

Awards & Credentials

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



Signatory of:



Fund Description

The Daintree High Income Trust NZD Class (the Fund) is an absolute return 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 over the medium term by investing in a diversified portfolio of fixed income securities. The Fund seeks to produce a return (net of fees) that exceeds the RBNZ Cash Rate by 3%-4% p.a. over a rolling three to five-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 tightness.
- 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.

Statistics

Modified Duration (Yrs)	0.76
Spread Duration (Yrs)	2.75
Portfolio Yield (%)	3.85
Average Credit Quality	BBB+

Note: Portfolio yield is the expected return over the next year, assuming no changes to either portfolio composition or market yields.

Fund facts

Trust name	Daintree High Income Trust (NZD Unit Class)
Responsible Entity	Perennial Investment Management Ltd
Portfolio managers	Mark Mitchell & Justin Tyler
Inception date	1 November 2018
APIR code	WPC0529AU
Management costs	0.75% pa
Buy/sell spread	+0.15% / -0.15%
Entry and exit fees	None
Pricing frequency	Daily
Initial investment	\$10,000
Distribution frequency	Monthly
Currency	New Zealand Dollar

Platforms

The Daintree High Income Trust NZD Unit Class is available on the following platforms:

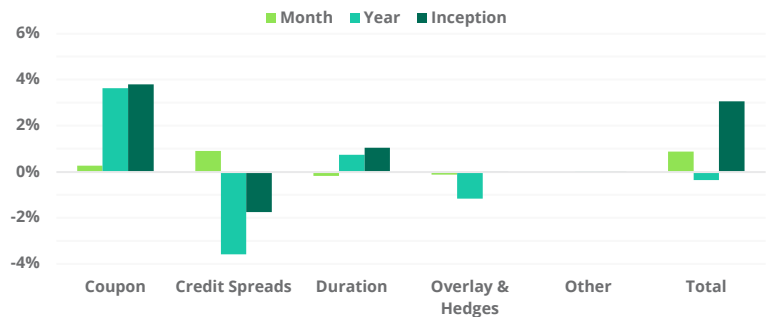
- FNZ
- Aegis

Performance & Analytics

	Month (%)	Quarter (%)	1 Year (%)	Inception (%)
Fund (gross)	0.82	2.61	-0.36	3.06
Fund (net)	0.76	2.42	-1.11	2.31
Distribution (net)	0.20	0.71	2.31	2.50
Growth (net)	0.56	1.71	-3.41	-0.19
RBNZ Cash Rate	0.02	0.06	0.66	2.02
Excess Return	0.74	2.36	-1.76	0.29

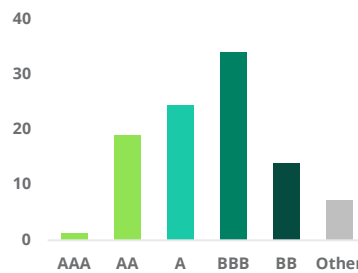
Note: Performance inception is 1 November 2018. Excess return is measured with reference to net performance. Returns for periods longer than one year are annualised. Distribution return is the difference between total return and ex-distribution unit price return. Past performance is not a reliable indicator of future performance.

Performance Contribution (Pre-Fees)

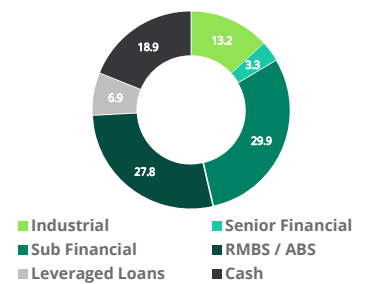


Note: Overlay strategies use derivatives to ensure that the fund exposure to interest rates, credit and other relevant factors is controlled separately to the physical assets in the portfolio

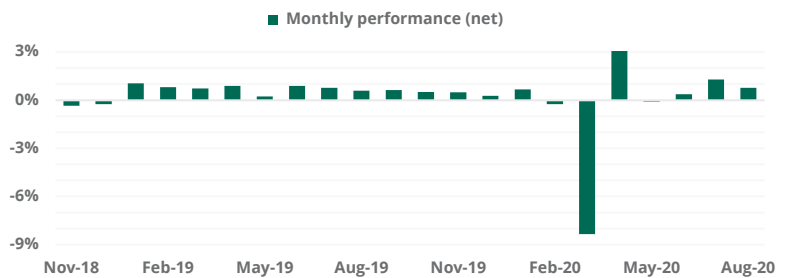
Rating Exposure (%)



Sector Exposure (%)



Monthly Performance



Cash Income

The Fund distributed 0.20 cents per unit in August.

