

# Harbour Fund

## Management Report of Fund Performance for the period ended September 30, 2019

This semi-annual management report of fund performance contains financial highlights but does not contain the complete semi-annual or annual financial statements of the investment fund. You can get a copy of the semi-annual or annual financial statements at your request, and at no cost, by calling 1-800-563-5181, by writing to us at CI Investments Inc., 2 Queen Street East, Twentieth Floor, Toronto, ON, M5C 3G7 or by visiting our website at [www.ci.com](http://www.ci.com) or SEDAR at [www.sedar.com](http://www.sedar.com).

Securityholders may also contact us using one of these methods to request a copy of the investment fund's proxy voting policies and procedures, proxy voting disclosure record, or quarterly portfolio disclosure.

### RESULTS OF OPERATIONS

The net asset value of the Harbour Fund (the Fund) decreased by \$54.2 million to \$874.3 million from March 31, 2019 to September 30, 2019. The Fund had net redemptions of \$114.6 million during the period. The portfolio's performance increased assets by \$60.4 million. Class A units returned 6.7% after fees and expenses for the six-month period ended September 30, 2019. Over the same time period, the Fund's benchmark returned 5.1%. The benchmark is the S&P/TSX Composite Total Return Index.

The performance of the Fund's other classes is substantially similar to that of Class A units, except for differences in the structure of fees and expenses. For the returns of the Fund's other classes, please refer to the "Past performance" section.

Global equity markets generally ground modestly higher during the period, with interest rates in most major markets continuing to trend lower against a backdrop of central banks' accommodative monetary policy. Trade tensions and geopolitical risks remained primary investor concerns, and we continue to monitor these developments closely as they will likely have a material impact on future market performance. The information-technology, utilities and financials sectors led the Canadian market's performance, while healthcare (due mostly to a sharp decline in cannabis related companies) and energy lagged.

The Fund outperformed the benchmark for the period. The financials, information-technology and consumer-discretionary sectors made the largest contribution to relative performance, while energy and health care detracted.

The largest individual contributors to our performance were Dollarama Inc., TMX Group Ltd., and Thomson Reuters Corp., while Cenovus Energy Inc. and Canadian Natural Resources Ltd. detracted.

New investments during the period included Canadian Tire Corp., Ross Stores Inc., and Booking Holdings Inc. Canadian Tire is a family of businesses that includes a retail segment, a financial-services division and real estate (through CT REIT). Its share price offered an attractive entry point relative to what we determined to be the company's fair value, plus a dividend yield of nearly 3%. Ross Stores operates two brands of off-price retail apparel and home-accessories outlets. The company has a strong track record of solid revenue and earnings growth with a strong balance sheet. Booking Holdings is the largest provider of online travel services with a strong balance sheet and healthy earnings before interest, taxes, depreciation and amortization margins.

We exited our positions in Wheaton Precious Metals Corp., Lundin Mining Corp. and Agnico Eagle Mines Ltd. Wheaton is a precious-metals streaming company; Lundin is a diversified base-metals miner with global operations; and Agnico Eagle is a global gold producer. All three sales were made in order to make better use of our capital.

There are no material changes to the strategic position of the investment fund that would change our process for future periods. We continue to source high quality investment ideas that are aligned with the mandate of the fund. As mentioned above, we will continue to closely monitor macro-economic developments that could have an impact on the fund's holdings.

### RECENT DEVELOPMENTS

We made no material changes to the Fund's strategic positioning that would change our future strategy. We continue to search for high quality investments that are aligned with our mandate. As mentioned above, we will continue to closely monitor macro-economic developments that could have an impact on our portfolio.

Effective after the close of business on August 2, 2019, the classes of the Fund that were eligible for CI Preferred Pricing Program (CIPP) transitioned from a tiered pricing model to a fee distribution model.

Effective September 19, 2019, James McPhedran became a member of the Independent Review Committee (IRC) of CI Funds and effective August 15, 2019, John Reucassel resigned as a member of the IRC of CI Funds.

### Funds' Mergers

On September 23, 2019, CI Investments Inc. announced Funds' mergers. The mergers, subject to receiving all necessary unitholder and regulatory approvals, as applicable, will take effect on or about November 22, 2019. If approved, Harbour Fund will merge into CI Canadian Investment Fund.

### RELATED PARTY TRANSACTIONS

#### Manager, Portfolio Advisor, Trustee and Registrar

CI Investments Inc. is the Manager, Portfolio Advisor, Trustee and Registrar of the Fund. CI Investments Inc. is a subsidiary of CI Financial Corp. The Manager, in consideration for management fees, provides management services required in the day-to-day operations of the Fund. The Manager bears all of the operating expenses of the Fund (other than taxes, borrowing costs and new governmental fees) in return for an administration fee.

Management fee and administration fee rates as at September 30, 2019, for each of the classes are shown below:

	Annual management fee rate (%)	Annual administration fee rate (%)
<b>Class A</b>	2.000	0.20
<b>Class A1</b>	1.925	0.20
<b>Class A2</b>	1.900	0.19

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	Annual management fee rate (%)	Annual administration fee rate (%)
<b>Class A3</b>	1.850	0.15
<b>Class A4</b>	1.800	0.12
<b>Class A5</b>	1.700	0.10
<b>Class E</b>	1.950	0.15
<b>Class EF</b>	0.950	0.15
<b>Class F</b>	1.000	0.20
<b>Class F1</b>	0.925	0.20
<b>Class F2</b>	0.900	0.19
<b>Class F3</b>	0.850	0.15
<b>Class F4</b>	0.800	0.12
<b>Class F5</b>	0.700	0.10
<b>Class I</b>	Paid directly by investor	-
<b>Class O</b>	Paid directly by investor	0.15
<b>Class P</b>	Paid directly by investor	0.20
<b>Class W</b>	Paid directly by investor	0.14*

\*Effective August 2, 2019, the annual administration fee rate was reduced for Class W from 0.20% to 0.14%.

The Manager received \$7.3 million in management fees and \$0.8 million in administration fees for the period.

### Management Fees

Approximately 26% of total management fees were used to pay for sales and trailing commissions. The remaining 74% of management fees were used to pay for investment management and other general administration.

### Inter-Fund Trading

Inter-fund trading occurs when a Fund purchases or sells a security of any issuer from or to another Fund managed by the Manager. These transactions are executed through market intermediaries and under prevailing market terms and conditions. The IRC reviews such transactions during scheduled meetings. During the period ended September 30, 2019 the Fund executed inter-fund trades.

### Independent Review Committee

The Fund received standing instructions from the Fund's IRC with respect to the following related party transactions:

- a) trades in securities of CI Financial Corp.; and
- b) purchases or sales of securities of an issuer from or to another investment fund managed by the Manager.

The applicable standing instructions require that related party transactions be conducted in accordance with the Manager's policies and procedures and that the Manager advise the IRC of any material breach of a condition of the standing instructions. The standing instructions require, among other things, that investment decisions in respect

of related party transactions (a) are free from any influence by an entity related to the Manager and without taking into account any consideration relevant to an entity related to the Manager; (b) represent the business judgment of the Manager uninfluenced by considerations other than the best interests of the Fund; (c) are made in compliance with the Manager's policies and procedures; and (d) achieve a fair and reasonable result for the Fund. Transactions made by the Manager under the standing instructions are subsequently reviewed by the IRC on a quarterly basis to monitor compliance.

The Fund relied on the IRC's standing instructions regarding related party transactions during this reporting period.

Except as otherwise noted above, the Fund was not a party to any related party transactions during the period ended September 30, 2019.

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## FINANCIAL HIGHLIGHTS

The following tables show selected key financial information about the Fund and are intended to help you understand the Fund's financial performance for the past six periods, as applicable.

### Net Assets per Unit (\$) <sup>(1) (2) (4) \*</sup>

Net Assets per Unit (\$) <sup>(1) (2) (6) *</sup>		Increase (decrease) from operations:					Distributions:					
Net assets at the beginning of period <sup>(2)</sup>	Total revenue	Total expenses (excluding distributions)	Realized gains (losses) for the period	Unrealized gains (losses) for the period	Total increase (decrease) from operations <sup>(2)</sup>	From net investment income (excluding dividends)	From dividends	From capital gains	Return of capital	Total distributions <sup>(2,3)</sup>	Net assets at the end of the period shown <sup>(2)</sup>	
\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	
Class A												
Commencement of operations June 27, 1997												
Sept. 30, 2019	18.79	0.23	(0.24)	0.35	1.05	1.39	-	-	-	-	20.06	
Mar. 31, 2019	18.37	0.45	(0.46)	0.48	(0.01)	0.46	-	-	-	-	18.79	
Mar. 31, 2018	19.20	0.38	(0.46)	1.26	(1.41)	(0.23)	-	(0.02)	(0.47)	(0.49)	18.37	
Mar. 31, 2017	18.17	0.32	(0.45)	0.39	0.66	0.92	-	-	-	-	19.20	
Mar. 31, 2016	22.38	0.38	(0.50)	2.01	(4.03)	(2.14)	-	-	(2.09)	(2.09)	18.17	
Mar. 31, 2015	24.15	0.44	(0.58)	3.80	(2.44)	1.22	-	-	(2.91)	(2.91)	22.38	
Class A1												
Commencement of operations May 1, 2017												
Sept. 30, 2019	9.71	0.09	(0.08)	0.07	0.17	0.25	-	-	-	-	-	
Mar. 31, 2019	9.48	0.23	(0.22)	0.35	(0.18)	0.18	-	-	-	-	9.71	
Mar. 31, 2018	10.00	0.19	(0.21)	0.33	(0.75)	(0.44)	-	(0.01)	(0.25)	(0.26)	9.48	
Class A2												
Commencement of operations May 1, 2017												
Sept. 30, 2019	9.71	0.09	(0.08)	0.07	0.17	0.25	-	-	-	-	-	
Mar. 31, 2019	9.48	0.23	(0.22)	0.29	(0.07)	0.23	-	-	-	-	9.71	
Mar. 31, 2018	10.00	0.19	(0.21)	0.36	(0.76)	(0.42)	-	(0.01)	(0.26)	(0.27)	9.48	
Class A3												
Commencement of operations May 1, 2017												
Sept. 30, 2019	9.72	0.09	(0.08)	0.07	0.18	0.26	-	-	-	-	-	
Mar. 31, 2019	9.48	0.23	(0.21)	0.29	(0.10)	0.21	-	-	-	-	9.72	
Mar. 31, 2018	10.00	0.19	(0.20)	0.39	(0.84)	(0.46)	-	(0.01)	(0.26)	(0.27)	9.48	
Class A4												
Commencement of operations May 1, 2017												
Sept. 30, 2019	9.73	0.08	(0.07)	0.08	0.14	0.23	-	-	-	-	-	
Mar. 31, 2019	9.48	0.23	(0.21)	0.27	(0.10)	0.19	-	-	-	-	9.73	
Mar. 31, 2018	10.00	0.19	(0.19)	0.44	(0.87)	(0.43)	-	(0.01)	(0.27)	(0.28)	9.48	
Class A5												
Commencement of operations May 1, 2017												
Sept. 30, 2019	9.72	0.09	(0.07)	0.08	0.16	0.26	-	-	-	-	-	
Mar. 31, 2019	9.48	0.23	(0.19)	0.27	(0.12)	0.19	-	(0.01)	(0.01)	(0.02)	9.72	
Mar. 31, 2018	10.00	0.19	(0.18)	0.40	(0.97)	(0.56)	-	(0.01)	(0.29)	(0.30)	9.48	

\*Footnotes for the tables are found at the end of the Net Assets per Unit section of the Financial Highlights.

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## FINANCIAL HIGHLIGHTS (cont'd)

Net Assets per Unit (\$) <sup>(1) (2) (4) *</sup>		Increase (decrease) from operations:					Distributions:					Net assets at the end of the period shown <sup>(2)</sup>
Net assets at the beginning of period <sup>(2)</sup>		Total revenue	Total expenses (excluding distributions)	Realized gains (losses) for the period	Unrealized gains (losses) for the period	Total increase (decrease) from operations <sup>(2)</sup>	From net investment income (excluding dividends)	From dividends	From capital gains	Return of capital	Total distributions <sup>(2,3)</sup>	
\$		\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Class E</b>												
Commencement of operations October 4, 2011												
Sept. 30, 2019	10.41	0.14	(0.13)	0.17	0.52	0.70	-	-	-	-	-	11.12
Mar. 31, 2019	10.16	0.27	(0.24)	0.28	(0.02)	0.29	-	-	-	-	-	10.41
Mar. 31, 2018	10.62	0.23	(0.24)	0.61	(0.83)	(0.23)	-	(0.01)	(0.28)	-	(0.29)	10.16
Mar. 31, 2017	10.04	0.20	(0.23)	0.36	0.27	0.60	-	-	-	-	-	10.62
Mar. 31, 2016	12.36	0.23	(0.26)	1.09	(2.18)	(1.12)	-	-	(1.16)	-	(1.16)	10.04
Mar. 31, 2015	13.31	0.27	(0.31)	1.98	(1.23)	0.71	-	-	(1.60)	-	(1.60)	12.36
<b>Class EF</b>												
Commencement of operations July 29, 2015												
Sept. 30, 2019	8.64	0.11	(0.06)	0.15	0.42	0.62	-	-	-	-	-	9.28
Mar. 31, 2019	8.42	0.21	(0.10)	0.23	(0.08)	0.26	-	(0.06)	(0.02)	-	(0.08)	8.64
Mar. 31, 2018	8.81	0.18	(0.10)	0.52	(0.68)	(0.08)	-	(0.01)	(0.33)	-	(0.34)	8.42
Mar. 31, 2017	8.24	0.16	(0.10)	0.16	0.38	0.60	-	-	-	-	-	8.81
Mar. 31, 2016	10.00	0.11	(0.07)	0.51	(0.91)	(0.36)	-	-	(1.06)	-	(1.06)	8.24
<b>Class F</b>												
Commencement of operations July 17, 2000												
Sept. 30, 2019	18.14	0.22	(0.13)	0.36	1.09	1.54	-	-	-	-	-	19.47
Mar. 31, 2019	17.68	0.44	(0.24)	0.46	0.07	0.73	-	(0.10)	(0.05)	-	(0.15)	18.14
Mar. 31, 2018	18.49	0.37	(0.25)	1.19	(1.32)	(0.01)	-	(0.02)	(0.66)	-	(0.68)	17.68
Mar. 31, 2017	17.31	0.31	(0.23)	0.42	0.64	1.14	-	-	-	-	-	18.49
Mar. 31, 2016	21.36	0.36	(0.26)	1.91	(3.83)	(1.82)	-	-	(2.23)	-	(2.23)	17.31
Mar. 31, 2015	23.09	0.43	(0.31)	3.59	(2.32)	1.39	-	-	(3.08)	-	(3.08)	21.36
<b>Class F1</b>												
Commencement of operations May 1, 2017												
Sept. 30, 2019	9.71	0.09	(0.04)	0.07	0.19	0.31	-	-	-	-	-	-
Mar. 31, 2019	9.46	0.23	(0.12)	0.31	(0.25)	0.17	-	(0.06)	(0.03)	-	(0.09)	9.71
Mar. 31, 2018	10.00	0.19	(0.11)	0.41	(0.92)	(0.43)	-	(0.01)	(0.36)	-	(0.37)	9.46
<b>Class F2</b>												
Commencement of operations May 1, 2017												
Sept. 30, 2019	9.71	0.09	(0.04)	0.07	0.18	0.30	-	-	-	-	-	-
Mar. 31, 2019	9.46	0.23	(0.12)	0.27	(0.08)	0.30	-	(0.06)	(0.03)	-	(0.09)	9.71
Mar. 31, 2018	10.00	0.19	(0.11)	0.33	(0.72)	(0.31)	-	(0.01)	(0.37)	-	(0.38)	9.46
<b>Class F3</b>												
Commencement of operations May 1, 2017												
Sept. 30, 2019	9.71	0.09	(0.04)	0.07	0.17	0.29	-	-	-	-	-	-
Mar. 31, 2019	9.46	0.24	(0.11)	0.31	(0.18)	0.26	-	(0.07)	(0.03)	-	(0.10)	9.71
Mar. 31, 2018	10.00	0.19	(0.10)	0.51	(0.93)	(0.33)	-	(0.01)	(0.37)	-	(0.38)	9.46

\*Footnotes for the tables are found at the end of the Net Assets per Unit section of the Financial Highlights.

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## FINANCIAL HIGHLIGHTS (cont'd)

Net Assets per Unit (\$) <sup>(1) (2) (4) *</sup>		Increase (decrease) from operations:					Distributions:					Net assets at the end of the period shown <sup>(2)</sup>
Net assets at the beginning of period <sup>(2)</sup>		Total revenue	Total expenses (excluding distributions)	Realized gains (losses) for the period	Unrealized gains (losses) for the period	Total increase (decrease) from operations <sup>(2)</sup>	From net investment income (excluding dividends)	From dividends	From capital gains	Return of capital	Total distributions <sup>(2,3)</sup>	
\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Class F4</b>												
Commencement of operations May 1, 2017												
Sept. 30, 2019	9.70	0.08	(0.04)	0.10	0.20	0.34	-	-	-	-	-	-
Mar. 31, 2019	9.46	0.23	(0.10)	0.21	(0.19)	0.15	-	(0.07)	(0.03)	-	(0.10)	9.70
Mar. 31, 2018	10.00	0.18	(0.09)	0.33	(0.85)	(0.43)	-	(0.01)	(0.38)	-	(0.39)	9.46
<b>Class F5</b>												
Commencement of operations May 1, 2017												
Sept. 30, 2019	9.70	0.08	(0.03)	0.07	0.17	0.29	-	-	-	-	-	-
Mar. 31, 2019	9.46	0.23	(0.09)	0.28	(0.06)	0.36	-	(0.08)	(0.04)	-	(0.12)	9.70
Mar. 31, 2018	10.00	0.18	(0.08)	0.54	(0.81)	(0.17)	-	(0.01)	(0.39)	-	(0.40)	9.46
<b>Class I</b>												
Commencement of operations July 31, 2001												
Sept. 30, 2019	20.26	0.25	-	0.35	1.02	1.62	-	-	-	-	-	21.89
Mar. 31, 2019	19.75	0.49	-	0.37	(0.16)	0.70	-	(0.30)	(0.13)	-	(0.43)	20.26
Mar. 31, 2018	20.67	0.41	-	1.28	(1.57)	0.12	-	(0.04)	(1.01)	-	(1.05)	19.75
Mar. 31, 2017	19.10	0.37	-	0.54	0.92	1.83	-	-	-	-	-	20.67
Mar. 31, 2016	23.59	0.41	-	2.21	(4.71)	(2.09)	-	-	(2.77)	-	(2.77)	19.10
Mar. 31, 2015	25.51	0.47	-	3.98	(2.73)	1.72	-	-	(3.74)	-	(3.74)	23.59
<b>Class O</b>												
Commencement of operations October 4, 2011												
Sept. 30, 2019	10.69	0.13	(0.01)	0.18	0.54	0.84	-	-	-	-	-	11.55
Mar. 31, 2019	10.43	0.26	(0.02)	0.30	(0.03)	0.51	-	(0.15)	(0.06)	-	(0.21)	10.69
Mar. 31, 2018	10.91	0.22	(0.02)	0.64	(0.84)	-	-	(0.02)	(0.52)	-	(0.54)	10.43
Mar. 31, 2017	10.09	0.18	(0.02)	0.32	0.30	0.78	-	-	-	-	-	10.91
Mar. 31, 2016	12.45	0.21	(0.02)	1.07	(2.17)	(0.91)	-	-	(1.43)	-	(1.43)	10.09
Mar. 31, 2015	13.45	0.25	(0.02)	2.01	(1.31)	0.93	-	-	(1.94)	-	(1.94)	12.45
<b>Class P</b>												
Commencement of operations May 1, 2017												
Sept. 30, 2019	9.69	0.12	(0.01)	0.17	0.49	0.77	-	-	-	-	-	10.46
Mar. 31, 2019	9.45	0.22	(0.02)	0.60	0.81	1.61	-	(0.13)	(0.06)	-	(0.19)	9.69
Mar. 31, 2018	10.00	0.18	(0.02)	0.36	(1.01)	(0.49)	-	(0.02)	(0.46)	-	(0.48)	9.45
<b>Class W</b>												
Commencement of operations July 27, 2017												
Sept. 30, 2019	9.68	0.12	(0.01)	0.18	0.39	0.68	-	-	-	-	-	10.45
Mar. 31, 2019	9.44	0.23	(0.02)	0.28	(0.06)	0.43	-	(0.13)	(0.06)	-	(0.19)	9.68
Mar. 31, 2018	10.00	0.13	(0.02)	0.14	(0.34)	(0.09)	-	(0.02)	(0.46)	-	(0.48)	9.44

\*Footnotes for the tables are found at the end of the Net Assets per Unit section of the Financial Highlights.

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## **FINANCIAL HIGHLIGHTS (cont'd)**

(1) This information is derived from the Fund's semi-annual and annual financial statements.

(2) Net assets per unit and distributions per unit are based on the actual number of units outstanding for the relevant class at the relevant time. The increase (decrease) in net assets from operations per unit is based on the weighted average number of units outstanding for the relevant class over the fiscal period.

(3) Distributions are automatically reinvested in additional units of the Fund.

(4) This information is provided for the period ended September 30, 2019 and the years ended March 31.

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## FINANCIAL HIGHLIGHTS (cont'd)

### Ratios and Supplemental Data <sup>(1) (5) \*</sup>

	Total net assets <sup>(1)</sup> \$000's	Number of units outstanding <sup>(1)</sup> 000's	Management expense ratio before taxes <sup>(2)</sup> %	Harmonized sales tax <sup>(2)</sup> %	Management expense ratio after taxes <sup>(2)</sup> %	Effective HST rate for the period <sup>(2)</sup> %	Trading expense ratio <sup>(3)</sup> %	Portfolio turnover rate <sup>(4)</sup> %
<b>Class A</b>								
Commencement of operations June 27, 1997								
Sept. 30, 2019	674,082	33,610	2.20	0.23	2.43	10.36	0.17	61.49
Mar. 31, 2019	516,761	27,501	2.20	0.23	2.43	10.32	0.12	83.05
Mar. 31, 2018	791,081	43,075	2.20	0.23	2.43	10.36	0.15	83.36
Mar. 31, 2017	1,213,348	63,196	2.20	0.23	2.43	10.37	0.22	136.09
Mar. 31, 2016	1,640,233	90,270	2.21	0.23	2.44	10.37	0.09	51.10
Mar. 31, 2015	2,432,093	108,691	2.20	0.23	2.43	10.40	0.07	28.99
<b>Class A1</b>								
Commencement of operations May 1, 2017								
Sept. 30, 2019	-	-	2.13	0.21	2.34	10.02	0.17	61.49
Mar. 31, 2019	176,336	18,161	2.13	0.22	2.35	10.43	0.12	83.05
Mar. 31, 2018	89,832	9,476	2.13	0.23	2.36	10.85	0.15	83.36
<b>Class A2</b>								
Commencement of operations May 1, 2017								
Sept. 30, 2019	-	-	2.09	0.22	2.31	10.42	0.17	61.49
Mar. 31, 2019	15,952	1,643	2.09	0.22	2.31	10.66	0.12	83.05
Mar. 31, 2018	15,591	1,645	2.09	0.22	2.31	10.19	0.15	83.36
<b>Class A3</b>								
Commencement of operations May 1, 2017								
Sept. 30, 2019	-	-	2.00	0.20	2.20	9.79	0.17	61.49
Mar. 31, 2019	6,853	705	2.00	0.22	2.22	10.80	0.12	83.05
Mar. 31, 2018	6,009	634	2.00	0.22	2.22	11.16	0.15	83.36
<b>Class A4</b>								
Commencement of operations May 1, 2017								
Sept. 30, 2019	-	-	1.92	0.20	2.12	10.55	0.17	61.49
Mar. 31, 2019	566	58	1.92	0.24	2.16	12.31	0.12	83.05
Mar. 31, 2018	636	67	1.92	0.24	2.16	12.05	0.15	83.36
<b>Class A5</b>								
Commencement of operations May 1, 2017								
Sept. 30, 2019	-	-	1.80	0.13	1.93	7.42	0.17	61.49
Mar. 31, 2019	427	44	1.80	0.14	1.94	8.00	0.12	83.05
Mar. 31, 2018	424	45	1.80	0.17	1.97	10.57	0.15	83.36

\*Footnotes for the tables are found at the end of the Financial Highlights section.

# Harbour Fund

Management Report of Fund Performance for the period ended September 30, 2019

## FINANCIAL HIGHLIGHTS (cont'd)

### Ratios and Supplemental Data <sup>(1) (2) \*</sup>

	Total net assets <sup>(1)</sup> \$000's	Number of units outstanding <sup>(1)</sup> 000's	Management expense ratio before taxes <sup>(2)</sup> %	Harmonized sales tax <sup>(2)</sup> %	Management expense ratio after taxes <sup>(2)</sup> %	Effective HST rate for the period <sup>(2)</sup> %	Trading expense ratio <sup>(2)</sup> %	Portfolio turnover rate <sup>(4)</sup> %
<b>Class E</b>								
Commencement of operations October 4, 2011								
Sept. 30, 2019	14,570	1,310	2.10	0.21	2.31	9.94	0.17	61.49
Mar. 31, 2019	16,866	1,620	2.10	0.21	2.31	9.90	0.12	83.05
Mar. 31, 2018	21,211	2,087	2.10	0.19	2.29	9.21	0.15	83.36
Mar. 31, 2017	15,103	1,422	2.10	0.19	2.29	9.24	0.22	136.09
Mar. 31, 2016	11,676	1,163	2.11	0.20	2.31	9.58	0.09	51.10
Mar. 31, 2015	11,685	946	2.10	0.22	2.32	10.62	0.07	28.99
<b>Class EF</b>								
Commencement of operations July 29, 2015								
Sept. 30, 2019	1,400	151	1.10	0.12	1.22	10.76	0.17	61.49
Mar. 31, 2019	1,484	172	1.10	0.11	1.21	10.15	0.12	83.05
Mar. 31, 2018	2,061	245	1.10	0.10	1.20	8.80	0.15	83.36
Mar. 31, 2017	1,495	170	1.10	0.08	1.18	7.53	0.22	136.09
Mar. 31, 2016	1,587	193	1.10	0.08	1.18	11.56	0.09	51.10
<b>Class F</b>								
Commencement of operations July 17, 2000								
Sept. 30, 2019	27,932	1,435	1.20	0.13	1.33	10.53	0.17	61.49
Mar. 31, 2019	19,392	1,069	1.20	0.13	1.33	10.53	0.12	83.05
Mar. 31, 2018	30,884	1,747	1.20	0.13	1.33	10.73	0.15	83.36
Mar. 31, 2017	44,557	2,409	1.20	0.13	1.33	10.78	0.22	136.09
Mar. 31, 2016	50,138	2,897	1.20	0.13	1.33	10.55	0.09	51.10
Mar. 31, 2015	67,567	3,164	1.20	0.13	1.33	10.61	0.07	28.99
<b>Class F1</b>								
Commencement of operations May 1, 2017								
Sept. 30, 2019	-	-	1.13	0.12	1.25	10.74	0.17	61.49
Mar. 31, 2019	9,041	932	1.13	0.12	1.25	11.08	0.12	83.05
Mar. 31, 2018	5,229	553	1.13	0.13	1.26	11.28	0.15	83.36
<b>Class F2</b>								
Commencement of operations May 1, 2017								
Sept. 30, 2019	-	-	1.09	0.11	1.20	10.46	0.17	61.49
Mar. 31, 2019	1,313	135	1.09	0.11	1.20	10.46	0.12	83.05
Mar. 31, 2018	1,590	168	1.09	0.10	1.19	9.12	0.15	83.36
<b>Class F3</b>								
Commencement of operations May 1, 2017								
Sept. 30, 2019	-	-	1.00	0.10	1.10	9.73	0.17	61.49
Mar. 31, 2019	1,256	129	1.00	0.12	1.12	12.61	0.12	83.05
Mar. 31, 2018	710	75	1.00	0.13	1.13	12.35	0.15	83.36

\*Footnotes for the tables are found at the end of the Financial Highlights section.

# Harbour Fund

Management Report of Fund Performance for the period ended September 30, 2019

## FINANCIAL HIGHLIGHTS (cont'd)

### Ratios and Supplemental Data <sup>(1) (2) \*</sup>

	Total net assets <sup>(1)</sup> \$000's	Number of units outstanding <sup>(2)</sup> 000's	Management expense ratio before taxes <sup>(2)</sup> %	Harmonized sales tax <sup>(2)</sup> %	Management expense ratio after taxes <sup>(2)</sup> %	Effective HST rate for the period <sup>(2)</sup> %	Trading expense ratio <sup>(2)</sup> %	Portfolio turnover rate <sup>(4)</sup> %
<b>Class F4</b>								
Commencement of operations May 1, 2017								
Sept. 30, 2019	-	-	0.92	0.12	1.04	13.00	0.17	61.49
Mar. 31, 2019	44	5	0.92	0.12	1.04	13.00	0.12	83.05
Mar. 31, 2018	60	6	0.92	0.12	1.04	13.00	0.15	83.36
<b>Class F5</b>								
Commencement of operations May 1, 2017								
Sept. 30, 2019	-	-	0.80	0.10	0.90	13.00	0.17	61.49
Mar. 31, 2019	12	1	0.80	0.10	0.90	13.00	0.12	83.05
Mar. 31, 2018	11	1	0.80	0.09	0.89	13.00	0.15	83.36
<b>Class I</b>								
Commencement of operations July 31, 2001								
Sept. 30, 2019	141,863	6,481	-	-	-	-	0.17	61.49
Mar. 31, 2019	146,627	7,238	-	-	-	-	0.12	83.05
Mar. 31, 2018	494,378	25,026	-	-	-	-	0.15	83.36
Mar. 31, 2017	517,749	25,045	-	-	-	-	0.22	136.09
Mar. 31, 2016	295,548	15,477	-	-	-	-	0.09	51.10
Mar. 31, 2015	533,069	22,601	-	-	-	-	0.07	28.99
<b>Class O</b>								
Commencement of operations October 4, 2011								
Sept. 30, 2019	13,800	1,195	0.15	0.01	0.16	9.77	0.17	61.49
Mar. 31, 2019	14,963	1,399	0.15	0.02	0.17	10.03	0.12	83.05
Mar. 31, 2018	18,789	1,802	0.15	0.02	0.17	10.34	0.15	83.36
Mar. 31, 2017	15,700	1,439	0.15	0.02	0.17	10.41	0.22	136.09
Mar. 31, 2016	15,147	1,501	0.15	0.02	0.17	10.65	0.09	51.10
Mar. 31, 2015	10,761	864	0.15	0.02	0.17	11.24	0.07	28.99
<b>Class P</b>								
Commencement of operations May 1, 2017								
Sept. 30, 2019	667	64	0.20	0.03	0.23	13.16	0.17	61.49
Mar. 31, 2019	615	64	0.20	0.03	0.23	13.04	0.12	83.05
Mar. 31, 2018	110	12	0.20	0.03	0.23	13.00	0.15	83.36
<b>Class W</b>								
Commencement of operations July 27, 2017								
Sept. 30, 2019	31	3	0.18	0.02	0.20	13.00	0.17	61.49
Mar. 31, 2019	10	1	0.20	0.03	0.23	13.00	0.12	83.05
Mar. 31, 2018	10	1	0.20	0.03	0.23	13.00	0.15	83.36

\*Footnotes for the tables are found at the end of the Financial Highlights section.

# Harbour Fund

*Management Report of Fund Performance for the period ended September 30, 2019*

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## **FINANCIAL HIGHLIGHTS (cont'd)**

(1) This information is derived from the Fund's semi-annual and annual financial statements.

(2) Management expense ratio is calculated based on expenses charged to the Fund (excluding commissions and other portfolio transaction costs) and is expressed as an annualized percentage of daily average net assets for the period, including the Fund's proportionate share of any underlying fund(s) expenses, if applicable. The Effective HST tax rate is calculated using the attribution percentage for each province based on unitholder residency and can be different from 13%.

(3) The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of daily average net assets during the period, including the Fund's proportionate share of such expenses of any underlying fund(s), if applicable.

(4) The Fund's portfolio turnover rate indicates how actively the Fund's portfolio advisor manages its portfolio investments. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the fiscal period. The higher a Fund's portfolio turnover rate in a period, the greater the trading costs payable by the Fund in the period, and the greater the chance of an investor receiving taxable capital gains in the period. There is not necessarily a relationship between a higher turnover rate and the performance of a Fund. Portfolio turnover rate is calculated by dividing the lesser of the cost of purchases and the proceeds of sales of portfolio securities for the period, and excluding cash and short-term investments maturing in less than one year, and before assets acquired from a merger, if applicable, by the average of the monthly fair value of investments during the period.

(5) This information is provided for the period ended September 30, 2019 and the years ended March 31.

# Harbour Fund

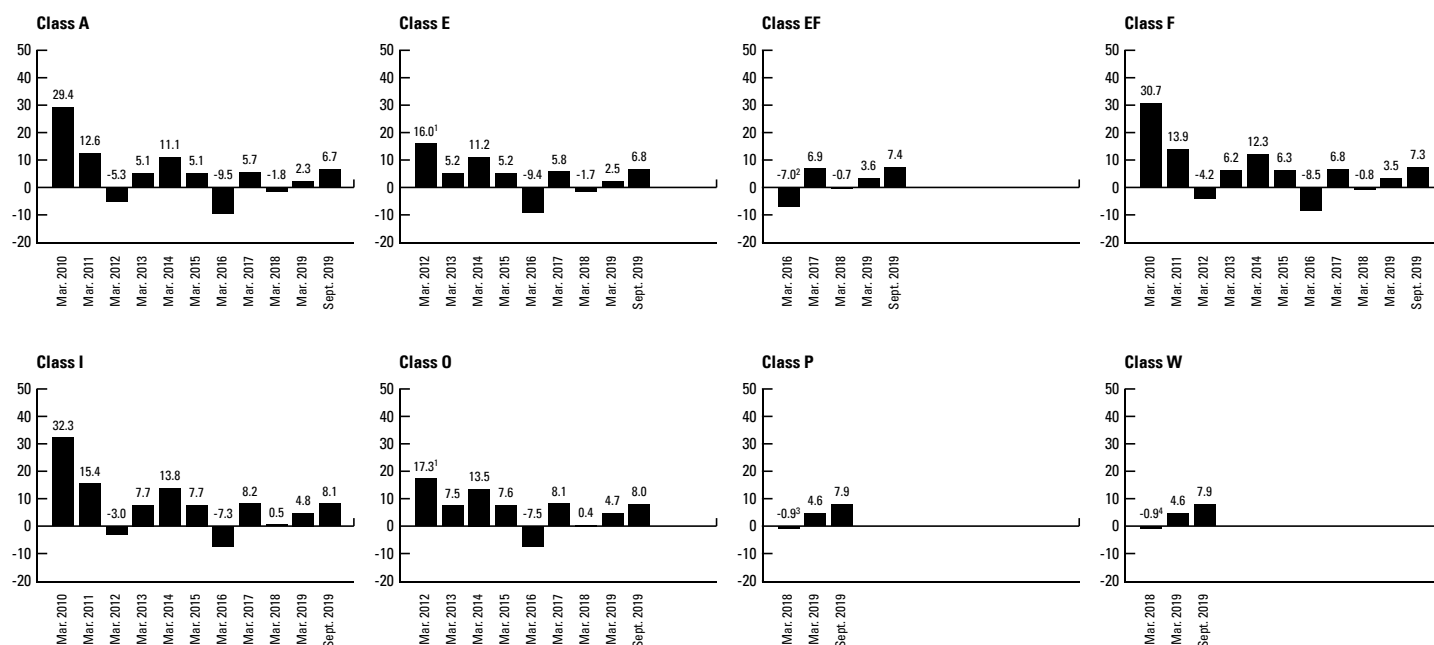
Management Report of Fund Performance for the period ended September 30, 2019

## PAST PERFORMANCE

This section describes how the Fund has performed in the past. Remember, past returns do not indicate how the Fund will perform in the future. The information shown assumes that distributions made by the Fund in the periods shown were reinvested in additional units of the relevant classes of the Fund. In addition, the information does not take into account sales, redemption, distribution or other optional charges that would have reduced returns or performance.

### Year-by-Year Returns

The following charts show the Fund's semi-annual and annual performance for each of the periods shown and illustrate how the Fund's performance has changed from period to period. In percentage terms, the charts show how much an investment made on the first day of each financial period would have grown or decreased by the last day of each financial period, except where noted.



- 1 2012 return is for the period from October 4, 2011 to March 31, 2012.
- 2 2016 return is for the period from July 29, 2015 to March 31, 2016.
- 3 2018 return is for the period from May 1, 2017 to March 31, 2018.
- 4 2018 return is for the period from July 27, 2017 to March 31, 2018.

# Harbour Fund

Management Report of Fund Performance for the period ended September 30, 2019

## SUMMARY OF INVESTMENT PORTFOLIO as at September 30, 2019

Category	% of Net Assets	Category	% of Net Assets	Top 25 Holdings	% of Net Assets
<b>Country allocation</b>		<b>Sector allocation</b>			
Canada .....	54.4	Financials .....	31.5	Toronto-Dominion Bank .....	5.1
U.S.A. ....	38.8	Information Technology .....	17.2	Royal Bank of Canada .....	5.0
Cash & Equivalents .....	3.8	Consumer Discretionary .....	16.2	TMX Group Ltd. ....	5.0
Bermuda .....	1.9	Industrials .....	10.8	Brookfield Asset Management Inc., Class A .....	4.9
Netherlands .....	1.3	Energy .....	6.8	Thomson Reuters Corp. ....	4.7
Foreign Currency Forward Contracts .....	0.0	Health Care .....	4.6	Cash & Equivalents .....	3.8
Other Net Assets (Liabilities) .....	(0.2)	Consumer Staples .....	4.4	The Bank of Nova Scotia .....	3.7
		Cash & Equivalents .....	3.8	Dollarama Inc. ....	3.4
		Real Estate .....	3.7	Microsoft Corp. ....	3.0
		Materials .....	1.2	Fiserv Inc. ....	3.0
		Foreign Currency Forward Contracts .....	0.0	Alimentation Couche-Tard Inc., Class B .....	2.9
		Other Net Assets (Liabilities) .....	(0.2)	Autodesk Inc. ....	2.7
				Humana Inc. ....	2.6
				Booking Holdings Inc. ....	2.5
				Canadian Pacific Railway Ltd. ....	2.4
				Pembina Pipeline Corp. ....	2.3
				KLA-Tencor Corp. ....	2.2
				Canadian National Railway Co. ....	2.2
				Canadian Tire Corp., Ltd., Class A, Non-Voting Shares .....	2.1
				Apple Inc. ....	2.0
				Sun Life Financial Inc. ....	2.0
				Suncor Energy Inc. ....	2.0
				American Express Co. ....	2.0
				Gilead Sciences Inc. ....	2.0
				Brookfield Property Partners L.P. ....	1.9
				<b>Total Net Assets (in \$000's)</b>	<b>\$874,345</b>

The summary of investment portfolio may change due to ongoing portfolio transactions of the Fund and updates will be available on a quarterly basis.

## A NOTE ON FORWARD-LOOKING STATEMENTS

This report may contain forward-looking statements about the Fund, its future performance, strategies or prospects, and possible future Fund action. The words "may," "could," "should," "would," "suspect," "outlook," "believe," "plan," "anticipate," "estimate," "expect," "intend," "forecast," "objective," and similar expressions are intended to identify forward-looking statements.

Forward-looking statements are not guarantees of future performance. Forward-looking statements involve inherent risks and uncertainties, both about the Fund and general economic factors, so it is possible that predictions, forecasts, projections and other forward-looking statements will not be achieved. We caution you not to place undue reliance on these statements as a number of important factors could cause actual events or results to differ materially from those expressed or implied in any

forward-looking statement made by the Fund. These factors include, but are not limited to, general economic, political and market factors in Canada, the United States and internationally, interest and foreign exchanges rates, global equity and capital markets, business competition, technological changes, changes in laws and regulations, judicial or regulatory judgments, legal proceedings and catastrophic events.

The above list of important factors that may affect future results is not exhaustive. Before making any investment decisions, we encourage you to consider these and other factors carefully. All opinions contained in forward-looking statements are subject to change without notice and are provided in good faith but without legal responsibility.