

ABOUT THE FUND

The Daintree High Income PIE (the Fund) offers New Zealand-based investors a Portfolio Investment Entity (PIE) vehicle through which to invest in the Daintree High 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 High Income Trust (NZD Unit Class) invests in overseas securities, these are hedged back to the NZD.

In this document, we refer to the Daintree High 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 High Income Trust#	MONTH (%)	QUARTER (%)	1 YEAR (%)	3 YEARS (% pa)	5 YEARS (% pa)	INCEPTION (% pa)
Fund (gross)	0.96	0.81	5.91	8.86	5.65	5.12
Fund (net)	0.90	0.65	5.23	8.13	4.92	4.38
Distribution (net)	0.00	0.84	4.63	6.23	5.06	4.18
Growth (net)	0.90	-0.20	0.59	1.90	-0.14	0.21
RBNZ Cash Rate	0.18	0.55	2.73	4.39	3.44	2.52
Excess Return (over/under RBNZ cash rate)	0.72	0.10	2.50	3.74	1.48	1.86

Note: Performance inception is 1 November 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 High Income PIE	MONTH (%)	QUARTER (%)	1 YEAR (%)	3 YEARS (% pa)	5 YEARS (% pa)	INCEPTION (%)
Fund (gross)	0.90	0.81	-	-	-	1.88
Fund (net)	0.82	0.58	-	-	-	1.40
Distribution (net)	0.00	0.83	-	-	-	1.31
Growth (net)	0.82	-0.26	-	-	-	0.10
RBNZ Cash Rate	0.18	0.55	-	-	-	1.12
Excess Return (over/under RBNZ cash rate)	0.63	0.03	-	-	-	0.29
NZ Benchmark	0.02	-0.48	-	-	-	-1.11
Excess Return (over/under NZ Benchmark)	0.80	1.05	-	-	-	2.52

The benchmark for the Daintree High 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 4 November 2025

FUND REVIEW#

The Daintree High Income PIE returned 0.82% for the month, net of fees. Over the last three years, the Underlying Fund has delivered a return of 8.13%pa net of fees, equivalent to an excess return of 3.74%pa over RBNZ cash rate. Coupon, credit spreads, and overlay positions were all positive contributors for 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 a steady stream of income over the medium term, by investing in a diversified portfolio of fixed income securities. The Fund seeks to produce a return (net of fees) that exceeds the benchmark.



MONTHLY HIGHLIGHTS[#]

- Coupon, credit spreads, and overlay positions were all positive contributors for the month
- We remain constructive on Australian credit fundamentals, but with spreads already reflecting a positive outlook, the prevailing risk-reward equation leaves little room for error. Portfolios are flexibly positioned to capture credit premium while closely managing interest rate and credit risks, while hedges are in place to partially ameliorate credit spread widening in the event of risk-off sentiment



PLATFORMS

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

- Apex
- FNZ
- NZX Wealth
- Adminis



KEY STATISTICS[#]

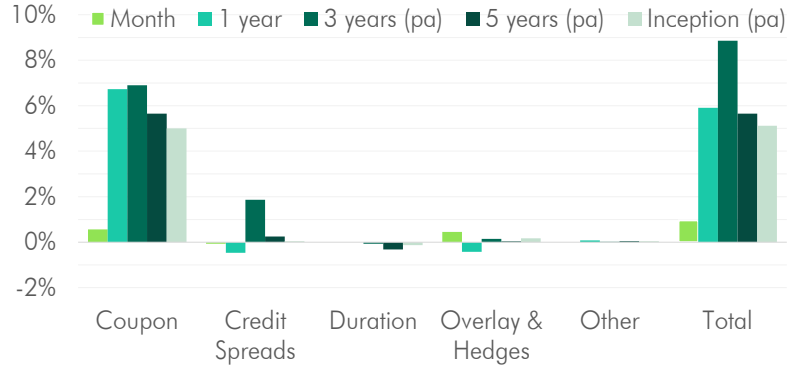
Modified Duration (Yrs)	-0.11
Spread Duration (Yrs)	2.10
Yield to Maturity (%)	5.58
Running Yield (%)	4.94
Average Credit Quality	BBB
Portfolio ESG score (MSCI)	AA

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.

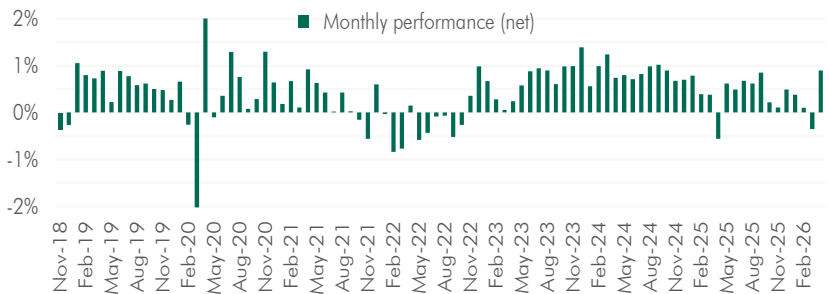
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Performance Contribution (pre Fees)[#]

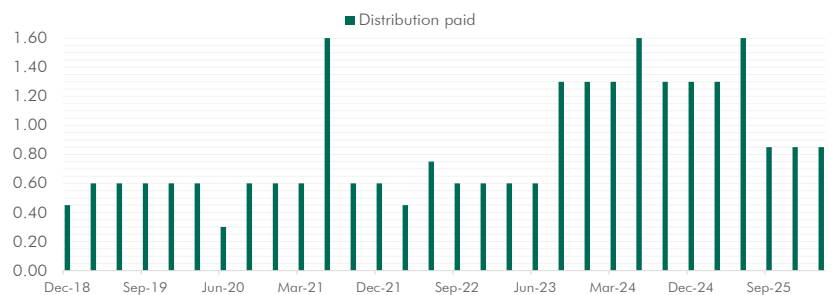


Monthly Performance[#]

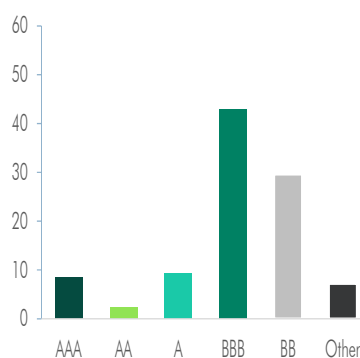


Cash Income[#]

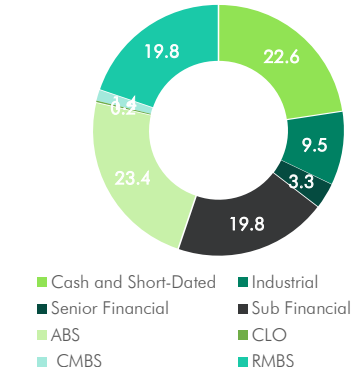
The Underlying Fund paid a distribution of 0.85 cent per unit in March. The next is payable in June.



Rating Exposure (%)[#]



Sector Exposure (%)[#]





OUTLOOK#

The dominant theme throughout April was the ongoing geopolitical crisis in the Middle East that commenced in late February. Although a ceasefire was announced on 8 April, shipping traffic through the Strait of Hormuz remains far below pre-war levels, and the US naval blockade of Iranian ports from 13 April solidified a situation that has kept roughly 20% of global oil trade offline.

For Australia, the pass-through has been swift. Automotive fuel prices rose over 24% year-on-year, contributing to a sharp re-acceleration in headline CPI. The March quarter CPI, released on 29 April, showed headline inflation rose to 4.6% year-on-year, up from 3.7% in February and the highest reading since September 2023. Trimmed mean inflation held steady at 3.3%, but the bigger near-term worry is consumer inflation expectations which rose sharply to 6.6% in late April. The RBA, having already hiked in March, raised a further 25 basis points in early May. Market pricing for a further hike remains finely balanced.

In the US, the Federal Reserve held the federal funds rate at 3.50–3.75% at its 29 April meeting. The meeting was notable for the highest level of dissent since 1992, with three members voting against the inclusion of an easing bias in the statement. Chair Powell, presiding over what is likely his final meeting as Chair, acknowledged the “unusual degree of uncertainty” facing the economy. The 10-year US Treasury yield finished the month around 4.42%, up approximately 12 basis points over April. Market pricing now implies the Fed will remain on hold through at least year-end.

Global government bonds had a difficult month, selling off as rate-cut expectations were repriced. The move was driven by the energy-led inflation impulse and the dawning realisation that central banks may need to tighten further, or at a minimum defer easing for longer than previously anticipated. Australian government 10-year bond yields pushed above 5.0% for the first time since late 2023, while the curve steepened modestly.

Credit spreads proved remarkably resilient in April but have widened by approximately 10–15 basis points from the cycle tightness seen in January. High-yield spreads have widened by around 40–60 basis points, though the move was orderly and largely reflected mark-to-market repricing rather than fundamental deterioration.

Looking forward, the geopolitical premium in energy markets shows no sign of dissipating, and the risk of a prolonged supply disruption keeps inflation risks skewed to the upside. Central banks face an unenviable trade-off between supporting growth and re-anchoring inflation expectations.

We remain constructive on Australian credit fundamentals, but with spreads already reflecting a positive outlook, the prevailing risk-reward equation leaves little room for error. Portfolios are flexibly positioned to capture credit premium while closely managing interest rate and credit risks, while hedges are in place to partially ameliorate credit spread widening in the event of risk-off sentiment.

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

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