

MONARK
Realising the remarkable

Monark High Yield Debt Fund – Series 3

Information Memorandum
OCTOBER 2024

Disclaimer and Important Information

This Information Memorandum has been prepared by Monark Securities Pty Ltd ACN 635 529 412 AFSL No. 519884 (**Trustee**). The manager of the Fund is Monark Secured Debt Management Pty Ltd ACN 620 206 911 Authorised Representative No. 001257978 (**Manager**) and is an authorised representative of the Trustee. Monark Property Partners Pty Ltd ACN 160 949 691 (**Monark**) sources investment opportunities for the Fund and controls the Trustee and Manager.

Purpose of this Document

This Information Memorandum (**Fund IM**) is intended for the exclusive use of potential investors in the Monark High Yield Debt Fund (the **Recipients**) for the purpose of evaluating the opportunity to invest in the Fund and may not be reproduced, used, or given to any other person, in whole or in part, for any purpose other than the purpose for which it is intended. By accepting and not returning this Fund IM, Recipients accept and agree to the conditions set out under the heading Confidentiality and Non-disclosure below. If these conditions are not acceptable, this Fund IM must be returned to the Trustee immediately.

This Fund IM is solely for information purposes and does not constitute a product disclosure statement or disclosure document as defined under the *Corporations Act 2001* (Cth) (**Corporations Act**).

The issue of Units in the Fund does not require the giving of a product disclosure statement under Part 7.9 Division 2 of the *Corporations Act*. The Fund is not, and is not required to be, a registered managed investment scheme under the *Corporations Act*.

This Fund IM does not constitute an offer to sell or the solicitation of an offer to buy any securities or other financial products other than Units in the Fund.

Recipients should read this Fund IM in its entirety.

Wholesale Clients Only

This Fund IM is not intended for use by any person that does not qualify as a Wholesale Client for the purposes of the *Corporations Act*.

This Fund IM is not intended for use by any person outside Australia.

General and Not Specific Advice

The information contained in this document does not purport to be all-inclusive nor does it contain all of the information that Recipients may wish to consider prior to investing in the Fund.

This Fund IM contains general information only and has been prepared without taking into account the objectives, financial situation or needs of any particular person.

In all cases, Recipients should conduct their own investigation and analysis of the Fund, and the information set out in this Fund IM. In addition, Recipients should seek independent professional advice as to the financial, taxation and other implications of investing in the Fund and the information contained in this Fund IM. None of the Trustee, the Manager, Monark or any of their respective related entities, directors, officers, employees, or associates (together the **Monark Group**) make any representation or warranty as to the accuracy or completeness of the information in this Fund IM.

No Warranty and No Reliance

The Monark Group makes no representation or warranty, express or implied, and assumes no liability in respect of the authenticity, origin, validity, completeness, reasonableness, or accuracy of, or for any errors in or omissions from, the information, statements, forecasts, historical information, estimates, target returns, projections, opinions, and comments contained herein, all of which may contain subjective considerations.

The Monark Group (to the maximum extent permitted by law):

1. disclaims all liability in connection with this Fund IM (including any responsibility for any errors or omissions in the financial calculations set out in this Fund IM) or any other written or oral communications transmitted to recipients in connection with the Fund;
2. accepts no liability whatsoever for any loss, damage, costs, or expenses incurred or suffered arising in connection with this Fund IM; and
3. does not represent that:
 - a. all information that is relevant to the offer or the acquisition of Units has been provided in this Fund IM; or
 - b. all information provided under this Fund IM is accurate, correct, or complete, or does not contain misleading or deceptive statements.

While the Trustee has undertaken due diligence in relation to the Fund and the information presented in this Fund IM, it is possible that, due to factors such as the passage of time or the uncertainty in forecast details, the information contained in this Fund IM may be inaccurate at the date of release of this Fund IM or at a later time.

Except where expressly disclosed, the information contained in this Fund IM has not been independently verified or independently audited.

Foreign Jurisdictions

The offer contained in this Fund IM is available to persons receiving the Fund IM within Australia but does not constitute an offer of interests in the Fund in any jurisdictions where, or to any persons to whom, it would be unlawful to make the offer.

It is the responsibility of any person located in a jurisdiction other than Australia to ensure compliance with all laws of any country relevant to the offer. The submission of a duly completed Application Form will be taken to constitute a representation and warranty that there has been no breach of any relevant laws and that all approvals and consents have been obtained.

Financial Information and Forecasts

All projections, forecasts, estimates, target returns and calculations (**Forward-looking Statements**) in this Fund IM are for illustrative purposes only using assumptions described herein. The calculations are based on certain assumptions, which may not be realised. In addition, such Forward-looking Statements involve a number of risks and uncertainties. Actual results may be materially affected by changes in economic, taxation and other circumstances. The factors that could cause actual results to differ materially from the Forward-looking Statements include, among other things, changes in interest rates, changes in general economic conditions, changes in the property market and the supply and demand for commercial property.

The reliance that Recipients place upon the Forward-looking Statements in this Fund IM are a matter for their own commercial judgment. No representation or warranty is made that any Forward-looking Statements in this Fund IM are accurate or will be achieved.

No Performance Guarantee

None of the Trustee, Manager, Monark or members of the Monark Group or their officers, employees, related parties, associates, consultants, advisors and agents, or any other person, guarantees the performance or success of the Fund, the repayment of capital invested in the Fund by a Recipient, any particular rate of return on investments in the Fund or (where information about tax is provided) any particular tax treatment.

There can be no assurance that the Fund will achieve results that are comparable to the track record of the Trustee or the Monark Group, or that the Fund's investment objectives will be achieved.

An investment in the Fund does not represent a deposit with, or a liability of, the Trustee or the Monark Group or any of their associates. The Trustee is not authorised under the *Banking Act 1959* (Cth) and is not supervised by APRA, and investments in the Fund are not covered by the depositor protection provisions available to depositors that make a deposit with an Australian authorised deposit-taking institution (ADI) under that Act.

Past performance information

Where this Fund IM sets out any past performance in respect of the Fund, the Fund's strategy, or other funds or investment vehicles operated or managed by the Trustee or Manager, Investors must not interpret that information as a representation about the future performance of the Fund. Past performance is not a reliable indicator of future performance.

Confidentiality and Non-disclosure

This Fund IM and its contents are proprietary and confidential to the Monark Group. This Fund IM and its contents, and any information that is made available in connection with further inquiries, must be held by Recipients in complete confidence and not used for any purpose other than to consider whether to invest in the Fund. This Fund IM must not be copied nor have its contents disclosed by Recipients to any other person other than employees or professional advisors of Recipients and then only for the sole purpose of Recipients considering and taking advice as to whether to invest in the Fund.

Risks

Investment in the Fund is subject to certain risks including the loss of part or all of the amount invested and possible delays in repayment. The risks associated with an investment in the Fund are different to a cash deposit or investment in an ADI.

Recipients should carefully consider the risks set out in section 2.8 of this Fund IM, and other risks, before deciding whether to invest in the Fund.

Images

Any photographs, images, charts and diagrams in this Fund IM are for illustrative purposes only unless otherwise identified e.g., images of property assets intended to be financed by the Fund.

Offer Changes

The Trustee reserves the right to update or change the terms of the offer or cancel the establishment of a class of the Fund and return the Investors' investment amount (without interest) for whatever reason.

Applications

Recipients seeking to invest in the Fund should follow the required application process, details of which are provided on page 19 of this Fund IM.

The Trustee reserves the right to accept and/or reject applications in its absolute discretion.

Trustee Limitation of Liability

Except in certain circumstances prescribed by law, the Trustee acts solely in its capacity as trustee of the Fund and in no other capacity and its liability is limited to the assets of the Fund.

No Cooling-off Rights

No cooling-off period applies to the issue of Units.

Updated Information

Information in this Fund IM may change. Updated information regarding this Fund IM may be made available by the Trustee; however, the Trustee is not required to, and may not, update, supplement or replace this Fund IM.

Summary of Key Documents only

This Fund IM contains a summary of the terms of the Fund and certain other material documents. However, Recipients should refer to the complete legal documentation for the Fund (available on request from the Trustee). Investments in the Fund are governed by the Trust Deed and associated documents and nothing in this Fund IM limits or qualifies the powers and discretions conferred on the Trustee and the Monark Group under those documents. This Fund IM should be read in conjunction with the Trust Deed and associated documents for the Fund. In the event of any inconsistency between the Trust Deed and associated documents and this Fund IM, then the Trust Deed will prevail to the extent of the inconsistency.

Key Date

This Fund IM is dated 15 October 2024.

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Part A

Part A contains information pertinent to the Monark High Yield Debt Fund – Series 3.

It is Monark's intention to offer a number of series in the Monark High Yield Debt Fund, each referable to a distinct class of Unit.

Key Dates

15 October 2024

Issue of Information Memorandum

31 October 2024

Closing Date for Applications

6 November 2024

Confirmation of Allocation and
Notification of First Capital Call

14 November 2024

First Capital Call Funds Due

15 November 2024

Fund Commencement Date

29 November 2024

Issue of Unit Holding Statements

*Dates subject to change

Letter from the CEO

Dear Investor

I am delighted to invite you to invest in the Monark High Yield Debt Fund – Series 3 (**Series 3**).

Series 3 is the third opportunity for investors to participate in the Monark High Yield Debt Fund strategy. With over \$100 million already deployed, Series 1 and 2 investors have enjoyed strong comparative returns provided by debt facilities secured against Australian real estate. As at 31 August 2024, Series 1 has provided investors with an internal rate of return (**IRR**) of 14.2% per annum, whilst Series 2 is performing at 15.5% per annum.

We expect a similar performance from Series 3, having already warehoused a number of attractive facilities in which to invest. This provides investors with visibility over a material part of the Series 3 portfolio and allows us to put a meaningful portion of our investors' capital to work in the near term. However, past performance is not an indicator of future performance and returns of income or capital is not guaranteed.

We plan to limit the target size of Series 3 to approximately \$40 million. A modest fund size removes pressure on management to deploy funds, allows for a tight deployment period, and enables us to cherry pick suitable opportunities for our investors.

About Monark

Since its founding, Monark has established a compelling reputation for providing property finance, focusing on the 'middle property market': luxury apartments in prime locations and land subdivisions in growth corridors. We have chosen these niches in order to mitigate investment risk. Simply, properties in highly sought-after locations are typically underpinned by significant purchaser demand, experience less price volatility, and therefore represent robust and valuable security.

Our focus has also enabled us to identify and build relationships with developers who have a similar confidence in these segments and who have demonstrated the capacity and expertise to deliver attractive projects. We know which developers we want to back: those able to execute on the feasibility they present and who value our core philosophy of engaging as a business partner, not simply as a financier. The benefits of the latter are a richer working relationship, a better understanding of the intricacies of each development and the opportunity to earn, what we believe to be, an enhanced risk-adjusted return.

Monark has assembled an experienced, multidisciplinary team with property development, construction, credit risk and financial structuring expertise. We are ideally equipped to provide funding throughout the capital structure – senior, mezzanine, and preferred loans, and the capacity to carefully manage each facility throughout the funding period.

Due to our team's success when partnering with developers earlier in the project lifecycle, we have attracted a greater demand for the type of funding employed at this stage - specifically preferred loans and mezzanine debt - funding which typically rewards investors with strong returns.

The Monark High Yield Debt Fund – Series 3 is an opportunity for our investors to partner with Monark to access these attractive transactions and to leverage both Monark's experience in the middle property market and our network of developers.

About Series 3

The Monark High Yield Debt Fund (**Fund**) is an unregistered and unlisted unit trust, with partly paid units to ensure optimum deployment. The Fund issues separate classes of units, each referable to a particular 'series' which will be closed-ended. In respect to Series 3, the Fund will invest in a portfolio of Monark's subordinated secured property debt transactions, comprising a mix of preferred loans and mezzanine debt, with a target IRR of 15% per annum (**Target IRR**) – this is after fees and costs.

More so, we expect this return will be generally uncorrelated with broader investment markets providing investors with valuable diversification.

Our objective is to create an asymmetric outcome for our investors by providing an attractive relative return against the associated risk. The key risks associated with an investment in the Fund are outlined in section 2.8.

I am delighted to invite you to invest in the Monark High Yield Debt Fund – Series 3. Part A of this Fund IM provides specific details pertinent to Series 3 only. Part B contains more general details which are relevant to both Series 3 and the other series in the Monark High Yield Debt Fund. Each series will be issued as a separate class of unit in the Fund and referable to a distinct portfolio of assets.

Should you wish to invest in Series 3, as a first step, please complete the Investment Request Form on page 59.

Should you wish to discuss the Fund or Monark in general, please do not hesitate to contact me, my joint Executive Director, Adam Slade-Jacobson, our Head of Capital, Dani Peer, or Monark's directors of Private Capital, Marina Shnaider (Melbourne), and Gini Li (Sydney).

Yours sincerely



Michael Kark
CEO and Executive Director
Monark Property Partners



Executive Summary

Series 3 of the Monark High Yield Debt Fund represents an opportunity to invest in a diversified portfolio of Monark's highly regarded, subordinated secured property debt transactions, with a target IRR of 15% per annum (after fees and costs) on net called capital (being drawn funds net of capital repayments). Series 3 of the Fund will capitalise on Monark's experience and proven ability to understand and manage risk to create an asymmetric outcome for investors, with the objective of providing an attractive relative return against the risks required to achieve this.



The target size for Series 3 of the Fund is \$40 million, funded via the issue of partly paid Units. Investors in Series 3 will be issued with a distinct class of Units, the value of which will be referable to a specific and separated portfolio of assets.



Facility repayments will be distributed to Series 3 Unit holders. Series 3 of the Fund is therefore self-liquidating and will wind up after the last distribution.



Series 3 will take the form of a closed-ended class of Units in the Fund, with partly paid Units employed to ensure optimum deployment.



Whilst Series 3 of the Fund has no specific investment term, it has an expected investment period of 12 months. Capital calls will still most likely continue to be made after this period. The investments contemplated for Series 3 of the Fund are not expected to have a term longer than 48 months.










Series 3 of the Fund will invest in a seed portfolio of eight transactions, providing investors with visibility over a material part of the Fund's portfolio.



Therefore, the likely term for Series 3 of the Fund from initial investment to final receipt would be approximately five years with investors expected to receive the majority of repayments in the latter half of this period.

MONARK

Key Attractions – Series 3

-  Access to a portfolio of Monark's highly regarded, subordinated secured property debt transactions.
-  Attractive relative target IRR of 15% per annum (after fees and costs) on net called capital (being drawn funds net of capital repayments).
-  Series 3 performance expected to be generally uncorrelated with volatile public investment markets providing potential for portfolio diversification.
-  Significant seed portfolio providing visibility over a material part of Series 3's portfolio.
-  Focus in the Australian 'middle property market' - mid-sized projects underpinned by significant purchaser demand which in turn tend to provide valuable security and reduced exit risk.
-  Investor alignment with sizeable investment in the Fund made by Monark shareholders and executives on the same terms, and in the same unit class – a true 'partners fund.'
-  Simplify investing with Monark – one investment, one statement.
-  Preferred access to direct investments – those not taken up by the Fund or subsequently sold down.
-  Partnering with an experienced, established real estate financier and investor with an unblemished track record.

Recipients should carefully consider the risks set out in section 2.8 of this Fund IM, and other risks, before deciding whether to invest in the Fund.



Seed Portfolio – Series 3

The seed portfolio contains facilities that Monark has committed to fund. Series 3 will have priority in funding these facilities. Monark may also fund these through other capital sources due to concentration or timing constraints in Series 3. There is no guarantee the seed portfolio assets or the assets of the Fund generally will generate returns of income or capital. All investments are subject to risk (see section 2.8).

	Facility	Amount Available for Investment (\$million)
1	Beaconsfield Parade – St. Kilda West, VIC	8.0
2	Alicia Street – Hampton, VIC	6.7
3	Prahran Townhouses – Prahran, VIC	6.5
4	Como Parade – Parkdale, VIC	6.3
5	Wanda Terraces – Caulfield North, VIC	2.7
6	Oakleigh Townhouses – Oakleigh, VIC	2.4
7	Deanside Subdivision – Deanside, VIC	1.7
8	Underbank Estate – Bacchus Marsh, VIC	1.0
	TOTAL	35.3

Beaconsfield Parade, St. Kilda West

364-366 Beaconsfield Parade, St. Kilda West, VIC



Key Project Highlights

Project	Funding provided to acquire the land and develop a five-level apartment building comprising 19 apartments over two-levels of basement carpark. The Monark Group is a shareholder in the project.
Developer	Lowe Living
Builder	Lowe Create (a related party to the Developer)
Amount Available	\$8.0 million
Indicative Term	42 months from July 2024
Indicative LVR (Principal)*	80%
Status	The Developer has secured the site and has commenced the planning application process.
What we like about this transaction	<ul style="list-style-type: none"> ▪ Significant site providing unobstructed views over Port Phillip Bay. ▪ Appropriate zoning for the proposed medium-density residential development. ▪ Robust property fundamentals with direct proximity to St. Kilda Beach, Catani Gardens and Fitzroy Street. ▪ Developer has a track record producing projects with this standard of finish and location and has a long-standing relationship with Monark.

*The indicative LVR is based on the assessment value of the project from Savills, dated August 2024.

Alicia Street, Hampton

31-35 Alicia Street, Hampton, VIC



Key Project Highlights

Project	Funding provided to settle the land, procure a planning permit, and develop a four-level, 32-unit residential apartment building with basement car park. The Monark Group is a shareholder in the project.
Developer	Low Living
Builder	Low Create (a related party to the Developer)
Amount Available	\$6.7 million
Indicative Term	38 months from April 2024
Indicative LVR (Principal)*	80%
Status	The Developer has secured the site and is well-progressed with a planning application.
What we like about this transaction	<ul style="list-style-type: none"> ▪ Significant bayside landholding with appropriate zoning, conducive to medium-density residential development. ▪ Developer with extensive experience in the bayside property market and long-standing relationship with Monark. ▪ The parcels were acquired off-market resulting in a robust project profitability.

*The indicative LVR is based on the assessment value of the project from Savills, dated August 2024.

Prahran Townhouses

113-115 Chomley Street, Prahran, VIC



Key Project Highlights

Project	Funding provided to settle a substantial site in Chomley Street, Prahran and to develop 17 three-level townhomes built over a basement car park. The Monark Group is a shareholder in the project.
Developer	Coff Property Group and Hill Developments Co.
Builder	Not yet appointed - to be acceptable to Monark
Amount Available	\$6.5 million
Indicative Term	35 months from September 2024
Indicative LVR (Principal)*	83%
Status	The Developer lodged a planning application to the council in May 2024 and has since completed advertising. The Developer expects preliminary feedback from the council to be positive.
What we like about this transaction	<ul style="list-style-type: none"> ▪ Well-located landholding with appropriate zoning that is conducive to medium density residential development. ▪ Robust property fundamentals supported by proximity to high-quality retail, education, transportation and recreational amenities. ▪ Market acceptance and planning precedence for the product has been set by the recently completed development next door which offered a similar, albeit smaller, townhouse arrangement.

*The indicative LVR is based on the 'as if complete' value of the project by Savills, dated March 2024.

Como Parade Parkdale

152 Como Parade West, Parkdale, VIC



Key Project Highlights

Project	Funding provided to acquire the property at 152 Como Parade West, Parkdale, VIC and to develop a 45-unit apartment building over a basement level car park. The building has been designed by multi-award-winning architects Jackson Clements Burrows with a higher level of finishes and targeting owner occupiers. The Monark Group is a shareholder in the project.
Developer	Lowe Living
Builder	Lowe Create (a related party to the Developer)
Amount Available	\$6.3 million
Indicative Term	43 months from December 2023
Indicative LVR (Principal)*	79%
Status	The Developer has secured the site and has recently obtained a planning permit for the project.
What we like about this transaction	<ul style="list-style-type: none"> ▪ Significant Bayside landholding with planning permit for the proposed residential development. ▪ Developer with extensive experience in the bayside property market and long-standing relationship with Monark. ▪ Well-located project 500m to Parkdale Train Station and retail precinct and 600m to Parkdale Beach and other amenities.

*The indicative LVR is based on the assessment value of the project from Savills, dated January 2024.

Wanda Terraces

14-16 Hawthorn Road, Caulfield North, VIC



Key Project Highlights

Project	Funding provided for the construction and development of a four-level building, incorporating 24 apartments over two levels of basement car park. The project is designed by Ewert Leaf to a high level of finish and comprises a mix of two- and three-bedroom configurations. Monark Group has also funded the senior loan for this project.
Developer	Platinum
Builder	Iurada Property Group
Amount Available	\$2.7 million
Indicative Term	17 months from September 2024
Presales	46% of the apartments (11 of 24)
Indicative LVR (Principal)*	72%
Status	Construction commenced in July 2024. Currently 11 unconditional sales out of 24 units have been secured. Sales enquiry has been strong since construction commencement.

*The indicative LVR is based on the 'as if complete' value of the project by Knight Frank, dated January 2024.

Oakleigh Townhouses, Oakleigh

4-6 Heath Avenue, Oakleigh, VIC



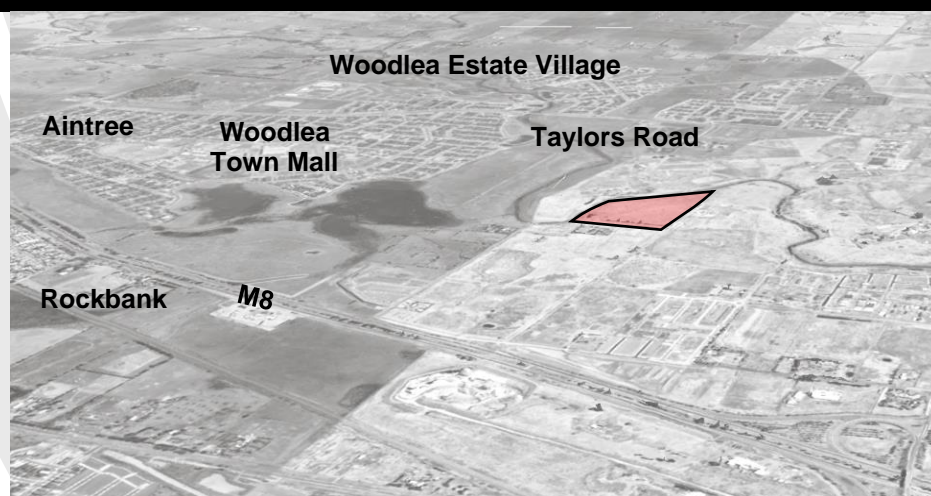
Key Project Highlights

Project	The Developer has strategically acquired two adjacent land parcels located at 4-6 Heath Avenue, Oakleigh, VIC. Funding provided to settle the land and develop 12 on-grade townhouses. The townhouses are being designed by the well-regarded architecture firm Jackson Clements Burrows (JCB). The Monark Group is a shareholder in the project.
Developer	Callex Group
Builder	Not yet appointed
Amount Available	\$2.4 million
Indicative Term	27 months from October 2024
Indicative LVR (Principal)*	78%
Status	The land parcels were acquired in August 2023 with a deposit paid and settlement due in April 2025. The Developer is currently working with JCB to finalise a preliminary scheme ahead of the formal town planning submission in October 2024.
What we like about this transaction	<ul style="list-style-type: none"> Anticipated strong demand for the architecturally designed townhomes located 600m from a retail and dining precinct and 850m from Oakleigh Train Station. Education and recreational facilities are also nearby. The project targets owner occupiers with an even mix of three- and four-bedroom configurations and more generously sized living areas as compared to competing developments.

*The indicative LVR is based on the 'as if complete' value of the project by Savills, dated September 2023.

Deanside Land Subdivision

131 – 171 Deanside Drive, Deanside, VIC



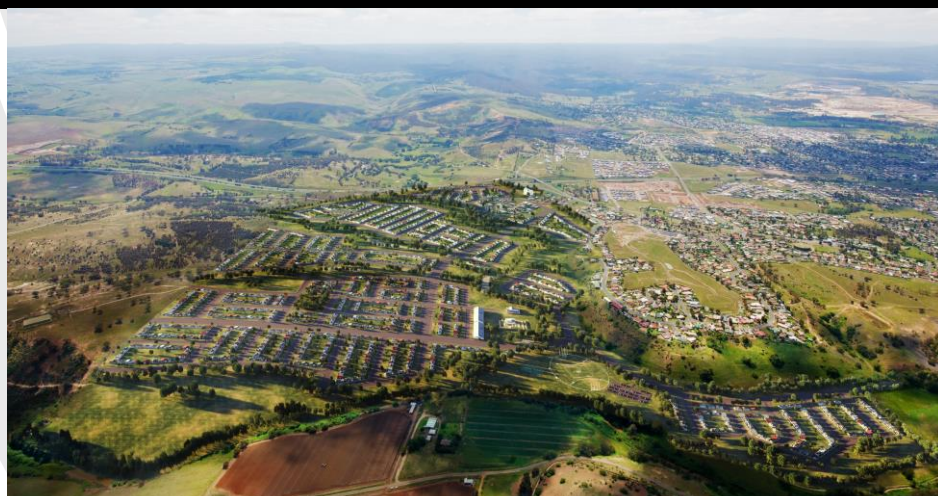
Key Project Highlights

Project	Funding provided to undertake a land subdivision comprising 124 residential lots, located in a growth corridor. The Monark Group is a shareholder in this project.
Developer	Solovey
Builder	Not yet appointed
Amount Available	\$1.7 million
Indicative Term	28 months from August 2024
Indicative LVR (Principal)*	84%
Status	The site has been secured and the planning application is currently with Melton City Council for consideration.
What we like about this transaction	<ul style="list-style-type: none"> ▪ Substantial greenfield land parcel with appropriate zoning that is conducive to medium-density residential development. ▪ The Developer has extensive experience in the local micro market. ▪ The project has supply-demand attributes and benefits from availability of services due to infrastructure works to be completed at One Deanside; and proximity to Kororoit Creek, which allows the discharge of stormwater via swale drain directly into the creek.

*The indicative LVR is based on the assessment value of the project from Savills, dated August 2024.

Underbank Estate

174 Mortons Road, Bacchus Marsh, VIC



Key Project Highlights

Project	Funding provided to refinance an existing Monark senior debt facility, fund the construction of stages 21-24 (118 lots) and fund estate related works. Monark Group has also funded the senior loan for this project.
Developer	Kataland
Builder	Winslow
Amount Available	\$1.0 million
Indicative Term	15 months from September 2024
Indicative LVR (Principal)*	72%
Residual LVR	60% with qualifying presales, 50% including all presales
Status	<ul style="list-style-type: none"> ▪ In 2010, the Borrower acquired a 176 ha englobo site, which was approved for a master planned community comprising up to 1,200 lots over 40 stages, as well as communal amenities including sporting facilities, community clubhouse, town center, and parks. ▪ To date, 432 lots have been delivered, 265 of which Monark has financed over the last 4 years. ▪ Monark is funding the next stages to be delivered, being stages 21-24 comprising 118 lots.

*The indicative LVR is based on the aggregate of 'as if complete value of the lots' and 'as is value of englobo land' by CKC dated August 2024.

Application Process

Due to the limited availability of the transactions into which Series 3 of the Fund will deploy, investment in the Monark High Yield Debt Fund, including Series 3, is by invitation only.

The application process is in two steps:

1. Please complete the short Investment Request Form on page 59 of this Fund IM and email this to our Investor Relations Manager, Kate Mullens, at kate@monarkpartners.com.au
2. On receipt of your Investment Request Form, we will send you a link to our secure online application process, hosted by Registry Direct, with guidance on how to complete your application. **The online application should be completed on or before Thursday, 31 October.**

Monark will confirm your allocation on 6 November with details of the first capital call, which we anticipate being approximately 20 cents per unit.

Cleared and readily available funds are required on or before 14 November 2024.



Part B

Part B contains information pertinent to all series in the Monark High Yield Debt Fund and should be read together with Part A. The terms described in Part A prevail over the terms described in Part B to the extent of any inconsistency.

It is Monark's intention to offer a number of series in the Monark High Yield Debt Fund, each referable to a distinct class of Unit.

1. The Case for Investing in Secured Private Debt

The Fund invests in a diversified portfolio of subordinated secured private debt transactions. Secured private debt is an established and highly sought-after asset class that continues to attract strong investment inflows.

As the name suggests, there are three parts to the investment:

<p>Secured</p>	<p>Each debt facility is secured against one or more assets with ascertainable value. This is the investor’s ‘plan B’, a ‘safety net’ if the original investment thesis fails. If the facility’s counterparty – the Borrower – cannot repay the principal and interest, the lender can seek to recover the balance owing via the proceeds from the sale of the security. Whilst security can take many forms, the security supporting each facility in the Monark High Yield Debt Fund is a registered mortgage on Australian property. In some cases, there may be a delay in registering a mortgage following the making of a loan, for instance, where the purchase of the land which is to be the subject of the mortgage has not yet settled. In such instances, the loan documentation will provide for registration of the mortgage immediately upon settlement of the land purchase.</p>
<p>Private</p>	<p>The Fund’s debt facilities are not listed on any financial market. They are originated by Monark for the benefit of Monark investors and cannot be accessed other than through the Fund, or in some cases offered by Monark as direct investments. Whilst being private and unlisted does impact on the investments’ liquidity, there is a substantial benefit in that the investment ordinarily experiences little-to-no volatility. Secured private debt tends to offer investors a smooth and stable investment experience.</p> <p>More so, investors are rewarded for the illiquid nature of the asset class with yields usually well in excess of those of listed securities with similar risk profiles. This benefit is called the ‘illiquidity risk premium’.</p>
<p>Debt</p>	<p>Most debt facilities have two particularly attractive qualities – protection against first loss and a degree of predictability.</p> <p>With regards to first loss, unlike equity investments, investing in debt does not generally expose investors to first loss. This means that the rights of the debt investor are always ahead of the equity investor. So, should the asset against which the debt is secured lose value, this loss will first be borne by equity investors. The degree to which this loss is absorbed by equity investors is governed by the facility’s ‘loan-to-value’ ratio.</p> <p>With regards to predictability, most debt arrangements (certainly all secured private debt facilities in the Fund) are defined by a contract. The term of the loan, the interest rate charged, the nature of the security, and many other factors governing the Borrower’s obligations are clearly stated. This provides a degree of certainty absent from most other investments.</p>

The combination of stable security, relative high yield, safety, and certainty has made secured private debt a highly sought-after investment.

2. More About the Fund

2.1. Fund Terms

Overview	Monark is inviting a select group of investors to invest alongside Monark shareholders in the Monark High Yield Debt Fund (Fund), a diversified portfolio of subordinated, secured property debt transactions originated by Monark. Interests in the Fund are divided into distinct 'series', each with a separate class of Unit the value of which is derived by reference to a specific and separate portfolio of underlying assets.
Target IRR	The Fund's Target IRR is 15% per annum net of fees and costs. Unit holders will receive quarterly Fund updates detailing the progress of each portfolio asset. Fund returns are not guaranteed.
Fund Structure	The Fund is a unit trust that is an unregistered managed investment scheme. Individual series of Units will be issued as separate Unit classes and will be closed-ended in nature.
Trustee	The Trustee of the Fund is Monark Securities Pty Ltd ACN 635 529 412 AFSL No. 519884 (Trustee). The Trustee is responsible for the operations of, the issuing of Units in, and the acquisition of assets for, the Fund and each series of Units issued in the Fund.
Manager	The Manager is Monark Secured Debt Management Pty Ltd ACN 620 206 911, as Corporate Authorised Representative of the Trustee AR No. 001257978 (Manager). The Manager is appointed by the Trustee to provide day-to-day management services for the Fund, pursuant to an Investment Management Agreement.
Monark	Monark Property Partners Pty Ltd ACN 160 949 691. Monark sources credit opportunities for the Fund. The Trustee and Manager are related parties of Monark.
Investment Mandate	<p>The Fund will generally provide debt loan facilities (Facilities) to SPVs established by Monark (each a Monark Lending Entity) for the SPV to provide debt facilities (senior, mezzanine, and preferred loans), to third party borrowers (Borrowers) that are advanced for the purpose of settling the acquisition of property development sites and/or funding the construction of development assets. The SPV (or a related entity) may also hold other assets (such as cash at bank).</p> <p>There is no specified maximum loan to value ratio, the Fund's mandate being to invest in those opportunities it believes present attractive risk-adjusted returns.</p> <p>The investment term for any facility is not expected to exceed 48 months.</p> <p>The Fund will invest in facilities secured by Australian real estate, predominantly in areas located in metropolitan Victoria, New South Wales, and Queensland.</p> <p>A maximum of 30% of committed capital to a given series of Unit will be invested in any one Facility.</p> <p>The Trustee has absolute discretion to decide whether or not the Fund will invest in any investment originated by Monark that falls within its mandate and the extent to which it wishes to invest.</p> <p>The Trustee may also elect at its absolute discretion to sell any loan in the Fund's portfolio (either partially or in full) to a third party with the objective of enhancing Unit holder returns. Fund Unit holders may be offered the opportunity to invest in these loans, outside their investment in the Fund.</p> <p>The Trustee may borrow on behalf of the Fund for bridging finance to acquire investments for the Fund.</p>

Investments	<p>Only investments that fall within the Fund Investment Mandate will be made by the Trustee. Investments will be referable solely to the class of Unit representing the particular series in respect of which the investments are made. Investors in one class of Unit representing a particular series in the Fund will only receive returns from the pool of assets invested in on behalf of the relevant series.</p> <p>The Investment Committee has discretion to allocate investments as between series in its absolute discretion but subject always to the Trustee's Conflicts of Interest Policy.</p>
Issue of Units	<p>The Fund intends to issue partly paid Units in each series with an issue price of \$1 per Unit.</p> <p>Please refer to details in Part A of this Fund IM for information on the issue target for the relevant series.</p> <p>The Manager will provide investors with information for the timing and quantum/ proportion of capital calls.</p> <p>Unit holders are bound to participate in each call.</p>
Term & Redemptions	<p>The Manager may invest in new Facilities for a period of 12 months, which may be extended by a further 12 months at the discretion of the Trustee (Investment Period). The Investment Period will commence on the date of the first capital call.</p> <p>The Manager does not intend to make any new investments after the end of the Investment Period. For the avoidance of doubt, any investment partially drawn during the Investment Period will continue to be drawn after the Investment Period and therefore calls on partly paid Units may be made following the expiry of the Investment Period.</p> <p>Should the projects into which the Fund has invested require no further capital, any uncalled proportion of the partly paid units will be cancelled.</p> <p>The term for each loan made by the Fund is expected to be no more than 48 months.</p> <p>The Manager does not anticipate reinvesting the proceeds received on the successful realisation of each investment. Each series in the Fund is therefore designed to be self-liquidating. Generally, investment proceeds (e.g., interest and loan principal), less Fund expenses and any fees due and payable to the Manager in respect of a particular series, are expected to be distributed to Unit holders in that series upon the realisation (or part realisation) of each Fund investment or where the Fund receives an amount or return from the Fund investments referable to that series (Net Proceeds).</p> <p>Accordingly, it is expected that the term of each series in the Fund will typically be five years, comprising the Investment Period and an additional four years to realise all of the Fund's investments referable to that series. However, this is not guaranteed and will be based on the timing and performance of each individual Fund investment.</p> <p>The Fund, and each series in it, will have no redemption or liquidity facility and should be considered illiquid.</p>
Minimum Investment	<p>The minimum investment an investor may make to the Fund is \$250,000. This amount may be varied by the Trustee in its absolute discretion.</p>
Income Entitlements	<p>A Unit holder in a particular series will be entitled to a proportionate share of income distributed by the Fund in respect of that series, based on the number of Units held by the Investor in that series. Investors shall have no rights to income generated by the assets referable to a class of Unit representing a series in the Fund in which they are not invested.</p>
Capital Entitlements	<p>Unit holders in a particular series will be entitled to a proportionate share of subscribed capital in that particular series of Units, based on the number of Units held by the Investor in that series. Investors shall have no rights to subscribed capital referable to a class of Unit representing a series in the Fund in which they are not invested.</p>

<p>Income and Capital Distributions</p>	<p>Due to the nature of the investments to be held by the Fund in respect of each series, income and capital distributions may occur infrequently. Annual distributions may occur to ensure that the Trustee is not taxed on accrued income (e.g., interest income) derived by the Fund during the income year.</p> <p>The Trustee will generally distribute to Unit holders their proportionate share of the Net Proceeds of the particular series of Units in which they are invested within 30 days from the date of receipt by the Fund.</p> <p>Where the Fund receives Net Proceeds in respect of a particular series of Unit that are referable to an amount invested by the Fund in an investment (e.g., the loan principal of a debt instrument) in respect of that series of Unit, the Fund will seek to distribute those amounts as a return of the original capital subscribed by Unit holders in that series. All other returns received by the Fund as Net Proceeds (e.g., interest or fees) will be distributed as income to Investors in that particular series.</p> <p>Income and capital distributions are dependent on Borrowers meeting their obligations under the facilities and returns under other investments (if any). None of the Trustee, Manager or Monark, or their related parties, officers, employees, consultants, advisors, or agents guarantees the payment of, or amount of, any distribution or a return of capital.</p>						
<p>Investment Committee</p>	<p>The Investment Committee comprises of Michael Kark (CEO of Monark), James Goodwin (independent member), and Matthew Chun (independent member).</p> <p>The Investment Committee will:</p> <ul style="list-style-type: none"> (a) evaluate the risk-return profile of each investment opportunity; (b) make investment recommendations to the Manager; (c) regularly review the performance of the Fund's investments; and (d) opine on any conflict of interest matters which may arise from time to time. <p>The composition of the Investment Committee may change over time.</p>						
<p>Fees</p>	<p>Monark will retain any fees paid by a Borrower (such as an establishment fee).</p> <p>In addition, once the Fund has achieved its Target IRR, Monark retains any surplus income received by the Monark Lending Entity. The Participation Loan Agreement is drafted such that, in the event the Fund does not achieve the Target IRR, Monark will not be entitled to any amount received by the Monark Lending Entity.</p> <p>Monark will not be entitled to be reimbursed by the Fund for any costs incurred in order to establish the Fund or a particular series.</p> <p>The Fund will pay the Manager the following fees (exclusive of GST):</p> <table border="1" data-bbox="435 1458 1471 1727"> <tr> <td>Contribution Fee</td> <td>Nil.</td> </tr> <tr> <td>Performance Fee</td> <td>Nil.</td> </tr> <tr> <td>Management Fee</td> <td>The Fund will pay the Manager a 2% per annum Management Fee, calculated daily, paid monthly, on the net paid up portion of all Units in the Fund, that is the total drawn capital commitments less total capital returned to Unit holders.</td> </tr> </table>	Contribution Fee	Nil.	Performance Fee	Nil.	Management Fee	The Fund will pay the Manager a 2% per annum Management Fee, calculated daily, paid monthly, on the net paid up portion of all Units in the Fund, that is the total drawn capital commitments less total capital returned to Unit holders.
Contribution Fee	Nil.						
Performance Fee	Nil.						
Management Fee	The Fund will pay the Manager a 2% per annum Management Fee, calculated daily, paid monthly, on the net paid up portion of all Units in the Fund, that is the total drawn capital commitments less total capital returned to Unit holders.						
<p>Costs</p>	<p>The Trustee, Manager, Monark, or their related entities will be reimbursed for all costs properly incurred in order to operate the Fund which are to be paid out of the called funds from Unit holders at the Trustee's discretion, from income generated from investments and/or from realised investments before payments are made to Unit holders. These costs include, but are not limited to, accounting and taxation advice, legal costs, and out-of-pocket expenses. The Trustee, Manager and/or Monark are not entitled to recover any internal overhead costs or expenses, nor any expenses associated with the establishment of the Fund. To the extent that costs are referable to a particular class of Unit representing a series, such costs will be deducted from the paid-up capital on Units in that series.</p>						

Changes to and Waiver, Deferral, or Rebate of Fees	The Trustee may change the fees and expenses charged to Unit holders by giving at least one month's written notice to Unit holders, subject to any fee limits in the Trust Deed. The Trustee, Manager, or Monark may, in their absolute discretion, accept lower fees and expenses than they are entitled to receive, or may defer payment of those fees and expenses for any time. If payment is deferred, then the fee will accrue until paid. In addition, the Trustee, Manager, or Monark may, in their absolute discretion, waive, negotiate, or rebate their fees to a Unit holder.
Investor Eligibility	Investment in the Fund will only be available to 'Wholesale Clients' within the meaning of section 761G of the Corporations Act.
Unit Transfers	Units in the Fund may be transferred by returning a transfer form, together with an Application Form, completed by the new Unit holder. Transferring Units may have tax implications and investors should consult their taxation advisor before arranging any transfer of Units. The Trustee may in its discretion refuse to register any transfer of Units and is not required to give any reasons.
Participation Loans	<p>Subject to any alternative investment structure agreed to by the Trustee, the Fund will advance loans to each Monark Lending Entity under the terms of a Participation Loan Agreement. Each Monark Lending Entity will in turn enter into lending agreements (Facility Agreements), with each Borrower, and will hold the relevant security (e.g., a registered mortgage).</p> <p>The Fund's right to receive monies from a Monark Lending Entity is restricted to the Fund's pro-rata entitlements to the amount actually recovered from that particular Borrower.</p>
Communication and Reporting Obligations	<p>Unit holders will receive:</p> <ul style="list-style-type: none"> ▪ A quarterly report on the performance and investment activity relevant to the series in which they are invested, ▪ A statement showing their current Unit holding, detailing called and uncalled capital balances (accessible via their Registry Direct portal), ▪ A distribution statement for every distribution of income and/or capital, and ▪ An annual tax statement
Trust Deed	The Trust Deed governs the terms of an investment in the Fund. Through execution of the Application Form, Investors accede to, and accept the terms of, the Trust Deed. A copy of the Trust Deed is available upon request.
Conflict of Interest	The Trustee will not make any investment in which a conflict of interest or potential conflict of interest has been identified without the prior unanimous approval of the Investment Committee and subject always to its Conflict of Interest Policy. This includes the allocation of investments between series of Units (where multiple series of Units in the Fund are issued concurrently).
Fund Tax Advisors	Pitcher Partners Advisors Proprietary Limited
Fund Auditors	Moore Australia
Fund Legal Advisors	Hall & Wilcox

2.2. Term

The Manager may, in respect of a given series of Units, commit to new Facilities for a period of 12 months, which may be extended by a further 12 months at the discretion of the Trustee (**Investment Period**). The Investment Period in respect of a given series of Units will commence on the date of the first capital call for that series.

The Manager does not intend to commit to any new investments after the end of the Investment Period for the particular series. For the avoidance of doubt, any investment committed to, or partially drawn, during the Investment Period will continue to be drawn after the Investment Period and therefore calls on partly paid Units may be made following the expiry of the Investment Period for the particular series.

Should the projects into which the Fund has invested on behalf of a particular series require no further capital, any uncalled proportion of the partly paid Units in that series will be cancelled.

The term for each loan made by the Fund in respect of a series is expected to be no more than 48 months.

The Manager does not anticipate reinvesting the proceeds received on the successful realisation of each investment. Each series in the Fund is therefore designed to be self-liquidating. Generally, investment proceeds (e.g., interest and loan principal), less expenses and any fees due and payable to the Manager in respect of the particular series, are expected to be distributed to Unit holders in that series upon the realisation (or part realisation) of each underlying investment or where the Fund receives an amount or return from the Fund investment.

Accordingly, it is expected that the term of any given series in the Fund will typically be five years, comprising the Investment Period and an additional four years to realise all of the investments made by the Fund in respect of that series. However, this is not guaranteed and will be based on the timing and performance of each individual Fund investment.

The Fund, and each series of Units issued in it, will have no redemption or liquidity facility and should be considered illiquid.

2.3. Unit Pricing

The Fund intends to issue partly paid Units in each series at an issue price of \$1 per Unit.

The Manager will provide Investors with information on the timing and quantum/proportion of other capital calls. Unit holders are bound to participate in each call made in respect of the series in which they have applied to invest.

The ongoing Unit price is calculated by dividing the net asset value referable to the particular series (determined by the net market valuation of assets owned, including accrued income, less all liabilities held, including fees, provisions and accrued expenses in accordance with the Trust Deed) divided by the number of Units on issue in that series.

The Manager will provide Investors with a quarterly statement showing their current Unit holding, called and uncalled capital balances and details of any accrued interest earned, but not paid, per Unit.

2.4. Valuation

The Trustee has in place valuation policies for the security property. The security property for any loan will generally be independently valued for suitability and market value. Valuers are required to comply with instructions from the Manager relating to valuation and independence, including the need for the valuation to be used for mortgage purposes. It is not always possible to obtain a valuation on this basis where it is for second mortgage purposes or for the valuation obtained by the senior mortgagee to be assigned to the Fund; however, the Manager will make reasonable endeavours to do so.

At the time of settlement of each property, the valuation of the relevant security property will be not older than three months.

The Manager will have a security property revalued whenever it considers that a significant change may have occurred in the property's value, and at any other time it considers it to be in the best interests of Investors.

2.5. Other Classes of Units

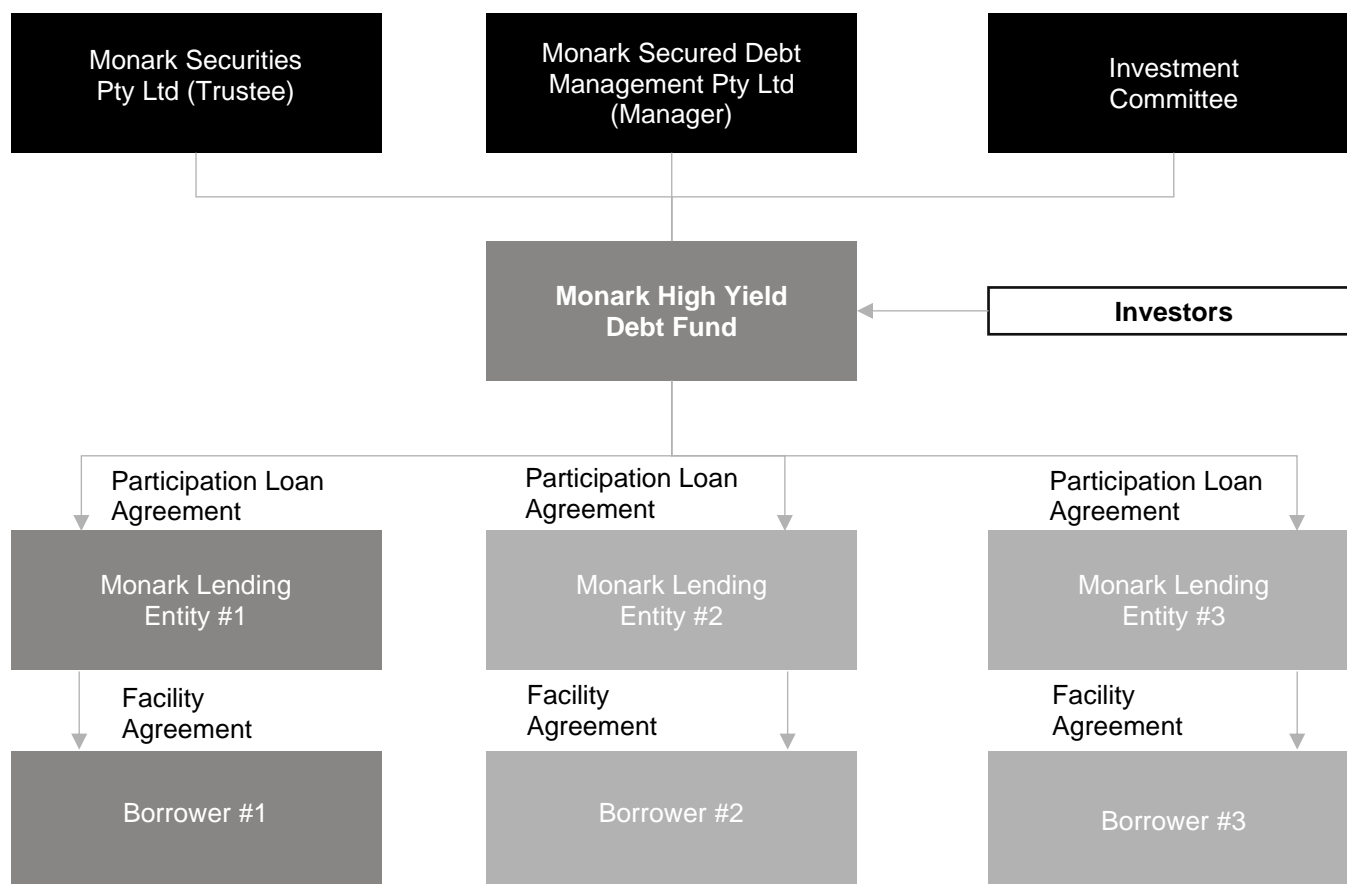
The Fund's Trust Deed provides for the issue of other classes of Units on different terms which may include preferential rights. Each series in the Fund will be divided into a separate class of Units.

Although the income and expenses of each series of Units will be distinctively and separately referable to a portfolio of investments, a series of Units may not be segregated from other series in circumstances where a particular series is pursued by a creditor. This risk is mitigated due to the fact that each investment is made via a SPV which enters into a Facility with the relevant Borrower as the direct lender. The Trustee also mitigates this risk by ensuring as much as possible that any liability to a counterparty is limited to the assets of a particular series.



2.6. Structure

The Fund is an unlisted, unregistered unit trust established under, and governed by, Australian law. The Fund is not required to be registered with ASIC. The Fund will issue separate closed ended classes of Units in each series.



* Each Monark Lending Entity may also hold other assets (such as cash at bank).

Monark Securities Pty Ltd (Trustee)	The Trustee is responsible for ensuring that the Fund is managed in accordance with this Fund IM and the Trust Deed.
Monark Secured Debt Management Pty Ltd (Manager)	The Manager is responsible for the ongoing management of the Fund. Important responsibilities include engaging with the Investment Committee to select appropriate secured subordinated private debt facilities in which to invest, engaging with Monark's property specialists to confirm each Facility is performing as expected, providing ongoing communication to each investor, ensuring all compliance obligations of the Fund are fulfilled; and ensuring all administrative requirements – such as the Unit holder registry – are complete, accurate and current.
Investment Committee	The Investment Committee is comprised of one Monark executive and two independent, external members with deep property and business experience who advise the Manager on the composition of the Fund's portfolio and investment decisions. Please refer to sections 2.1 (Investment Committee) and 3.7 of the Fund IM for further details.
Lending Entities and Borrowers	Each secured subordinated private debt facility is contained within a discrete SPV. This is to ringfence any issues arising with a particular Facility. The Borrower enters into a Facility Agreement with the SPV, and the Fund lends to the SPV, the terms of which are governed by the Participation Loan Agreement.

2.7. Redemption Process

The Fund will have no redemption or liquidity facility and should be considered illiquid.

2.8. Key Risks

Key risks relating to an investment in the Fund include:

Market Risk	Description	The Fund's performance may be impacted by market forces affecting investments in the Fund including a downturn in the property market.
	Mitigants	Monark primarily focuses on the 'middle property market' – mid-sized developments underpinned by significant purchaser demand. This market has proven to be more resilient than other sectors and thus the collateral provides valuable security and reduced exit risk.
General Investment Risk	Description	An investment in the Fund involves investment risk. For example, the value of a Unit holder's investment in the Fund may rise or fall, investment returns may fluctuate, and a Unit holder's capital may or may not be returned.
	Mitigants	While the Manager is unable to eliminate all investment risks, it aims to reduce the impact of risk through its established management procedures such as its lending approval processes and investment selection criteria.
Default Risk	Description	Investments made by the Fund may become non-performing for a variety of reasons including, but not limited to, non-payment of principal or interest, or breaches of a Facility Agreement by a Borrower.
	Mitigants	<p>Monark ensures robust legal documentation is exchanged prior to drawdown of a Facility.</p> <p>Monark regularly reviews and manages all Facilities and, in relation to construction projects, attends monthly project control group meetings to identify and address any issues.</p> <p>In the event that a Facility is in default, Monark will work with the Borrowers to ensure that a Facility is repaid, safeguarding the Fund's returns, which may involve a range of work-out options or requesting additional security.</p>
Due Diligence Risk	Description	Monark relies on the integrity of the Borrower and its internal processes when undertaking due diligence. The information provided may subsequently be proven to be incorrect or incomplete.
	Mitigants	Monark's in-house analysts together with a panel of consultants are engaged to undertake detailed due diligence and to prepare a credit paper on an investment opportunity. The credit paper is designed to identify and assess the risk profile of the investment opportunity and evaluate the experience of the Borrower. The Investment Committee utilises its extensive experience when reviewing credit papers and considers whether to approve an investment opportunity.

Returns Risk	Description	<p>The Fund's Target IRR is only a target, and the Trustee cannot provide assurance that the Fund will meet the targeted return. The ability of the Fund to achieve the Target IRR will depend on the availability of opportunities, market conditions and the performance of individual investments of the Fund. As a general rule, higher potential returns have higher levels of uncertainty (higher risk) than investments with lower potential returns and low levels of uncertainty (lower risk).</p> <p>The targeted return is not a forecast. The Fund may not be successful in meeting this objective. None of the Trustee, Manager, Monark, any other members of the Monark Group or any other person or entity guarantees any income or capital return for the Fund.</p>
	Mitigants	<p>Monark is a specialist financier with over 10 years of experience in the Australian middle property market. Throughout its history, Monark has consistently delivered on forecast returns with an unblemished track record of managing and returning investor capital. Past performance is not a reliable indicator of future performance.</p>
Related Party and Equity Exposure Risk	Description	<p>A Monark related party may hold equity in a Borrower and be entitled to a share of any profits derived on the sale of completed projects after the repayment of any costs and liabilities (including, the Facility between the Borrower and a Monark Lending Entity).</p> <p>Where a Monark related party is a shareholder of the Borrower, the Monark related party may also put in place a limited recourse loan with the Fund in circumstances where the interest payable by the Borrower to Monark Lending Entities is less than the Target IRR of the Fund. The related party would be required to make up the difference in order to pay the interest return to the Fund (subject to the loan being limited recourse). To the extent that the Monark related party derives profits through its shareholding, the Monark related party can utilise these amounts to repay interest amounts to the Fund. Accordingly, in such cases, the ability to pay the difference may economically be dependent on the profits generated from the Borrower from the relevant underlying project.</p> <p>There is a risk that the related party will not be able to fulfil its obligations under the limited recourse loan where the project does not achieve expected returns.</p>
	Mitigants	<p>Monark aims to enter into projects with healthy margins, monitors each project on an ongoing basis, and provides the oversight required to mitigate the risk of variance from the initial feasibility.</p>
Contagion Risk	Description	<p>Despite being divided into separate classes, there remains a risk that the assets and liabilities referable to a particular series (class) of Units may potentially be applied in respect of another series of Units. For example, a creditor in respect of a particular series may pursue the assets of another series to satisfy liabilities owed to that creditor.</p>
	Mitigants	<p>The Trustee recognises this risk and has taken steps to mitigate this risk through the use of appropriate legal documentation.</p>

Security Risk	Description	In the event of a default under a Facility, the value of the Fund's investment in that Facility may exceed the value of the amount recovered by accessing the underlying security. The value of underlying security may have decreased due to changes in the market, general economic conditions, or other reasons. In addition, the Fund will not have a direct interest in the underlying security of each Facility and the remedies that the Fund has against a Monark Lending Entity may be limited. In addition, where a loan is made and there is a delay in registering a mortgage, for instance, where the purchase of the land which is to be the subject of the mortgage has not yet settled, if there is a default prior to the settlement or the settlement does not proceed, the Fund may not have access to any underlying security.
	Mitigants	Facilities will be subject to lending covenants to ensure that there is sufficient security to withstand a decrease in the value of a security. While the Fund will not have a direct interest in the underlying security, each Monark Lending Entity must act in accordance with the terms of the Participation Loan Agreement to which the Fund invests. In addition, directors of the Monark Lending Entities are the Executive Directors of the Trustee and Manager, whose reputation and duties require them to act in the best interest of the Investors and whose interests are aligned with Investors in the Fund by virtue of their investment alongside the Fund.
Security Enforcement Risk	Description	There are risks that a security given in respect of a Facility: <ul style="list-style-type: none"> ▪ may not be enforceable at law; ▪ taking recovery or enforcement action may involve protracted legal processes; ▪ may, in limited circumstances, not immediately result in a registered mortgage at the time the loan amount is advanced, for instance due to a delay in settlement of the purchase of the underlying real property asset; ▪ selling a security property may take a significant amount of time, including on account of poor market conditions; ▪ selling a security property results in additional costs being incurred relating to the sale, such as real estate agent's fees, legal fees and potentially also taxes, which in turn reduce the amounts that could be distributed to Unit holders; or ▪ the net sale proceeds received in respect of the enforcement of a security would not be sufficient to cover capital and income repayment obligations to the Trustee under the loan.
	Mitigants	The Fund seeks to manage these risks by: <ul style="list-style-type: none"> ▪ obtaining property valuations from reputable valuers before a loan is made; ▪ ensuring that all loan documentation is reviewed by experienced legal counsel; ▪ in respect of each loan, ensuring the Borrower invests a sufficient amount of their own equity or funds into the property development or other real estate investment; ▪ setting loan-to-valuation limits in respect of each loan; and ▪ managing loans throughout the course of their term. <p>It is possible the Trustee will undertake a further capital raising to raise the capital required to pay for the expenses associated with enforcing the loan.</p>

Risks Associated with Interest Capitalisation	Description	<p>The Manager may agree to a loan where interest payments on the loan are capitalised, particularly in relation to a construction or property development loan. This is sometimes referred to as 'prepaid interest'. Prepaid or capitalised interest is not funded out of the Borrower's ongoing cash flow and is instead paid out of the proceeds from the sale of the security property. Where interest is capitalised, there is a risk that the proceeds that the Borrower achieves out of the sale of the security property may not be sufficient to repay the total loan, which includes both principal and interest.</p> <p>The Fund may also capitalise interest where a Facility falls into arrears. This means that the total amount owed by the Borrower increases as the Borrower fails to make the required payments under the loan. The loan is still regarded by the Trustee as being in arrears. Increased liabilities under a loan increase the risk of default by the Borrower.</p>
	Mitigants	<p>The Fund will manage this risk by ensuring that loan-to-valuation ratios, and other lending parameters and conditions, are adjusted to reflect the interest capitalisation feature.</p> <p>The Fund will manage the risk associated with a capitalising loan in arrears by managing loans through the course of their term.</p>
Concentration Risk	Description	The Fund invests only in Facilities secured against Australian property and offers minimal sector diversification for Investors.
	Mitigants	The Fund aims to invest in Facilities diversified by project type, geography, and Borrower.
Key Person Risk	Description	The departure of key persons of the Trustee, Manager, Monark and/or Investment Committee may impact the Fund's investments and achievement of the targeted returns.
	Mitigants	The Executive Directors are shareholders of Monark. In addition, the Executive Directors will personally invest in the Fund, creating an alignment of interests with those of the Investors.
Control Risk	Description	Investors will not be able to control or participate in the day-to-day operations of the Fund, make investment or other decisions on behalf of the Fund, or have any role in transactions involving the Fund.
	Mitigants	Monark is an experienced financier, and all investments are governed by the Investment Committee, which is experienced in assessing and managing investment opportunities.
Liquidity Risk	Description	Investment in the Fund is illiquid, and Units are not redeemable.
	Mitigants	Monark will attempt, where possible, to facilitate the transfer of Units to a third party identified and introduced by the Investor.
Capital Deployment Risk	Description	Capital deployed by the Fund will depend on the opportunities available to be originated by Monark and market conditions.
	Mitigants	The Fund's Units are partly paid, allowing the Manager to delay or cease capital calls where there are no opportunities into which to deploy capital.

Legal, Regulatory and Compliance Risk	Description	<p>Changes in government legislation, regulation and policies generally could materially adversely affect the operating results of the Fund.</p> <p>The operation of a funds management business in Australia is subject to significant regulation by Australian government authorities including without limitation ASIC, the Australian Transactions Reporting and Analysis Centre, the Foreign Investment Review Board and the Australian Competition and Consumer Commission. There is a risk that the Fund may not comply at all times with its various obligations under government regulations and policies and this may result in the loss of authorisations under the AFSL held by the Trustee thereby preventing the continued operation of the Fund.</p> <p>Furthermore, legal risks arise where contracts used by the Fund to provide Facilities or other investments are found to be defective or unenforceable against counterparties.</p>
	Mitigants	<p>Although unable to predict future policy changes, the Trustee intends to manage this risk by monitoring and reacting to any potential regulatory and policy changes.</p> <p>Additionally, to manage contracts risks, the Trustee and Monark will ensure that a reputable legal practitioner is engaged to prepare and finalise legal agreements.</p>
Tax Risk	Description	<p>Tax and duty laws, and the regulatory interpretation or enforcement of them, can change and changes can be adverse. Investors should consider their own circumstances before investing.</p>
	Mitigants	<p>Although unable to predict future policy changes, Monark intends to manage this risk by monitoring and reacting to any potential regulatory and policy changes.</p>
Cyber Risk and Exposure	Description	<p>Information technology systems may include the storage of information concerning an Investor's identity, financial interests or other personal details provided to the Trustee in connection with their investment in the Fund.</p> <p>In the event serious harm is a likely outcome of a breach of the Trustee's information technology systems, the Trustee, or Manager (as may be required) will notify the affected individuals and recommend steps that ought to be taken in response to the breach. The Trustee may also be required to notify a government or regulatory authority as required by law.</p>
	Mitigants	<p>The Trustee has implemented technologies, process, and practices designed to protect its networks, devices, programs, and data (or information systems); however, these systems may still be subjected to malicious attack, damage, or unauthorised access.</p>

Valuation Risk	Description	<p>This is the risk that the valuation of the security property for a Facility may be inaccurate or not accurately reflect its true value at the time of making the loan, or at any other time, so that the amount realised on the sale of a security property as a result of the Trustee taking enforcement action is less than would have been expected had the valuation been correct or may not cover the amount lent to the Borrower.</p> <p>There is also the risk that a valuer who provides an inaccurate valuation does not have or no longer has adequate professional indemnity insurance to cover the valuation on which the lender relies. In the event that the valuations obtained by purchasers to secure finance are below the purchase price, this may adversely impact their ability to sell the security property.</p>
	Mitigants	<p>The Fund seeks to manage this risk by instructing only reputable valuers and ensuring that they use generally accepted valuation methodologies.</p>
Change in the Credit Market	Description	<p>Credit may become more readily available from banks and other financiers making it easier for Borrowers to obtain and/or refinance their existing Facilities.</p>
	Mitigants	<p>Regulatory changes in the Australian property lending market, such as the capital holding requirements under Basel III, are making it increasingly more difficult for banks to relax lending standards.</p>
Conflict Risk	Description	<p>In circumstances where Monark has provided financial accommodation to a Borrower, participation by the Fund may present a conflict of interest or potential conflict of interest.</p> <p>As the Fund also provides loans to Borrowers indirectly via back to back loan facility arrangements with Monark Lending Entities, which are related parties, the Fund relies on those related parties to manage and enforce those loan arrangements with Borrowers and satisfy the Monark Lending Entities obligations under facility agreements to the Fund.</p> <p>The interest rate at which a Monark Lending Entity lends to a Borrower may be more than the interest rate payable by the Monark Lending Entity to the Fund, to which the Monark Lending Entity will be entitled to the surplus where the Target IRR has been achieved.</p> <p>Monark related parties also take equity stakes in Borrowers which separately entitles Monark Group entities to receive a portion of the profits of the Borrower from a project.</p> <p>These circumstances raise conflicts between the interests of the Fund and the Monark Group, particularly where the Fund's Target IRR is unlikely to be achieved.</p>
	Mitigants	<p>The Trustee is not permitted to invest in any transaction where there is a conflict of interest or potential conflict of interest, without the prior unanimous approval of the Investment Committee and subject always to the Conflict of Interest Policy.</p>
Construction and Development Risk	Description	<p>Where Facility or investment proceeds are used for property construction projects, specific risks include the risk that construction costs can exceed expected costs, and the Borrower may be unable to complete the projects unless the Borrower can obtain further funds. There is also a risk that the completion of a development project could be delayed. This may result in capital and income returns to Investors also being delayed. The long-term nature of construction and development projects means that there are a number of unique risks when lending into these projects.</p>
	Mitigants	<p>Monark will manage this risk and its elements by carefully managing the loans and project selection process when making loans into a construction facility. Monark will ordinarily require a developer to include a contingency on total construction costs.</p>

Forecasting Risk	Description	The estimated costs of a development project and estimated realisation value for a development project are forecasts only. The costs may be more than estimated and the realisation value may be less than estimated, this may result in lower or no returns to investors as a result of a default by a project developer. Due to various risks and uncertainties, including those set out in this Fund IM, actual events or results or the actual performance of the Fund may differ materially from those reflected or contemplated in any Forward-looking Statements. Actual events are difficult to project and often depend on factors that are beyond the control of the Trustee, Monark, and their advisors.
	Mitigants	Monark has leveraged its experience in respect of developments to ensure that it has taken into account as many variables with respect to forecasting as possible before adding a particular Facility into the investments of the Fund.
Planning Risk	Description	It may be more difficult than anticipated, or even impossible, to obtain the requisite government or regulatory approvals and permits for a development project and this may increase costs and cause delays to a development project. In addition, a requirement of a government or semi-government department or authority (including relating to environmental, archaeological, planning or servicing issues) may result in a reduced yield or delay in the property development projects which may impact on the ability of the property development projects to generate a profit.
	Mitigants	As with the previous risk, Monark has leveraged its experience in respect of developments to ensure that it has taken into account as many variables with respect to forecasting as possible before adding a particular Facility into the investments of the Fund.
Competition	Description	Other participants may enter the property finance market making it harder for Monark to source opportunities and invest in Facilities that meet the Fund's investment criteria.
	Mitigants	Monark has established strong relationships with Borrowers and has a proven track record of securing significant investment opportunities.

2.9. Other Risks

Investors should be aware that not all risks can be foreseen. It is therefore not possible for the Trustee or Monark to protect the value of the Fund's investments from all risks. Investors should ensure they obtain appropriate professional advice regarding the suitability of an investment in the Fund having regard to their individual circumstances, including investment objectives, their level of borrowings, their financial situation, and individual needs.

We strongly recommend that Investors obtain independent financial advice before investing in the Fund.



3. More about Monark

3.1. About Monark

Monark Property Partners Pty Ltd (Monark) is a real estate financier and investor known for its disciplined, cautious, and patient approach to investing.

Monark was established in 2013 as a joint venture between Bori Liberman's Family Office (Jagen) and Michael Kark and Adam Slade-Jacobson (Monark's Executive Directors), with the vision of bringing quality property projects to life through innovative funding solutions which generate great outcomes for both our development and funding partners.

We choose carefully where to invest, preferring to focus on the 'middle property market' – mid-sized projects underpinned by significant purchaser demand which in turn tends to provide valuable security and reduced exit risk.

To date we have committed over \$1.49 billion of capital across 233 property investments with a gross realisable value of \$5.7 billion. Our disciplined, cautious, and patient approach has resulted in a consistent investment track record whilst providing what we believe to be attractive risk-adjusted returns for our investors.

3.2. About the Trustee

The Trustee is Monark Securities Pty Ltd ACN 635 529 412 AFSL No. 519884.

The Trustee is a related party of Monark and part of the Monark Group.

The Trustee will be the lender on the record in respect of each Facility to the SPVs.

3.3. Governance and Compliance

As the trustee of the Fund, the Trustee is in charge of the overall operation and management of the Fund. The Trustee will be guided by the investment mandate of the Fund, the Fund's governing Trust Deed, and by Trustee's duties under general law.

Under the Trust Deed, the Trustee is indemnified out of the Fund property for any cost incurred by it, to the fullest extent permitted by law.

3.4. About the Manager

The Manager is Monark Secured Debt Management Pty Ltd ACN 620 206 911 and has been appointed a Corporate Authorised Representative of the Trustee.

The Manager is also a related party of Monark and part of the Monark Group.

The Manager has entered into an Investment Management Agreement with the Trustee, under which it has been appointed as the investment manager of the Fund and as such is responsible for managing the investments of the Fund. The Manager may only be removed in accordance with the terms of the Investment Management Agreement between the Trustee and the Manager.

3.5. Why Invest with Monark Property Partners?

There are several compelling reasons why sophisticated and discerning investors choose Monark as a trusted partner to manage, protect and grow their wealth.

The Bori Liberman Family Connection

When you invest in the Fund, you are investing with one of Australia's most respected and substantial multigenerational family offices, Jagen. Investors invest on the same terms as the substantial cornerstone and ongoing investments made by Jagen.

A Focused and Experienced Management Team

Monark's executives and senior management team are experienced in assessing and funding Australian real estate development. This disciplined focus has allowed us to develop deep and relevant expertise and establish key strategic relationships. Two important prerequisites for success.

A Carefully Chosen Investment Market

Monark chooses carefully where to invest, preferring to focus on the 'middle property market' – mid-sized projects underpinned by significant purchaser demand. This market has proven to be more resilient than other sectors, with less volatile pricing providing stronger security. The market's typical firmer end-product demand reduces exit risk. It is in this market that our management team has deep knowledge and considerable experience.

Substantial Reach

Monark's substantial reach, network and strong partnerships provide a regular flow of potential investment opportunities. Each opportunity is filtered and carefully assessed by our highly regarded research team applying our bespoke due diligence process.

We are Genuine Partners with Our Investors

Monark shareholders, executives and management invest in the Fund on the same terms as all other Investors. We believe that this is an important alignment of interests. Our money is at risk with your money.

We are Genuine Partners with our Borrowers

Property development is subject to many vagaries – planning, weather, materials, trades' availability and more. We behave as partners, understanding the challenges of our Borrowers and then working on mutually acceptable solutions to ensure a good outcome for both parties.

No Pressure to Invest

There is no pressure to invest. We are a privately owned business with a tight group of patient shareholders. We are intentionally not the biggest firm. We maintain a lean staff count and a conservative overhead structure. We prefer to maintain our funds – including the Fund – at a manageable size and cherry pick opportunities as and when they present themselves, only supporting transactions with which we have the greatest confidence.

Monitoring Each Facility

When we do choose to invest, we closely monitor each Facility we originate. We conduct regular site visits and meetings with both the sponsor and their professional advisors to confirm our original thesis - or adjust if required - to ensure a positive outcome.

We've Left the Most Important Reason for Last: Monark's TICA

TICA is the acronym for Monark's guiding principles, principles that help define the organisation's internal conduct as well as its relationship with its investors, business partners, and shareholders.

These principles describe the way in which all employees in all areas of Monark behave, interact, and work together. Values drive behaviour which determines our culture. TICA captures those qualities each member of Monark seek to be described as *being*.

Unpacking TICA...



Trustworthy

We believe that trust is the core pillar of our business, a quality that will lead to staff, investors and business partners choosing Monark. Trust is earned by consistently delivering on our commitments and promises.



Innovative

We look to think laterally, creatively, and independently, always seeking the best outcome for our business partners and investors.



Collaborative

We believe the sum is greater than the parts. That leveraging off each other's knowledge, experience, and expertise will position us to provide optimum outcomes.



Accountable

We believe that delivering on our commitments is a key element of the Monark point of difference.

Our disciplined, cautious, and patient approach has resulted in an unblemished track record providing what we believe to be attractive risk-adjusted returns for our investors.

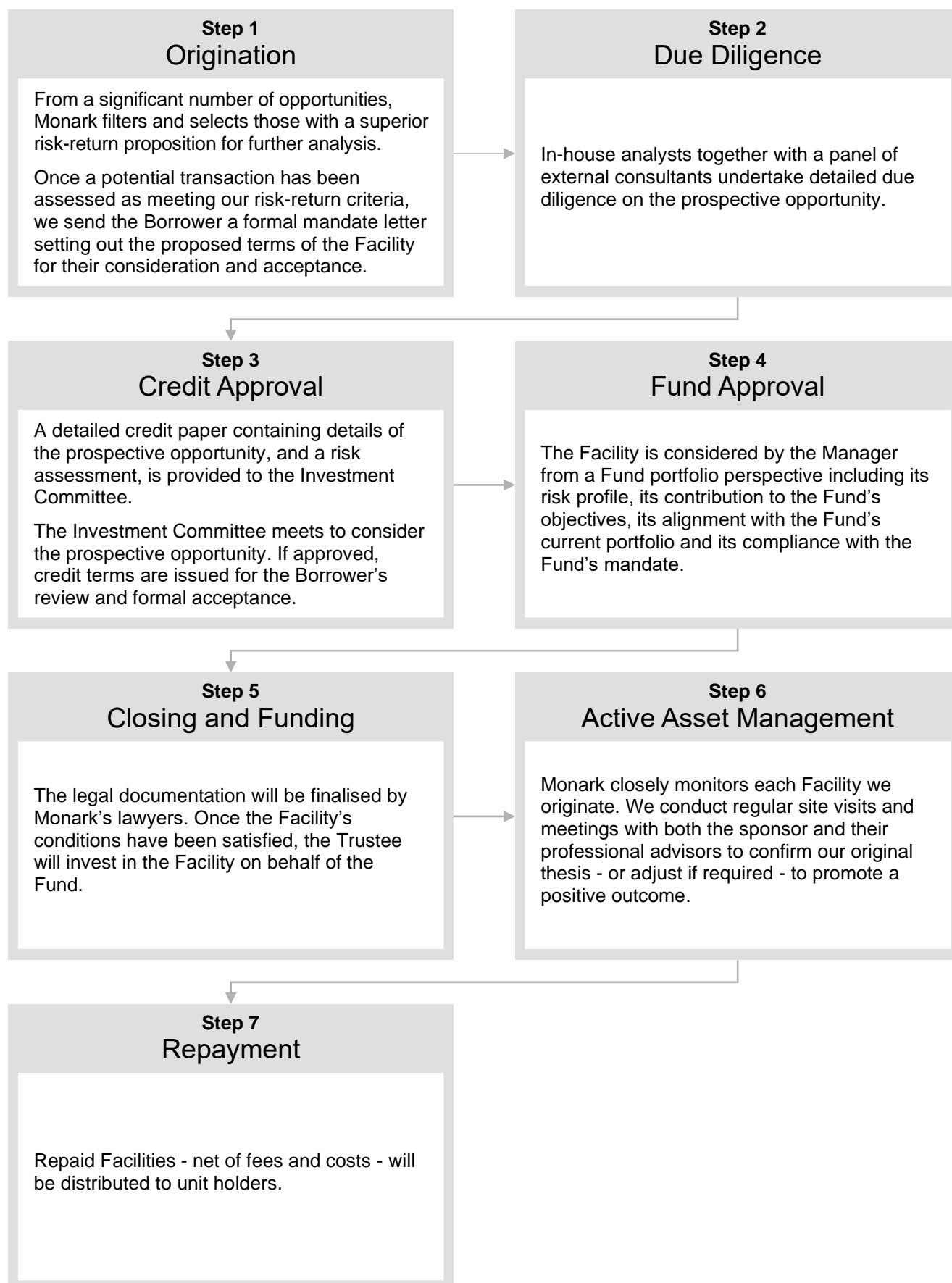


A presentation from Cairn Stirling

July 2022

3.6. Our Investment Process

Monark adopts a seven-step investment process.



3.7. Our People

Directors and Executives



Michael Kark

CEO and Executive Director
Investment Committee Member

Michael is a co-founder of Monark and is primarily responsible for setting the strategic direction, executing deals, raising capital and overseeing transaction management. Michael has over 22 years of experience in property finance and a strong track record of managing third party capital. Michael was previously Head of Development Asset Finance for a boutique property financier and also spent eight years within the property division of an international investment bank.



Adam Slade-Jacobson

Chief Investment Officer
Executive Director

Adam is co-founder and CIO of Monark and is primarily responsible for driving new business opportunities, managing key stakeholder relationships, as well supporting capital raisings. Adam commenced his career in commercial real estate (CRE) debt in 1997 and has developed an extensive network and deep industry relationships across the Australian property landscape. Entering his third decade, Adam is considered an industry finance expert with an in-depth knowledge across both debt and equity transactions.



Barry Brott

Non-Executive Director
Advisory Board Member

Barry works closely with Monark management on all aspects of the business. In addition to being a co-founding partner of Square Peg Capital—a venture capital and private equity company—Barry is the Investment Manager at Jagen, which he joined in 2006. Prior to joining Jagen, Barry headed corporate development and strategy at MYOB Limited and worked in corporate development at Village Roadshow Limited. Prior to his corporate roles, Barry held advisory positions at Merrill Lynch and the corporate finance and tax divisions of KPMG.



Sam Mitchell

Chief Financial Officer

Sam manages the Monark Group's regulatory, compliance, finance and treasury functions and maintains an eye for detail over all transactions. Sam has over 19 years' experience in the asset management sector. Prior to joining Monark, Sam was a client director in the Business Advisory and Assurance division of Pitcher Partners and spent eight years working in New York with a large U.S.-based accounting firm, servicing a range of financial services clients. Sam is a qualified Chartered Accountant and member of the Institute of Chartered Accountants of Australia and New Zealand.



Justin Liberman

Executive Director, Jagen

Justin is Principal and Executive Director at Jagen, a family office with a long history of investments across all major sectors and joint venture partner of Monark. Jagen has a long history and is active in real estate as well as all stages of venture, growth and private equity investing. Justin also co-founded Square Peg Capital, a venture capital and private equity company that partners with outstanding entrepreneurs to solve big problems in a unique and differentiated way. Justin holds a Bachelor of Laws and a Bachelor of Economics from Monash University.



Dani Peer

Head of Capital

Dani leads Monark Funds Management, the business unit responsible for the development of investment product, the raising of capital required, ongoing fund management, and investor engagement and communication. He is a respected financial services professional with a 30-year track record in both wealth management and non-bank lending, holding senior management and executive roles at Zurich Financial Services, National Australia Bank, and Wingate.

Independent Advisors



James Goodwin

Investment Committee Member

James' professional career began in mergers and acquisitions for a top tier legal firm. Two decades on, his highlight-filled resume is testament to his affinities for finance and financial risk management, with executive roles in treasury, capital management and funds management in both property equity and debt. Most recently, James runs his own real estate capital advisory firm. He holds Bachelor of Laws (Hons) and Bachelor of Arts degrees from Monash University, and a Master of Applied Science from Macquarie University.



Matthew Chun

Advisory Board Member
Investment Committee Member

Matthew has over 30 years of experience in all facets of property ownership, development and funds management gained through various senior executive and Chief Executive Officer roles of ASX listed companies. Matthew is the Executive General Manager of Finance, Clubs and Infrastructure at the Australian Football League (AFL) where he is ultimately responsible for the financial performance of the AFL and the 18 clubs in addition to all infrastructure projects. Matthew also holds a number of non-executive Board roles and is co-founder of Springwood Living Group which is an owner and developer of retirement village assets.



Peter Hutchins

Advisory Board Member

Peter is the Chief Executive of Charter Keck Cramer, a company he transformed from a modest Melbourne-based valuation practice to a diversified independent property advisory firm with offices across Australia and in Singapore. In his role as Chief Executive, Peter brings more than three decades' experience and a deep connection to the property industry coalface. Articulate, strategically minded and solutions driven, his nationwide and sector-wide knowledge is a constant source of incisive decision support.



Funding Origination, Execution and Oversight



Tom Nadav

Director, Investments (Sydney)

Astute, engaging, and driven by dual passions for investment and property, Tom's proficiencies in the finance and wealth creation sectors are both deep and diverse. With experience in funds management, investment banking, and non-bank lending, he has performed key analytic, advisory, origination, and execution roles, and is renowned for establishing strong relationships with corporate and private clients alike. Responsible for growing Monark's presence throughout New South Wales, Tom is a qualified Chartered Accountant and a member of the Institute of Chartered Accountants Australia & New Zealand.



Rupert Blunden

Director, Investments (Melbourne)

Rupert is responsible for originating and structuring investment opportunities throughout Australia and across all major real estate asset classes. With over 14 years' experience in funds management and structured finance in analytical, execution and origination roles, Rupert leverages deep relationships and market knowledge to identify and execute a wide range of risk-adjusted private debt and equity real estate investments. Prior to joining Monark, Rupert was a director of a real estate private equity fund and a large private investment firm that specialised in structured property finance. Rupert holds a Bachelor of Business, Commerce Law and Finance from Monash University, and a Master of Applied Finance majoring in Corporate Finance from Kaplan Professional, Australia.



Paul McIntyre

Director, Construction Risk

Paul is responsible for construction risk management including detailed project analysis and on-site construction monitoring with a controlled and procedural approach. Paul has been involved in the construction industry in Australia and the United States for over 25 years across different sectors. Prior to joining Monark Paul has held senior roles in two ASX listed construction companies and more recently completed development projects independently. Paul provides Development and Project Management consulting services and holds domestic and commercial building registrations.



Ashley Hartman

Head of Legal & Operations

Ashley is responsible for providing legal guidance across all transactions and provides operational efficiencies to workflows. She has over 15 years of experience extending across a broad range of industry sectors, with a focus on finance, property and general corporate law. Prior to joining Monark Ashley worked for Wingate, Lander & Rodgers and Ashurst. Ashley holds a Bachelor of Laws (LLB) (Hons) and Bachelor of Arts (BA) from Monash University.



Amit Sharma

Director, Execution

Amit is responsible for analysing the risk and return parameters and managing the transaction throughout the investment cycle in a diligent and insightful manner. Amit has over 20 years of real estate investment experience having worked for over 10 years in J.P. Morgan and Morgan Stanley's real estate investment outfits in India with ~US\$ 350 million in investments and assets under management. Amit is a qualified Chartered Accountant and a member of the Institute of Chartered Accountants of India.



Christopher D'Angelo

Associate Director, Execution

Chris is responsible for transactional analysis and execution of investment opportunities with a considered approach to the desired outcome. Chris has 19 years of real estate investment and management experience throughout Canada, the USA and Australia. Chris holds a Bachelor of Commerce (Finance) and Graduate Certificate of Management Accounting from Concordia University. Chris is both a Chartered Professional Accountant (CPA) and Certified Management Accountant (CMA) and a member of the Chartered Professional Accountants of Canada.



Chiau Lin Lau

Associate Director, Execution

Chiau Lin is responsible for evaluating, structuring, and managing investment opportunities collaboratively with our developers. Chiau Lin has extensive experience in the Corporate Finance and Banking sectors working on corporate and property transactions in excess of \$2 billion in transaction value. Prior to joining Monark, Chiau Lin worked at PwC, NAB, and KPMG. Chiau Lin is a CFA Charter holder, a Chartered Accountant (Chartered Accountants Australia and New Zealand) and holds directorship in several non-for-profit organisations. Chiau Lin is fluent in English, Mandarin, and Bahasa.



Jake Potter

Senior Associate, Execution

Jake is responsible for evaluating and executing investment opportunities. Prior to Monark, Jake worked in project finance (infrastructure/renewable energy) and corporate finance. Jake holds a Bachelor of Business from RMIT University (Distinction) and is a CFA Charterholder.



Daniel Yach

Associate, Execution

Daniel possesses 10 years of experience in direct real estate investment and investment banking—the former from his tenure as Group Investment Manager at a prominent international industrial property investment firm, the latter from prior roles in investment and finance. Upbeat and energetic, his approach to financial structuring combines an unwavering attention to detail with a passion for innovation. He holds a Bachelor of Business Science (Hons) in Finance from the University of Cape Town, and a Master of Science in Technology, Innovation, Systems & People from The Da Vinci Institute.



Investor Relations, Finance and Administration



Marina Shnaider

Director, Private Capital (Melbourne)

Marina is responsible for fostering deeper relationships with our investor partners and growing the Monark investor cohort. She has over 20 years' experience working across wealth & finance businesses. Prior to joining Monark, Marina worked for Wingate, NAB, ANZ and PWC. Marina holds Bachelor of Commerce and Bachelor of Business Systems degrees from Monash University as well as Diploma in Financial Services.



Gini Li

Director, Private Capital (Sydney)

Gini has over a decade of experience in commercial property and business development, working in New York, Los Angeles, Hong Kong, and Sydney. She is uniquely experienced across multiple facets of property – in debt origination, commercial brokerage, and funds management. Deeply curious and empathetic, Gini approaches new challenges with energy and a desire to craft win-win strategies. Gini graduated with distinction from Duke University, where she majored in Political Science, minored in French, and obtained a certificate in Markets and Management.



Kate Mullens

Investor Relations Manager

Kate is primarily responsible for reporting and communication to Investors and is focused on providing information in an accurate and timely manner. Kate has extensive experience in the property industry across the Banking (Commercial Lending – Bank of Melbourne), Legal (Banking & Finance – Mallesons Stephens Jaques) and the development & management sectors. Prior to joining Monark, Kate spent the preceding 10 years with JGL Investments working within both domestic and international audit and reporting requirements to external stakeholders.



Marketing, Finance and Administration



Karin Forster

Marketing & Communications Executive

Karin is primarily responsible for developing and implementing the brand and marketing strategy to share the Monark story. Karin has over 20 years marketing experience across varied industries including finance, property, FMCG, and not-for-profit sectors. Karin holds a Master of Communications (Advertising) with Distinction from RMIT University.



Rachel Tan

Senior Accountant

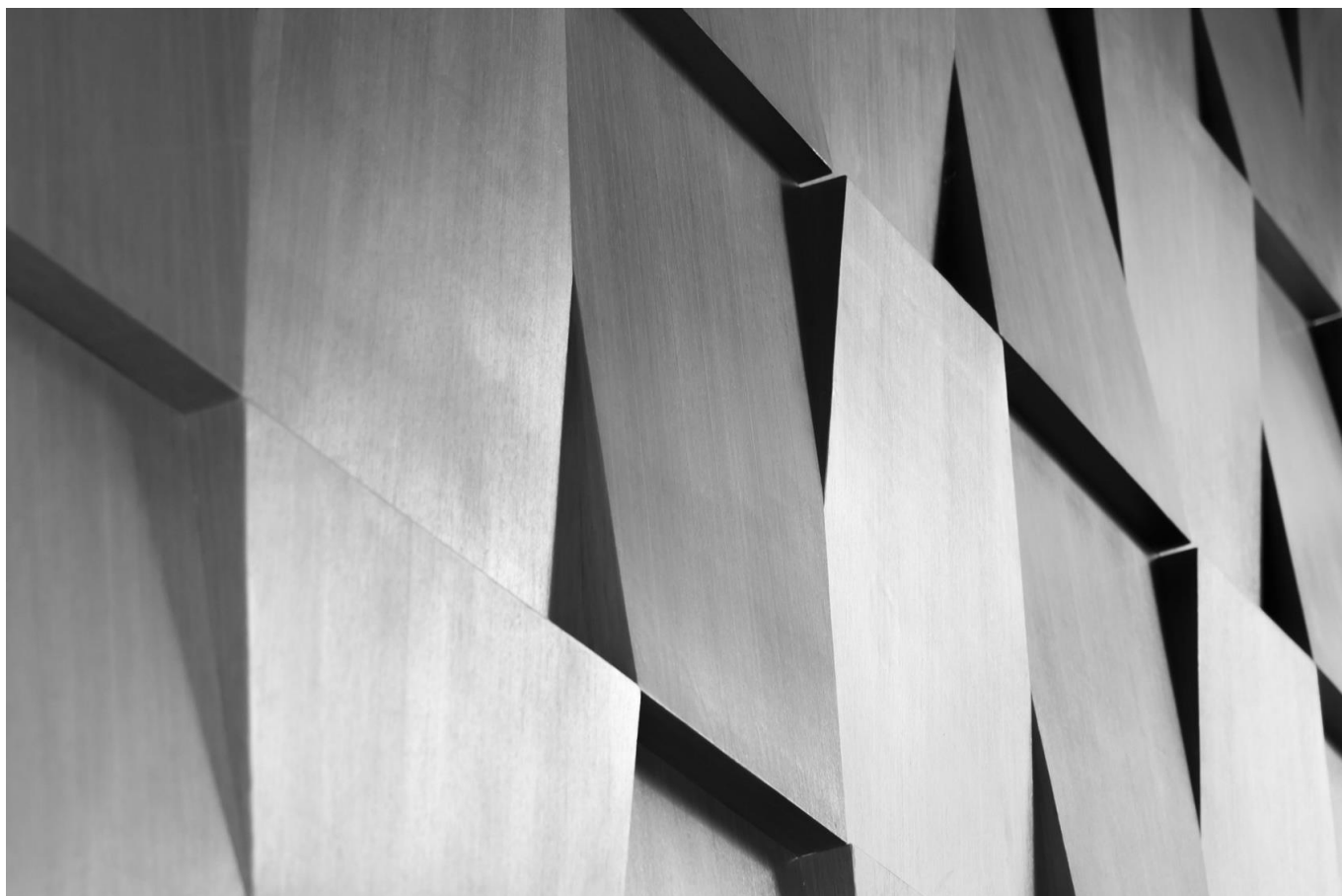
Rachel is responsible for day-to-day financial and accounting operations, periodic management and financial reporting, and statutory compliance. Prior to joining Monark, Rachel worked for Kane Constructions. She is a Certified Practising Accountant (CPA) and holds a Master of Practising Accounting.



Sigrun Klatte

Office Manager

Sigrun is responsible for the ongoing management and day-to-day activities of our Melbourne office. Prior to joining Monark, Sigrun worked at a private language school in Switzerland, as the School's Head Administrator. Sigrun has spent the past 16 years working in various administrative and assistant positions in Germany, the UK, France, and Australia. Sigrun holds a master's degree in English and History from TU Dresden and San Francisco State University.



4. Taxation

4.1. Tax Summary

The following provides a summary of the general tax implications for an investment by an Australian resident individual Unit holder who holds their Units on capital account. Each Unit holder's taxation position will depend on their individual circumstances and accordingly this summary is necessarily general in nature.

This summary is based on the taxation laws as at the date of this Fund IM. Investing in an Unregistered MIS (**MIS**) is likely to have tax consequences. However, it is noted that taxation laws can change at any time, which may have adverse taxation consequences for Unit holders concerned.

Each Unit holder must take full and sole responsibility for the associated taxation implications arising from an investment in the Fund including any change in the taxation implications arising during the term of their investment. It is recommended that Unit holders obtain their own professional and independent taxation advice before investing in the Fund.

4.2. Income Tax Provisions

a. Provisions that Apply

AMIT provisions

The income tax treatment of the Fund and its Unit holders will depend on whether the Trustee elects, and is eligible, to apply the Attribution Managed Investment Trust (**AMIT**) provisions. The Trustee has made an irrevocable election to apply the AMIT provisions.

The AMIT regime allows the Trustee to make an irrevocable "class election", whereby each class of Units are to be treated as a separate AMIT for income tax purposes. As an AMIT class election has been made by the trustee, provided the conditions for the AMIT regime are satisfied for an income year, each class of Units (represented by a Series) will be treated as though they are a separate AMIT for income tax purposes (**Class**). Accordingly, where a class election applies, taxable income and tax losses are quarantined in each Class as if they were a separate fund.

The section below outlines the income tax treatment for each class of Units, where the AMIT provisions and class election will apply to the Fund and its Unit holders. The Trustee will provide an update to the extent that the Fund does not qualify for the AMIT provisions.

Income Tax Treatment of the Fund

Where the AMIT provisions apply to the Fund, the Fund and each Class will effectively be treated as a flow-through vehicle for income tax purposes irrespective of whether income or capital is distributed to Unit holders. The Trustee should not be liable to pay Australian income tax on the taxable income derived by the Fund. This is on the condition that the Fund will not be taxed as a company under the public trading trust provisions (discussed below).

Income Tax Treatment of Unit Holders

The AMIT provisions require the taxable income of the Fund to be attributed to Unit holders on a fair and reasonable basis, having regard to their income and capital entitlements in accordance with the constituent documents.

Where an AMIT class election applies to the Fund, the taxable income of the Fund will first be allocated to each Class based on the investments that are referable to that series. The Trustee will then seek to allocate the taxable income to Unit holders of each series having regard to the Units in that Class, their entitlements to income and capital, as well as cash distributions made to such Unit holders during the relevant period for that Class. Under the AMIT provisions, a Unit holder may be taxable on their share of the taxable income referable to a Class prior to receiving distributions from the Fund.

b. Tax Deferred Distributions

Under the AMIT provisions, a Unit holder's cost base in their Units held is increased where taxable income is allocated to them (inclusive of any tax-free component of a discount capital gain). The cost base is decreased where cash distribution entitlements are made to the Unit holder in respect of their Units, irrespective of whether the amounts distributed are classified as income or capital. Additional reductions are made for certain tax offsets (such as the franking credit tax offset and foreign income tax offset). The net annual tax cost base adjustment amount will be detailed in an AMMA tax statement, which will be sent annually to each Unit holder after year-end.

c. Non arms' length rule

Where the Fund is a MIT, income derived by the Fund can be taxed at the corporate tax rate where the Fund does not deal at arm's length in respect of the transaction. Where the Fund makes loans, corporate tax can be paid on any return that exceeds the benchmark rate of return on the particular loan. The Trustee will seek to ensure that the interest rate established on the loans made by the Fund does not exceed the market rate that would otherwise be provided to an unrelated party, having regard to the market to which the loan is issued, the currency of the loan, the maturity date, the credit status, the terms of the loan, and subordination of the relevant loans made by the Fund.

d. Public Trading Trust Provisions

It is noted that a Unit Trust that is a public trust can be taxed as a company where it carries on (or controls another entity that carries on) trading activities other than eligible investment business activities (**the public trading trust provisions**).

While the Fund may satisfy the definition of being a public unit trust, the Trustee intends to limit the activities of the Fund to eligible investment business activities (i.e., investing in loans) so that the public trading trust provisions do not apply to the Fund. Furthermore, the Trustee will seek to ensure it does not control entities that carry on trading activities.

e. Accruals Taxation

As the Fund may derive assessable income prior to those amounts being received by the Fund or distributed to Unit holders. Unit holders may be required to include amounts in their taxable income prior to receiving a distribution of those amounts from the Fund.

f. Tax Losses

Where the Fund incurs a tax loss, these do not flow-through the Fund to Unit holders. However, provided that the requirements of the trust loss provisions are satisfied, the Fund may be able to carry forward those tax losses to offset them against assessable income derived in a future income year.

g. Distribution Reinvestment

If the Trustee decides to offer this feature, unit holders may choose to reinvest their distributions as additional units in the Fund. As at the date of this Fund IM, this feature is not currently available to investors. Where the investor makes such a choice, the Unit holder may still be assessed on the amount of the distribution applied to the reinvestment.

4.3. Disposal of Units

To the extent that a Unit holder disposes of their Units (e.g., by way of a transfer or redemption) a gain or loss may arise. A Unit holder that holds their Units on capital account (rather than revenue account) will derive a capital gain or incur a capital loss. The capital gain or loss is to be determined by comparing the capital proceeds received in respect of the disposal, to the tax cost base of the Units (taking into account adjustments from tax-deferred distributions (if any) as outlined in the AMMA provided to Unit holders (see above)).

4.4. Non-Resident Investors

The taxation implications of Unit holders that are not Australian resident for tax purposes (**non-resident Unit holders**) are not considered as part of the Fund IM. However, this section provides a general outline of the Australian income tax withholding requirements of the Fund and a general comment on whether Units in the Fund are likely to constitute taxable Australian property.

Where a Unit holder is a non-resident Unit holder or provides details to the Fund that indicate that they are residing outside of Australia for tax purposes, withholding tax may be deducted from distributions at the applicable rate. The rates may vary according to whether the Fund qualifies as a Withholding MIT, the residency or address of the Unit holder and the components of the distribution (e.g., interest, line fees, etc). Non-resident Unit holders may also be subject to tax in the country of their residence (but may also obtain a credit for Australian withholding tax paid). Where withholding tax is paid by the Trustee in relation to a Unit holder and it is not a final tax, non-resident Unit holders may be required to lodge an Australian income tax return.

Based on the assets to be held by the Fund (i.e., investments in loans), the Trustee does not believe that the Units will constitute taxable Australian property.

4.5. Annual Reporting

The Fund will be required to provide distribution information (including tax components) to the ATO on an annual basis by lodging the Annual Investment Income Report (**AIIR**).

Where the Fund is an AMIT, the Fund will be required to provide an annual tax distribution statement in the form of an AMMA statement that complies with the ATO guidelines. The AMMA will reconcile the cash distribution with the taxable distribution for the income year. The AMMA will also provide details on the net tax cost base adjustment for the income year.

4.6. Tax File Number (TFN) and Australian Business Number (ABN)

As the Fund will be an investment body for income tax purposes, the Fund will be required to obtain a Tax File Number (**TFN**) or Australian Business Number (**ABN**) in certain cases from its Unit holders.

It is not compulsory for a Trust's Unit holder to quote a TFN, claim a valid exemption for providing a TFN, or (in certain circumstances) provide an ABN. However, failure to obtain an appropriate TFN or ABN from Unit holders will result in the Trust being required to withhold at the top marginal rate (currently 47%) with respect to distributions to the Unit holder (which may be creditable in their tax return).

4.7. Goods and Services Tax (GST)

The acquisition and disposal of Units in the Fund by the Fund's Unit holders should not be subject to GST. However, GST may apply if fees are charged to the Fund by the Trustee or the Manager. In such a case, the Fund may be eligible to claim a Reduced Input Taxed Credit of either 75 per cent or 55 per cent of the GST paid on some of the fees charged to the Fund, depending on the type of fee.

4.8. Stamp Duty

The issue, redemption, transfer or any other arrangement involving a change in the unitholding of the unit trust may result in Stamp Duty consequences. Unit holders should confirm the duty consequences of their dealings in Units with their taxation advisers.

4.9. Foreign Account Tax Compliance Act (FATCA)

In compliance with the U.S income tax laws commonly referred to as the Foreign Account Tax Compliance Act (**FATCA**) and the Intergovernmental Agreement signed with the Australian Government in relation to FATCA, the Fund will be required to provide information to the ATO in relation to: (a) Unit holders that are US citizens or residents; (b) entities controlled by US persons; and (c) financial institutions that do not comply with FATCA.

The Fund is registered for FATCA purposes and will conduct its appropriate due diligence (as required). Where the Fund's Unit holders do not provide appropriate information to the Fund, the Fund will also be required to report those accounts to the ATO.

4.10. Common Reporting Standard (CRS)

The Common Reporting Standard (**CRS**) is the single global standard for the collection, reporting and exchange of financial account information of non-residents, which applies to calendar years ending after 1 July 2017. The CRS is similar to FATCA, whereby the Trustee will need to collect and report similar financial account information of all non-residents and entities controlled by non-residents to the ATO. The ATO may exchange this information with the participating foreign tax authorities of those non-residents.

5. Additional Information

5.1. Conflicts of Interest Policy

Monark has a Conflicts of Interest Policy which establishes a formal process for the assessment and resolution of actual and potential conflicts of interest. This policy was introduced to ensure that the interests of our Investors remain at the centre of our thinking and that any conflict of interest is resolved in a consistent, objective, and fair manner.

Actual, perceived or potential conflicts of interest may also exist in respect of different classes of Unit in the Fund, each representing a particular series. For example, a conflict may arise in the following circumstances:

- in respect of the allocation of investments between series where money is being raised in relation to multiple series concurrently;
- where Monark invests in multiple positions in the same capital stack and represents more than one set of Investors (i.e. Investors in different Fund series);
- where an investment falls within the mandate of more than one Monark fund and Monark must determine the allocation of the investment between the funds.

These issues will also be dealt with in accordance with the Conflicts of Interest Policy. Further, there may be related party transactions and investments in respect to the Fund (see section 5.13 for more information).

Our Conflicts of Interest policy is available for review on request.

5.2. Trust Deed

The Fund's Trust Deed (in addition to the general law) sets out the terms and conditions under which the Fund operates, as well as many of the rights, liabilities, duties and obligations of Investors and the Trustee. Your rights, duties, and obligations as a Unit holder are governed by the Trust Deed and the general law relating to trusts. These rights include the right to attend Unit holder meetings, to make redemption requests, receive and reinvest distributions, and participate in proceeds of the termination and winding up of the Fund.

Some key terms of the Trust Deed are described below, but it does not summarise all of the provisions. Other terms have been described elsewhere in this Fund IM, including in relation to the nature of an Investor's interest in the Fund's assets, applications and redemptions of Units, Unit pricing, transfers of Units, distributions, and Trustee fees.

Investors should refer to the Trust Deed for the detail of the provisions. A potential Investor, and a Unit holder, may obtain a copy of the Trust Deed on request to the Trustee.

5.3. Transfers of Units and Security over Units

A Unit holder may transfer Units in the manner as the Trustee from time to time prescribes but must not do so without the express written consent of the Trustee (which may be withheld in its absolute discretion).

5.4. Trustee's Role, Obligations, and Rights

The Trustee's duties and obligations to Investors are imposed, and functions and powers conferred, by the Trust Deed, the Corporations Act (where relevant) and general law.

Examples of the Trustee's powers include acquiring and disposing of the Fund's assets, entering into agreements, operating accounts, and raising money.

A Unit holder may not create any encumbrance or other security interest over a Unit without the consent of the Trustee.

Under the Trust Deed, the Trustee has (among other things) a broad power of investment, an entitlement to be paid the specified fees out of the Fund's assets, a right to pay out of the Fund's assets fees and costs incurred by the Trustee in the performance of its duties (including payment of the fees and costs of Monark under the Investment Management Agreement, and other Fund expenses such as in connection with custody, administration, valuation and dealing of Fund assets), and (subject to limitations operating by law) a right to be indemnified out of the Fund's assets for any fees or costs incurred by it, in its own capacity or through an agent, manager, advisor or delegate.

5.5. Trustee's Indemnity and Limitation of Liability

The Trustee, as the trustee of the Fund, has to the fullest extent permitted by law, a right to be indemnified out of the Fund's assets for any cost, expense liability incurred by it, in its own capacity or through an agent, manager, advisor or delegate.

To the fullest extent permitted by law, the Trustee is not liable in contract, tort or otherwise to any future trustee, any Unit holder or any other person.

5.6. Liability of Unit Holders

Generally, the liability of Unit holders is limited to the amount unpaid (if any) of the issue price of the Units they hold.

5.7. Trustee's Retirement and Removal

The Trustee may retire as trustee of the Fund effective on the appointment of a replacement trustee, by giving notice to the Unit holders.

The Trustee must retire as trustee of the Fund when required by law or directed to retire by a special resolution provided that Unit holders holding in aggregate at least 75% of all Units on issue vote (in person or by proxy) on the resolution and provided that the Trustee must not retire until a replacement trustee is appointed.

5.8. Termination of the Fund

The Trustee at any time may terminate the Fund, or any particular series in the Fund, by written notice to the Unit holders, either as a whole or to Unit holders in the affected series, with effect from the termination date specified in the notice.

The Unit holders may at any time terminate the Fund by special resolution provided that Unit holders holding in aggregate at least 75% of all Units on issue vote (in person or by proxy) in favour of the resolution. Unit holders invested in a particular series of Units in the Fund may terminate that series by special resolution provide that Unit holders holding in aggregate at least 75% of all Units on issue in that series vote (in person or by proxy) in favour of the resolution.

5.9. Amending the Trust Deed

The Trustee may amend the Trust Deed, however, where the Trustee proposes to:

- (a) amend or replace the Trust Deed (**Proposed Change**); and
- (b) the Trustee reasonably considers the Proposed Change will materially adversely affect Unit holders' rights, the Proposed Change must be approved by the Unit holders by special resolution.

5.10. Investment Management Agreement

The Trustee and Manager have entered into an investment management agreement (**IMA**). Under the terms of the IMA:

- (a) the Trustee appoints the Manager to promote and distribute the Fund, source investments for the Fund and manage the investments of the Fund;
- (b) the Trustee agrees with the Manager to manage the Fund in accordance with relevant laws and the terms of the Trust Deed;
- (c) the Manager agrees to provide regular reporting to the Trustee and be subject to the regular monitoring of the Trustee. The Manager also agrees to provide proper instructions for the making of investments in the Fund;
- (d) the fees and expenses payable to the Manager and Trustee are specified; and
- (e) terms are set out for the termination of the IMA including where either party has breached the IMA or becomes insolvent, or on notice after the minimum appointment period for the Trustee has been satisfied.

5.11. Reporting

Investors will receive:

- A quarterly report on the Fund's performance and investment activity relevant to the series in which they are invested,
- A statement showing their current Unit holding, detailing called and uncalled capital balances (accessible via their Registry Direct portal),
- A distribution statement for every distribution of income and/or capital, and
- An annual tax statement.

Investors may not disclose information contained in any report without the consent of the Trustee or as required by law.

5.12. Wholesale Clients

Only Wholesale Clients may apply for and hold Units.

Generally, an Investor is a 'wholesale client' for the purposes of the Corporations Act where any one of the following applies:

- (a) the Investor's investment is \$500,000 or more;
- (b) the Investor provides an accountant's certificate stating that the Investor has net assets of at least \$2.5 million or has earned at least \$250,000 in each of the last two financial years;
- (c) the Investor is a 'professional investor' (including those that hold an AFSL, are APRA regulated or have or control at least \$10 million worth of assets); or
- (d) we are satisfied on reasonable grounds that the Investor has suitable previous experience in financial products, subject to certain conditions.

5.13. Related Party Investments and Transactions

The Trustee, Manager and Monark are related parties.

Related parties of Monark, the Trustee and Manager, including employees, family, friends, and associated affiliates, may invest in the Fund on the same terms as other Investors in the Fund.

The Fund generally provides loans to Monark Lending Entities established by Monark under the terms of a Participation Loan Agreement. The Monark Lending Entity then uses these funds to provide debt facilities to Borrowers. Under the Loan Participation Agreement, the Monark Lending Entity is required to pay interest to the Fund.

Once the Fund has achieved its Target IRR, Monark may retain any surplus received by the Monark Lending Entity. The Loan Participation Agreements are drafted so that, in the event the Fund does not achieve the Target IRR, Monark will not be entitled to any amount received by the Monark Lending Entity.

Further, a Facility made by the Fund may be provided to a related party of the Monark Group. The Fund may make Facilities available to, or investments in securities or other assets owned or controlled by, a related party of members of the Monark Group. This extends to circumstances where a related party of the Monark Group is also a shareholder of the Borrower.

Where a Monark related entity is a shareholder of the Borrower, it will be entitled to a share of any profits derived on the sale of completed projects after the repayment of any costs and liabilities (for example, the Facility between the Borrower and the Monark Lending Entity).

Where a Monark related party is a shareholder of the Borrower, the related party may also put in place a limited recourse loan with the Fund in circumstances where the interest payable by the Borrower to Monark Lending Entities is less than the Target IRR of the Fund. The related party would be required to make up the difference in order to pay the interest return to the Fund (subject to the loan being limited recourse). To the extent that the Monark related party derives profits through its shareholding, the Monark related party can utilise these amounts to repay interest amounts to the Fund. Accordingly, in such cases, the ability to pay the difference may economically be dependent on the profits generated from the Borrower from the relevant underlying project.

Under the Trust Deed, the Trustee may appoint any of its related entities to provide services and to perform functions in relation to the Fund, including acting as its delegate. The Trustee may also enter into financial or other transactions with related entities in relation to the assets of the Fund and may sell assets or purchase assets from a related entity. These arrangements will be based on arm's length commercial terms.

The Trustee, Manager and Monark or their related parties may be paid a fee for work performed in connection with the Fund in its personal capacity and not in its capacity as the trustee of the Fund. The Trustee may retain these fees for its own purposes and is not required to account for them to the Fund or to investors.

The Trustee and its related parties may engage in related party transactions provided those transactions are in the best interests of Unit holders.

Related party transactions and investments will be managed in accordance with Monark's Conflicts of Interest policy (see section 5.1 for more information about the Conflicts of Interest policy).

5.14. Privacy

Investors in the Fund will be required to provide the Trustee and/or Manager personal information. The *Privacy Act 1988* (Cth) governs the use of a person's personal information and sets out principles governing the way organisations are required to treat personal information. The Trustee and/or Manager will collect information about each Investor subscribing to the Fund. If the Trustee and/or Manager is obliged to do so by law, Investors' personal information will be passed on to other parties strictly in accordance with legal requirements. Once personal information is no longer needed for the records of the Fund, the Trustee and/or Manager will destroy or redact the information.

By submitting the Investment Request Form (included in this Fund IM at page 59) and Application Form, each Investor agrees that the Trustee and/or Manager may use the information provided for the purposes set out in this statement and may disclose it for those purposes to the Trustee, the Manager and related bodies corporate, agents, contractors, and third-party service providers, including professional advisors and any applicable regulatory authority.

If an Investor does not provide all of the information required by the Trustee in connection with an investment in the Fund, the Trustee may not be able to process applications and/or provide Investors with the full benefit of investing in the Fund.

The Trustee and Monark may use personal information collected from Investors to inform them about other opportunities from Monark and its related entities.

Investors have the right to gain access to the information that the Fund holds about them subject to certain exemptions at law. Access requests must be provided in writing to the Trustee and a fee may be charged for such access.

Our Privacy Policy is available on our website.

5.15. Anti-Money Laundering

The Trustee and Manager are required to comply with the *Anti-Money Laundering and Counter Terrorism Financing Act 2006* (Cth) (**AML Act**). Accordingly, the Trustee and/or Manager requires the Investor to provide information and documentation substantiating its personal identity. The Trustee and/or Manager may need to

obtain additional information and documentation to process an Investors' application or at any other time during the life of the Fund.

If the Trustee and/or Manager is concerned that a request or transaction may breach any obligation of, or cause the Trustee and/or Manager to commit or participate in an offence under, the AML Act, the Trustee and/or Manager may decide to delay or refuse any request or transaction (including payment of distributions), including by suspending the issue or redemption of Units.

In order to comply with the AML Act, the Trustee and/or Manager may be required to disclose information that the Trustee and/or Manager holds about the Investor or any beneficial owner of investments to third parties, including their related bodies corporate or relevant regulators of the AML Act.

5.16. Electronic Instructions

Investors can provide instructions on their account and investment to the Trustee by email, subject to the Trustee's discretion to require original documentation.

The Trustee (and its related parties, officers, employees, consultants, advisors, and agents) will not be responsible for any loss or delay that results from a transmission not being received by the Trustee and will only process electronic instructions received in full and signed by authorised signatories of the Investor.

Only instructions received from an Investor, or a person authorised by the Investor will be accepted by the Trustee. Investors must comply with any security or verification procedures required by the Trustee from time to time.

The Trustee and its related parties, officers, employees, consultants, advisors, and agents will assume that any instruction received in respect of an Investor's investment has been authorised by the Investor, and the Trustee and its related parties, officers, employees, consultants, advisors, and agents will not investigate or confirm that authority (unless the Trustee is actually aware that the instruction was not authorised).

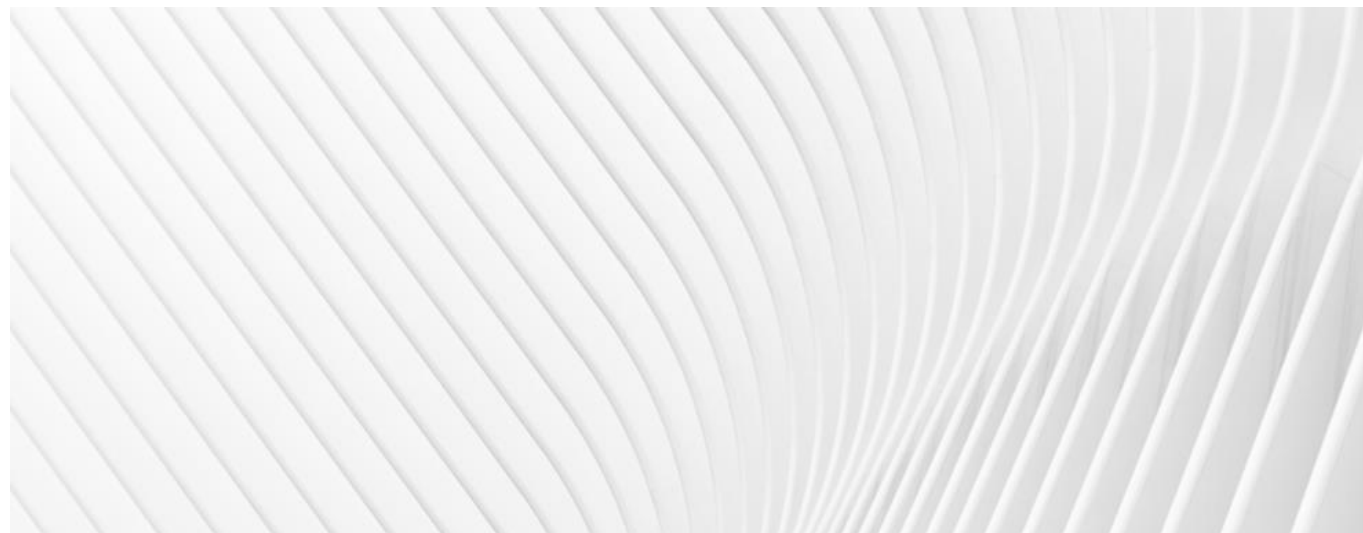
The Trustee may refuse to act on any instruction until the validity of the instructions have been confirmed, and the Trustee (and its related parties, officers, employees, consultants, advisors, and agents) will not have any liability to the Investor or any other person for any consequences resulting from not acting on the instruction.

If an Investor chooses to provide electronic instructions, the Investor releases the Trustee and its related parties, officers, employees, consultants, advisors and agents from any claims and indemnifies those parties against all costs, expenses, losses, liabilities or claims arising from any payment or action those parties make based on instructions (even if not genuine) that any of those parties receive and which they reasonably believe are genuine, including as a result of gross negligence or wilful default by any of those parties.

Each Investor also agrees that neither the Investor, nor anyone claiming through the Investor, has any claim against the Trustee and its related parties, officers, employees, consultants, advisors, and agents in relation to acting on instructions received (authorised by the Investor or otherwise).

Investors should be aware that there is a risk that fraudulent requests can be made by someone who has access to an Investor's account information.

The Trustee may vary the conditions of service of any communications at any time by providing notice, either in writing, by email or other electronic communication.



6. Key Service Providers

Auditor	Moore Australia
Tax Advisors	Pitcher Partners Advisors Proprietary Limited
Legal Advisors	Hall & Wilcox

Consent

Moore Australia, Pitcher Partners Advisors Proprietary Limited, and Hall & Wilcox:

- (a) have made no statement included in this Fund IM or on which a statement made in this Fund IM is based, other than the details about the entity, and the other sentences in this Fund IM that refer to it;
- (b) have consented to those statements being included in this Fund IM in the form and context in which they appear and has not withdrawn this consent before the date of this Fund IM;
- (c) specifically disclaims responsibility for, and liability to any person in the event of, any omission from, or any false or misleading statement included in, any other part of this Fund IM; and
- (d) have not authorised or caused the issue of any part of this Fund IM.



7. Contact Details

Trustee

Name	Monark Securities Pty Ltd
ACN	635 529 412
Address	Level 2, 390 Malvern Road Prahran VIC 3181
Telephone	+61 3 8517 1710
Website	www.monarkpartners.com.au

Manager

Name	Monark Secured Debt Management Pty Ltd
ACN	620 206 911
Address	Level 2, 390 Malvern Road Prahran VIC 3181
Telephone	+61 3 8517 1710
Website	www.monarkpartners.com.au



Annexure 1 – Glossary of Terms

Term	Definition
ADI	An authorised deposit-taking institution under the <i>Banking Act 1959</i> (Cth)
AFSL	Australian Finance Services Licence
AML Act	<i>Anti-Money Laundering and Counter Terrorism Financing Act 2006</i> (Cth)
Application Form	The detailed form containing the information required by the Trustee to accept investments in the Fund
ATO	Australian Taxation Office
Borrowers	Third party borrowers
Conflict of Interest Policy	The policy maintained by the Trustee and the Manager in relation to managing potential conflicts of interest that may arise from time to time during the term of the Fund
Contribution Fee	A fee charged upon an Investor's entry into the Fund. No Contribution Fee is currently charged by the Fund, see the description of the applicable fees in section 2.1 (Fees) of this Fund IM for more details
Corporations Act	<i>Corporations Act 2001</i> (Cth)
Developer	The entity undertaking the project using the funds advanced by Monark under a Facility
Executive Directors	Michael Kark and Adam Slade-Jacobson
Facility	A debt loan facility to be advanced by a Monark Lending Entity to a Borrower
Facility Agreement	The legal agreement between each Monark Lending Entity and each Borrower containing the terms of a Facility
FATCA	<i>Foreign Account Tax Compliance Act</i> (Cth)
Forward-looking Statements	All projections, forecasts, estimates, target returns and calculations
Fund	Monark High Yield Debt Fund
Fund IM	Monark High Yield Debt Fund Information Memorandum
Investment Committee	The committee responsible for the selection and management of investments made on behalf of the Fund, as more fully described in sections 2.1 (Investment Committee) and 3.7 of this Fund IM
IMA	The investment management agreement between the Trustee and the Manager
Investment Mandate	The stated directive determining how and what investments will be made on behalf of the Fund, as more fully described in section 2.1 of this Fund IM
Investor/Unit holder	A person or entity that holds units
Jagen	Jagen Pty Ltd, being the family office of Bori Liberman
LVR	Loan to value ratio
Management Fee	2% per annum (exclusive of GST), calculated daily, paid monthly, on the net paid up portion of Units in the Fund, that is the total drawn capital commitments less total capital returned to unit holders
Manager	Monark Secured Debt Management Pty Ltd ACN 620 206 911, as Corporate Authorised Representative of Monark Securities Pty Ltd ACN 635 529 412 AFSL No. 519884
Monark	Monark Property Partners Pty Ltd ACN 160 949 691

Term	Definition
Monark Group	Monark or any of its respective related entities, directors, officers, employees, or associates
Monark Lending Entity	A special purpose vehicle established by Monark to invest in a single Facility
Participation Loan Agreement	A loan agreement under which the Fund will advance funds, on an unsecured basis, to each Monark Lending Entity, and under which each Monark Lending Entity must pay an agreed return to the Fund when a Facility is repaid
Performance Fee	A fee payable by reference to the Fund's outperformance. No Performance Fee is currently charged by the Fund, see the description of the applicable fees in section 2.1 (Fees) of this Fund IM for more details
Recipients	Potential Investors who receive this Fund IM
RITCs	Reduced input tax credits
SPV	A special purpose vehicle which enters into a Facility Agreement with a Borrower
Trustee	Monark Securities Pty Ltd ACN 635 529 412 AFSL No. 519884
Trust Deed	The trust deed of the Fund
Unit	Units in the Fund
Unit Holding Statement	A statement issued by the Trustee confirming the details of an Investor's investment in the Fund
Wholesale Client	Has the same meaning as given under section 761G and section 761GA of the Corporations Act, as more fully described in section 5.12 of this Fund IM

Investment Request Form

The application process to invest in the Monark High Yield Debt Fund – Series 3 is in two steps:

1. Please complete this Investment Request Form and email it through to our Investor Relations Manager, Kate Mullens, at kate@monarkpartners.com.au
2. On receipt of your Investment Request Form, we will send you a link to our secure online application process, hosted by Registry Direct, with guidance on how to complete your application. **The online application should be completed on or before Thursday, 31 October, 2024.**

1.	Investor name
2.	Telephone number
3.	Email address
4.	Investment entity
5.	Investment amount

..... (Signature)

..... (Name)

..... (Date)

If you have any questions, please contact our Investor Relations Manager, Kate Mullens.

Contact

Michael Kark

Executive Director

michael@monarkpartners.com.au

Marina Shnaider

Director, Private Capital (Melbourne)

marina@monarkpartners.com.au

Adam Slade-Jacobson

Executive Director

adam@monarkpartners.com.au

Gini Li

Director, Private Capital (Sydney)

gini@monarkpartners.com.au

Dani Peer

Head of Capital

danielp@monarkpartners.com.au

Melbourne Office

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Sydney Office

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22/101 Grafton Street
Bondi Junction NSW 2022
02 8095 6450