance fee, however, some of the underlying Funds do, which flows through to the investor. Please refer to the PDS & 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.

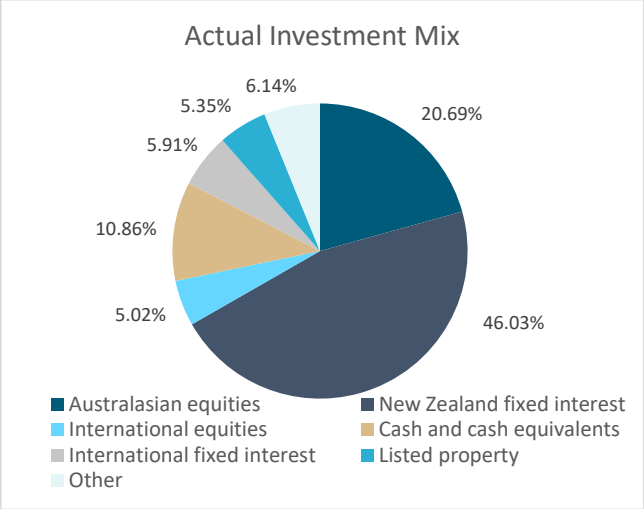
Example of how this applies to an investor

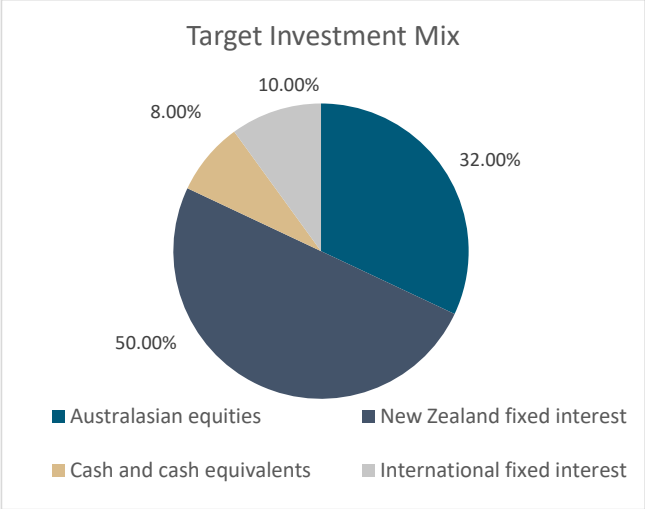
Small differences in fees and charges can have a big impact on your investment over the long term.

Jenny had $10,000 in the Harbour Income Fund at the start of the year and did not make any further contributions. At the end of the year, Jenny received a return, after fund charges were deducted, of $60 (that is 0.60% of her initial $10,000). This gives Jenny a total return after tax of $22 for the year.

What does the Fund invest in?

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





Actual asset allocation to 30 September 2026. 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	Credit Rating (if applicable)
ANZ NZD Cash	9.37%	Cash and cash equivalents	NZ	A-1+
New Zealand Government 0.25% 15/05/2028	5.97%	New Zealand fixed interest	NZ	AAA
New Zealand Government Inflation Index Bond 3.9705	5.05%	New Zealand fixed interest	NZ	AAA
Infratil	3.15%	Australasian equities	NZ	
JP Morgan AUD Cash	3.02%	Cash and cash equivalents	AU	A-1
Revolution Private Debt Fund	2.89%	Other	NZ	
Contact Energy	2.19%	Australasian equities	NZ	
PCG Diversified New Zealand Private Debt Fund	2.03%	Other	NZ	
New Zealand Government 3% 20/04/2029	2.00%	New Zealand fixed interest	NZ	AAA
Mainfreight	1.92%	Australasian equities	NZ	

** Securities categorised as "Other" pertain to unitised investments with a mix of various asset classes (NZ and International)*

The top 10 investments make up **37.59%** of the net asset value of the Fund.

Key Personnel

Name	Current Position	Time in current position	Previous position	Time in previous position
Mark Brown 	Director, Head of Fixed Income	16 years & 0 months	AXA/Alliance Bernstein, Head of Fixed Interest	16 years & 5 months
Simon Pannett 	Portfolio Manager, Senior Credit Analyst	0 years & 6 months	Director, Senior Credit Analyst, Harbour Asset Management	12 years & 8 months
Jenny Yang 	Senior Quantitative Analyst	2 years & 8 months	Fixed Income Analyst, Harbour Asset Management	3 years & 3 months
Craig Stent 	Executive Director & Head of Equities	16 years & 9 months	Alliance Bernstein, Research Analyst	7 years & 3 months

The following key personnel above were not named in a previous fund update for the fund:

- Jenny Yang

Further information

You can also obtain this information, the PDS for the Harbour Income Fund, and some additional information from the offer register at https://disclose-register.companiesoffice.govt.nz/.

Notes:

1. Returns to 30 September 2026.
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 audited financial statements to 30 June 2026 and includes 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/