



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.

FUND REVIEW#

The Daintree Core Income PIE returned 0.48% for the month, net of fees. The primary performance driver was coupon income, while credit spreads detracted for the first time in 19 months. Overlay contribution was positive and provided a good counterbalance to credit spreads.

The driver of spread uncertainty was the US elections, which after the initial euphoria subsided gave way to a consolidation in most risk assets, including credit.

The Underlying Fund continues to selectively engage in new issuance in an effort to optimise future income potential. New issues in the financial sector were popular, however a degree of indigestion was felt in later deals, which coincided with a broader reversal in credit spreads late in the month. 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 drove performance in the Underlying Fund, with assistance from tighter credit spreads.
- The overall tone in credit remains constructive, supported by a solid technical picture.

KEY STATISTICS#

Modified Duration (Yrs)	0.13
Spread Duration (Yrs)	2.76
Yield to Maturity (%)	6.50
Running Yield (%)	6.40
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 AND ANALYTICS

Daintree Core Income Trust#

	MONTH (%)	QUARTER (%)	1 YEAR (%)	3 YEARS (% pa)	5 YEARS (% pa)	INCEPTION (% pa)
Fund (gross)	0.55	2.21	9.94	5.50	4.12	4.30
Fund (net)	0.50	2.07	9.39	4.97	3.71	3.77
Distribution (net)	0.32	0.98	4.46	2.87	2.34	2.40
Growth (net)	0.18	1.09	4.93	2.09	1.37	1.37
RBNZ Cash Rate	0.39	1.23	5.37	4.13	2.63	2.38
Excess Return	0.12	0.84	4.02	0.83	1.08	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 (% pa)
Fund (gross)	0.52	2.02	-	-	-	8.67
Fund (net)	0.48	1.89	-	-	-	8.06
Distribution (net)	0.31	0.96	-	-	-	3.27
Growth (net)	0.17	0.93	-	-	-	4.78
RBNZ Cash Rate	0.39	1.24	-	-	-	5.87
Excess Return	0.09	0.65	-	-	-	2.18
NZ Benchmark	0.60	0.35	-	-	-	4.14
Excess Return	-0.12	1.54	-	-	-	3.92

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.

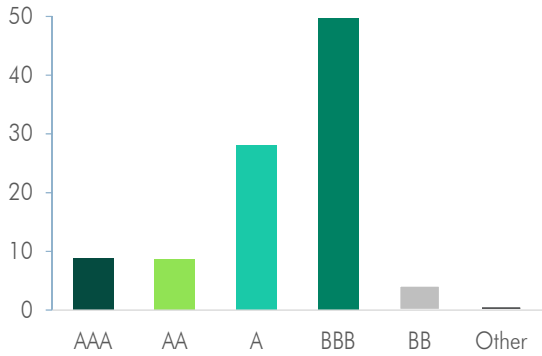
Gross returns are before deductions for fees and before tax. Net returns are after deductions for fees and before tax.

PLATFORMS

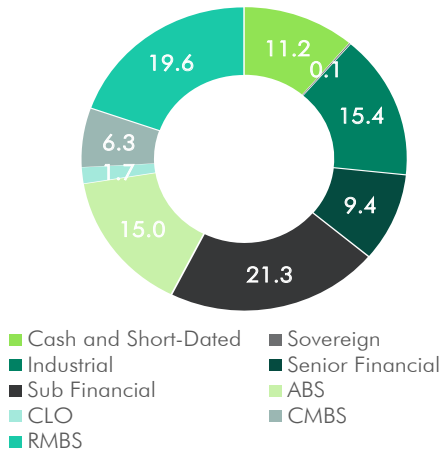
The Daintree Core Income PIE is available on the following platforms:

- Adminis
- Apex
- FNZ
- NZX Wealth

Rating Exposure (%)#



Sector Exposure (%)#



OUTLOOK#

The electoral earthquake that is a Trump return to the White House makes penning any type of outlook difficult during this transition period. With proposed cabinet appointments, tariff threats and geopolitical developments grabbing the headlines, we prefer to look through the noise and focus on the latest economic data. On this basis, the world’s largest economy remains in good health. Robust corporate profits are supporting labour demand, which could lead to upside surprises in employment outcomes if the new Administration’s desire to commence deportation of illegal immigrants begins early next year. For their part, the Federal Reserve will likely cut once more before Christmas, while retaining optionality on the future path of rates given the uncertainty of the political transition and possible major changes to economic and fiscal policy in 2025.

The outcome of the US election impacted commodity markets, which were mixed in November. Precious metals, copper and iron ore prices all eased, with the former consolidating after a strong year-to-date, while copper and iron ore were hit by renewed concerns of economic competition between the United States and China.

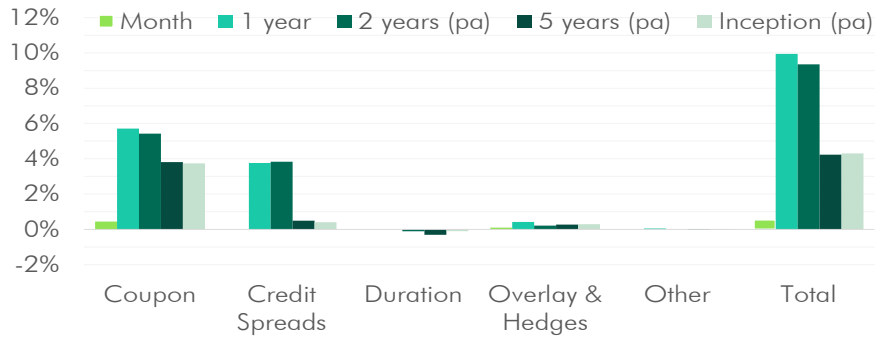
Volatile commodity exports are just one of the challenges for the Australian economy next year. A seventh consecutive quarter of negative per capita GDP growth highlights the difficulty in producing productivity growth and leaves the country vulnerable to weaker headline growth as annual migration levels taper off. With the RBA expected to remain on hold at its final meeting of 2024, we look toward to 2025 where a federal election, the continued fight to bring inflation back to target and the plight of battle-weary consumers all promise to be key influences in the economic debate.

Investment grade credit has performed strongly all year, but by all objective measurement valuations are now stretched. While local spreads saw a modest widening for the month, the trend for most of the year has been consistent but gradual tightening. The local market is still a good source of relative value though, given the combination of wider spreads and higher swap yields. We remain positive on the prospects for investment grade issuers overall, because of strong balance sheets and corporate profitability, but risk premiums in the form of credit spreads have tightened to a level that leaves little allowance for changing market conditions.

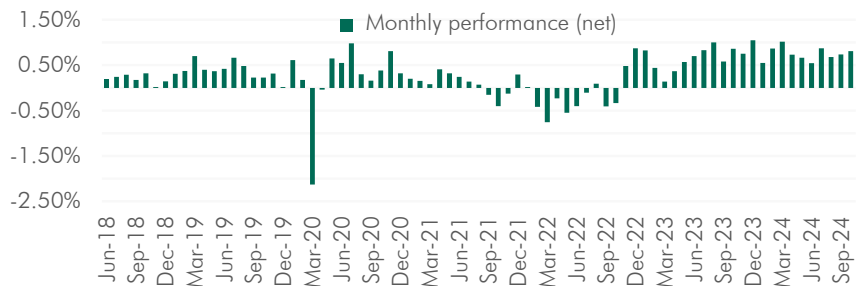
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This document is for information purposes only. It does not take into account your investment needs or personal circumstances and is not intended to be viewed as investment or financial advice. Should you require financial advice, always speak to your Financial Adviser. Before investing you should read the Daintree Funds Scheme Product Disclosure Statement, and Statement of Investment Policy and Objectives, available at www.clarityfunds.co.nz and www.companies.govt.nz/disclose.

Performance Contribution (Pre Fees)#

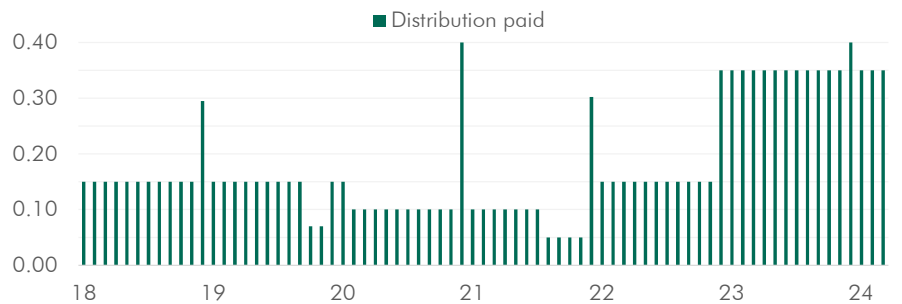


Monthly Performance#



Cash Income#

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



Past performance is not indicative of future results and no representation of warranty, expressed or implied, is made regarding future performance. Reference to taxation or the impact of taxation does not constitute tax advice. The levels and bases of taxation may change.

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