



# Harbour Active Growth Fund

 RESEARCHIP Rating



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**This report is based on publicly available information and/or data sourced directly from the Fund Manager.**

**Any views or opinions expressed in this document are believed to be accurate at the time of publishing.**

[Glossary of Terms - please explain the jargon in this report](#)

1 NOVEMBER 2022

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## Meet the Manager

Harbour Asset Management Limited (Harbour, the Manager) formed in December 2009 and commenced operations in January 2010. Harbour is principally owned by Jarden Ltd (Jarden), at 76.3% and the balance being owned by Harbour employees. Harbour states it is a well-resourced New Zealand based investment manager with extensive professional investment experience managing funds. Further information about the Manager can be found in its [online profile](#).

Harbour has a group wide [investment philosophy](#), based around consistency, processes and people. Harbour operates a [governance framework](#) that is overseen by an experienced Board which includes three independent directors. Harbour provides full transparency and independence around the investing and management of clients' money.

Harbour is a signatory to the United Nations Principles of Responsible Investment ([UN PRI](#)). They also believe that ESG (environmental, social and governance) considerations play a central role in Harbour's investment philosophy.

Harbour manages thirteen retail funds, including:

- Harbour Australasian Equity Fund
- Harbour Income Fund
- Harbour Australasian Equity Income Fund
- Harbour Australasian Equity Focus Fund
- Harbour NZ Index Shares Fund
- Harbour Sustainable NZ Shares Fund
- Harbour NZ Core Fixed Interest Fund
- Harbour Corporate Bond Fund
- Harbour T. Rowe Price Global Equity Growth Fund
- Harbour Real Estate Investment Fund
- Harbour Long Short Fund
- [Harbour Active Growth Fund](#)
- Harbour Enhanced Cash Fund



Access the full range of [investment options here](#).



To exceed the Official Cash Rate (OCR) plus 5% over rolling 5-year periods. The Fund is designed to provide investors 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 a third 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.

### Fund Description

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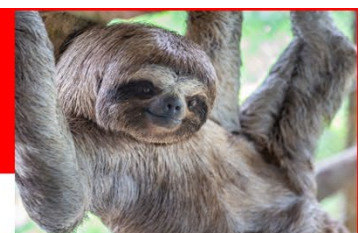


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## The Fund's Profile

The Harbour Active Growth 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.

The Fund will invest in a wide range of domestic and global assets. Returns of the Fund will be predominately driven by share markets though this will be augmented by holding fixed interest securities. To enhance expected returns and manage risk, the Fund will be actively managed drawing on Harbour's research resources and the views of Harbour's Asset Allocation Committee. Diversification is a key technique used to reduce the volatility of investment returns. The Fund also seeks to reduce exposures within the ranges specified in this document, when Harbour identify significant downside risks. The Fund has a long-term (seven year plus) investment horizon.

*<Any missing data points have not yet been supplied by the manager>*

Fund Information	Harbour Active Growth Fund
Who is ultimately accountable for the Fund performance?	Chris Di Leva
Chris joined Harbour from Mercer where he was a Portfolio Manager at Mercer, where he was responsible for Mercer's growth fund suite in New Zealand.	
When did the named individual(s) assume accountability?	01/11/2019
Is the Portfolio Manager invested in the Fund?	Yes
Asset manager's full name	Harbour Asset Management
ISIN Code	N/A
APIR Code	N/A
Responsible Entity / Trustee / Supervisor	Guardian Trust
Legal Domicile of the Fund	New Zealand
Legal Structure	Unit Trust
Is the Fund a registered NZ PIE structure?	Yes
Is the Fund open to new or existing investors?	Open
The asset class that the Fund primarily invests in is	Multi Asset
Product's investment style	Diversified
Geographical focus of the Fund	Global
Investment focus	Diversified Growth
Manager's ownership structure	Private company, 76% Jarden and 24% employees
How many years has this Manager been managing this asset class?	2
Country Registered for Sale	New Zealand
Date of the latest PDS	29/08/2022

## Under the Bonnet

The Fund is actively managed, harnessing the expertise of Harbour's two award-winning investment teams, Equities and Fixed Income. It draws on Harbour's research and resources, brought together by portfolio manager Chris Di Leva. The Manager utilises an active management style, aiming to deliver returns through a mix of beta and alpha. There are a number of alpha sources targeted including asset allocation, FX, security selection, duration, as well as looking to add value in credit sectors.

Overview	Harbour Active Growth Fund
Product's public published benchmark?	Composite 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).
The product's internal targeted excess return is	2.50%
Minimum investment horizon?	5+ years
Does the product charge a performance fee?	No
Product's performance fee?	No fee charged, but a small number of underlying strategies may charge a performance fee
Hurdle before a performance fee is charged?	No
Is there a high water mark?	No
Product's current buy spread?	0.00%
Product's current sell spread?	0.00%
Does the manager have the ability to change the Buy/Sell spread?	Yes
Distributions per year?	12
Distribution Dates?	M
Normal pricing frequency?	Daily
Product inception date	01/11/2019
Strategy inception date	01/11/2019

Management Fees	Historic	Estimate
<b>GST - inclusive or exclusive</b>	<b>inc GST</b>	<b>ex GST</b>
Management Fee (MER) / Manager's basic fee	0.81%	0.83%
Other Fees and Costs	0.14%	0.12%
Performance Fee	0.19%	0.00%
<b>Total Fund Charges (i.e. TER/ICR)</b>	<b>1.14%</b>	<b>0.95%</b>
<b>Date</b>	<b>30/06/2022</b>	<b>29/08/2022</b>

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## Does Size Matter?

FUM	Harbour Active Growth Fund	@Date
Fund currency	NZD	
Current size of the Fund (\$m) NZD	\$47	31/10/2022
Current FUM in the strategy, including mandates (\$m)	\$251	31/12/2021
Current total FUM of the Manager (\$m)	\$5,857	31/12/2021

See our view on the Research IP blog [Does Size Matter](#). The investible universe for a fund can be limited by some or all of these attributes:

- Asset class (e.g. cash, bonds, shares etc)
- Geography (e.g. Australia, New Zealand, global etc)
- Size of issue (e.g. minimum issue size of bonds, market capitalisation of shares)
- Liquidity
- or other factors like credit ratings, issuer types etc.

## The Downside

The Manager is aware of the broad range of risks, as identified in the [Product Disclosure Statement \(PDS\)](#), and is mindful of them when constructing and managing the portfolio.

Investors should note that all investments carry risk. Different investment strategies may carry different levels of risk, depending on the assets that make up the strategy. Assets with the highest long-term returns may also carry the highest level of short-term risk. See our views on [what investment risks to look out for](#) on the Research IP blog.




The **Risk Indicator** is sourced directly from the manager and 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. 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 latest 5 year period. If the fund does not have a 5-year return history market index returns are used to supplement the return series. The risk ranking applies to NZ PIE fund structures only, Research IP does not apply the risk ranking methodology to replicate this outcome in any other jurisdiction.

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## Is it Ticking?

 Responsible investing has become front of mind for many investors, but there is a minefield of green washing out there. We share the views of the Research IP team on sustainable investing, the 17 Sustainable Development Goals (SDGs), Environmental, Social and Governance (ESG) considerations and the United Nations Principles for Responsible Investment (UN PRI) on the [Research IP blog](#).


ESG Information	Harbour Active Growth Fund
Which EU Sustainable Finance Disclosure Regulation (SFDR) classification best describes this product?	<no supplied response>
Is the Manager a signatory to the UNPRI?	Yes
UNPRI Rating : Strategy & Governance	A+
UNPRI Rating : Listed Equity – Incorporation	A
UNPRI Rating : Listed Equity – Active Ownership	A
Are the UN Sustainable Development Goals considered in the investment process?	Yes
Does the Manager incorporate ESG factors into analysis and decisions?	Yes
Does the Manager implement negative screening?	Yes
Does the Manager implement positive, best-in-class or norms-based screening?	Yes
Does the Manager focus specifically on sustainability themed investments?	<no supplied response>
Does the Manager invest for impact? i.e. target non-financial outcomes that are intentional, measurable and additional.	<no supplied response>
Does the Manager integrate corporate engagement and proxy voting into their investment approach?	Yes
Is the Fund RIAA Certified?	No
RIAA Primary Investment Approach	n/a
RIAA Secondary Investment Approach	n/a
Link to RIAA Fund Profile	No
Link to Disclose information on Sorted (NZ only)	<a href="https://smartinvestor.sorted.org.nz/kiwisaver-and-managed-funds/SCH10815/OFR10909/FND16569">https://smartinvestor.sorted.org.nz/kiwisaver-and-managed-funds/SCH10815/OFR10909/FND16569</a>
Link to Mindful Money (NZ only)	<a href="https://mindfulmoney.nz/managed/FND16569/harbour-active-growth-fund">https://mindfulmoney.nz/managed/FND16569/harbour-active-growth-fund</a>


You can find fund manager [Public Signatory Reports](#) on the UNPRI site.

## Check the Pulse

Philosophy & Process		Harbour Active Growth Fund
<b>Research Philosophy</b> Active management based on fundamental research		
<b>Guidelines for filtering the universe</b> Underlying strategies used will have a tilt towards long term structural growth trends.		
<b>Research Approach</b> Our approach utilises Harbour's fundamental research, combined with the skills of global managers for global asset classes. This provides investors with access to a range of quality, high conviction investment strategies within the one diversified fund.		
<b>Specific inputs to the research process</b> Harbour Asset Allocation Committee, External independent research partner views		
Third party inputs used	Third party independent research partners asset allocation and macro views are incorporated into the decision process	
Primary valuation approach	We use a range of valuation metrics including P/E ratios, shiller PE, relative valuations to history, equity risk premia, etc	
Secondary valuation approach (if applicable)	We use a range of valuation metrics including P/E ratios, shiller PE, relative valuations to history, equity risk premia, etc	
In constructing the portfolio the manager is...	Benchmark Aware	
Biases present in the product	Growth investment style	
Number of securities in the investment universe	na	
Number of securities fully researched	na	
Typical number of holdings in the portfolio	500	
Anticipated portfolio turnover	na	
Typical level of cash held in the portfolio?	Typically below 10%.	

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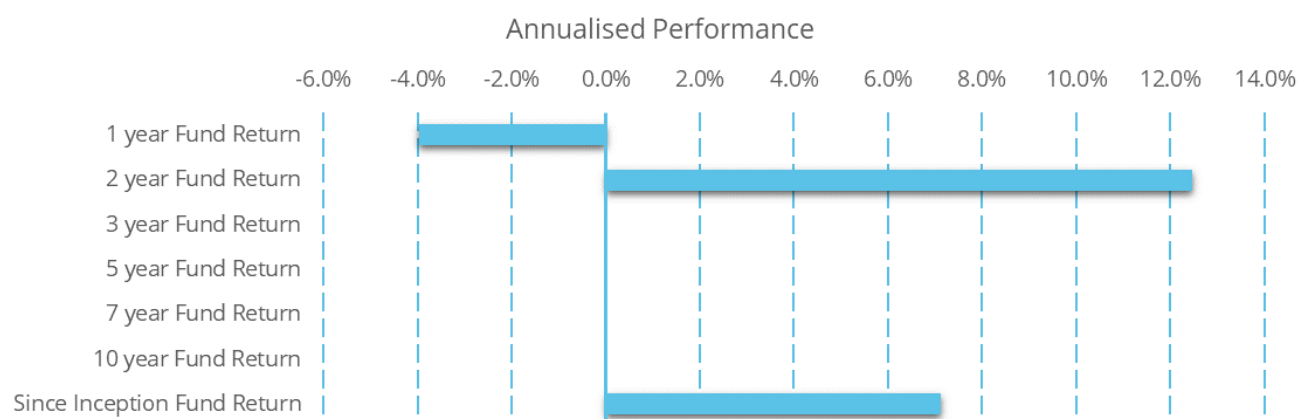
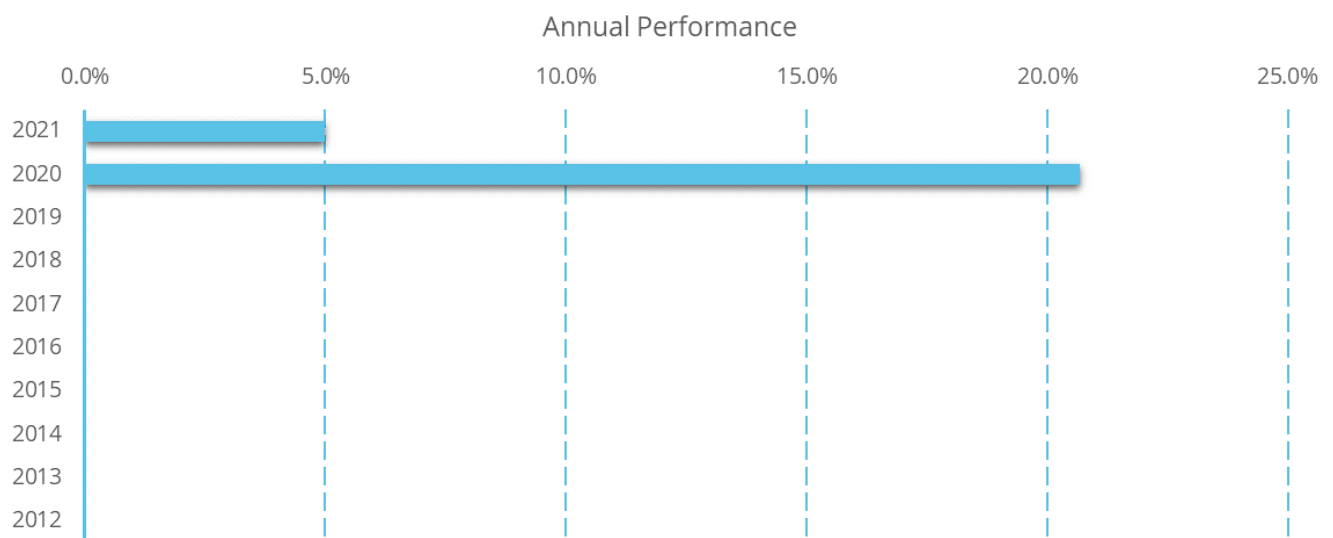


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## Is it Working?

Performance	Harbour Active Growth Fund
"Performance to" date	31/03/2022
	2 years, 4 months, 30 days
Inception date of the performance?	01/11/2019
Negative Months (3 Years)	n/a
Negative Months (5 Years)	n/a
Negative Months (7 Years)	n/a
Negative Months (10 Years)	n/a
Max Gain Since Inception	22.1%
Max Loss Since Inception	-11.0%
Max Drawdown Since Inception	-11.0%
Volatility (3 Years)	n/a
Beta (3 Years)	n/a
Sharpe (3 Years)	n/a



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## The second opinion

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Our experience has been gained in well over 20 years of roles across different facets of the industry, so we understand the key drivers and challenges for people trusted with the management of investments.

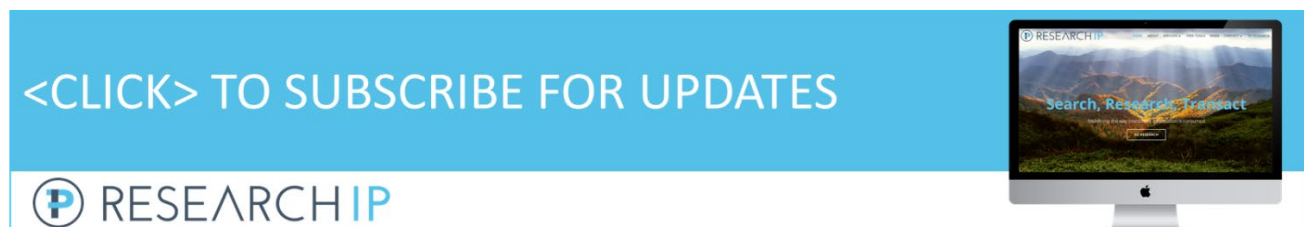
Client focused outcomes are underpinned by the belief that the role of business model innovation and accelerating technological change opens up new possibilities, to put client interests at the centre of the financial services industry focus. We have strong philosophical alignment with John Hagel's work on the possibilities for "Disruption by Trusted Advisors" and John Kay's views in "Other People's Money: Masters of the Universe or Servants of the People".

Some of the consulting services we provide to financial advisers, charities, not-for-profit organisations and other investors include:

- AFSL reviews
- Platform and Financial Adviser Software reviews
- Fee negotiations for better client outcomes
- Investment committee terms of reference / charter
- Investment committee skills assessment
- Investment policy development
- Investment committee implementation review
- Chair or independent investment committee member
- Investment manager review
- Investment manager / adviser selection
- Quarterly reporting and commentary
- Sustainability and ESG policy development
- Sustainability and ESG investment selection / implementation of strategies.

If you would like to discuss one or a number of these consulting services, please contact [info@research-ip.com](mailto:info@research-ip.com).

Our [privacy policy](#) and [ESG](#) can be viewed on our [website](#).



**Contact:**

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