Daintree CAPITAL

DAINTREE CORE INCOME PIE

MONTHLY FACTSHEET: **30 JUNE 2025**

ABOUT THE FUND

The Daintree Core Income PIE (the Fund) offers New Zealand-based investors a Portfolio Investment Entity (PIE) vehicle through which to invest in the Daintree Core Income Trust (NZD Unit Class). Through this structure, the Fund will invest in a diversified portfolio of credit, fixed income securities and cash and applies a range of strategies that include duration and yield curve management, (actively managing the maturity profile of the portfolio), sector rotation and individual security selection. Derivatives may also be used for investment and risk management purposes. Where the Daintree Core Income Trust (NZD Unit Class) invests in overseas securities, these are hedged back to the NZD.

In this document, we refer to the Daintree Core Income Trust (NZD Unit Class) as the Underlying Fund. In most sections of this document, the metrics and commentary shown are taken from the Underlying Fund. We have signalled these sections with a hashtag in the section heading. From time to time there may be small differences between the metrics of the Fund and the Underlying Fund, as a result of liquidity cash held in the Fund.

PERFORMANCE AND ANALYTICS

Daintree Core Income Trust#	MONTH (%)	QUARTER (%)	1 YEAR (%)	3 YEARS (% pa)	5 YEARS (% pa)	INCEPTION (% pa)
Fund (gross)	0.44	0.73	6.70	7.07	4.77	4.33
Fund (net)	0.39	0.60	6.15	6.53	4.25	3.80
Distribution (net)	0.32	0.96	4.25	3.52	2.63	2.52
Growth (net)	0.07	-0.36	1.90	3.01	1.62	1.28
RBNZ Cash Rate	0.27	0.86	4.37	4.64	3.00	2.50
Excess Return	0.13	-0.26	1.79	1.88	1.24	1.30

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.

Daintree Core Income PIE	MONTH (%)	QUARTER (%)	1 YEAR (%)	3 YEARS (% pa)	5 YEARS (% pa)	INCEPTION (%)
Fund (gross)	0.43	0.70	-	-	-	5.14
Fund (net)	0.39	0.56	-	-	-	4.66
Distribution (net)	0.33	1.00	-	-	-	3.28
Growth (net)	0.06	-0.44	-	-	-	1.38
RBNZ Cash Rate	0.27	0.86	-	-	-	3.97
Excess Return	0.12	-0.30	-	-	-	0.69
NZ Benchmark	0.43	1.78	-	-	-	4.27
Excess Return	-0.04	-1.22	-	-	-	0.39

The benchmark for the Daintree Core Income PIE is the Bloomberg AusBond Composite 0-5 Yr, 100% hedged to NZD. This benchmark has been chosen to align with the requirements of the Financial Markets Conduct Act and supporting regulations.

Gross returns are before deductions for fees and before tax. Net returns are after deductions for fees and before tax.

FUND REVIEW#

The Daintree Core Income PIE returned 0.39% for the month, net of fees. Coupons were the prime mover of returns, while credit spreads and overlay were neutral for the month.

The Underlying Fund's duration position remains close to neutral, but tactical positions within the overlay saw some success during the month. The Underlying Fund continues to selectively engage in new issuance to optimise future income potential but has increased cash levels in the short term. Portfolio positioning and cash levels will enable portfolio managers to nimbly respond to the evolving market environment.

DAINTREE CORE INCOME PIE

MONTHLY FACTSHEET: **30 JUNE 2025**

FUND OBJECTIVE

The aim of the Fund is to provide an absolute return (greater than cash) over time and a steady stream of income and capital stability over the medium term.

MONTHLY HIGHLIGHTS#

- June returns were mainly driven by coupon receipts
- We believe markets have been too quick to discount left-tail risks from market pricing, and expect further volatility in the coming months

PLATFORMS

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

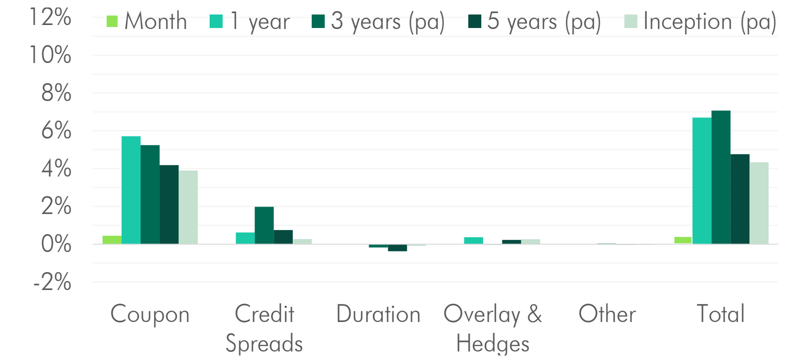
- Adminis
- Apex
- FNZ
- NZX Wealth
- Snowball Effect

KEY STATISTICS#

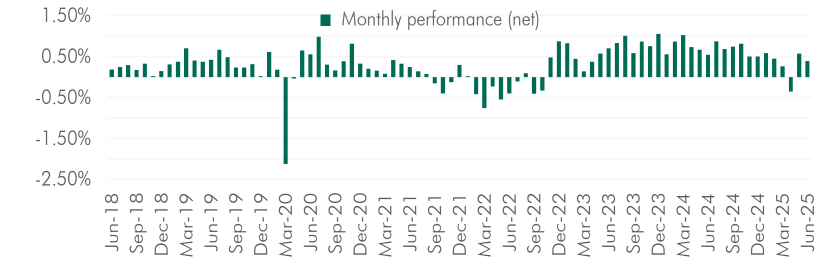
Modified Duration (Yrs)	0.24
Spread Duration (Yrs)	2.59
Yield to Maturity (%)	5.25
Running Yield (%)	5.53
Average Credit Quality	A-
Portfolio ESG score (MSCI)	AA

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.

Performance Contribution (pre Fees)#

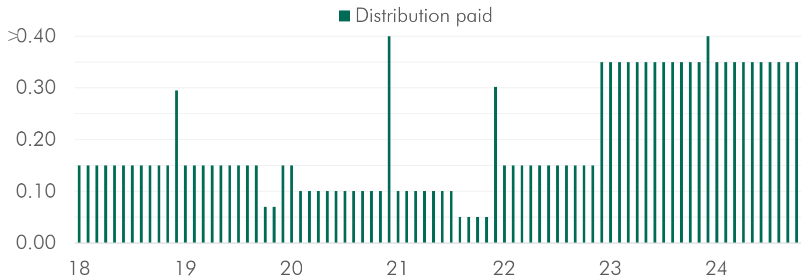


Monthly Performance#

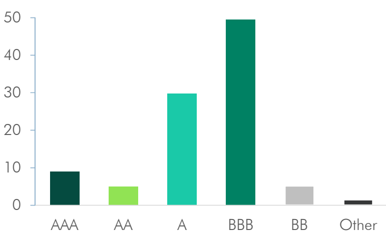


Cash Income#

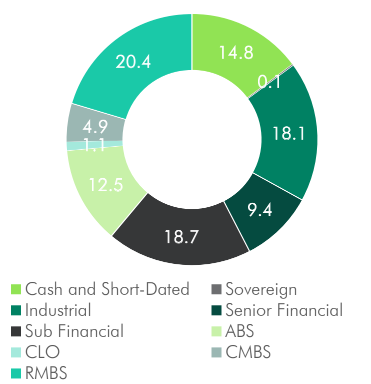
The Underlying Fund paid a 0.35 cent per unit distribution in June and declared a declared distribution of 2.13 CPU to be paid in July



Rating Exposure (%)#



Sector Exposure (%)#



Signatory of: PRI Principles for Responsible Investment

Proudly supporting: ONE TREE PLANTED

OUTLOOK#

Given the fluidity of markets, we have only modest levels of conviction when proffering a short-to-medium term view of the outlook. Overall, it seems that investors are growing increasingly confident that trade concerns are overblown (even as the July 9 deadline looms for trade deal negotiations), economic data remains resilient, and interest rates will be lower by the end of the year.

The dilemma for investors lays in reconciling an uncertain outlook with the robust current data, where the US economy particularly seems to be absorbing trade uncertainty in its stride. We expect that in coming months the backward-looking data will show a bring-forward of imports from tariff-exposed countries like China, but there is also evidence that many exporters to the US are electing to absorb the impact of tariffs to maintain market share, which is certainly helping to ameliorate inflationary impulses.

To be clear, our view remains that the outlook for the US economy has deteriorated, due to both the direct and indirect effects of tariffs. Growth concerns are rising and should ultimately start to manifest among consumers, while corporate profit margins are threatened by greater friction in global supply chains.

Volatility in bond yields remains high as traders debate whether the impact of tariffs on domestic consumer prices will be transitory (therefore the Federal Reserve can respond to economic weakness with interest rate cuts) or persistent (in which case monetary policy may be hamstrung in the short-to-medium term). The Federal Reserve has a difficult job balancing its messaging with the words and actions of an interventionist Administration in the months ahead.

In Australia, global growth concerns and the expected spillover effects are feeding expectations of continued easing in monetary policy. Inflation data has receded back into the desired range at both the headline and underlying level, prompting growing expectations of further rate cuts as the year progresses. The only foil that might prevent the RBA from continuing an easing cycle would be the labour market, which continues to perform above expectations in terms of total employment and labour force participation, even though labour productivity growth remains stubbornly weak.

We see US tariffs affecting Australia indirectly via our major trading partners, particularly China. Efforts by the Chinese government to stimulate activity will support demand for our mineral commodities, while improving diplomatic relations has seen embargoes lifted on our agricultural exports. With access to the United States impaired by numerous trade restrictions and tariffs, China will also be keen to identify alternative markets for its huge manufacturing base.

The scale and reach of recent trade announcements are reflecting in credit markets, but by the same token a relative nonchalance to near-term risks has seen spreads retrace much of their April weakness. We are still predominantly exposed to high-quality investment grade issuers, but these distinctions can carry less weight when major macro events capture the market psyche. Similarly, we believe our limited duration exposure makes sense given that rates volatility may remain elevated. With the clock ticking on tariff negotiations, we expect continued noise in risk assets including credit spreads, and so cash levels remain a little higher than normal. But even with the turmoil of April, credit spreads remain close to cycle lows. Expect more volatility ahead.

These views are those of Daintree Capital Management, who are the underlying investment manager for the Daintree Core Income PIE.

 # In this document, we refer to the Daintree Core Income Trust (NZD) as the Underlying Fund. In most sections of this document, the metrics shown are taken from the Underlying Fund. We have signalled these sections with a hashtag in the section heading. From time to time there may be small differences between the metrics of the PIE and the Underlying Fund, as a result of liquidity cash held in the NZD fund.