

Awards & Credentials

The Daintree Core Income Trust has recently been awarded a Recommended rating by Zenith. Daintree Capital is also a signatory to the United Nations Principles for Responsible Investment.



Signatory of:



Fund Description

The Daintree Core Income Trust (the Fund) is an absolute return, cash plus, investment grade bond strategy. The Fund is not constrained by any traditional fixed income index, which provides us the flexibility to seek out the best risk adjusted returns available across regions, sectors and securities.

Fund Objective

The aim of the Fund is to provide a steady stream of income and capital stability over the medium term by investing in a diversified portfolio of fixed income securities and cash. The Fund seeks to produce a return (net of fees) that exceeds the RBA Cash Rate by 1.50-2.00% p.a. over a rolling three-year period.

Monthly Highlights

- August saw further outperformance from credit markets. Locally, non-financial bonds were the main driver. Meanwhile, bank senior spreads have surpassed their pre-Covid tights.
- Offshore credit markets continue to be driven by lower-rated issues, as investors seek yield. Companies are taking advantage, and primary issuance volumes remain high.
- Investors began to consider the potential for future inflation more seriously during August, and accordingly long bonds were under pressure. We continue to see asymmetric risk in longer tenor interest rates and remain comfortable with our portfolios holding very little duration risk.
- Performance was driven by credit spread compression, offset a little by currency positioning in our Overlay.

Key Statistics

| | |
|----------------------------|------|
| Modified Duration (Yrs) | 0.39 |
| Spread Duration (Yrs) | 3.52 |
| Portfolio Yield (%) | 2.05 |
| Average Credit Quality | A |
| Portfolio ESG score (MSCI) | A |

Note: Portfolio yield is the expected return over the next year, assuming no changes to either portfolio composition or market yields. The Portfolio ESG score is the weighted average portfolio ESG rating based on Daintree Capital's application of MSCI data

Fund facts

| | |
|------------------------|-------------------------------------|
| Trust name | Daintree Core Income Trust |
| Funds under management | AUD343m |
| Responsible Entity | Perennial Investment Management Ltd |
| Portfolio managers | Mark Mitchell & Justin Tyler |
| Inception date | 5 June 2017 |
| APIR code | WPC1963AU |
| Management costs | 0.50% pa |
| Buy/sell spread | +0.05% / -0.05% |
| Entry and exit fees | None |
| Pricing frequency | Daily |
| Initial investment | \$25,000 |
| Distribution frequency | Monthly |
| Currency | Australian Dollar |

Platforms

The Daintree Core Income Trust is available on the following platforms:

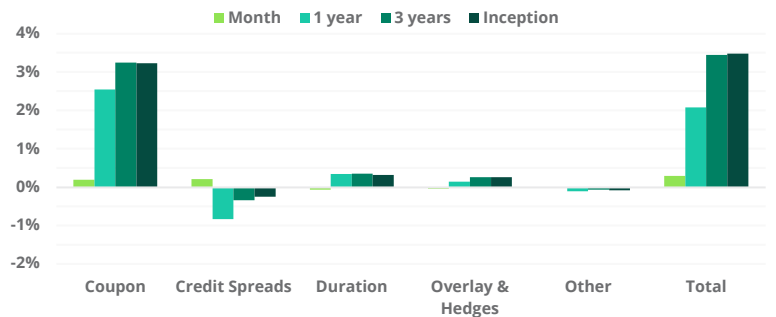
- Asgard
- BT Panorama
- HUB24
- Macquarie Wrap
- Mason Stevens
- MLC Navigator
- MLC Wrap
- Netwealth
- Praemium
- uXchange
- Xplore Wealth

Performance & Analytics

| | Month (%) | Quarter (%) | 1 Year (%) | 3 Years (% pa) | Inception (% pa) |
|--------------------|-----------|-------------|------------|----------------|------------------|
| Fund (gross) | 0.29 | 1.70 | 2.08 | 3.44 | 3.48 |
| Fund (net) | 0.24 | 1.58 | 1.58 | 2.88 | 2.92 |
| Distribution (net) | 0.15 | 0.37 | 1.62 | 2.18 | 2.13 |
| Growth (net) | 0.09 | 1.21 | -0.04 | 0.70 | 0.79 |
| RBA Cash Rate | 0.02 | 0.06 | 0.54 | 1.15 | 1.17 |
| Excess Return | 0.22 | 1.52 | 1.05 | 1.73 | 1.75 |

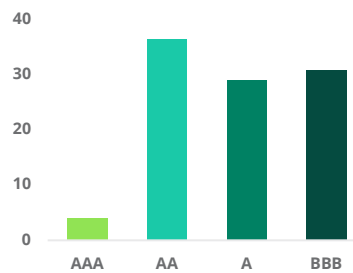
Note: Performance inception is 1 July 2017. Excess return is measured with reference to net performance. Returns for periods longer than one year are annualised. Distribution return is the difference between total return and ex-distribution unit price return. Past performance is not a reliable indicator of future performance.

Performance Contribution (Pre Fees)

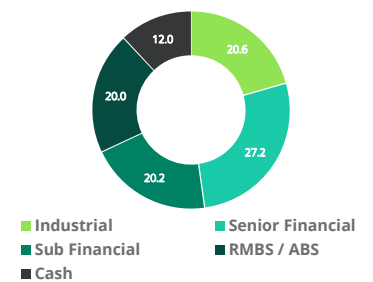


Note: Overlay strategies use derivatives to ensure that the fund exposure to interest rates, credit and other relevant factors is controlled separately to the physical assets in the portfolio

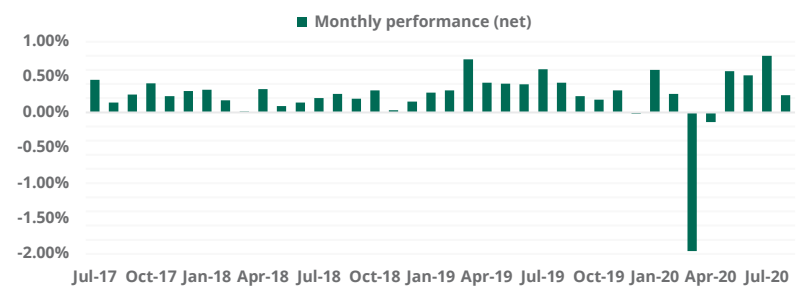
Rating Exposure (%)



Sector Exposure (%)



Monthly Performance



Cash Income

The Fund distributed 0.15 cents per unit in August.

