

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	\$92M
Unit price	\$1.0119
Unit price – 1 May entry	\$1.0061
Number of facilities	14
Portfolio Weighted Average LVR	58%
Portfolio Deployment	92%

FUND PERFORMANCE

1 month	0.61%
3 months	1.77%
Since inception (1 Sep 2021)	5.50%
Since inception annualised	7.35%

DISTRIBUTIONS

4 months to 31 Dec '21	2.44c
1 Jan – 31 Mar '22	1.86c

REVERSIBLE GAINS

All transactions in the Monark Prime Credit Fund's (Fund) portfolio are performing as expected, with overall returns continuing to be ahead of target. The Fund delivered a return of 0.61% for the month ended 31 May 2022 and has achieved an annualised return for the nine months since inception of 7.35%.

The key lesson learned by each new generation of investors is that unrealised capital gains are reversible. And the higher the price paid for any given investment, the more likely this is to happen.

There are countless examples that illustrate this point. But one in particular is probably the most instructive, that being the NASDAQ index measuring the ups and downs for those investing in (primarily) technology companies. Many Monark investors will recall the excitement that accompanied the arrival of the dotcom boom and the entry of the internet into the mainstream consciousness. Investor demand saw the NASDAQ peak at 5,048 on Friday, 10 March 2000 - with most participants showing substantial portfolio gains. But investor passion had outrun fundamental value and gains reversed. It would take *another 15 years* for the NASDAQ to regain and pass its 2000 high.

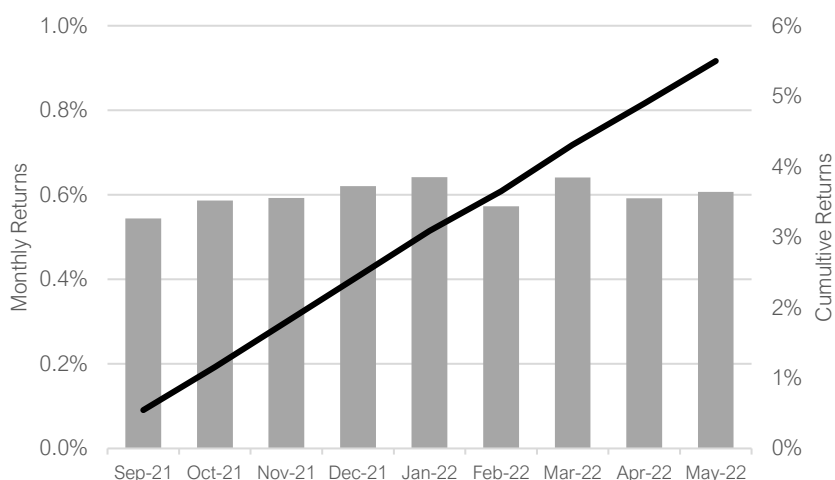
Investors now face a similar dilemma. After a decade of extraordinary fiscal and monetary policy, markets are once again (arguably) fully priced (even after the recent correction) and portfolios flush with unrealised capital gains.

No one has a crystal ball. And markets enjoy making fools of those who attempt to forecast their future. What is under investor control is how cash is deployed and portfolios are constructed. One approach is to commit capital to a capital stable fund, such as the Monark Prime Credit Fund, and then to invest the quarterly distributions into more volatile assets, such as NASDAQ listed securities. In this way an investor can continue to build positions in growth assets *and* avoid the angst and financial damage of a possible repeat of the 2000 experience.

With an exceptionally strong and attractive pipeline, the Fund is open and able to accept a limited amount of new investment. Please let us know if you'd like to discuss further investments into the Monark Prime Credit Fund.

FUND 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								7.38%



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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PORTFOLIO DETAILS AS AT 31 MAY 2022

	Fund Weighting	Loan to Value Ratio (LVR)	Expected Return
Top Five Facilities			
Residential Development Bacchus Marsh (VIC)	16%	47%	8.9%
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Land Acquisition Burleigh Heads (QLD)	12%	65%	8.7%
Land Acquisition Brighton (VIC)	11%	65%	8.5%
Residential Development Parkdale (VIC)	8%	65%	8.3%
Other Facilities			
Cash	8%	N/A	0.0%
Portfolio (Gross)	100%	58%	8.0%
Portfolio (Net)	100%	58%	7.5%*

* This is the indicative annual return, net of the 0.5% Administration Fee, as at 31 May 2022. The Fund's actual return may differ due to changes in both portfolio composition and cash weighting.

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

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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