MONARK

Realising the remarkable

Monark High Yield Debt Fund – Series 2 Quarterly Investor Update

31 March 2025

QUARTERLY INVESTOR UPDATE

Please Note

Information contained in this investor update

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Dear Investor

Welcome to Monark High Yield Debt Fund – Series 2 (the Fund, Series 2) update for the quarter ended 31 March 2025

Executive summary

The Fund's portfolio continues to perform strongly, providing investors with an Internal Rate of Return of 14.8% per annum.

During the quarter the Lakeside Estate facility was repaid allowing investors to receive a small distribution of 1.57 cents per unit. To date investors have received distributions totalling approximately 11 cents per unit.

The current unit value is $1.03. Total growth per unit (current value plus distributions) this therefore $1.14, providing investors with a return on total capital invested of 1.14x.

We anticipate continued repayments of the Fund's facilities and expect to make a further distribution towards the end of the June quarter.

As a reminder, the Fund is "self-liquidating" which means it does not reinvest repaid facilities but distributes the proceeds to investors.

In the *Investment Environment* section of this update, we explore the relationship between "Main Street" and "Wall Street". We discuss how the circumstances in the real economy eventually force financial markets to align, and how this is likely to have an important impact on the performance of investor portfolios. We also offer a somewhat challenging perspective on "Trump's Tariffs".

Finally, we continue to see a number of attractive opportunities that meet the criteria and quality we seek for our High Yield Debt Funds. With Series 3 now 75% deployed (including a call in mid-April), we are in the process of setting up Series 4 and anticipate a fund launch date of 1 August.

We plan to extend an invitation to invest to all investors in our High Yield Debt Funds (Series 1, 2 and 3), together with a guaranteed allocation. As with previous offers, we expect Series 4 will attract strong demand. If you would like to receive an allocation materially higher than your current investment, please let us know so that we can look to set this aside for you.

We hope you enjoy reading this report and continue to remain engaged with the progress of your investment in the Fund.

Investment environment

When speaking with prospective investors and making the case for an allocation to private credit, we always appreciate that our chosen asset class faces competition from a number of others. The most popular being equities. Equities have been the mainstay of most portfolios for many years. And, given their performance, quite understandably.

That being the case, we have communicated regularly – in these updates and other notes to our investors - that fundamentals and market performance just didn't add up. That "Main Street" and "Wall Street" seemed out of step. Recognising this anomaly, we continued to describe the investment environment as being "fragile".

We also appreciate that perception and reality can differ for a considerable period. That's what gives us bull and bear markets – the recognition that market pricing and the environmental reality differ.

But we query the perception and objectivity of those whose role it is to assist investors make educated decisions about where best to allocate their capital.

In a recent update to investors in our Prime Credit Fund, we said:

> *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. But why the preoccupation with lower inflation and higher stock prices, whilst ignoring the pervasive and ongoing deterioration of the country's fundamentals?*

We referred to Stein's Law:

> *"If something cannot go on forever, it will stop".*

In this case what couldn't go on forever was the belief in "American exceptionalism" and the market pricing that accompanied this misguided notion.

We see the tariffs announced on "Liberation Day" as the pin that pricked the exceptionalism bubble.

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74% of the globe?

At the start of 2025, US equities accounted for around 74% of global market capitalisation. Whilst US Gross Domestic Product (GDP) accounted for just one quarter.

The logic, of course, was that the premium placed on US companies was due to their superior earning's growth. And the exceptionalism behind this. Just look at the Magnificent Seven, investors were told.

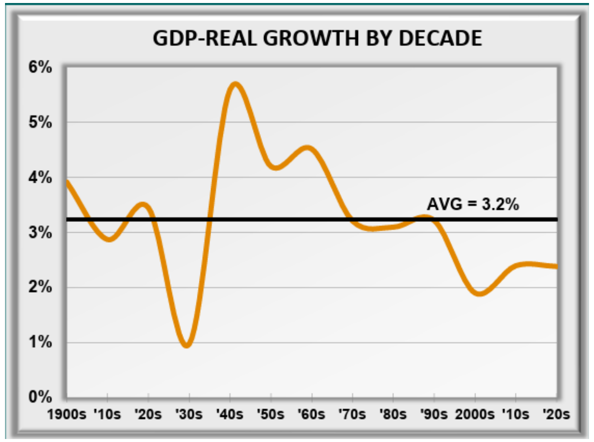
Below the hype, the land of the free and home of the brave was struggling. And, contrary to what the mainstream media has been venting these last few weeks, this demise began long before "Liberation Day". In our Prime Credit update we said:

> *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…*

If one simply remained glued to ever-levitating equity indices, one would scoff at this gloomy description. How could it be that such a *subpar environment* could nonetheless produce such *exceptional investment performance*? The answer? Investor confidence and ample liquidity can do amazing things for financial markets.

A subpar environment

A country's GDP is the sum of all its economic activity – consumer, business, government, and the external sector (imports and exports). US GDP growth has been on the wane for decades:



Source: Crestmont Research

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The graph echoes the "lived experience" for many Americans. A sense that things were on the decline.

Sadly, it's even worse than the graph suggests with a large part of GDP coming from consumption and government expenditure – the "poor quality" components. Much of this activity has been – and continues to be – fuelled by debt. Business investment and exports – the "high quality" components – made far smaller contributions.

But you'd never have guessed this if you held a portfolio of US stocks. Whilst growth in the *real* economy continued to slow, the *financial* markets surged.

Exceptional investment performance

This phenomenon was driven by two forces: value and liquidity.

Simply, substantial government financial deficits (now in the trillions) translated into liquidity looking for a home. The chosen destination was Wall Street. The only challenge was finding stocks available at reasonable prices. But leave that to the marketing department. Talk of the future profits to be generated by Artificial Intelligence, Robotics, and other technological advances, soon convinced investors that *any* price could be paid for tomorrow's winners. This resulted in US markets moving to their most expensive levels *ever*, by some of the more sophisticated measures.

We are now in correction mode. With the US markets – as can always be expected – impacting global confidence and sending all equity markets lower.

What's next?

No one can divine the future.

But one can be confident that there will be rallies and drops. That, *if* this is the end of the longest and strongest bull market in history (March 2009 to today), it won't die easily. That "buying the dip" will continue to be popular. That investors will use yesterday's prices as "anchor points", comparing what a stock trades for today against its past peak rather than its sound pricing and prospects.

We think what is happening is more fundamental. More pervasive. And more enduring. As more and more investors recognise the weakness in Main Street, they will reconsider the pricing and prospects of Wall Street.

Perception is ephemeral. Fundamentals are gravity. One transitory, one timeless.

QUARTERLY INVESTOR UPDATE

A few words on Trump's Tariffs

In the same Prime Credit investor update we referred to earlier we said,

> *(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.*

It's true, as President Trump argues, that tariffs did work in a bygone era. That at the dawn of the 20th century tariffs provided the majority of fiscal receipts for the US Federal government. However, decades of post-World War Two globalisation have seen capital investment made in many nations, the creation of a global logistical framework, the development of centres of expertise, the rise of business networks, and many other factors that make global trade part of the fabric of how the world runs.

The notion of a return to fortress America. The disruption this will cause, the complexities involved, the sacrifices required, are enormous and a substantial threat to real and paper value.

We understand where Trump is coming from. We've described earlier the parlous state and ongoing decline of the US. But we don't think the problem has been correctly diagnosed and therefore the solution is most likely not going to work. Unless, indeed, this is all about the art of the deal and tariffs are a bluff.

We don't believe that free trade has gutted the ability of the United States to remain a manufacturing superpower. Yes, there are many examples of currency manipulation, occupational health and safety issues in developing countries, theft of intellectual property, and some inappropriate tariff protection.

We believe, and this goes for Australia and most (all?) other Western nations, that over-regulation, high taxes, high minimum wages, high energy costs, and a declining work ethic are the essence of our lack of competitivity.

The US – and Australia – *do* need to bring back manufacturing to our shores. But the answer is extensive deregulation, scrapping minimum wages, encouraging businesses to invest by providing an environment in which they can flourish (which would include tax concessions), developing low-cost electricity production, and cutting back on social security to get people back to work.

Socialism has crippled the West, not a nefarious Chinese plot.

The US doesn't need tariffs. It needs free enterprise. And so does Australia.

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In conclusion

Sadly, the changes we’ve described above are even more challenging than ringfencing an economy from competition by throwing up a wall of tariffs. The likelihood is that the headwinds to national growth – for which we have made the case – are set to endure and are likely to be translated into future underperformance by both equity and other risk asset markets.

That’s why we remain excited about our asset class, and the contribution it can make to future portfolio performance. Private credit is generally uncorrelated with financial markets and has qualities that can offer protection from the consequences of the adverse environment described.

For those wedded to the portfolio allocations of the past, we’ll let author, educator and executive coach, Marshall Goldsmith, have the final word:

“What got you here (may not) get you there.”

Fund notes

The Fund's portfolio continues to perform strongly, providing investors with an Internal Rate of Return of 14.8% per annum.

As at 31 March 2025, the Fund has a value of $39.0 million, $34.1 million of this is investor capital and $4.9 million accrued interest. The unit value is $1.03 cents.

During the quarter the Lakeside Estate facility was repaid which enabled the Fund to make a small distribution of 1.57 cents per unit. Distribution details, including the split between capital and income components of all distributions made to date can be found on page 15.

In our previous update for the 31 December 2024 quarter, we identified a facility held by the Fund affected by the failure of the APH group. Specifically:

> *The Fund holds one facility (Whitehorse Road, Deepdene) which has been affected by the failure of APH Holding, a major developer now in administration. Our facility is not part of the APH group but is made to a trust controlled by its owner. The security is in the form of a premium development site, it is ringfenced, there are no cross-guarantees, and it is not subject to the appointment of administrators.*
>
> *We are currently considering several options which include partnering with an experienced developer to commence construction, or a sale of the facility's security. We will keep you informed as we make progress.*

We determined the best course of action was to sell the facility's security which sale went unconditional in early April. The proceeds are sufficient to repay the capital owed, but not the interest accrued. We expect this to have an impact of approximately 1% on the Fund's IRR in the short term. Should the balance of the Fund's portfolio continue to perform as anticipated, the IRR will then track back towards our Target IRR over the next several quarters.

Whilst an underperforming facility is disappointing, we believe the muted impact demonstrates the importance of a diversified portfolio and the ability of the Fund to absorb an outcome such as this.

We anticipate continued repayments of the Fund's facilities and expect to make a further distribution towards the end of the June quarter.

As at 31 March 2025, investors have now received distributions totalling 10.57 cents per unit. With a current unit value of $1.03 per unit, the Fund is currently delivering a 1.14x on total capital invested.

Looking ahead

The strategy behind the High Yield Debt Fund Series continues to deliver exceptional risk-adjusted returns for investors.

Series 1 is now well into its mature phase, with 93.17 cents per unit returned to investors and delivering an Internal Rate of Return of 14% per annum. We are pleased with this performance, noting that Series 1 was launched in March 2022, at a time when the Australian cash rate was a heady 0.1%. Since launch there have been 13 interest rate increases – four of 0.5% and nine of 0.25%, and only a single cut, arriving at the current cash rate of 4.10%. It is common knowledge that higher rates have produced a great deal of stress, particularly in commercial real estate and property construction. We believe that the performance of Series 1, in such a challenging environment, demonstrates both the robustness of the High Yield Debt Fund strategy and the commitment of the management team.

Deployment in Series 3 is going well with 75 cents per unit deployed at the time of writing (mid-April 2025). The fund is providing investors with a similar return to Series 2, that being an Internal Rate of Return of 14.8% per annum.

As described in the *Investment Environment* comments earlier, a more subdued "Main Street" is starting to exert its gravity on "Wall Street" which has until recently arguably behaved in a somewhat bubble-like fashion. The introduction of higher than anticipated tariffs on "Liberation Day" has brought a more sober mood to markets. We ended last quarter's commentary with the words:

> *We continue to describe major financial markets as "fragile", as materially overvalued, and believe we are now late in the bull market cycle and that the fabulous returns recently enjoyed by equity investors are unlikely to be maintained in the years ahead.*

We continue to maintain this view believing that our niche, private debt secured against Australian real estate, originated and managed by considered and experienced management, will prove profitable and constructive for investors.

We take the responsibility of managing your investment with us seriously and thank you for partnering with us.

Key Metrics

$37.7M

Capital called

$4.0M

Fund distributions

Of the $37.7M invested, $4.0M (11 cents per unit) has been repaid to 31 March 2025. This includes capital of $3.6M (10 cents per unit) and $0.4M (1 cent per unit) of income.

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Number of portfolio investments

14.8%

Annual Fund IRR (net of fees and costs) from inception, 1 August 2023 to reporting date, 31 March 2025

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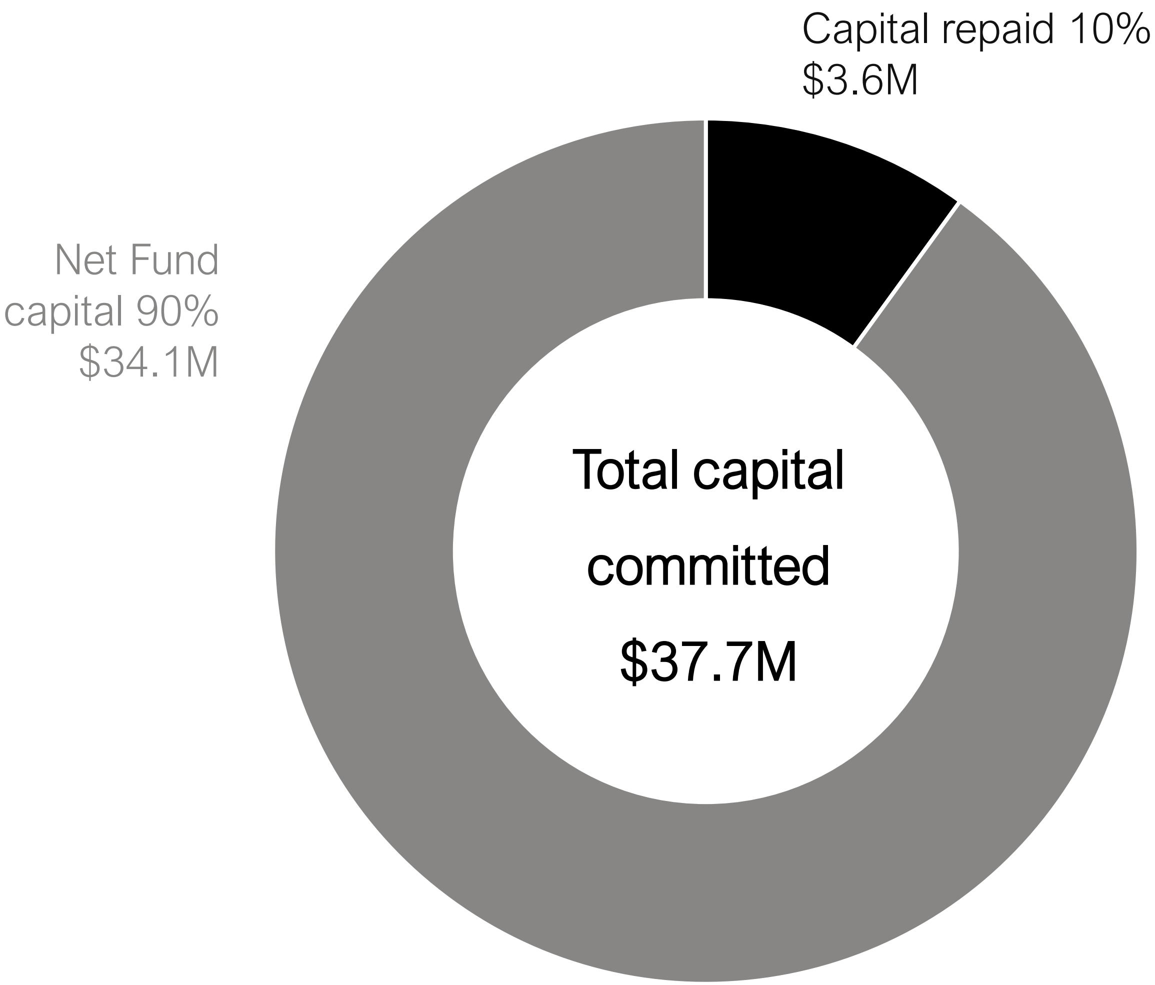
Fund Capital

	Fund	Per unit
Total capital committed	$37.7M	$1.00
Capital movements		
Net Fund capital – 1 January 2025	$34.6M	91c
Capital called during current quarter	-	-
Capital repaid during current quarter	$0.5M	1c
Net Fund capital – 31 March 2025	$34.1M	90c
Capital not yet called	-	-



Fund Performance

The Fund’s net IRR from Inception to Reporting Date is 14.8%.

	Fund	Per unit
Capital called	$37.7M	100c
Capital repaid	$3.6M	10c
Net Fund capital	**$34.1M**	**90c**
Net income distributed	$0.4M	1c
Net income accrued	$4.9M	13c
Total net income since inception	**$5.3M**	**14c**
Annual Fund IRR from inception (1 August 2023) to 31 March 2025 [1]	**14.8%**	

1 The Fund’s final IRR will be determined after the repayment of all transactions in its portfolio.

Detailed Investor Cashflows – Capital Called

Date	Cents per unit
1 August 2023	12c
19 December 2023	15c
24 January 2024	15c
14 June 2024	19c
Financial year ending 30 June 2024	**61c**
2 August 2024	39c
Financial year ending 30 June 2025	**39c**
Total capital called	**$1.00**

Detailed Investor Cashflows – Fund Distributions*

Date	Total cents per unit	Income cents per unit	Capital cents per unit
8 November 2024	9.00	0.82	8.18
13 February 2025	1.57	0.26	1.31
Financial year ending 30 June 2025 (to date)	10.57	1.08	9.49
Total distributions paid to date	10.57	1.08	9.49

*Investors' tax liability is determined by your pro rata entitlement to the income earned by the trust and is not necessarily related to the capital and income components of actual cash distributions. Investors will be provided with an Annual Tax Statement, which we expect to issue within 60 days of financial year end.

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Unit Value

	Fund	Per unit
Net Fund capital	$34.1M	90c
Net income accrued	$4.9M	13c
Net asset value	**$39.0M**	**$1.03**

	Per unit
Unit value as at 31 March 2025	$1.03
Total distributions (capital and income) per unit to 31 March 2025	$0.11
Total growth per unit	**$1.14**

Series 2 Portfolio as at 31 March 2025

Facility	Balance of initial investment	Weighting
1. Land Subdivision, Deanside VIC	$4.5M	13%
2. Underbank Estate, Bacchus Marsh VIC	$4.4M	13%
3. Kallara House, Parkdale VIC	$4.3M	13%
4. The Wickham, Highett VIC	$3.3M	10%
5. Murray Street, Perth WA	$3.0M	9%
6. The Watson, Essendon VIC	$2.3M	7%
7. Alicia Street, Hampton VIC	$2.1M	6%
8. Bridport Street, Albert Park VIC	$2.0M	6%
9. Elanora Place, Parkdale VIC	$1.8M	5%
10. The Carlile, Armadale VIC	$1.7M	5%
11. Point Nepean Road, Rye VIC	$1.6M	5%
12. Whitehorse Road, Deepdene VIC	$1.6M	5%
13. Cove, Coogee NSW	$0.8M	2%
14. Wanda Terraces, Caulfield North VIC	$0.4M	1%
	$33.8M	**100%**

PORTFOLIO REVIEW

Land Subdivision, Deanside

131-171 Deanside Drive, Deanside VIC

The land of 12.12 hectares, located at 131 – 171 Deanside Drive, has a net developable area of 6.7 hectares. The project involves the construction and development of 124 residential lots, providing affordable housing stock with an average lot price of $395k - a price point currently attracting strong demand.

Key Information:

Developer	Solovey
Balance of initial investment	$4.5 million

Project Update

- Financial close took place in February 2023.
- The developer has now engaged a majority of the consultant team via competitive tender.
- The town planning application was submitted to Melton City Council for review.
- Council requested a CHMP (a Cultural Heritage Management Plan) to progress town planning application.
- After an extended period of negotiation, the Developer has completed a complex 'cultural heritage test results' meeting with Wurundjeri HQ and is in the process of submitting a final CHMP to Council.

PORTFOLIO REVIEW

Underbank Estate, Bacchus Marsh

174 Mortons Road, Bacchus Marsh, VIC

Funding provided to refinance an existing Monark senior debt facility, for the construction of stages 21-24 and S901 (147 lots) and estate related works. Monark Group has also funded the senior loan for this project.

Key Information:

Developer	Kataland
Builder	Winslow
Balance of initial investment	$4.4 million

Project Update

- In 2010, the Borrower acquired a 176 ha englobo site, which was approved for a master planned community comprising up to 1,200 lots over 40 stages, as well as communal amenities including sporting facilities, community clubhouse, town center, and parks.
- To date, 432 lots have been delivered, 265 of which Monark has financed over the last 4 years.
- At financial close, the Developer had presold a further 120 lots.
- Subdivision works on site are significantly progressed. However, approvals from Melbourne Water are still pending. The matter has now been escalated in order to expedite the approval.

PORTFOLIO REVIEW

Kallara House, Parkdale

127 – 137 Como Parade East, Parkdale VIC

A facility to fund the construction of a residential apartment building comprising three levels plus a rooftop, designed by Warren and Mahoney Architects. The project includes a mix of thirty-three (33) one, two, and three-bedroom apartments, and a single level basement car park accommodating 49 cars.

Kallara House is located close to the Parkdale train station and retail precinct, and a short walk to Parkdale beach. The sponsor, Lowe Living, is one of Monark's key developer partners.

Key Information:

Developer	Lowe Living
Builder	Lowe Create
Balance of initial investment	$4.3 million

Project Update

- Since settlement of the land facility in December 2023, the developer has secured 16 unconditional presales representing 48% of the apartments available for sale.
- A fixed price construction contract has been executed with Lowe Create (an affiliate of Lowe Living).
- Completed works include structural concrete works and internal structural walls.
- Internal services rough-in has commenced, with rooftop waterproofing and window installation underway.

PORTFOLIO REVIEW

The Wickham, Highett

248 Wickham Road, Highett VIC

A facility to fund the pre-development and construction costs of an industrial redevelopment in Highett, Victoria. The Property sits within an established and proven industrial and commercial precinct.

The Project includes construction of 17 industrial warehouses, two showrooms and a refurbished commercial asset, to be developed across two stages.

Key Information:

Developers	Bridport Projects and Unified Property Services
Builder	C3 Construction
Balance of initial investment	$3.3 million

Project Update

- Financial close occurred in December 2023.
- A lease with the anchor tenant, Animal Emergency Centre (AEC), was signed in May 2024 substantially underpinning the project.
- Works on the AEC refurbishment are complete with practical completion certified in November 2024.
- AEC was successfully relocated to its new refurbished premises in February 2025, with rent paid being used to service the Senior Debt Construction Facility.
- A 6-week marketing campaign to sell the AEC asset commenced in March 2025.
- Five presales have been secured for the industrial warehouses. Interest on other units has picked up following the interest rate cut in February 2025.
- Works on the strata warehouses are also progressing well with all tilt slab panels now erected and structural steel installed. The Builder is now progressing with roof works to achieve site lock-up in April 2025.

PORTFOLIO REVIEW

Murray Street, Perth

503 Murray Street, Perth WA

A facility to assist with the acquisition, refurbishment and leasing of a modern office building located at 503 Murray Street, Perth. The property has large floorplates, four lifts and a five-star NABERS rating (only one of three in Perth), presenting an attractive location for both government and ASX-listed tenants. The property's owners will refinance the Monark facility with bank debt once leasing has achieved set milestones.

The loan represents a discount of 50% to replacement cost in a market where the vacancy rate for A-grade buildings of this quality remains tight.

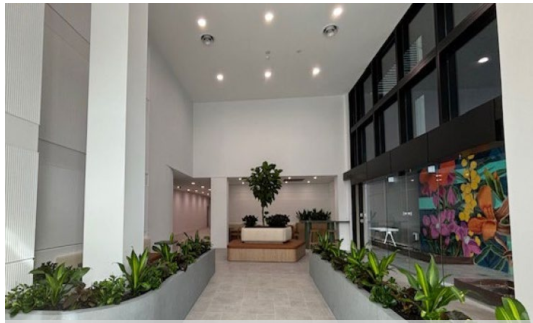
Key Information:

Owner	A syndicate managed by Properties & Pathways
Balance of initial investment	$3.0 million

Project Update

- Financial close occurred in August 2023.
- The owner strategically acquired this A-Grade office asset as a value repositioning play.
- Following a substantial refurbishment, the Property is now being actively marketed for leasing by Sterling Property.
- A lease with a Government agency for approx. 679 sqm (Level 1) commenced on 1 November 2024.
- A Heads of Agreement was entered with an education provider for Level 2 (full floor) with board approval received from both tenant and landlord. The formal lease is currently being drafted with an indicative commencement date of 1 January 2026.
- A Heads of Agreement was signed in mid-March for 327 sqm (Ground Floor) with a global engineering consultancy business.

Completed level 6 break-out area



Completed lobby works.

PORTFOLIO REVIEW

The Watson, Essendon

995 - 1001 Mt Alexander Road & 1 Thorn Street, Essendon VIC

A facility to assist with the construction of a six-level building comprising 37 residential apartments and two retail shops over a two-level basement. The project is sponsored by an experienced developer with a track record of successfully delivering high-end residential developments in Victoria. The Watson targets owner-occupiers and is well positioned for downsizers in the Essendon/Moonee Ponds locality – evidenced by the high proportion of current purchasers who reside in the area.

Key Information:

Developer	Kincrest
Builder	Ireland Brown
Balance of initial investment	$2.3 million

Project Update

- Financial close occurred in January 2024.
- Procurement of trades is 100% complete.
- The structure and services’ rough-ins are complete. All internal works are progressing, with joinery, tiling and timber flooring nearing completion.
- Construction works remain on program.
- 31 apartments, representing 86% of total residential stock, and one retail shop, have been presold. In addition, the remaining retail tenancy is underpinned by an executed Agreement for Lease with a leading suburban grocery chain.

PORTFOLIO REVIEW

Alicia Street, Hampton

31 – 35 Alicia Street, Hampton VIC

A preferred equity facility to assist with the development and construction of a four-level, 32 apartment residential building designed by renowned architects Cera Stribley.

The project, to be developed by Lowe Living, will be built over a two-level basement car park with 63 resident parking bays and six visitor bays.

Key Information:

Developer	Lowe Living
Builder	Lowe Create
Balance of initial investment	$2.1 million

Project Update

- The Developer secured the aggregated site in March 2024 via an off-market purchase.
- Settlement of the site was completed in November 2024.
- A planning permit for the project was received in late January 2025.
- A display suite is under construction with marketing launch scheduled for May 2025.

PORTFOLIO REVIEW

Bridport Street, Albert Park

146–150 Bridport Street, Albert Park VIC

The developer has strategically acquired and amalgamated three sites to develop a mixed-use development comprising luxury apartments, all with basement carparking, to be constructed above office and retail areas. The project is located in a high-profile shopping strip in the blue-ribbon suburb of Albert Park. Designed by well-regarded architecture firm Cera Stribley. Monark is a shareholder in the project.

Key Information:

Developer	Jacmax Projects
Balance of initial investment	$2.0 million

Project Update

- A VCAT application was submitted in March 2023, resulting in the securing of a planning permit in May 2024 for a three-level building.
- Endorsed plans for the permitted scheme was received in December 2024 and the Developer is now preparing to apply for a Section 87A (Amend a Permit) via VCAT to re-instate the fourth level which was lost in the initial VCAT process.
- Marketing materials are currently being prepared for the permitted scheme with marketing of the lower levels expected to commence in the near future.
- World renowned interior designer, Kelly Wearstler, has been engaged to assist Cera Stribley.
- A consultant kick-off meeting is scheduled for April to commence design documentation ahead of an indicative construction start in late 2025.
- A preferred builder will be engaged on an early contractor basis to scope and price the construction contract.

PORTFOLIO REVIEW

Elanora Place, Parkdale

152 Como Parade, Parkdale VIC

A preferred equity facility to assist with the development and construction of a 45-unit apartment project designed by multi award-winning architects, Jackson Clements Burrows. The apartments are proposed to be built over a single level common basement providing 78 traditional car bays.

Key Information:

Developer	Lowe Living
Builder	Lowe Create
Balance of initial investment	$1.8 million

Project Update

- Settlement of the site was completed in December 2024.
- The developer received a planning permit in September 2024 through a compulsory mediation process with Council.
- The display suite was completed prior to Christmas.
- To date the developer has secured six unconditional sales.

PORTFOLIO REVIEW

The Carlile, Armadale

929 – 933 High Street, Armadale VIC

A luxury six-level development with nine apartments and two retail units. Three levels of basement car parking provide traditional garage and tandem car spaces accessed via a car lift. Designed by Bayley Ward, the apartments comprise two, three and four-bedroom units ranging in size from 107 sqm to 332 sqm. The apartments are proposed to be finished to a luxury standard featuring timber flooring, natural stone benchtops and splash backs, Vzug induction appliances, integrated Leibherr fridges and Vintec wine fridges, built in gas fireplaces, floor and wall tiled bathrooms with freestanding tubs and uninterrupted CBD views to the northwest for upper-level apartments.

Key Information:

Developer	Hewson
Builder	Cobild
Balance of initial investment	$1.7 million

Project Update

- A planning permit was issued by Stonnington Council on 23 August 2019.
- Demand for the units in the project has been strong with unconditional sales contracts concluded for five of the nine apartments and for both retail units.
- Construction is now complete with the Statement of Compliance issued in early April.
- Titles are expected to be issued in mid-April with the settlement of sold units taking place shortly thereafter.
- A marketing campaign is underway with newly appointed sales agent Marshall White to sell the remaining units.

PORTFOLIO REVIEW

Point Nepean Road, Rye

2123-2135 Point Nepean Road, Rye VIC

The Project is designed by Cera Stribley architects and is aimed at owner-occupiers / downsizers who are seeking high quality but low maintenance beachside retreats and are priced out of the Mornington / Sorrento & Mount Martha markets. The development consists of 20 apartments and ground floor commercial/retail spaces.

Key Information:

Developer	Curtis York
Builder	Sinjen
Balance of initial investment	$1.6 million

Project Update

- Land for the project was settled in October 2022.
- A planning permit was received in November 2023 and the project launched in late December 2023.
- To date, four units out of 20 have been sold.
- The Developer is currently finalising a construction contract with the Builder, Sinjen.
- An initial proposal for senior construction funding has been received from a bank-and is currently under review.

PORTFOLIO REVIEW

Whitehorse Road, Deepdene

18 – 30 Whitehorse Road, Deepdene VIC

The Property is located in a desirable location within the affluent suburb of Deepdene. The facility will fund the development of a mixed-use building comprising a health club, retail space, residential hotel (20 serviced apartments), 25 dwellings, and a two-level basement.

Key Information:

Developer	APH Holdings
Balance of initial investment	$1.6 million

Project Update

- Financial close occurred in December 2023.
- A planning permit was received for the development of a mixed-use building, comprising a health club, retail, residential hotel, and dwellings.
- In late 2024 the Developer (APH) went into administration. However, the facility is not part of the APH group but is made to a trust controlled by its owner. It is ringfenced, secured by a premium development site, there are no cross-guarantees, and it is not subject to the appointment of administrators.
- Monark considered several options including partnering with an experienced developer to commence construction and sale of the facility's security.
- In March 2025, Monark stepped in as mortgagee in possession to facilitate a sale to a local developer. A contract of sale was executed subject to due diligence up to 31 March 2025. The sale has now gone unconditional, and the deposit paid.

PORTFOLIO REVIEW

Cove, Coogee

76 Bream Street, Coogee NSW

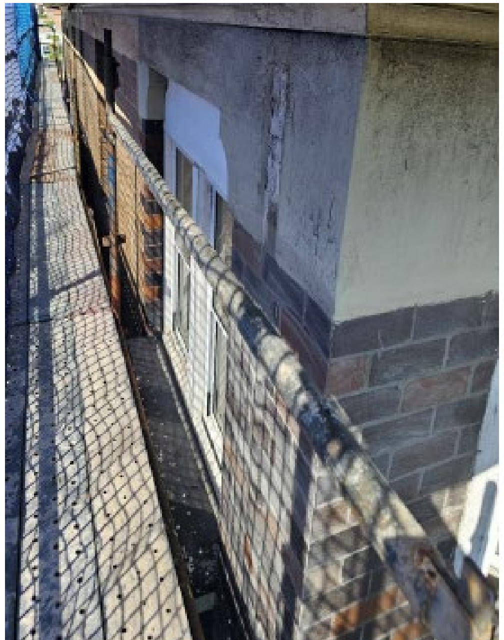
A facility to assist with the acquisition and construction/refurbishment of a circa 1960s built four-level residential building comprising eight apartments. The property is located in a highly desirable location, 200m from Coogee beach.

Key Information:

Developer	Willow Group
Builder	Twentythree Projects
Balance of initial investment	$0.8 million

Project Update

- Financial Close occurred in February 2024 to assist with settlement of the property.
- Demolition and structural reinforcement of the existing building is primarily complete and internal partition framing is well advanced. Service rough ins are underway ahead of plasterboard linings in the coming period.
- The concrete superstructure to the building's rear has been poured to Level 4 with masonry repointing works complete to ~80%.
- Practical Completion was originally scheduled for December 2024. However, due to inclement weather, had been revised to March 2025. Since the last update, the Builder has fallen further behind schedule due to personal health and labour supply issues. The Developer and Builder are currently working through a solution which entails involving a new builder to assist in the delivery of the works.
- Accordingly, Monark is in discussions with the Developer in relation to an extension of the Facility to September 2025, which will require a further equity injection by the borrower.



PORTFOLIO REVIEW

Wanda Terraces, Caulfield North

14 - 16 Hawthorn Road, Caulfield North, VIC

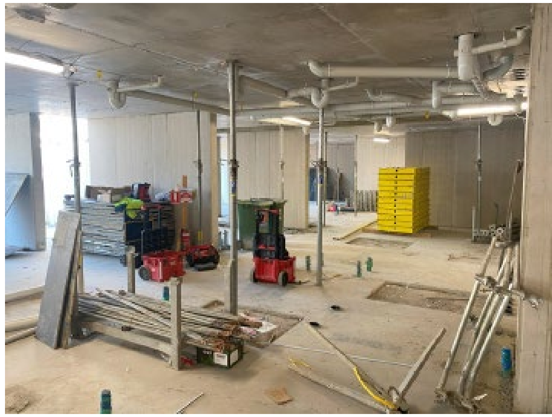
Funding provided for the construction and development of a four-level building, incorporating 24 apartments over two levels of basement carpark. The project is designed by Ewert Leaf to a high level of finish and comprises a mix of two- and three-bedroom configurations. Monark Group has also funded the senior loan for this project.

Key Information:

Developer	Platinum
Builder	Iurada
Balance of initial investment	$0.4 million

Project Update

- Construction commenced in July 2024.
- Procurement is approximately 75% complete and the builder is primarily using known subcontractors.
- Superstructure works are progressing well with formwork to Level 2 continuing.
- 13 unconditional sales out of 24 units have been secured. Sales enquiry has reduced since the last update and the Developer is currently considering a re-launch marketing strategy to stimulate activity.



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