

The Monark Prime Credit Fund invests only in senior debt facilities provided by Monark Property Partners. These facilities are secured by first-ranking registered mortgages over Australian property.

Our overriding priority is to safeguard capital and then to maximise returns.

Key Information

Fund size	\$217M
Unit price	\$1.0159
Unit price – 1 Nov entry	\$1.0078
Number of facilities	37
Portfolio Weighted Average LVR	61%
Average Portfolio Deployment	97%

Current Performance

Current Yield*	9.59%
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* Most recent quarterly distribution annualised.

Historical Performance

1 month	0.78%
3 months	2.38%
12 months	9.44%
12 months (DRP)**	9.76%

** Performance where each quarterly distribution is reinvested under the Fund's Distribution Reinvestment Program.



Superior



The Monark Prime Credit Fund has been awarded a Superior 4-star rating by independent research house SQM. This rating qualifies as a High Investment Grade

THE ONE BIG THING

All projects in the Monark Prime Credit Fund's (Fund) portfolio are performing as expected. The Fund delivered a return of 0.78% for the month ended 30 November 2024 and now provides investors with a current cash yield, based on its most recent quarterly distribution annualised, of 9.59% per annum.

As we move into the less hurried, more contemplative time of the year, we enjoy looking ahead and considering what forces may move investment markets.

Could it be the more obvious contribution of ever lower global inflation followed by regular rate cuts? Could it be more political polarity, dysfunctionality, and fiscal irresponsibility? Perhaps increasing regional conflict disrupting trade and impacting resource prices? Or onshoring and tariffs? All of which may reverse the trend to lower inflation.

Perhaps it will be something out of left field? The commercialisation of artificial intelligence (a gamechanger likely on par with the introduction of the telephone, electricity, and the internet)? Or the unshackling of the mighty US economy by Mr Trump's red-tape shredding DOGE team (a welcome opportunity to reduce the complexity and absurdity of decades of overzealous regulation)?

You may wish to add to this list.

There is a lot of noise. And a lot of factors that can deliver both upside and downside price moves.

But the *one big thing* that, we suggest, will have the most influence on the future of portfolio returns, and thus investor wealth, is the current valuations of the largest shares on the world's biggest equity market - those glamor stocks so widely held and so influential in portfolio performance over the last few years.

Market valuation is not a guess. It does not rely on a gut feel. There are many tried-and-tested measures providing investors with a sense of where we stand today. Let's review a few key metrics for the global bellwether S&P 500 index.

The *forward price-earnings ratio* (PE) is the most basic. Today's forward PE stands at 24. The 10-year average is around 18. A 25% drop is required to simply return to average.

The *Shiller PE* is more sophisticated, using a decade of earnings to smooth out short-term volatility. Today's Shiller PE is around 39. The 10-year average is approximately 26. A 33% fall is required to reprice to the average.

Tobin's Q compares the market value of a company with the value of its assets at replacement cost. Today's Tobin's Q is about 1.6 versus an average of 1.2 over the last few decades (comparing like with like for asset-light technology firms). A 25% drop to average.

The *Buffett Indicator* compares total market capitalisation to Gross Domestic Product. Today's Buffett indicator is roughly 175% to 200% (depending on data source and calculation methodology). Post 2000 this indicator has averaged around 120%.

Side note: It's not surprising that Warren Buffett has been a strong seller of several long-held counters in Berkshire Hathaway's portfolio and is now sitting on the equivalent of around half a trillion Aussie dollars in cash.

Finally, the last quarter of 2024 has seen an increase in insider selling. These are disclosed sales by executives and major shareholders sensing stretched valuations in businesses they are intimately familiar with.

One of the few asset classes generally immune to an arguably overvalued equity market is the type of asset into which Prime Credit invests, secured private debt. The value of the debt facilities in Prime Credit's portfolio is determined by contract. The value of the security behind each facility determined by objective appraisal. Both are disconnected from the passion and FOMO driving the *one big thing*.

We expect to pay the distribution for the quarter ended 31 December 2024 on or before Friday, 31 January.

Thank you for your support and the trust you place in us. We never take this for granted. We wish you a safe and relaxing end to the year and a blessed 2025.

Historical Performance (%)

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	ANNUALISED RETURN
2021									0.54	0.59	0.59	0.62	7.31%
2022	0.64	0.57	0.64	0.59	0.61	0.60	0.66	0.65	0.64	0.70	0.68	0.71	7.77%
2023	0.74	0.66	0.73	0.73	0.75	0.73	0.78	0.80	0.76	0.78	0.75	0.77	8.98%
2024	0.77	0.71	0.76	0.77	0.80	0.79	0.83	0.82	0.79	0.82	0.78		9.44%

An opportunity to co-invest alongside one of Australia's largest family offices, Monark is recognised by both the character of its people and the calibre of its investments.



Culture of partnership

We see our investors as partners. A relationship defined by trust, closeness, fairness, and a commitment to transparency. We invest your money alongside ours, ensuring an alignment of interests and a pursuit of mutual success.



Benefit of focus

We focus on the Australian middle property market, a sector underpinned by significant demand and price stability. This means robust loan security, lower risks and stronger investment fundamentals.



Power of expertise

We are an experienced, multidisciplinary team with property development, construction, credit risk and financial structuring expertise. Above all, we are property specialists who provide entrepreneurial capital, not simply a source of finance.



Discipline of patience

We recognise that superior investment opportunities are rare. Our opportunity-led strategy means we pursue quality, exercise patience, and only invest when we see value.

Monark Property Partners Pty Ltd

Melbourne Office

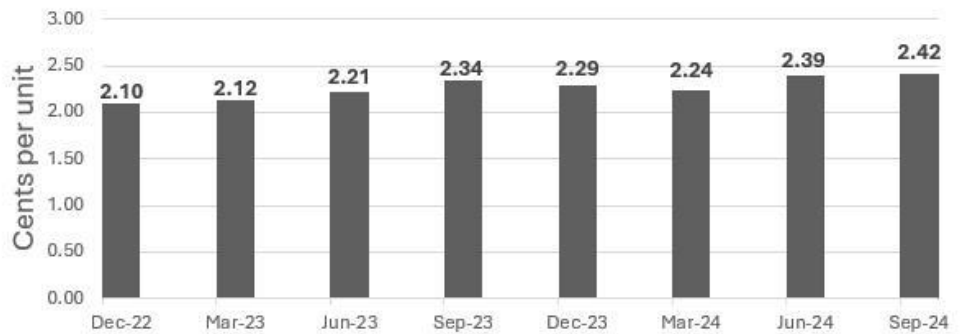
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Distributions over last two years (cents per unit)



Portfolio details as at 30 November 2024

	Fund Weighting	Loan to Value Ratio (LVR)	Expected Return
Top Five Facilities			
Residential Construction Hampton (VIC)	9%	69%	9.8%
Term Debt Commercial Perth (WA)	8%	57%	10.2%
Commercial Construction Seaford (VIC)	6%	64%	9.8%
Land Acquisition Deepdene (VIC)	5%	63%	10.4%
Residential Construction Armadale (VIC)	5%	63%	11.4%
Other Facilities	67%	62%	10.5%
Cash	0%	0%	3.2%

Information contained in this investor update

This investor update relates to the Monark Prime Credit Fund (Fund). Monark Securities Pty Ltd ACN 635 529 412 AFSL no. 519884 is the trustee of, and issuer of units in, the Fund. Monark Secured Debt Management Pty Ltd ACN 620 206 911 is the investment manager of the Fund and an authorised representative of Monark Securities Pty Ltd. This investor update contains general financial product advice only. The information contained in this investor update, whether express or implied, are published or made by Monark Securities Pty Ltd and Monark Secured Debt Management Pty Ltd, and by its officers and employees (collectively Monark) in good faith in relation to the facts known to it at the time of preparation. Monark has prepared this investor update without consideration of the investment objectives, financial situation, or particular needs of any individual investor, and you should not rely on the opinions, advice, recommendations and other information contained in this investor update alone. This investor update does not constitute an offer for the issue of units in the Fund. Investors should read the information memorandum for the Fund before applying for units in the Fund.

Who this investor update is provided to

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