

Harbour Asset Management Limited ("Manager") has prepared this additional information in accordance with the Financial Markets Conduct (Harbour Investment Funds) Exemption Notice 2019.

This disclosure is based on the full portfolio of investments held in the Harbour Income Fund in peer to peer lending services.

**Fund Name:** Harbour Income Fund

**Disclosure date:** 30-Sep-22

**Peer to peer lending service(s):** Harmoney Limited

### ***Harmoney Valuation***

Principal Remaining	\$	15,394.95
Interest Accrued	\$	832.22
Cash	\$	7,176.39
	\$	<u>21,865.95</u>
<b>% of Harmoney in the Fund</b>		<b>0.01%</b>

**Harbour Income Fund GAV** \$ 247,213,944

## **Exemption additional information requirements:**

(a) *Total number of peer-to-peer loans advanced through the licensed peer-to-peer lending service:*

**13**

(b) *The 10 largest peer-to-peer loans as a percentage of the value of the aggregate asset:*

**Top 10 Borrowers (% within loan portfolio): 69.52%**

(c) *The proportion of peer-to-peer loans that are secured and unsecured:*

<b>Not Secured</b>	<b>100%</b>
<b>Secured</b>	<b>0%</b>

(d) *A breakdown of the number of peer-to-peer loans by risk rating or other risk based categorisation as allocated by the licensed peer-to-peer lending service (if any):*

### **Risk Grade**

A1	267.86
A2	1,641.98
A3	9.94
A4	2,018.63
A5	5,499.01
B1	0.00
B2	1,333.56
B3	2,576.99
B4	1,349.41
B5	1,529.77
<b>TOTAL</b>	<b><u>16,227.17</u></b>

- (e) *Details of where investors may find more information about the risk rating or other risk based categorisation, including the default rates of each rating or other risk based categorisation:*

**(Note: Harbour lends only to Borrowers whose risk grade is A or B)**

**<https://www.harmony.co.nz/investors/investment-risks>**

### Estimated default rates by risk grade

Each loan in the marketplace has a estimated default rate based on its risk grade. It is important to understand that this is a estimated rate and the actual default rate may vary from the rate shown. Information about actual default rates will be published as they become available.

The table below shows the estimated annual default rate for applications approved after 6 November 2019, under scorecard 1.6. There will be a 60-day period in which the platform will list some loan applications that have been assessed and priced using the previous scorecard (Scorecard 1.5) as well as some other loan applications that have been assessed and priced using the new scorecard and pricing model. This is because borrower approvals remain valid for up to 60 days.

Estimated default rate p.a.		Estimated default rate p.a.	
Grade	Scorecard 1.6	Grade	Scorecard 1.6
A1	0.02%	B1	0.11%
A2	0.05%	B2	0.13%
A3	0.06%	B3	0.16%
A4	0.07%	B4	0.20%
A5	0.09%	B5	0.25%

- (f) *if no risk rating or other risk based categorisation is allocated by the licensed peer-to-peer lending service:*

- (i) *a description of the factors used by the manager in considering whether to invest in the peer-to-peer loans;*  
(ii) *the number of impaired peer-to-peer loans advanced through the licensed peer-to-peer lending service over the prior 12-month period.*

**N/A- Harmony use risk grades for loans**