

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)	0.31	1.43	8.12	6.43	4.88	4.38
Fund (net)	0.26	1.29	7.57	5.90	4.36	3.85
Distribution (net)	0.32	0.97	4.33	3.20	2.50	2.47
Growth (net)	-0.05	0.33	3.24	2.70	1.87	1.38
RBNZ Cash Rate	0.32	0.99	4.88	4.49	2.84	2.46
Excess Return	-0.05	0.30	2.68	1.41	1.52	1.39

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)	0.28	1.34	-	-	-	4.38
Fund (net)	0.25	1.25	-	-	-	4.08
Distribution (net)	0.34	0.97	-	-	-	2.25
Growth (net)	-0.09	0.28	-	-	-	1.83
RBNZ Cash Rate	0.32	0.99	-	-	-	3.08
Excess Return	-0.07	0.26	-	-	-	1.00
NZ Benchmark	0.39	1.27	-	-	-	2.45
Excess Return	-0.14	-0.01	-	-	-	1.63

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 0.25% for the month, net of fees. The primary performance driver was coupon income, while credit spreads and overlay were modest detractors. Within the overlay, Daintree saw positive contributions in duration and yield curve strategies more than offset by detractors in currency, credit and cross-market rates.

The Underlying 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.



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[#]

- Coupon income was the main performance driver, while credit spreads and overlay strategies detracted modestly
- Amid a challenging backdrop for investors, Daintree remain ready to adjust our portfolios to protect investor capital



PLATFORMS

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

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

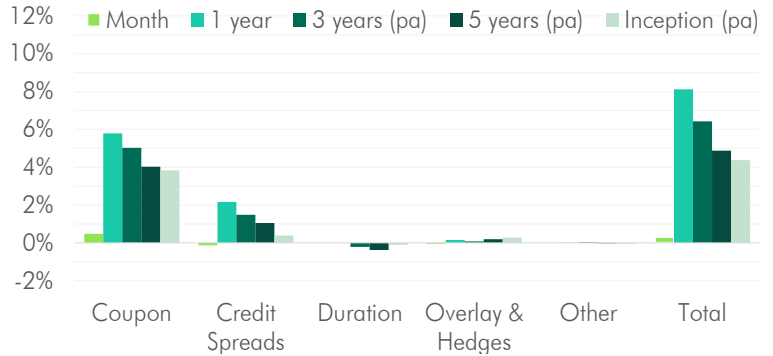


KEY STATISTICS[#]

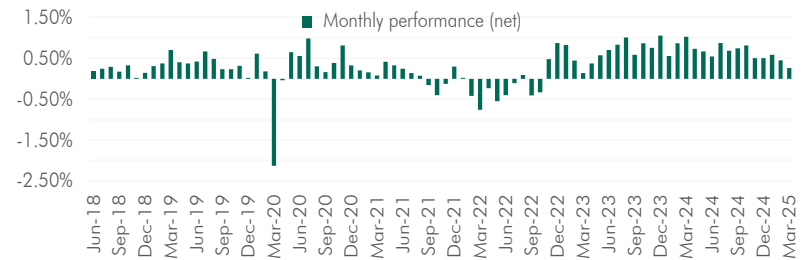
Modified Duration (Yrs)	0.10
Spread Duration (Yrs)	2.86
Yield to Maturity (%)	5.86
Running Yield (%)	5.61
Average Credit Quality	A-
Portfolio ESG score (MSCI)	AA

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)[#]

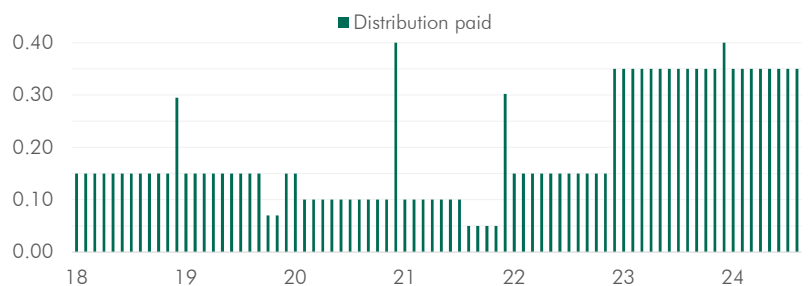


Monthly Performance[#]

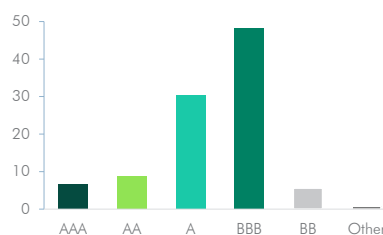


Cash Income[#]

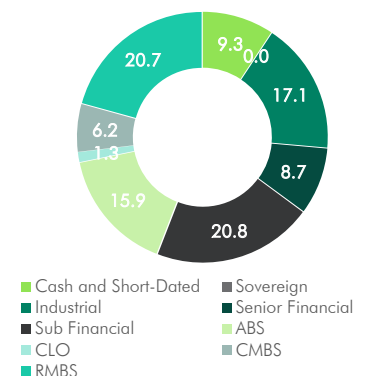
The Underlying Fund paid a 0.35 cent per unit distribution in March.



Rating Exposure (%)[#]



Sector Exposure (%)[#]





OUTLOOK#

Tariffs are the front-of-mind topic for just about everyone, with the hotly anticipated package of measures applied using a questionable methodology, causing great consternation.

On the trade front, tariffs have been calculated for all countries using a simplistic formula that considers trade balance with the United States and existing tariff and taxation rates. This has led to a wide range of outcomes, with a minimum of 10% being applied universally. In Australia's case, it appears that our 10% GST has been considered insofar as it applies to certain goods purchased online from the US. Despite being on the lowest rung of tariffs globally, this feels like cold comfort given the scale of upheaval that this announcement implies for global trade relationships.

Meanwhile, the outlook for the US economy has deteriorated, due to both the direct and indirect effects of tariffs. Indeed, the rarely discussed phenomenon known as stagflation has grown in prominence as inflation expectations turn upwards and growth concerns rise as uncertainty starts to manifest among consumers. Corporate profit margins are under threat, especially for those with global supply chains that are now subject to multiple tariff rates and regimes. Were it not for the renewed inflationary threat, the fall in bond yields in recent weeks would make perfect sense as growth concerns rise to the fore. The Federal Reserve will have a tough job balancing the messaging and its actions as the months ahead unfold.

Locally, the RBA may be forced to cut interest rates deeper and sooner than they had planned if tariff troubles translate to growth concerns. In our view, recent inflation and employment data would not be impediments to more monetary easing if the growth outlook required it.

The scale and reach of recent trade announcements will have implications for credit markets, drowning out the positive fundamental and technical stories that have been key market drivers for much of the last two years. 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, neutral duration positioning has worked well as market-wide rate expectations have proven too optimistic on the downside. But in just the space of a few months it may be that multiple interest rate cuts are needed to support a US economy adjusting to a drastically altered trade situation. We remain ready to adjust all risk levers in our portfolios to protect investor capital.

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

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