DAINTREE CORE INCOME ACTIVE ETF (ASX: DCOR)

MONTHLY FACTSHEET: 31 August 2026

Fund Description

The Daintree Core Income Active ETF ('DCOR' or 'the Fund') is an absolute return, cash plus, investment grade bond strategy. DCOR is not constrained by any traditional fixed income index, which provides us the flexibility to seek out the best risk adjusted returns available across regions, sectors and securities.

DCOR is quoted on the ASX under the AQUA Rules.

Fund Objective

The aim of DCOR is to provide a steady stream of income and capital stability over the medium term by investing in a diversified portfolio of fixed income securities and cash. DCOR seeks to produce a return (net of fees) that exceeds the RBA Cash Rate by 1.50-2.00% p.a. within a cycle.

Monthly Highlights

- Coupon was a positive contributor for the month. Physical credit spreads widened somewhat, led by financial names, but this was more than offset by outperformance in the overlay.
- The macro environment continues to feature 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.

Key Statistics

Modified Duration (Yrs)	0.00
Yield to Maturity (%)	6.43
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. The Portfolio yield reflects 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.

Fund Facts

Management costs	0.45% (incl of GST & RITC)
Inception date	22 November 2019

Platforms

The Daintree Core Income Active ETF is available on the following platforms:

- Netwealth
- BT Panorama
- HUB24
- PowerWrap
- Wealth02 / uXchange
- AMP North

Recommended
Lonsec Research

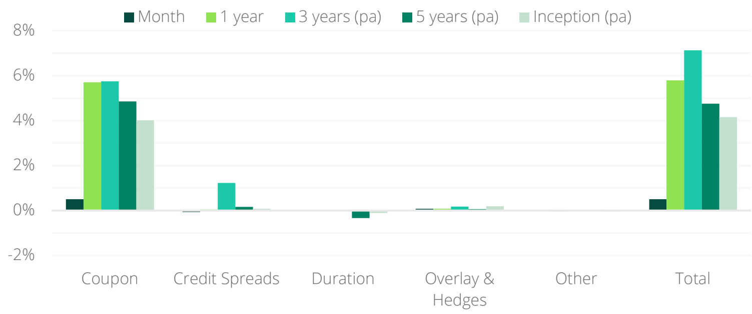
Zenith
RECOMMENDED

Performance & Analytics

	Month (%)	Quarter (%)	1 Year (%)	3 Years (% pa)	5 Years (% pa)	Inception (% pa)
Daintree Core Income Active ETF	0.47	1.48	5.25	6.57	4.21	3.64
Daintree Core Income Trust	0.47	1.48	5.24	6.59	4.22	3.61
RBA Cash Rate	0.37	1.10	3.94	4.13	3.23	2.16
Excess Return	0.10	0.38	1.31	2.44	0.98	1.48

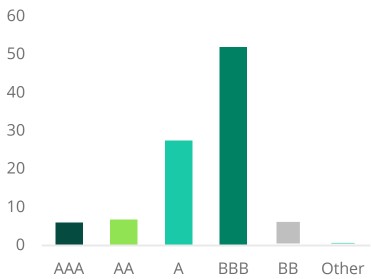
Note: Inception date for DCOR was 22 November 2019. Performance shown above is net of fees. The Fund has identical investments to Daintree Core Income Trust; however, performance differences can be impacted by the timing of the distributions. Inception date for the underlying Daintree Core Income Trust was 1 July 2017, and this history is shown prior to the inception of DCOR to provide a longer-term view of Fund performance. Fund returns are calculated using net asset value per unit of the underlying Fund at the start and end of the specified period and do not reflect the brokerage or the bid/ask spread that investors incur when buying and selling units on the exchange. Past performance is not a reliable indicator of future performance.

Performance Contribution

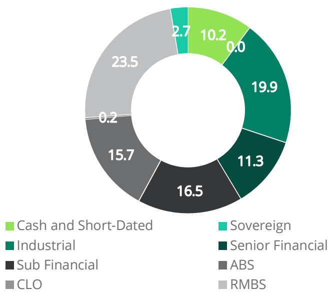


Source: Daintree Capital. As at 31 August 2026.
Month, 1 year, 3 year, 5 year and inception performance figures reflect the performance of the Daintree Core Income Trust.

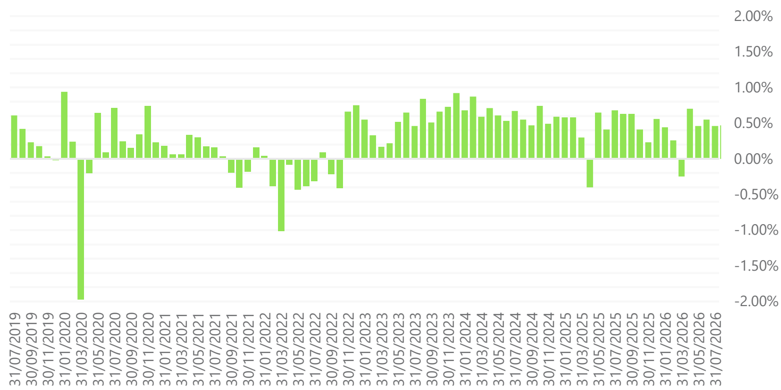
Rating Exposure (%)



Sector Exposure (%)



Monthly Performance



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Fund Review

DCOR returned 0.47% for the month, net of fees. Over the last three years, the Fund has delivered a return of 6.57% pa net of fees, equivalent to an excess return of 2.44% pa. Coupon was a positive contributor for the month. Physical credit spreads widened somewhat, led by financial names, but this was more than offset by outperformance in the overlay.

The 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.

Outlook

The drivers of market performance shifted during August, as bond yields and fiscal concerns rose to the fore. Take the Middle East and energy markets: The pattern of the past six months has now repeated often enough that we see a structural energy premium emerging. This matters for the monetary policy outlook because it converts an inflation shock that central banks could reasonably look through into one they may feel obliged to respond to. Bond markets have seemingly arrived at the same conclusion, even if the reasons for rising yields are still hotly debated.

From a US Treasury perspective, the Federal Reserve's Jackson Hole symposium added further ambiguity. Chairman Warsh used his Jackson Hole address to clarify that he is focused on delivering 2% PCE inflation, but he also reiterated his opposition to forward guidance and questioned the usefulness of a published reaction function. Markets responded by lifting the implied probability of a September hike above 55% whilst also pricing a further move later in the year.

One complicating factor for the Fed is a visibly deteriorating US employment market. The unemployment rate declined to 4.1% in July, but only because the labour force shrank by 264,000 and participation fell to 61.4%, the lowest in more than five years. The very real prospect of rate hikes against the backdrop of a weak employment outlook has the potential to roil both bond markets and the growth outlook.

With policy rates still on hold for now, investors are expressing views through the long end. Yields rose in most markets, but Japan deserves particular attention. Ten-year and thirty-year yields rose to or near all-time records, driven by fiscal anxiety around government spending plans and proposed budgetary adjustments. The Bank of Japan and Ministry of Finance intervened in the foreign exchange market, with the help of the United States, to curb depreciation in the yen.

The Reserve Bank met in August and unanimously held the cash rate steady but was explicit in its resolve to raise the cash rate further should upside risks materialise. Here the data has obliged - the July monthly inflation data revealed the trimmed mean has not moved towards target, instead remaining at around the same level (3.6%) for three months in a row. Australia's inflation problem is not just about energy; it is about housing, services and the absence of productivity growth.

Credit spreads tightened in August. The marked exception was debt raised by large technology companies, where heavy supply and portfolio concentration limits remain key issues. Financial paper also underperformed as investors sold this to make way for new technology-related issuance. Still, with yields at cyclical highs, broad demand for investment-grade income assets remains elevated and this is supporting spreads in aggregate. Corporate fundamentals such as earnings growth remain supportive of spread performance as well. Conversely, US private credit offered more evidence of the challenges posed by valuation opacity and liquidity mismatch, albeit with limited impacts on public credit markets.

At current levels, investment grade spreads provide little cushion to absorb rates volatility. That said, we expect carry to do much of the heavy lifting in coming months while keeping a tight rein on duration. Flat credit curves provide little incentive to look further out along the curve, but market distortions caused by heavy hyperscaler issuance may provide a window to opportunistically reposition portfolios. We remain flexibly positioned to capture credit premium while closely managing interest rate and credit risks.