DAINTREE CORE INCOME TRUST

MONTHLY FACTSHEET: 31 May 2021

Awards & Credentials

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

Signatory of: PRI Principles for Responsible Investment

Fund Description

The Daintree Core Income Trust (the Fund) is an absolute return, cash plus 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

- An upside US inflation surprise and increased expectations around tapering in Europe drove sovereign bond yields higher in the early part of the month. Dovish central bank commentary saw these moves subsequently unwound and yields ended the month little changed (the 10-year Australian sovereign bond yield is 6bp lower)
- Non-financial credit widened slightly, but this was more than offset by spread narrowing in the financial and RMBS sectors
- Overlay performance was a small positive for the month, driven by a range of strategies across rates, currency and credit markets

Key Statistics

Modified Duration (Yrs)	0.63
Spread Duration (Yrs)	3.77
Portfolio Yield (%)	1.73
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. Average credit quality excludes overlay positions. Portfolio yield and spread duration reflect the net credit default swap exposures in the portfolio. 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	AUD490m
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:

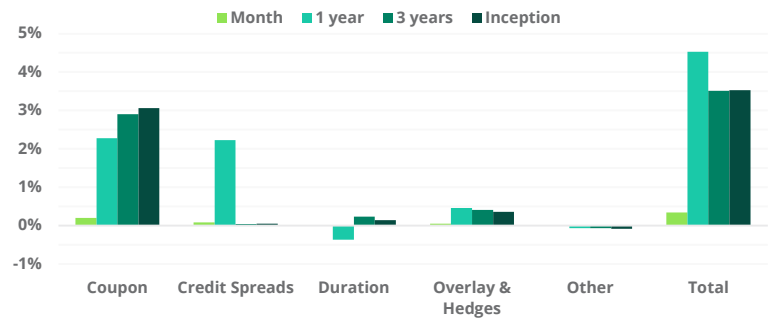
- AMP North
- Asgard
- BT Panorama
- HUB 24
- Macquarie Wrap
- Mason Stevens
- MLC Navigator
- MLC Wrap
- Netwealth
- Praemium
- uXchange
- Xplore Wealth

Performance & Analytics

	Month (%)	Quarter (%)	1 Year (%)	3 Years (% pa)	Inception (% pa)
Fund (gross)	0.34	0.81	4.53	3.51	3.53
Fund (net)	0.30	0.69	4.03	2.98	2.98
Distribution (net)	0.10	0.29	1.28	2.02	1.95
Growth (net)	0.20	0.40	2.75	0.96	1.03
RBA Cash Rate	0.01	0.03	0.16	0.81	0.97
Excess Return	0.29	0.66	3.87	2.17	2.01

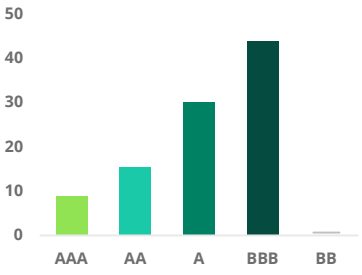
Note: Performance inception is 1 July 2017. Excess return is measured with reference to net performance. Returns for periods longer than one year are annualised. Distribution return is the difference between total return and ex-distribution unit price return. Past performance is not a reliable indicator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

Performance Contribution (Pre Fees)

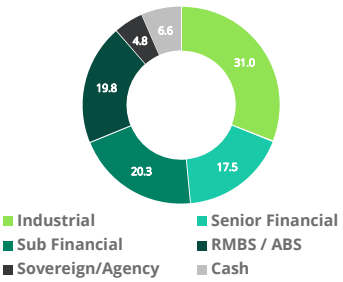


Note: Overlay strategies use derivatives to ensure that the fund exposure to interest rates, credit and other relevant factors is controlled separately to the physical assets in the portfolio

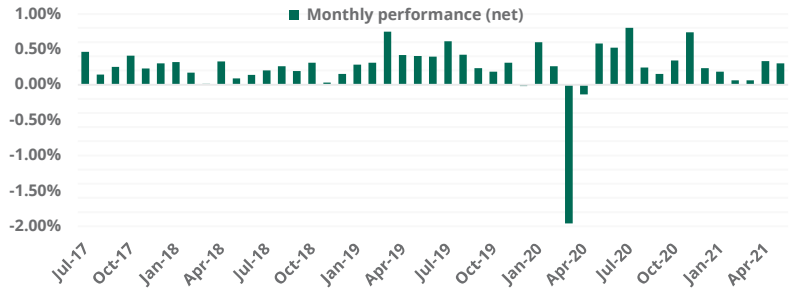
Rating Exposure (%)



Sector Exposure (%)

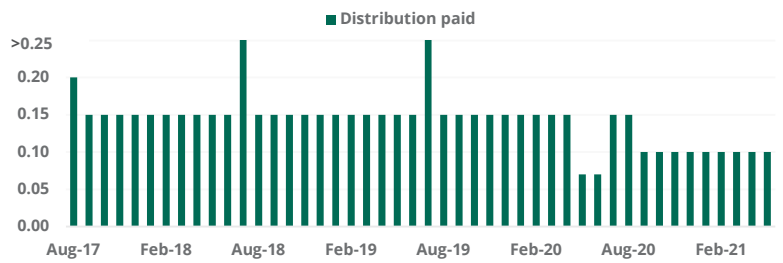


Monthly Performance



Cash Income

The Fund distributed 0.10 cents per unit in May.



Issued by: The Investment Manager, Daintree Capital Management Pty Ltd, ABN 45 610 989 912, AFSL: 487489. Responsible Entity: Perennial Investment Management Limited ABN 13 108 747 637, AFSL: 275101. This promotional statement is provided for information purposes only. Accordingly, reliance should not be placed on this promotional statement as the basis for making an investment, financial or other decision. This promotional statement does not take into account your investment objectives, particular needs or financial situation. While every effort has been made to ensure the information in this promotional statement is accurate; its accuracy, reliability or completeness is not guaranteed. Past performance is not a reliable indicator of future performance. Gross performance does not include any applicable management fees or expenses. Net performance is based on redemption price for the period and assumes that all distributions are reinvested. Fees indicated reflect the maximum applicable. Contractual arrangements, including any applicable management fee, may be negotiated with certain large investors. Investments in the Trust must be accompanied by an application form. The current relevant product disclosure statement, additional information booklet and application form can be found on Daintree's website www.daintreecapital.com.au.