

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	\$221M
Unit price	\$1.0150
Unit price – 1 Feb entry	\$1.0071
Number of facilities	32
Portfolio Weighted Average LVR	57%
Average Portfolio Deployment	91%

## Current Performance

Current Yield*	9.53%
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\* Most recent quarterly distribution annualised.

## Historical Performance

1 month	0.71%
3 months	2.31%
12 months	9.49%
12 months (DRP)**	9.83%

\*\* 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

## MIND GAMES

All facilities in the Monark Prime Credit Fund's (Fund) portfolio are secure and performing. The Fund delivered a return of 0.71% for the month ended 28 February 2025 and now provides investors with a current cash yield, based on its most recent quarterly distribution annualised, of 9.53% per annum.

6144... the S&P500 index at the time the closing bell rang, announcing the end of trading on Wednesday, 12 February 2025.

A month later, we are around 10% lower.

Is this number destined to be one for the textbooks marking a multi-year peak? Or an irrelevant data point in an ongoing bull market?

Only time will tell.

What is objectively clear is that markets have been very expensive for many months. We have noted this in several missives.

From a basic PE ratio to the more sophisticated Shiller, to even more complex and reliable measures, the message has been the same. Markets have offered investors little value for a very long time.

So why did investors keep buying?

In his latest note, Oaktree Capital's Howard Marks spells it out. We got here not because of sound fundamentals, but unsound thinking. Mind games.

Marks shares common thought patterns responsible for the excitement, the confidence, and, yes, the mania required to move markets well beyond fundamentally sound pricing. According to Marks, *people are disturbed when friends get rich*.

The performance of both technology stocks and cryptos over the last few years have produced many "winners". The media loves sharing their stories. And often the winners do too. It's easy for those in more considered, balanced, defensive portfolios to feel they have missed out.

This in turn generates an overwhelming sense of *FOMO* (the Fear of Missing Out) on further gains. Investors who are generally more considered overcome their usual patience and discipline and join the herd. Intellectually they know the securities they are buying have already experienced substantial gains, and that the market offers little or no value. But this is remedied by more mind games: *there's no price too high*.

Marks gives us a peek into his own journey, his early career coinciding with the rise and rise of the "Nifty 50" in the late sixties. These were the innovative giants of their time. Companies that were so dominant, so profitable, so assured of ongoing success that they could be purchased *at any time at any price*. Within five years some had dropped 90%.

This blindness to reality is overcome because the companies in question are associated with *something new*. Marks explains that when something is new it has no tether. There is no historical experience which can shed light on its limitations or durability. Comparisons with the past are meaningless, we are told.

Marks posits, "AI is powerful. But is it valuable?"

Investment markets require extraordinary patience, resolve and discipline. Rare qualities, especially in today's insta-age. Investor behaviour needs to be somewhat contrarian.

Thinking and acting against the herd at times of excess. Being a watcher.

Marks has these qualities. That's why he's sitting back and waiting for much lower prices.

For "bargains". Warren Buffett has these qualities. That's why his investment company, Berkshire Hathaway, has its highest cash balance *ever*.

Far from the highs and lows and intrigues of public markets, the Monark Prime Credit Fund continues to perform as predicted, as expected. With a portfolio of senior-only debt, secured against Australian real estate, the Fund offers an attractive risk-return profile strongly insulated from the volatility of global markets. More so, it is generally not vulnerable to herd mentality and mental games.

## Three Year Historical Performance (%)

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	ANNUALISED RETURN
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	0.81	9.47%
2025	0.81	0.71											9.30%

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

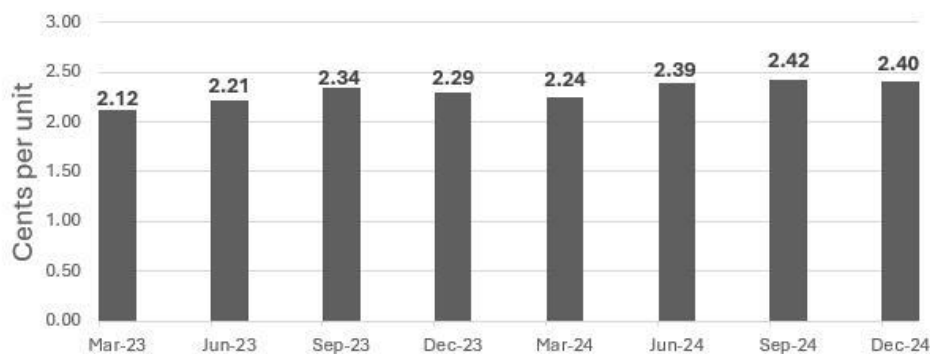
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## Distributions over last two years (cents per unit)



## Portfolio details as at 28 February 2025

	Fund Weighting	Loan to Value Ratio (LVR)	Expected Return
<b>Top Five Facilities</b>			
Term Debt Commercial Perth (WA)	8%	57%	10.2%
Residential Construction Armadale (VIC)	7%	68%	11.4%
Residual Stock Hampton (VIC)	7%	70%	11.3%
Residential Construction Parkdale (VIC)	5%	65%	10.8%
Land Acquisition Deepdene (VIC)	5%	63%	10.4%
<b>Other Facilities</b>	62%	62%	10.5%
<b>Cash</b>	6%	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.

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