

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)	0.65	1.98	6.21	7.87	4.85	4.44
Fund (net)	0.60	1.84	5.66	7.33	4.33	3.91
Distribution (net)	0.23	0.47	5.46	4.17	3.04	2.76
Growth (net)	0.37	1.37	0.20	3.16	1.28	1.15
RBNZ Cash Rate	0.25	0.79	3.80	4.68	3.15	2.52
Excess Return	0.35	1.05	1.86	2.65	1.18	1.38

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 (% pa)
Fund (gross)	0.63	1.95	6.11	-	-	6.54
Fund (net)	0.57	1.77	5.35	-	-	5.75
Distribution (net)	0.25	0.47	5.52	-	-	5.17
Growth (net)	0.32	-0.73	-0.17	-	-	0.58
RBNZ Cash Rate	0.27	0.82	3.89	-	-	4.26
Excess Return	0.30	0.95	1.46	-	-	1.49
NZ Benchmark	-0.10	0.22	3.82	-	-	3.98
Excess Return	0.67	1.55	1.53	-	-	1.77

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. Inception date 14 August 2024

FUND REVIEW[#]

The Daintree Core Income PIE returned 0.57% for the month, net of fees. Coupons, credit spreads and overlay strategies all made positive contributions to performance. Market conditions remain favourable with high levels of engagement from investors in the credit space.

The Underlying Fund's core duration position remains neutral, but tactical duration 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. 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 receipts, tighter credit spreads and overlay strategies all contributed to performance in September
- Risk premia are compressed across markets. We feel that the accumulation of hedges makes sense in case market conditions are disrupted in the months ahead



PLATFORMS

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

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



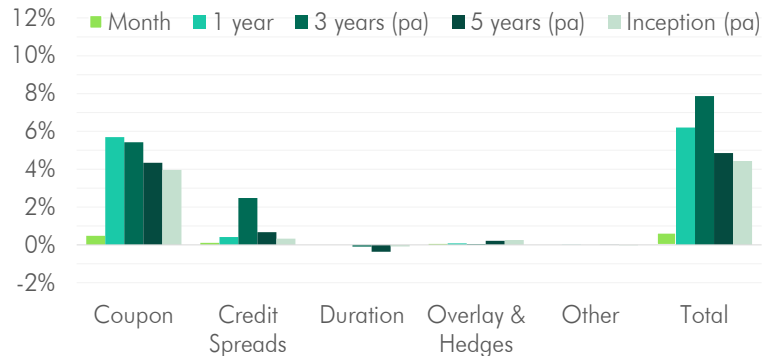
KEY STATISTICS[#]

Modified Duration (Yrs)	0.04
Spread Duration (Yrs)	2.49
Yield to Maturity (%)	4.82
Running Yield (%)	5.12
Average Credit Quality	A-
Portfolio ESG score (MSCI)	AA

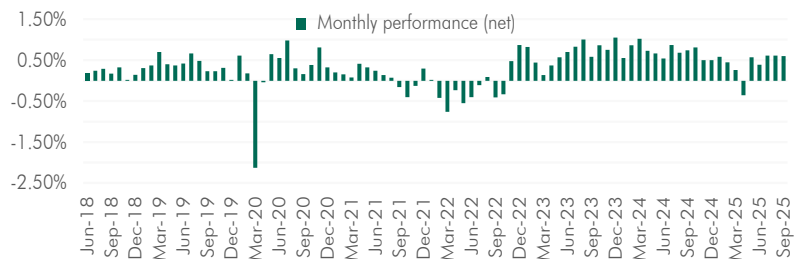
Note: Portfolio yield is the expected return over the next year, assuming no changes to either portfolio composition or market yields. Average credit quality excludes overlay positions. Portfolio yield and spread duration reflect the net credit default swap exposures in the portfolio. The Portfolio ESG score is the weighted average portfolio ESG rating based on Daintree Capital's application of MSCI data.

Signatory of:

Performance Contribution (pre Fees)[#]

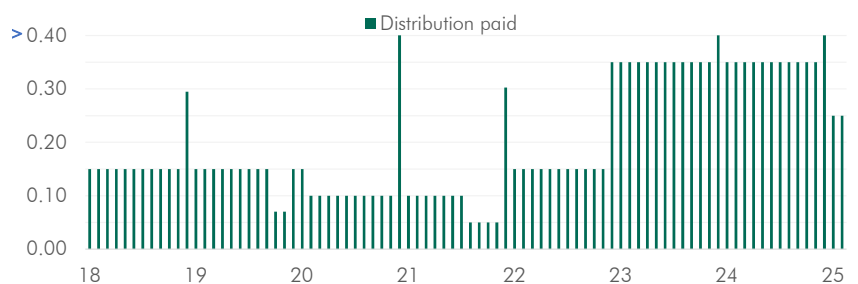


Monthly Performance[#]

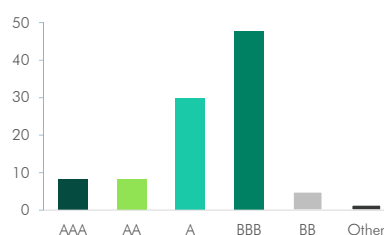


Cash Income[#]

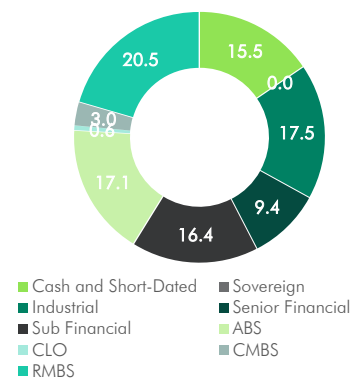
The Underlying Fund paid a 0.25 cent per unit distribution in September



Rating Exposure (%)[#]



Sector Exposure (%)[#]





OUTLOOK[#]

Markets were constructive in September, with the risk asset complex continuing to be supported by expectations of easier monetary policy. Even the shutdown of the US government beginning in early October did little to derail investor sentiment. The outlook for further interest rate cuts remains complex though, and heavily dependent on incoming data. While trade tensions, inflation, and geopolitical risks are still in play they have become less dominant, with liquidity conditions and other technical factors now increasingly important. Investors face the challenge of balancing an uncertain future macroeconomic outlook against current data that, so far, reflects a global economy that appears to be handling trade uncertainty reasonably well.

In the U.S., weaker employment data was a key reason the Federal Reserve cut rates by 25 basis points last month. Markets now expect three or four more cuts over the next year. Concerns about the Fed's independence are also influencing investor views around the future path for money markets. Our view is that with inflation still above target and real-time growth estimates improving, it is likely to become more difficult to justify current expectations for easier monetary policy unless the labour market weakens significantly.

Recent price action in the Australian bond market may provide a roadmap of sorts, with a sharp re-pricing of cash rate expectations during the month. The degree of easing expected was reduced on the back of inflationary pressures that are looking increasingly persistent. In our view, the November meeting is still "live", but stronger data on inflation, employment, and consumer spending has skewed expectations towards a more patient approach from the RBA. The central bank has estimated that at 3.6% the cash rate is not that far from neutral, implying that any further cuts may push monetary policy needlessly into accommodative territory.

Credit spreads are expensive relative to long-term averages and are approaching some of the tightest levels in recent history. That said, risk premia are compressed across other asset classes as well. Market participants across the risk spectrum now need to grapple with the timeframe for which this status quo is likely to be maintained. In our view it is important not to lose sight of relationships across asset classes because they have a bearing on fixed income pricing. For example, yields in fixed income remain comparable (or in some cases higher than) equity dividend yields. Relationships such as this, across both risk and return vectors, have been important influences on fixed income pricing dynamics and we expect this will continue.

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

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