

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	\$168M
Unit price	\$1.0224
Unit price – 1 Feb entry	\$1.0148
Unit price – 1 Mar entry	\$1.0076
Number of facilities	34
Portfolio Weighted Average LVR	60%
Average Portfolio Deployment	97%

Current Performance

Current Yield* 9.0%

* Most recent quarterly distribution annualised.

Historical Performance

1 month	0.76%
3 months	2.24%
12 months	9.09%
12 months (DRP)**	9.40%

** 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 RISE OF FINANCIAL NIHILISM

All transactions in the Monark Prime Credit Fund's (Fund) portfolio are performing as expected. The Fund delivered a return of 0.76% for the month ended 31 March 2024 and now provides investors with a current cash yield, based on its most recent quarterly distribution annualised, of 9.0% per annum.

In a recently published article, fund manager Travis Kling described *financial nihilism* as "the idea that the cost of living is strangling most Americans. That upward mobility is out of reach for increasingly more people. That the American Dream is mostly a thing of the past. And that median home prices divided by median income is at a completely untenable level".

He could have been speaking about Australia.

This is the first time we've heard this phrase coined. But we suspect it will get traction. Not because it's catchy, but because, we suggest, it has substance and accounts for some of the peculiar attitudes and behaviour we observe in today's financial markets.

Kling explains that when a large enough group of people live paycheck to paycheck. When buying a home seems impossible. When salary increases lag inflation. And when student loans, credit card debt, and vehicle finance cause pervasive angst, behaviour changes.

People take bigger risks.

People gamble.

The joke about financial markets being a casino has been around for years. But can it be that a significant number of participants do indeed see it as such? The proliferation of Zero Day to Expiry (0DTE) options, a one-day bet on the direction of an index or security, seems to support this. The gambler can lose the premium, but the upside is considerably greater.

We've witnessed the prices of profitless (bankrupt) meme stocks like GameStop and AMC explode upwards after a Reddit chatgroup banded together to buy them. What started as a short squeeze resulted in a kind of fan club and much higher prices.

We've witnessed the "minting" of thousands of new cryptos. And whilst Bitcoin and a few others may have established some credibility, most are no more than memes. Australian-invented Dogecoin was created as a joke. Its current market capitalisation (at the time of writing, because these things move quickly) is over \$28 billion US dollars.

If Kling is correct, we have a growing number of participants engaging in public markets whose focus is not on fundamentals, but on price movement. This has several negative implications for investors: increased volatility, a disconnect between price and value, and suboptimal allocation of investment capital, which would feed into the real economy.

Combating financial nihilism and remediating the belief amongst many young people that "the system is not working for me", is a herculean task for governments and social leaders.

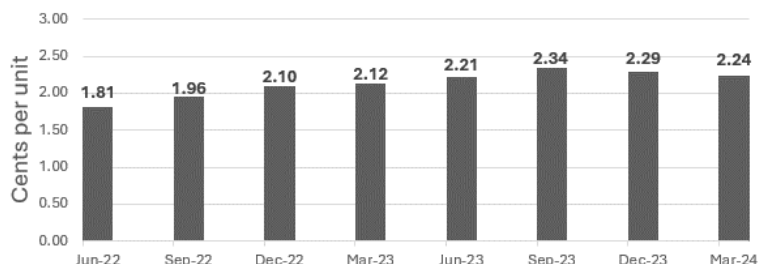
For investors fortunate to have accumulated capital and who look to grow and protect their wealth, we believe the safety of a conservatively structured portfolio, anchored by a secured private debt fund such as Prime Credit, is now particularly important.

We expect to pay the Fund's distribution for the quarter ending 31 March 2024 on or before Friday, 19 April.

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										9.00%

Distributions over last two years (cents per unit)



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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Portfolio details as at 31 March 2024

	Fund Weighting	Loan to Value Ratio (LVR)	Expected Return
Top Five Facilities			
Term Debt Commercial Perth (WA)	11%	57%	10.1%
Land Subdivision Mount Duneed (VIC)	8%	58%	10.8%
Land Subdivision Bacchus Marsh (VIC)	7%	48%	10.3%
Term Debt Commercial Cremorne (VIC)	7%	68%	9.6%
Land Acquisition Deepdene VIC	6%	63%	10.3%
Other Facilities	60%	64%	10.1%
Cash	1%	0%	3.3%

Fund snapshot

Availability	Generally open. Occasionally closed should the Fund have excess liquidity.
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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