# DAINTREE HIGH INCOME PIE

MONTHLY FACTSHEET: 31 MAY 2026

## 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) | 0.77 | 1.43 | 5.99 | 8.90 | 5.67 | 5.17 |
| Fund (net) | 0.71 | 1.26 | 5.32 | 8.18 | 4.94 | 4.43 |
| Distribution (net) | 0.00 | 0.85 | 4.64 | 6.23 | 5.02 | 4.14 |
| Growth (net) | 0.71 | 0.41 | 0.68 | 1.95 | -0.08 | 0.30 |
| RBNZ Cash Rate | 0.19 | 0.57 | 2.62 | 4.30 | 3.47 | 2.52 |
| Excess Return (over/under RBNZ cash rate) | 0.52 | 0.69 | 2.70 | 3.88 | 1.46 | 1.91 |

*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.*

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

| Daintree High Income PIE | MONTH (%) | QUARTER (%) | 1 YEAR (%) | 3 YEARS (% pa) | 5 YEARS (% pa) | INCEPTION (%) |
|---|---|---|---|---|---|---|
| Fund (gross) | 0.78 | 1.40 | - | - | - | 2.67 |
| Fund (net) | 0.70 | 1.16 | - | - | - | 2.11 |
| Distribution (net) | 0.00 | 0.83 | - | - | - | 1.31 |
| Growth (net) | 0.70 | 0.33 | - | - | - | 0.81 |
| RBNZ Cash Rate | 0.19 | 0.57 | - | - | - | 1.31 |
| Excess Return (over/under RBNZ cash rate) | 0.51 | 0.59 | - | - | - | 0.80 |
| NZ Benchmark | 0.88 | 0.09 | - | - | - | -0.24 |
| Excess Return (over/under NZ Benchmark) | -0.18 | 1.07 | - | - | - | 2.36 |

*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 0.70% for the month, net of fees. Over the last three years, the Underlying Fund has delivered a return of 8.18% pa net of fees, equivalent to an excess return of 3.88% pa. 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.

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## 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
- The acute political shock of March and April has given way to a familiar yet challenging environment that combines a stagflationary market mood with continued geopolitical uncertainty. 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) | 0.36 |
| Spread Duration (Yrs) | 1.82 |
| Yield to Maturity (%) | 5.38 |
| Running Yield (%) | 4.00 |
| 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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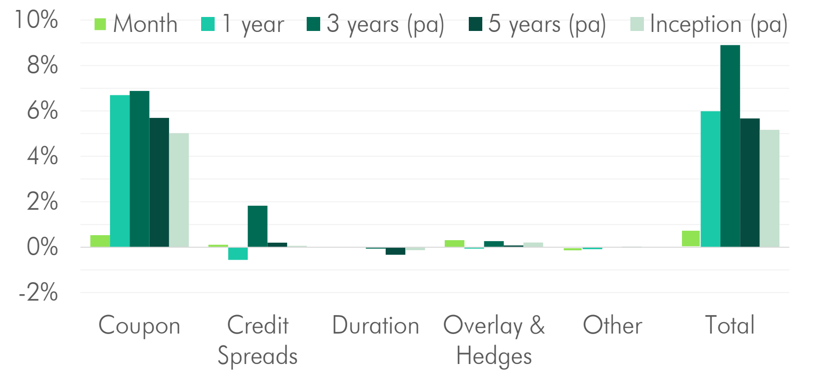
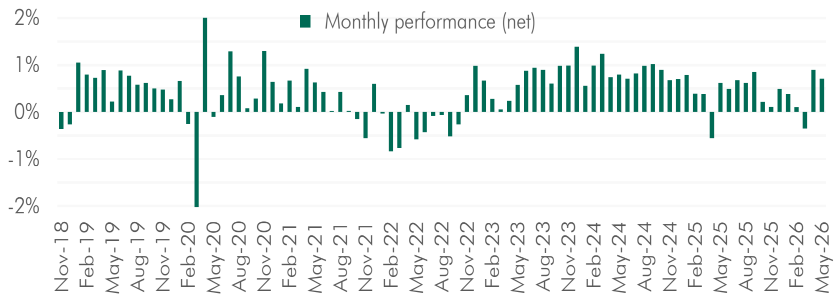
## Performance Contribution (pre Fees)#

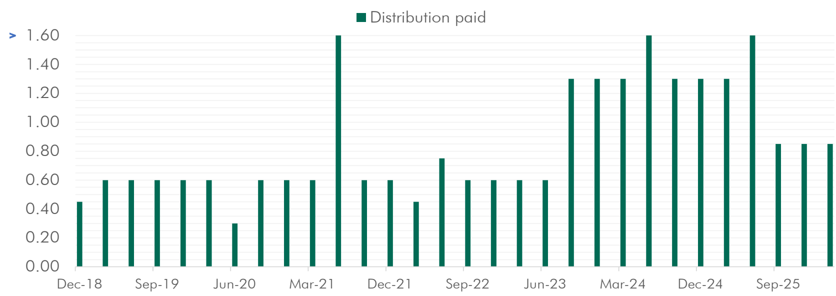



## Monthly Performance#

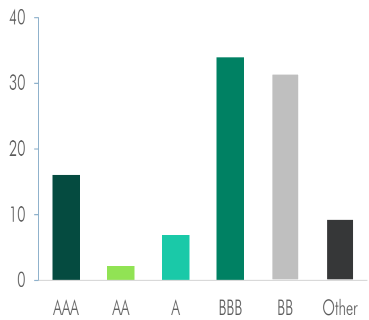



## Cash Income#

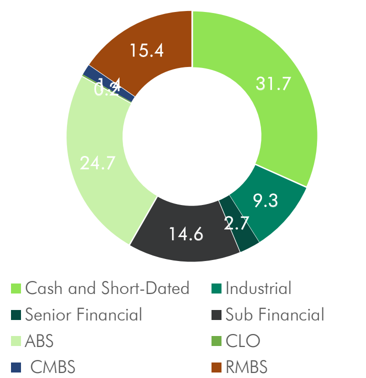
The Underlying Fund paid a distribution of 0.85 cent per unit in March. The next is payable in June.




## Rating Exposure (%)#




## Sector Exposure (%)#



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## OUTLOOK#

The Middle East conflict remained the defining macro theme in May, though the trajectory continues to confound most. Brent crude fell almost 20% over the month to around US$93/barrel on the back of a 60-day ceasefire that is largely holding. Whether that optimism proves durable is another question.

The partial easing in energy prices fed through to a modestly better domestic inflation result. The monthly CPI indicator for April showed headline inflation easing to 4.2% year-on-year, down from the 4.6% March quarter reading, assisted by a halving of the fuel excise from 1 April. However, trimmed mean inflation ticked up to 3.4%, and electricity costs surged 22.5% as the expiry of Commonwealth and State government rebates flowed through. The headline number masks persistent underlying pressure that will keep the RBA uncomfortable. For credit markets, the inflation trajectory remains a key swing factor, but spread performance suggests credit investors remain sanguine.

The RBA delivered a further 25 basis point hike at its May meeting, taking the cash rate to 4.35%, reflecting the Board's concern of inflation expectations becoming unanchored. The statement warned that the Middle East oil crisis could push inflation higher and keep price pressures elevated for longer. Despite this hawkish tone, market pricing for a further hike has eased following the softer April CPI print. For credit, stabilisation in rates is a constructive signal. However, we still believe rates will tend higher this year.

In the US, treasury yields were range-bound, with the 10-year finishing the month near 4.30%. Stability in US rates is supportive of spread markets, but the uncertainty around the new Fed chair's policy direction adds an unpredictable variable that warrants caution in the months ahead.

The growth outlook deteriorated further. The IMF's April World Economic Outlook cut global growth to 3.1% and warned that a prolonged conflict could push growth as low as 2.0%, near the threshold of a global recession.

Domestically, first quarter GDP growth is expected to have moderated to around 0.4–0.5%, down from 0.8% in Q4 2025, with one bank flagging the possibility of a quarterly contraction in Q2, which would be the first outside of COVID since the GFC. The slowdown is increasingly visible in household consumption, weighed down by cumulative rate hikes and elevated fuel costs.

Credit spreads have stabilised after the modest widening seen through the first quarter, and the technical backdrop remains supportive: primary issuance has been well absorbed and investor demand for quality spread product is firm.

Looking forward, the balance of risks has shifted from the acute geopolitical shock of March and April toward a more familiar, if no less challenging, macro environment of sticky inflation, slowing growth, and policy uncertainty. This backdrop favours active management, credit selectivity, and a disciplined approach to duration. Portfolios are flexibly positioned to capture credit premium while closely managing interest rate and credit risks.

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

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