DAINTREE CORE INCOME TRUST (NZD)

MONTHLY FACTSHEET: 31 August 2026

Fund Description

The Daintree Core Income Trust NZD Unit Class (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 RBNZ Cash Rate by 2.00-2.50% p.a. over a rolling three-year period.

Monthly Highlights

- Coupon was a positive contributor for the month. Physical credit spreads widened somewhat, led by financial names, but this was more than offset by outperformance in the overlay.
- The macro environment continues to feature sticky inflation, slowing growth, and policy uncertainty. This backdrop favours active management, credit selectivity, and a disciplined approach to duration. Portfolios are flexibly positioned to capture credit premium while closely managing interest rate and credit risks.

Key Statistics

Modified Duration (Yrs)	0.00
Spread Duration (Yrs)	2.54
Yield to Maturity (%)	4.92
Running Yield (%)	4.80
Average Credit Quality	A-
Portfolio ESG score (MSCI)	AA

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 (NZD Unit Class)
Funds under management	NZD2,395m
Responsible Entity	Perennial Investment Management Ltd
Portfolio managers	Mark Mitchell & Justin Tyler
Inception date	14 May 2018
APIR code	WPC0696AU
Management costs	0.50% pa + 0.05% pa expense recovery
Buy/sell spread	+0.00% / -0.05%
Entry and exit fees	None
Pricing frequency	Daily
Minimum initial investment	$25,000
Distribution frequency	Monthly
Currency	New Zealand Dollar

Platforms

The Daintree Core Income Trust (NZD Unit Class) is available on the following platforms:

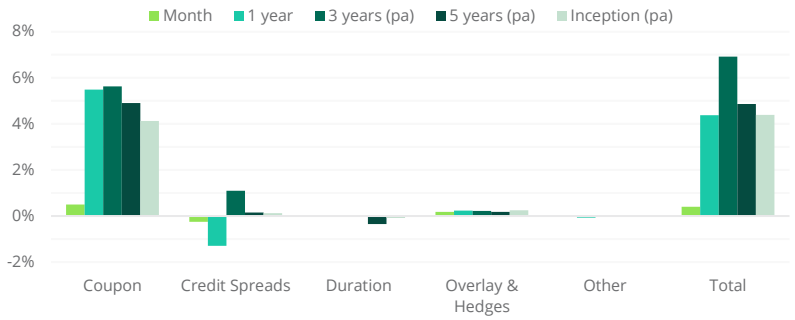
◊ Adminis ◊ Apex ◊ FNZ
◊ NZX Wealth

Performance & Analytics

	Month (%)	Quarter (%)	1 Year (%)	3 Years (% pa)	5 Years (% pa)	Inception (% pa)
Fund (gross)	0.40	1.16	4.37	6.92	4.87	4.39
Fund (net)	0.36	1.03	3.82	6.37	4.33	3.86
Distribution (net)	0.18	0.46	2.21	4.09	3.13	2.69
Growth (net)	0.17	0.57	1.61	2.27	1.21	1.17
RBNZ Cash Rate	0.21	0.61	2.41	4.03	3.58	2.53
Excess Return	0.14	0.42	1.41	2.34	0.75	1.33

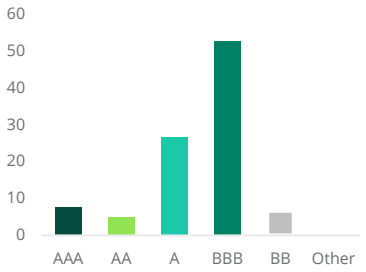
Note: Performance inception is 1 June 2018. Excess return is measured with reference to net performance.
Returns for periods longer than one year are annualised. Distribution return is the difference between total return and ex-distribution unit price return. Past performance is not a reliable indicator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

Performance Contribution (Pre Fees)

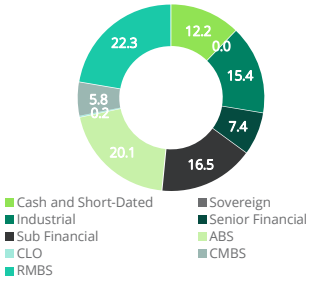


Note: Overlay strategies use derivatives to ensure that the Fund exposure to interest rates, credit and other relevant factors is controlled separately to the physical assets in the portfolio

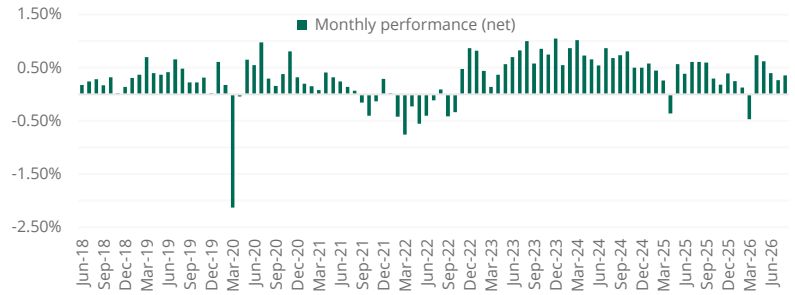
Rating Exposure (%)



Sector Exposure (%)



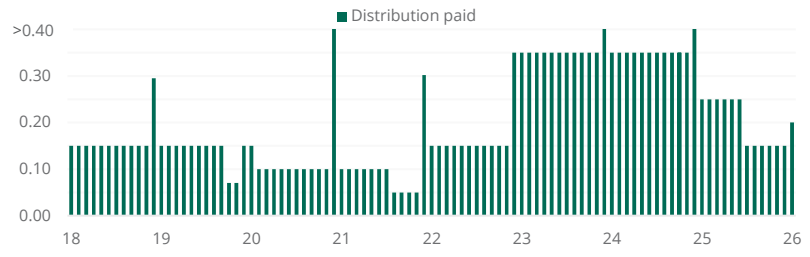
Monthly Performance



Note: Past performance is not a reliable indicator of future performance

Cash Income

The Fund paid a 0.20 cents per unit distribution in August.



Signatory of: PRI Principles for Responsible Investment

Proudly supporting: ONE TREE PLANTED

Daintree CAPITAL

DAINTREE CORE INCOME TRUST (NZD)

MONTHLY FACTSHEET: 31 August 2026

Fund Review

The Core Income Trust NZD returned 0.36% for the month, net of fees. Over the last three years, the fund has delivered a return of 6.37%pa net of fees, equivalent to an excess return of 2.34%pa. Coupon was a positive contributor for the month. Physical credit spreads widened somewhat, led by financial names, but this was more than offset by outperformance in the overlay.

The fund continues to selectively engage in new issuance to optimise future income potential. Portfolio positioning and cash levels will enable portfolio managers to nimbly respond to the evolving market environment.

Outlook

The drivers of market performance shifted during August, as bond yields and fiscal concerns rose to the fore. Take the Middle East and energy markets: The pattern of the past six months has now repeated often enough that we see a structural energy premium emerging. This matters for the monetary policy outlook because it converts an inflation shock that central banks could reasonably look through into one they may feel obliged to respond to. Bond markets have seemingly arrived at the same conclusion, even if the reasons for rising yields are still hotly debated.

From a US Treasury perspective, the Federal Reserve's Jackson Hole symposium added further ambiguity. Chairman Warsh used his Jackson Hole address to clarify that he is focused on delivering 2% PCE inflation, but he also reiterated his opposition to forward guidance and questioned the usefulness of a published reaction function. Markets responded by lifting the implied probability of a September hike above 55% whilst also pricing a further move later in the year.

One complicating factor for the Fed is a visibly deteriorating US employment market. The unemployment rate declined to 4.1% in July, but only because the labour force shrank by 264,000 and participation fell to 61.4%, the lowest in more than five years. The very real prospect of rate hikes against the backdrop of a weak employment outlook has the potential to roil both bond markets and the growth outlook.

With policy rates still on hold for now, investors are expressing views through the long end. Yields rose in most markets, but Japan deserves particular attention. Ten-year and thirty-year yields rose to or near all-time records, driven by fiscal anxiety around government spending plans and proposed budgetary adjustments. The Bank of Japan and Ministry of Finance intervened in the foreign exchange market, with the help of the United States, to curb depreciation in the yen.

The Reserve Bank met in August and unanimously held the cash rate steady but was explicit in its resolve to raise the cash rate further should upside risks materialise. Here the data has obliged - the July monthly inflation data revealed the trimmed mean has not moved towards target, instead remaining at around the same level (3.6%) for three months in a row. Australia's inflation problem is not just about energy; it is about housing, services and the absence of productivity growth.

Credit spreads tightened in August. The marked exception was debt raised by large technology companies, where heavy supply and portfolio concentration limits remain key issues. Financial paper also underperformed as investors sold this to make way for new technology-related issuance. Still, with yields at cyclical highs, broad demand for investment-grade income assets remains elevated and this is supporting spreads in aggregate. Corporate fundamentals such as earnings growth remain supportive of spread performance as well. Conversely, US private credit offered more evidence of the challenges posed by valuation opacity and liquidity mismatch, albeit with limited impacts on public credit markets.

At current levels, investment grade spreads provide little cushion to absorb rates volatility. That said, we expect carry to do much of the heavy lifting in coming months while keeping a tight rein on duration. Flat credit curves provide little incentive to look further out along the curve, but market distortions caused by heavy hyperscaler issuance may provide a window to opportunistically reposition portfolios. We remain flexibly positioned to capture credit premium while closely managing interest rate and credit risks.

Issued by: The Investment Manager, Daintree Capital Management Pty Ltd (ABN 45 610 989 912), a Corporate Authorised Representative (CAR 001304218) of Perennial Value Management Limited (ABN 22 090 879 904, AFSL 247293). 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 document, additional information booklet, application form and target market determination can be found on Daintree's website www.daintreecapital.com.au

This logo relates to the 2026 Fund Manager of the Year Award ('Award') for the Daintree Core Income Trust in the Unconstrained Bonds category that was announced on May 5, 2026. The Awards Program is owned by Prime Pty Ltd ABN 92 126 853 085. Lonsec Research Pty Ltd ABN 11 151 658 561 AFSL 421 445 ('Lonsec') is the Exclusive Partner of the Awards Program. The Awards Programs' judging panel applies a robust methodology to determine Award finalists. An Award logo is limited to general advice. An investor should obtain a Product Disclosure Statement ('PDS') relating to the product, consider the PDS and seek independent financial advice before making any decision about whether to acquire the product. An Award logo is not a recommendation to purchase, sell or hold the product. Past performance is not a reliable indicator of future performance.

Evergreen Research Pty Ltd trading as ERIG Index ABN 17 647 506 590 is Authorised Representative 001289533 of Evergreen Fund Managers Pty Ltd ABN 75 602 703 202 AFSL 486275. The material is for the information purposes of non-retail clients only. It is not, and is not to be construed as, advice or a recommendation to acquire, hold or dispose of financial products or to use financial services. The ERIG Index measures only the Responsible Investment capabilities of funds. It does not assess the performance or other features of the funds.