



HARBOUR INVESTMENT FUNDS

Product Disclosure Statement – Diversified Funds
Issued by Harbour Asset Management Limited
21 November 2025

This document gives you important information about this investment to help you decide whether you want to invest. There is other useful information about this offer on www.disclose-register.companiesoffice.govt.nz. Harbour Asset Management Limited has prepared this document in accordance with the Financial Markets Conduct Act 2013 (FMC Act). You can also seek advice from a financial advice provider to help you to make an investment decision.

1. Key information summary

What is this?

This is a managed investment scheme. Your money will be pooled with other investors' money and invested in various investments. Harbour Asset Management Limited (**Harbour, we, us or our**) will invest your money and charge you a fee for our services. The returns you receive are dependent on our investment decisions (and, where applicable, those of our carefully selected external managers) and the performance of the investments. The value of those investments may go up or down. The types of investments and the fees you will be charged are described in this document.

How you invest into the Funds is related to the size of your investment, and whether you require financial advice. See our website: www.harbourasset.co.nz/invest-with-us for more details.

The Funds are available via a Portfolio Investor Proxy (**PIP**) or custodial service. The PIP or custodial service invests in the Funds on your behalf and is therefore the investor to us. In some instances, references in this document to "you" are referring to the PIP or custodial service you or your financial adviser use.

Different services have different requirements so throughout the document we refer to 'your service' which includes the PIP or custodial service you or your financial adviser use, if applicable. For more information please see "10. How to Apply".

For larger amounts, it may be possible for you to invest directly with Harbour if you do not require financial advice. See our website: www.harbourasset.co.nz/invest-with-us for more details.

What will your money be invested in?

There are 5 funds (**Funds**) offered under this Product Disclosure Statement (**PDS**).

These investment options are summarised on the following page. More information about the investment target and strategy for each investment option is provided in "3. Description of your investment option(s)".

Who manages the Harbour Investment Funds?

The Manager of the Funds is Harbour Asset Management Limited. See "7. Who is involved?" for more information about us.

What are the returns?

The return on your investment comes from:

- any increase or decrease in the Fund's unit price, and
- any income distributions made from the Fund.

The Harbour Income Fund and Harbour Balanced Growth Fund intend to pay monthly distributions. The other Funds offered under this PDS do not distribute income; any accrued income for these Funds is reflected in each Fund's unit price. See "2. How does this investment work?" for more information.

How can you get your money out?

You can withdraw some or all of your investment at any time by completing a signed withdrawal request and providing it to your financial adviser, PIP, custodial service or directly to Harbour as applicable. We can suspend or defer withdrawals in certain circumstances. We may suspend withdrawals or delay payments from a Fund if it is in the best interests of all investors in the Fund or to protect a Fund's Portfolio Investment Entity (**PIE**) status. See "2. How does this investment work?" for more information.

Your investment in the Funds can be sold but there is no established market for trading these financial products. This means that you may not be able to find a buyer for your investment.

How will your investment be taxed?

Each Fund is a PIE.

The amount of tax you pay in respect of a PIE is based on your Prescribed Investor Rate (**PIR**). To determine your PIR, go to the IRD website www.ird.govt.nz/roles/portfolio-investment-entities/using-prescribed-investor-rates. See "6. What taxes will you pay?" for more information.

Where can you find more key information?

We are required to publish quarterly updates for each Fund. The updates show the returns and the total fees actually charged to investors, during the previous year. The latest fund updates are available at www.harbourasset.co.nz. We will also give you copies of these documents on request.

FUND NAME	DESCRIPTION	RISK INDICATOR	ANNUAL FUND CHARGES (ESTIMATE) EX. GST (IF ANY)
Harbour Enhanced Cash Fund	The Fund principally holds cash or cash-like securities and seeks to enhance returns through active interest rate management. It may also hold NZ dollar Government Stock, investment grade bonds and bank deposits.	LOWER RISK 1 2 3 4 5 6 7 Potentially lower returns Potentially higher returns HIGHER RISK	0.25%
Harbour Income Fund	The Fund is designed 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.	LOWER RISK 1 2 3 4 5 6 7 Potentially lower returns Potentially higher returns HIGHER RISK	0.64%**
Harbour Balanced Fund	The Fund is designed to provide investors with exposure to a wide range of domestic and global assets. The Fund invests approximately 60% in growth assets such as shares, property and infrastructure and approximately 40% into more defensive assets, predominantly investment grade bonds. The Manager will use active management to enhance returns and manage downside risks.	LOWER RISK 1 2 3 4 5 6 7 Potentially lower returns Potentially higher returns HIGHER RISK*	0.93%
Harbour Balanced Growth Fund†	The Fund is designed to provide investors with exposure to a wide range of domestic and global assets. The Fund invests approximately 70% in growth assets such as shares, property and infrastructure and approximately 30% into more defensive assets, predominantly investment grade bonds. The Manager will use active management to enhance returns and manage downside risks.	LOWER RISK 1 2 3 4 5 6 7 Potentially lower returns Potentially higher returns HIGHER RISK	0.98%
Harbour Growth Fund	The Fund is designed to provide investors with exposure to a wide range of domestic and global assets. The Fund invests approximately 80% in growth assets such as shares, property and infrastructure and approximately 20% into more defensive assets, predominantly investment grade bonds. The Manager will use active management to enhance returns and manage downside risks.	LOWER RISK 1 2 3 4 5 6 7 Potentially lower returns Potentially higher returns HIGHER RISK*	1.00%

See "4. What are the risks of investing?" for an explanation of the risk indicator and for information about other risks that are not included in the risk indicator. To help you clarify your own attitude to risk, you can seek financial advice or work out your own risk profile at www.sorted.org.nz/tools/investor-profiler.

***NOTE 1:** A combination of actual Fund returns and market index returns have been used to determine the risk indicator for the Harbour Balanced Fund (launched 21-11-2025) and Harbour Growth Fund (launched 21-11-2025) as these Funds have not been operational for five years. The risk indicator may therefore provide a less reliable indicator of potential future volatility of these Funds.

****NOTE 2:** The annual fund charge includes a performance fee estimate. See page 9 for more information.

†NOTE 3: The Harbour Active Growth Fund changed name to the Harbour Balanced Growth Fund on 21 November 2025.

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2. How does this investment work?

This PDS is an offer to purchase units in the Harbour Investment Funds. Each Fund is constituted within a managed investment scheme that is governed by the revised Harbour Trust Deed (dated 21 September 2016) as amended from time to time.

The money you invest buys units in the Fund or Funds you choose. Your money is held on trust and pooled with the money of other investors in the Fund. We use the money to purchase assets for the Fund on behalf of all the investors. Harbour investment professionals select and manage the assets in each of the Harbour Funds. Harbour carefully selects specialist external managers to manage assets outside of New Zealand and Australia. Refer to “3. Description of your investment options” for more information.

Each Fund’s assets are valued independently of us by Apex Investment Administration (NZ) Limited (the Administration Manager). The price of each unit you receive depends on the value of the Fund at the time you invest. The purchase of units does not give you legal ownership of a Fund’s assets, but gives you the right to the return from the assets in the Fund. The unit price is calculated by dividing the net asset value of a Fund by the number of units the Fund has on issue. The unit price is calculated each business day and is rounded to four decimal places.

The value of units in a Fund fluctuates according to the changing value of the assets in which the Fund has invested. A change in the value of a Fund’s assets affects the unit price of your units.

The number of units you have (your unitholding), when multiplied by the unit price, gives you the total value of your investment in any one Fund (although the impact of tax can result in a change in the number of units you hold, up or down, as the unit price is before tax). Each day, the previous day’s unit prices for the Funds can be found on our website www.harbourasset.co.nz/performance.

No assets of a Fund will be available to be applied to meet the liabilities of any other Funds managed by us.

The key benefits of investing in the Harbour Investment Funds are:
Diversification – access to a widely diversified portfolio of securities in the relevant asset class. Diversification can assist with lowering the volatility and enhancing the potential returns of your investment in that asset class.

Professional investment management – your investments are managed by experienced and proven investment teams.

Independent governance – oversight of the Funds by The New Zealand Guardian Trust Company Limited (**Guardian Trust**).

Responsible investing – environmental, social and governance (**ESG**) factors are actively integrated in the analysis and construction of the funds by setting ethical exclusions and assessing investments through our proprietary survey, external research providers and engagement with company management and directors. Please refer to the Environmental, Social and Governance Policy (**ESG Policy**) for more information.

The return on your investment comes from:

- any increase or decrease in the unit price; and
- any income distributions made from the Fund.

Distributions

The Harbour Income Fund and Harbour Balanced Growth Fund intend to pay distributions monthly. The other Funds do not pay distributions.

The unit price of these Funds will generally drop immediately after the end of a distribution period, reflecting the amount of distribution paid from the Fund. Distribution amounts you receive will depend on the number of units you hold at the end of the distribution period and the amount per unit to be distributed by the

relevant Fund. Distribution amounts will vary between distribution periods and are not guaranteed. Some PIP or custodial services offer the option to either pay out or reinvest distributions. You will need to contact your service to see if this is available to you. If you invest directly with Harbour, the option to have distributions paid out or reinvested is available to you.

Making investments

Investment into the Funds will be dependent on the amount you have available to invest in the Funds and whether you require financial advice. For many investors, this may be via a PIP or custodial service that we deal with. Investments can be made by completing the application form and providing it to your service or financial adviser.

Your service will then apply to us for units in a Fund on your behalf. Some services have a minimum initial investment amount as well as minimum regular contribution amounts. Please refer to your service for any minimum requirements that may apply to you.

If you do not require financial advice, you may also invest directly with Harbour subject to certain minimum amounts – refer to our website at www.harbourasset.co.nz/invest-with-us for more details.

Please see “10. How to apply” for more information or contact us at contactus@harbourasset.co.nz.

Withdrawing your investments

To withdraw your investment in a Fund, you will need to complete a withdrawal form and provide it to your service. Your service will then forward this to us on your behalf. The number of units redeemed will be calculated by dividing the dollar amount by the unit price. Your service will deduct from your redemption proceeds an amount equal to any applicable PIE tax on income allocated to redeemed units and pay the net proceeds as soon as possible after we have processed the request, not exceeding 10 business days. Your service may impose minimum amounts you can withdraw and may require you to withdraw all of your investment if a withdrawal would cause your investment in a Fund to fall below a particular level. We may suspend withdrawals or delay payment from a Fund if it is in the best interests of all investors in the Fund or to protect a Fund’s PIE status. If this is the case, you may need to wait for a longer period of time for your withdrawal proceeds. These conditions are summarised in the “Other Material Information document” (**OMI**) on the offer register and are set out in full in the Trust Deed on the scheme register. Both registers can be found at www.disclose-register.companiesoffice.govt.nz (**Disclose**).

How to switch between Funds

You can switch between Harbour Investment Funds as often as you like by completing the relevant form and providing it to your service. You will need to contact your service to ensure their minimum switch amount has been met or the required balance is maintained in a Fund. A switch is essentially a withdrawal from one fund and an application into another. As such, any PIE tax will be deducted from the withdrawal with the remaining proceeds applied to the new Fund. There is no charge for switching. Once we receive your form, completed in full, Harbour will use all reasonable endeavours to process the switch on, or as soon as possible after, the date you refer to in the completed form. In some market conditions, Harbour may apply a buy-sell spread to investments, withdrawals or switches in some Funds. See section 5 for more information on buy-sell spreads.

3. Description of your investment option(s)

FUND NAME	SUMMARY OF INVESTMENT OBJECTIVES AND STRATEGY	TARGET INVESTMENT MIX	RISK CATEGORY	MINIMUM SUGGESTED INVESTMENT TIMEFRAME
Harbour Enhanced Cash Fund	Objective: To outperform the benchmark by 85 basis points per annum over a rolling 3-year period. Benchmark: S&P/NZX Bank Bills 90-Day Index. Strategy: The Fund principally holds cash or cash like securities and seeks to enhance returns through active interest rate management. It may also hold NZ dollar Government Stock, investment grade bonds and bank deposits.		2 This Fund has a low level of volatility	Short to medium term investment horizon. Minimum 1 year
Harbour Income Fund	Objective: To exceed the Official Cash Rate (OCR) plus 3.5% pa over rolling 3-year periods. Benchmark: 68% S&P/NZX A Grade Corporate Bond Total Return Index; 16% S&P/ASX200 Industrials Index (100% hedged to NZ dollars); and 16% S&P/NZX Portfolio Index. Strategy: The Fund will invest in a range of fixed income securities, private credit and equity securities selected to generate income while managing downside risk. Returns will be predominantly driven by the mix of New Zealand fixed interest securities and dividend-paying Australasian equities. To enhance expected returns and manage risk, the Fund will be actively managed drawing on Harbour research resources. Diversification is a key technique used to reduce the volatility of investment returns. The Fund also seeks to reduce exposures when we identify significant downside risks		3 This Fund has a low to medium level of volatility	Medium to long term investment horizon. Minimum 5 years
Harbour Balanced Fund	Objective: The objective is to outperform the benchmark before fees and tax over a rolling 5-year period. Benchmark: 5% S&P/NZX Bank Bills 90-Day Total Return Index, 9% Bloomberg NZBond Composite 0+ Yr Index, 4.8% Bloomberg Global Agg Corporate Total Return (100% hedged NZD), 5.2% Bloomberg Global Agg Treasury Total Return (100% hedged NZD), 1.3% Bloomberg Global Agg Total Return (100% hedged NZD), 3% NZ Official Cash Rate + 4%, 40% MSCI All Country World Index (50% hedged to NZD), 20% S&P/NZX 50 Index Gross with Imputation Credits. Strategy: The Fund is designed to provide investors with exposure to a wide range of domestic and global assets. The Fund invests approximately 60% in growth assets such as shares, property and infrastructure and approximately 40% into more defensive assets, predominantly investment grade bonds. The Manager will use active management to enhance returns and manage downside risks.		4* This Fund has a medium to high level of volatility	Medium to long term investment horizon. Minimum 5 years
Harbour Balanced Growth Fund**	Objective: The objective is to outperform the benchmark before fees and tax over a rolling 5-year period. Benchmark: 3.5% S&P/NZX Bank Bills 90-Day Total Return Index, 6.5% Bloomberg NZBond Composite 0+ Yr Index, 3.4% Bloomberg Global Agg Corporate Total Return (100% hedged NZD), 4.6% Bloomberg Global Agg Treasury Total Return (100% hedged NZD), 9% Bloomberg Global Agg Total Return (100% hedged NZD), 3% NZ Official Cash Rate + 4%, 46.5% MSCI All Country World Index (50% hedged to NZD), 23.5% S&P/NZX 50 Index Gross with Imputation Credits. Strategy: The Fund is designed to provide investors exposure to a wide range of domestic and global assets. The Fund invests approximately 70% in growth assets such as shares, property and infrastructure and approximately 30% into more defensive assets which will predominantly be made up of investment grade bonds. The Manager will use active management to enhance returns and manage downside risks.		4 This Fund has a medium to high level of volatility	Medium to long term investment horizon. Minimum 5 years
Harbour Growth Fund	Objective: The objective is to outperform the benchmark before fees and tax over a rolling 5-year period. Benchmark: 2% S&P/NZX Bank Bills 90-Day Total Return Index, 4% Bloomberg NZBond Composite 0+ Yr Index, 2% Bloomberg Global Agg Corporate Total Return (100% hedged NZD), 4% Bloomberg Global Agg Treasury Total Return (100% hedged NZD), 5% Bloomberg Global Agg Total Return (100% hedged NZD), 3% NZ Official Cash Rate + 4%, 53% MSCI All Country World Index (50% hedged to NZD), 27% S&P/NZX 50 Index Gross with Imputation Credits. Strategy: The Fund is designed to provide investors with exposure to a wide range of domestic and global assets. The Fund invests approximately 80% in growth assets such as shares, property and infrastructure and approximately 20% into more defensive assets, predominantly investment grade bonds. The Manager will use active management to enhance returns and manage downside risks.		4* This Fund has a medium to high level of volatility	Medium to long term investment horizon. Minimum 5 years

■ Cash & cash equivalents
 ■ NZ fixed interest
 ■ Intl fixed interest
 ■ Australasian equities
 ■ Intl equities
 ■ Listed property
 ■ Other

***NOTE 1:** A combination of actual Fund returns and market index returns have been used to determine the risk indicator for Harbour Balanced Fund (launched 21-11-2025) and Harbour Growth Fund (launched 21-11-2025) as these Funds have not been operational for five years. The risk indicator may therefore provide a less reliable indicator of potential future volatility of these Funds.

****NOTE 2:** The Harbour Active Growth Fund changed name to the Harbour Balanced Growth Fund on 21 November 2025.

Target investment mix

Each Fund has a long term target investment mix & investment limits within various asset classes to which the portfolios are managed. The actual investment mix will vary from the target investment mix, depending on many factors. Actual and target mix will be published each quarter in the relevant Fund update. For further information about each Fund's structure, investment limits & permitted investments, please refer to the SIPO on Disclose.

Changes to the SIPO

We can make changes to the SIPO for each Fund in accordance with the Trust Deed and the FMC Act. Before making changes to the SIPO, we will consider if the changes are in your best interests and consult with the Supervisor. We will give notice of changes to unit holders of the relevant Fund prior to effecting any material changes. The most current SIPO can be found on Disclose.

Benchmark (or Market Index)

The term benchmark used in the table above, and throughout the documents, means the standard against which the performance of the Fund is measured. For each Fund, the market index or combined market indices used to measure the performance (of the Fund's Benchmark) can be seen. Our use of the various market indices referred to here are subject to certain terms, conditions and disclaimers as described in the OMI, on Disclose.

Further information about the assets in the Funds can be found in the fund updates on our website www.harbourasset.co.nz.

4. What are the risks of investing?

Understanding the risk indicator

Managed funds in New Zealand must have a standard risk indicator. The risk indicator is designed to help investors understand the uncertainties both for loss and growth that may affect their investment. You can compare funds using the risk indicator.

An example risk indicator is below.



The risk indicator for each Fund can be found on [page 3](#) of this PDS.

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 (volatility). 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/tools/investor-profiler.

Note that even the lowest category does not mean a risk-free investment, and there are other risks (see "Other specific 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 five years to 30 September 2025.

While risk indicators are usually relatively stable, they do shift from time to time. You can see the most recent risk indicator in the latest quarterly fund update for these Funds (once available).

General investment risks

Some of the things that may cause a Fund's value to move up and down, which affect the risk indicator, are:

Investment return risk – you may not receive the returns that you expect, and the capital value of your investment may end up less than originally invested (or may be lost in full), because the market value of the assets owned by the Fund(s) can move up or down.

Manager Specific risk – risk relating to us as a company and the risks around how we manage and operate our business, including the making of investment decisions. This includes our company specific risk (changes to our operations and ownership structure), key personnel and service provider risk.

Currency risk – for Funds that invest into non-NZ dollar denominated equities or bonds, currency risk may affect the value of investments due to movements in foreign exchange rates. The currency management policy (or hedging) for each Fund is detailed in the SIPO.

Performance risk – past performance is no guarantee of future performance. There is a risk that a Fund may not achieve its investment objectives or provide the same level of historical performance in the future.

Other specific risks

Liquidity risk – is the risk that you may not be able to fully realise your investment in a Fund when you need to. All Harbour Funds are exposed to liquidity risk to some degree, but some Funds may invest into assets that exhibit poor liquidity such as sub-investment grade bonds and loans, unlisted equity, unlisted property, private credit, or unrated bonds of investment grade quality.

External manager risk – Where we allocate funds to external managers, there is a risk that these external managers could underperform or fail to achieve the objectives specified in their fund guidelines or policies.

Exclusions risk – Exclusions consistent with Harbour's ESG strategy may give rise to performance deviations against each Fund's applicable benchmark.

More information on these and other risks we believe you should carefully consider before making your investment can be found in the OMI on Disclose.

5. What are the fees?

You will be charged fees for investing in the Funds. Fees are deducted from your investment and will reduce your returns. If we invest in other funds, those funds may also charge fees. The fees you pay will be charged in the form of annual fund

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

One-off fees

There are no one-off fees.

Total annual fund charges are made up of:

FUND NAME	MANAGEMENT FEE (ESTIMATE) EX. GST (IF ANY)		PERFORMANCE FEE (ESTIMATE) EX. GST (IF ANY)	TOTAL ANNUAL FUND CHARGES* (ESTIMATE) EX. GST (IF ANY)
	NET FEE (ESTIMATE)	OTHER FEES (ESTIMATE)		
Harbour Enhanced Cash Fund	0.17%	0.08%	N/A	0.25%
Harbour Income Fund**	0.54%	0.09%	0.01%	0.64%
Harbour Balanced Fund†	0.76%	0.17%	N/A	0.93%
Harbour Balanced Growth Fund†	0.86%	0.12%	N/A	0.98%
Harbour Growth Fund†	0.83%	0.17%	N/A	1.00%

*Total Annual Fund Charges (Estimate), in respect of a Fund, comprises estimates of the management fee, and if applicable, any performance fee (and any other fees as detailed in the OMI), expressed as a percentage of Net Asset Value of the Fund. Other fees (Estimate), in respect of a Fund, comprising from the proceeds of the management fee, an estimate of applicable underlying fund administration and supervisor costs notionally attributable to the Fund and, for the purposes of this table only, includes other costs in addition to the management fee such as legal and audit expenses, in aggregate expressed as a percentage of Net Asset Value. All fee percentages detailed have not taken into account GST, as applicable. Actual charges for the most recent financial year are available in the latest fund updates.

**The Harbour Income Fund may invest in Funds that are managed by Harbour. Fees for Harbour Funds will be rebated back to the Funds, however, if a performance fee is charged, this will flow through to the investor. As at the date of this document, we estimate a performance fee for the Harbour Income Fund of 0.01% may be payable for the year ending 31 December 2025. This is due to this Fund investing in Harbour Funds that may pay a performance fee. We have taken the average of performance fees paid over the past 5 years, within these underlying Funds and applied this to the Fund's holding, to estimate what the performance fee may be going forward. The Fund Fee excluding Performance Fee for the Harbour Income Fund is 0.63%. See below for more information on Harbour Fund performance-based fees. For more information on Harbour's external manager selection process refer to the OMI.

†The estimate of management fees may contain an estimate of performance fees charged by underlying funds not related to Harbour. These fees are estimated and may be higher or lower depending on the performance outcomes of those funds.

Note: For more information on the basis of estimation of fees, underlying fees, performance fees, and expenses, see the OMI.

Total annual fund charges

We charge an annual management fee, and if applicable, any performance fee (plus GST, if any) to cover the investment management of the Fund. The management fee, any performance fee (and any other fees as detailed in the OMI), are collectively referred as "Total Annual Fund Charges" (refer to table above). These fees are accrued daily in the Fund's unit price. We are responsible, from the proceeds of the total annual fund charges, for the payment of certain other normal operating costs of the Fund as outlined within the "Other fees" section.

Other fees

We are responsible for paying certain other normal operating costs of the Fund. These costs (plus GST, if any) have been estimated as the "Other Fees" (refer to table above) and cover the general management of the Fund e.g. Supervisor fees and the outsourced fund administration functions of custody, investment accounting, registry and unit pricing, legal and audit fees. Harbour bears the risk of any changes arising in respect of these normal operating costs.

Other costs, such as costs required to comply with relevant legislation, transactional costs, and abnormal costs also permitted to be paid by the Fund, are in addition to total annual fund charges.

More information on these fees and costs can be found in the OMI. Actual charges for the most recent financial year are available in the latest quarterly fund update.

Buy-sell spreads

In some market conditions, it may be necessary for Harbour to apply a buy-sell spread to our Funds in order to ensure fairness between all investors. Buy-sell spreads are not a fee paid to the Manager, but are a cost retained by a fund to cover transaction costs that arise from each investor's investment or withdrawal. Please refer to the OMI, and on Harbour's website at www.harbourasset.co.nz/performance/buy-sell-spreads, for further details.

Performance-based fees

These are performance fees (plus GST, if any) charged in a Fund or in a related underlying fund into which a Fund invests, if the Fund's performance beats the applicable hurdle rate of return over a defined time period. They are estimates calculated on the basis of the High Water Mark (**HWM**) we have imposed for performance fee calculations as described in the OMI. HWM is the base unit price used to measure performance. A perpetual HWM, and applicable hurdle rate of return, is only ever reset higher when a performance fee is paid. Actual performance-based fees for the most recent financial year will be available in the latest quarterly fund update.

Where these Funds invest in the Harbour Long Short Fund or the Harbour Australasian Equity Focus Fund, we may be paid a performance-based fee if outperformance is achieved and the HWM unit price is exceeded. For more information refer to the OMI on Disclose. The below tables summarise criteria that must be met for the performance fee to be paid in the underlying funds.

Harbour Long Short Fund

The Harbour Long Short Fund charges a performance-based fee on the following basis:

Hurdle rate of return	S&P/NZX Bank Bills 90-Day Index plus 2%
Amount of fee	15% of the Fund's performance above the hurdle rate of return.
Maximum limit	There is no maximum limit.
High Water Mark (HWM)	Yes – perpetual HWM
Frequency of payment and calculation	Calculated daily and paid annually in January each year if required conditions are met.

Harbour Australasian Equity Focus Fund

The Harbour Australasian Equity Focus Fund invests into our wholesale Harbour Australasian Equity Focus Fund. That wholesale fund charges a performance-based fee on the following basis:

Hurdle rate of return	Benchmark (50% S&P/NZX 50 Index (gross with imputation credits) and 50% S&P/ASX 200 Index (total return in AUD with 50% hedged to NZD) plus 1.00%
Amount of fee	10% of the Fund's performance above the hurdle rate of return.
Maximum limit	Outperformance is capped at 10% i.e. there will be no performance fee chargeable for outperformance of more than 10% above the benchmark.
High Water Mark (HWM)	Yes – perpetual HWM
Frequency of payment and calculation	Calculated daily and paid annually in January each year if required conditions are met.

If applicable, performance-based fees are accrued into the Fund's unit price on a daily basis until the end of each calendar year, then paid in January.

Example of how fees apply to an investor

Joe invests \$10,000 in the Harbour Income Fund. He is not charged an establishment fee or contribution fee. This brings the starting value of his investment to \$10,000.

He is charged management and administration fees, which work out to about \$63 (0.63% of \$10,000). These fees might be more or less if his account balance has increased or decreased over the year.

Joe may also be charged a performance-based fee if the Harbour Income Fund invests in other Harbour Funds which charge a performance-based fee, and these other Funds earned more than their target and meet the criteria to charge a performance-based fee as described above.

Estimated total fees for the first year

Individual Action Fees	\$nil
Fund charges	\$63
Other charges	\$nil

See the latest fund update for an example of the actual returns and fees investors were charged over the past year.

For the purposes of this example, any GST applicable in respect of the Total Annual Fund Charge has not been taken into account.

Note that you may incur additional fees from the PIP or custodial service you use.

This example applies only to the Harbour Income Fund. If you are considering investing in other Funds, this example may not be representative of the actual fees you may be charged.

The fees can be changed

The existing fees may be changed or new fees imposed in accordance with the Trust Deed and applicable law.

We must publish a quarterly fund update for each Fund showing the fees actually charged during the most recent year. Fund updates, including past updates, are available at www.harbourasset.co.nz.

6. What taxes will you pay?

Each Fund is a PIE. The amount of tax you pay is based on your PIR. To determine your PIR, go to www.ird.govt.nz/roles/portfolio-investment-entities/using-prescribed-investor-rates.

If you are unsure of your PIR, we recommend you seek professional advice or contact the Inland Revenue Department. It is your responsibility to tell your service your PIR when you invest or if your PIR changes. If you do not tell your service, a

default rate may be applied. If the rate applied to your PIE income is lower than your correct PIR you will be required to pay any tax shortfall as part of the income tax year-end process. If the rate applied to your PIE income is higher than your PIR any tax over-withheld will be used to reduce any income tax liability you may have for the tax year and any remaining amount will be refunded to you. For more information on taxation please refer to the OMI on Disclose.

7. Who is involved?

About Harbour

Harbour is a specialist New Zealand based fund manager with a goal to be most trusted. We aim to do this by having experienced people with proven track records working closely as a team. Our portfolio managers have an average of 20 years' experience.

We are a very research-focused team. We use this research to drive the active management of our portfolios, following a structured and tested process, with a careful eye to risk management.

We can be contacted at:

**Level 16, 171 Featherston Street
Wellington 6140**

Telephone: 0800 460830

E-mail: contactus@harbourasset.co.nz

Information about key personnel for each Fund can be found in the OMI on Disclose or on our website www.harbourasset.co.nz

Who else is involved?

	NAME	ROLE
Supervisor	The New Zealand Guardian Trust Company Limited.	Supervisor of the Harbour Investment Funds under the FMC Act, responsible for supervising us as Manager of the Funds.
Custodian	The New Zealand Guardian Trust Company Limited (acting through its nominee company NZGT (Harbour) Nominees Limited or its appointed custodian, Apex Investment Administration (NZ) Limited).	Holds the assets of the Funds on behalf of investors.
Administration Manager	Apex Investment Administration (NZ) Limited.	Appointed by us to provide various administration functions in respect of the Funds, including unit pricing and investment accounting.
Registry Manager	Apex Investment Administration (NZ) Limited.	Appointed by us to provide the registry function in respect of the Funds.
Auditor	PricewaterhouseCoopers.	Auditors of the Scheme and the Funds.

8. How to complain

Any complaints about the Funds can be made to us at the contact address in "7. Who is involved?".

You can also complain to the Supervisor at:

Guardian Trust

**Write to: The New Zealand Guardian Trust Company Limited,
PO Box 274, Auckland 1140**

Phone: 0800 300 299

Email: ct-auckland@nzgt.co.nz

The Supervisor and Harbour are members of the Financial Services Complaints Limited's Dispute Resolution Service which is an independent dispute resolution scheme approved originally by the Ministry of Consumer Affairs, now MBIE.

If you have made a complaint to us and it has not been resolved within two months or if you are dissatisfied with the proposed resolution, you can refer it to:

Financial Services Complaints Limited (FSCL)

**Level 4, 101 Lambton Quay
PO Box 5967, Wellington 6140**

(Call free) 0800 347257

(Wellington) (04) 472FSCL (472 3725)

FSCL will not charge a fee to any complainant to investigate or resolve a complaint. Further information about referring a complaint to FSCL can be found at www.fscl.org.nz.

9. Where you can find more information

Further information relating to the Harbour Investment Funds (for example, financial statements) is available on the offer register and the scheme register at www.disclose-register.companiesoffice.govt.nz and a copy of information on the

offer register or scheme register is available on request to the Registrar of Financial Service Providers.

Other information we will provide:

INFORMATION	HOW TO OBTAIN
Daily unit price	Unit prices are available on our website www.harbourasset.co.nz/performance .
Relevant Fund information	You can inspect documents we hold that are relevant to you, and other documents that are legally required to be provided to you, at our offices during normal business hours, or request an extract of those documents, by written request to us.
Fund updates	Once available, the fund updates for the Funds will be publicly available on our website.
PIE tax statement	Your service will provide you with an annual PIE tax statement.

10. How to apply

There are several ways you can invest in the Harbour Investment Funds. Firstly, we recommend you speak to a Financial Adviser who can provide financial advice. The Financial Markets Authority provides a list of registered financial advisers.

If you are interested in investing with us, please refer to the Harbour website for the option that best suits your situation, size of your investment and requirement for financial advice. www.harbourasset.co.nz/invest-with-us.

For many investors, to invest in the Fund, you will need to complete our application form and deliver this to the PIP nominated by your financial adviser, the custodial service or to your financial adviser, together with any other documents requested and pay your initial investment amount to the PIP's or custodial services trust account. The PIP or the custodial service then makes an application for units in the Fund to us on your behalf.

If you meet certain minimum investment criteria and do not require financial advice, you may invest directly through Harbour. Please refer to our website www.harbourasset.co.nz/invest-with-us for more details.

For larger investments or for more information on the Harbour Investment Funds or investing with Harbour, please e-mail contactus@harbourasset.co.nz.

Investing through a PIP or custodial service

You may invest in the Harbour Investment Funds through a PIP or custodial service we deal with. In this case you will not be a direct investor in a Fund and will not have a direct relationship with the Supervisor or ourselves. Instead, the Supervisor and Harbour have a direct relationship with the PIP or custodial service and they will be able to exercise any rights attached to units held.

We will send all reports, distribution notifications, and documentation to the PIP or custodial service, not directly to you.

We may have entered into an arrangement with the PIP or custodial service in relation to investing in the Funds. As such, you should contact your financial adviser, PIP or custodial service for more information on the minimum investment or withdrawal levels, cut off times for applications and withdrawals and any fees applicable to their service.