MONARK
Realising the remarkable

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	$226M
Unit price	$1.0231
Unit price – 1 Feb entry	$1.0151
Unit price – 1 Mar entry	$1.0079
Number of facilities	32
Portfolio Weighted Average LVR*	64%
Average Portfolio Deployment	97%

* Excludes all cash held by the Fund.

Current Performance

Current Yield**	9.35%

** Most recent quarterly distribution annualised.

Historical Performance

1 month	0.79%
3 months	2.31%
12 months	9.51%
12 months (DRP)***	9.86%

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

★★★★☆
Superior
SQM RESEARCH

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

Monark Prime Credit Fund

Investor Update I March 2025

DESPERATE REMEDIES

All facilities in the Monark Prime Credit Fund's (Fund) portfolio are secure and performing.

The Fund delivered a return of 0.79% for the month ended 31 March 2025 and now provides investors with a current cash yield, based on its most recent quarterly distribution annualised, of 9.35% per annum.

These last few weeks (days!) have been truly dramatic.

"Desperate times require desperate remedies", Guy Fawkes was rumoured to have said as he made his way to blow up England's Houses of Parliament. Ironically, we celebrate his failed attempt on 5 November each year.

Jumping a few centuries to the present, one would have thought that the world's financial system was ticking along nicely before being shaken by Trump's "Liberation Day"; that the introduction of tariffs disrupted a benign, somewhat positive financial environment. Inflation was trending down. Markets traded near all-time highs. Unemployment remained low.

Why then did President Trump introduce such a desperate remedy at such a sanguine time?

Perception is reality, they say. We disagree. Reality is an objective construct. Not what you wish it to be or what you refuse to see. "My truth" doesn't work in the real world.

Reality is that the United States has been on the decline for several decades. A reality that presents in many ways: the relentless build-up of government debt (where the annual interest bill now exceeds the nation's defence spending), the hollowing out of the middle class primarily through de-industrialisation and the export of the country's manufacturing base, material trade deficits and dependence on foreign funding, new jobs' openings skewed to low-paid retail, hospitality and care industries, a crumbling infrastructure; and all this whilst large parts of the world enjoy American aid, defence, and open access to the massive US consumer market.

A perfect scenario for the application of Stein's Law: "If something cannot go on forever, it will stop".

Two key observations in all this bedlam:

1. Many whose job it is to inform and report have been napping. Or at least seeing their preferred reality. The introduction of tariffs has resulted in a wave of fury. Why the relative silence whilst US fundamentals continued to deteriorate? A preoccupation with lower inflation and higher stock prices. The pervasive, ongoing, deterioration of the country's fundamentals mostly ignored.
2. In the environment described above – an environment likely to persist for the foreseeable future – the stocks most favoured by the investing public (high-growth, high-multiple) were the most vulnerable. Does one now "buy the dip"? Or reallocate into more allweather assets? The structure of the senior-secured private credit facilities into which Prime Credit invests is by nature far more robust and, we believe, generally able to withstand, and perform in, an adverse environment.

And finally, before you ask, we don't think tariffs will in themselves remedy the issues described above. But we do believe that they provide the US administration with powerful bargaining tools to extract concessions which *may* in turn provide some positive outcomes.

That being said, we won't align ourselves with those who shout abuse but provide no alternatives.

The US is broke and needs fixin'. Time for desperate remedies.

Fund notes: We expect to pay the distribution for the quarter ended 31 March on Tuesday, 22 April. As advised in an earlier communication, Prime Credit will pay monthly distributions from 1 April 2025. We expected to pay these on or around the 20th of the following month.

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	0.79										9.35%

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Monark Prime Credit Fund
Investor Update | March 2025

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.

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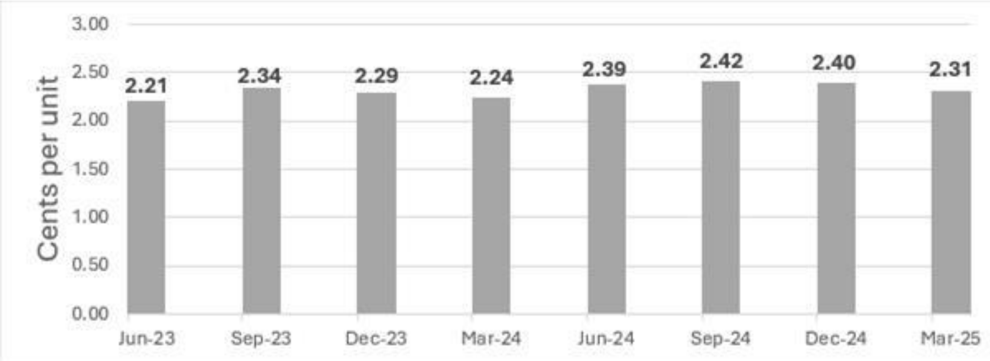
Distributions over last two years (cents per unit)



Portfolio details as at 31 March 2025

	Fund Weighting	Loan to Value Ratio (LVR)	Expected Return
Top Five Facilities			
Land Acquisition Greenvale (VIC)	11%	64%	10.8%
Term Debt Commercial Perth (WA)	8%	57%	10.2%
Residential Construction Armadale (VIC)	8%	68%	11.4%
Residual Stock Hampton (VIC)	7%	70%	11.3%
Residential Construction Parkdale (VIC)	6%	65%	10.8%
Other Facilities	60%	63%	10.6%
Cash	0%	N/A	3.2%