

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 \$89M

Unit price (pre distribution)

1 Sep entry date \$1.0244
1 Oct entry date \$1.0184
1 Dec entry date \$1.0062

Unit price (post distribution)

All units \$1.0000

Number of facilities 17

Portfolio Weighted Average LVR 60%

Portfolio Deployment 98%

FUND PERFORMANCE

1 month 0.62%

3 months 1.84%

Since inception 1 Sep 2021 2.44%

Since inception 1 Sep 2021 (annualised) 7.31%

FUND UPDATE

All transactions in the Fund's portfolio are performing as expected, with overall returns ahead of target.

The Monark Prime Credit Fund delivered a return of 0.62% for the month ended 31 December 2021, an annualised return for the four months since inception of 7.31%.

Fund performance is made up of four variables – the return and weighting of deployed funds and the return and weighting of the Fund's cash. With cash at call currently providing a zero return, the Fund's Manager seeks to maintain maximum deployment. This is achieved by carefully regulating new investment into the Fund and by utilising Monark's external underwrite facility to warehouse facilities. Pleasingly the Fund continues to maintain a high level of deployment, ending the month at 98%.

Monark experienced a busy end to 2021 with the completion of several new facilities. This has allowed the Fund to grow its portfolio to 17 transactions. We expect this incremental growth to continue albeit in a patient and cautious manner. We have been very deliberate in creating a lean business structure, with a conservative cost base, in order to have the luxury of choosing which deals to enter into and which to avoid. We believe that the imminent interest rate tightening, as flagged by the US Federal Reserve, will prove challenging for those with bigger balance sheets and less flexibility. We'll expand on this thinking in our upcoming *Letter from the CEO* due out later this month.

As flagged in our previous update, the Fund's maiden distribution will be paid in the last week of January. Your Holding Statement and previous communication is saved in your portal at Registry Direct. If you have not registered for this service, please take time to do so, and let us know if you require any assistance.

PORTFOLIO DETAILS AS AT 31 DECEMBER 2021

	Fund Weighting	Loan to Value Ratio (LVR)	Expected Return
Top Five Facilities			
Term Debt Office Development Collingwood (VIC)	28.4%	65%	8.6%
Residential Development Bacchus Marsh (VIC)	13.4%	47%	8.9%
Land Acquisition Burleigh Heads (QLD)	10.6%	65%	8.7%
Residential Development Malvern East (VIC)	9.9%	65%	8.5%
Land Acquisition Brighton (VIC)	8.7%	65%	8.4%
Other Facilities	26.8%	56%	8.6%
Cash	2.2%	N/A	0.0%
Portfolio (Gross)	100%	60%	8.4%
Portfolio (Net)	100%	60%	7.9%*

* This is the indicative annual return, net of the 0.5% Administration Fee, as at 31 December 2021. The Fund's actual return may differ due to changes in both portfolio composition and cash weighting.

TICA

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



Trust

We believe that trust is the core pillar of our business that will lead to staff, investors and business partners choosing Monark.



Integrity

We believe that integrity is fundamental to delivering on our promise to our business partners and investors.



Communication

We believe that effective transparent communication will enable us to win and grow.



Accountability

We believe that delivering on what we commit to is a key element of the Monark point of difference and holding ourselves to this will be a key element in delivering on our promise.

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FUND SNAPSHOT

Availability	Generally closed. Occasional openings as and when further liquidity is required.
Target return	7% per annum (net)
Portfolio mandate	Senior debt secured against Australian property
Distributions	Quarterly
Fees	0.5% per annum administration fee
Inception date	1 September 2021
Minimum investment	\$250,000
Redemptions	90 days' notice, subject to Trustee discretion
Trustee	Monark Securities Pty Ltd
Manager	Monark Secured Debt Management Pty Ltd
Auditor	Moore Australia
Legal advisor	Hall & Wilcox

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

This investor update is only made available to persons who are wholesale clients within the meaning of section 761G of the Corporations Act 2001. This investor update is supplied on the condition that it is not passed on to any person who is a retail client within the meaning of section 761G of the Corporations Act 2001.

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