

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 receipts were the main positive contributor for the month.
- The backdrop continues to feature sticky inflation, slowing growth policy uncertainty. There is a potential for wider credit spreads, particularly if large issuance volumes are maintained into year-end. This backdrop favours active management, credit selectivity, and a disciplined approach to duration.

Key Statistics

Modified Duration (Yrs)	0.01
Spread Duration (Yrs)	2.52
Yield to Maturity (%)	4.96
Running Yield (%)	4.76
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	NZD2,464m
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:

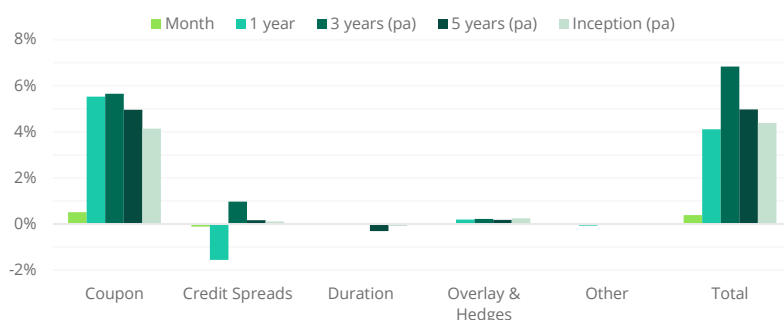
- ◊ Adminis
- ◊ Apex
- ◊ FNZ
- ◊ NZX Wealth

Performance & Analytics

	Month (%)	Quarter (%)	1 Year (%)	3 Years (% pa)	5 Years (% pa)	Inception (% pa)
Fund (gross)	0.39	1.11	4.11	6.83	4.97	4.40
Fund (net)	0.35	0.97	3.56	6.28	4.44	3.86
Distribution (net)	0.18	0.50	2.16	4.04	3.15	2.68
Growth (net)	0.16	0.46	1.40	2.25	1.29	1.18
RBNZ Cash Rate	0.23	0.65	2.39	3.95	3.63	2.53
Excess Return	0.12	0.32	1.17	2.33	0.81	1.33

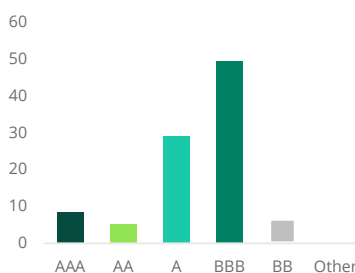
Note: Performance inception is 1 June 2018. Excess return is measured with reference to net performance. Returns for periods longer than one year are annualised. Distribution return is the difference between total return and ex-distribution unit price return. Past performance is not a reliable indicator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

Performance Contribution (Pre Fees)

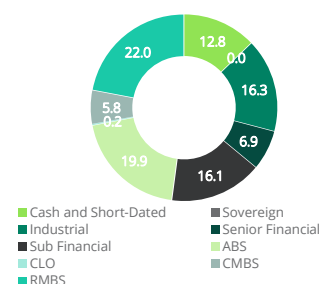


Note: Overlay strategies use derivatives to ensure that the Fund exposure to interest rates, credit and other relevant factors is controlled separately to the physical assets in the portfolio

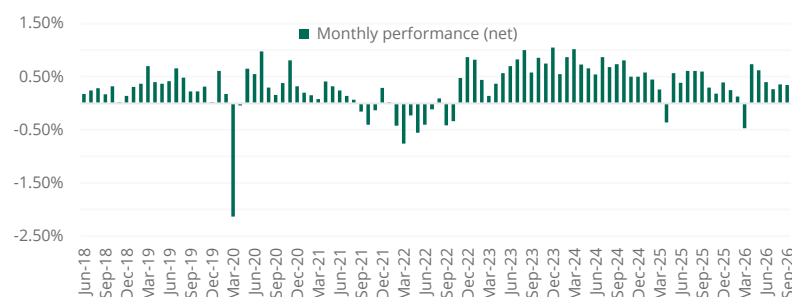
Rating Exposure (%)



Sector Exposure (%)



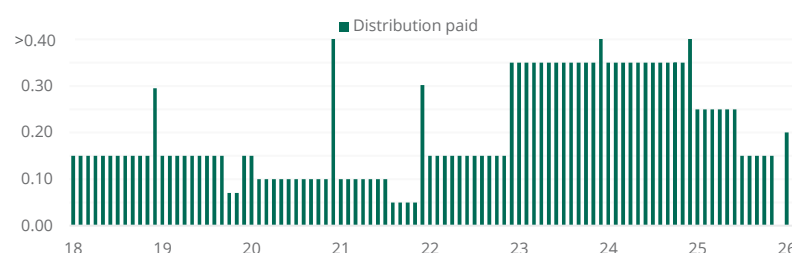
Monthly Performance



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

Cash Income

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



Fund Review

The Core Income Trust NZD returned 0.35% for the month, net of fees. Over the last three years, the fund has delivered a return of 6.28%pa net of fees, equivalent to an excess return of 2.33%pa. Coupon receipts were the main positive contributor for the month, while the overlay was neutral.

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

Rising bond yields are the clearest representation of the key issues facing the global economy. They are rising for several disparate reasons. The first is the energy disruption flowing from conflict in the Middle East and Ukraine, leading to supply shortages in refined products such as gasoline and diesel. The second is an historic demand for capital to fund massive technology investment, which competes directly with governments that need to finance large fiscal deficits.

Both have clear supply-side characteristics, where we know monetary policy responses are less effective. Yet central banks have little choice but to act: the Federal Reserve, the ECB, the Bank of Japan and the RBA all raised rates during the month, while the Bank of England came within a few votes of joining them.

The RBA provided the clearest illustration of the dilemma. Australia is hiking into a supply shock with a softening labour market and second quarter GDP growth of just 0.4%. For domestic credit investors, the question will be how households and consumer-exposed businesses react to higher funding costs, slower growth, and a softer property market.

Ten-year yields in the US and Australia finished the month at or above 5.3%, while the 10-year JGB reached around 3.10%, a level last seen in 1996. Rising long tenor yields are, in part, the market's judgement that monetary policy cannot resolve a supply shock and that inflation risk will remain elevated, compounded by heavy government borrowing across the developed world. For credit, attractive all-in yields support demand, but spreads risk widening if yield curves begin to steepen erratically.

Higher yields and a weak property market are unearthing pockets of weakness in Australian private credit. Following the collapse of property developer Bathla Group in August, a large private credit manager has gated redemptions in two wholesale funds and paused trading of three listed funds following valuation disagreements with its auditor. We remain alert to any spillover risks into traded credit.

Against this backdrop, public credit markets continue to prioritise positive fundamental and technical factors as the principal driver of performance. Hyperscaler issuance has created localised spread disturbance and some evidence of concentration risk, but Australia has avoided the worst of the disruption. US investment grade spreads widened modestly last quarter, while high yield spreads moved out by roughly 40bp in September. The repricing remains modest relative to the macro backdrop, but the balance of risks suggests a further shift wider is more likely, particularly if issuance volumes are maintained into year-end.

Our positioning reflects that view. We continue to favour higher-quality issuers with pricing power and resilient cash flows, while closely managing spread duration exposure. We expect monetary policy will need to be tightened further, but the timing and trajectory will depend on the incoming data. Portfolios are flexibly positioned to treat elevated volatility as an opportunity for optimisation and risk management.

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.