

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	\$244M
Unit price	\$1.00
Number of facilities	29
Portfolio Weighted Average LVR*	64%
Average Portfolio Deployment	98%

\* Excludes all cash held by the Fund.

## Current Performance

Current Yield**	9.43%
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\*\* Last three months annualised.

## Historical Performance

1 month	0.76%
3 months	2.35%
12 months	9.47%
12 months (DRP)***	9.84%

\*\*\* Performance where monthly distributions are 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

# Monark Prime Credit Fund

Investor Update | June 2025

## FISCAL DOMINANCE

All facilities in the Monark Prime Credit Fund's (Fund) portfolio are secure and performing. The Fund delivered a return of 0.76% for the month ended 30 June 2025 and now provides investors with a current cash yield, calculated by annualising the returns of the last three months, of 9.43% per annum.

### Brief comment on the investment environment

When the dust has settled and economic historians write the chapter describing the post GFC period, we suspect that two words will stand out – fiscal dominance.

Fiscal dominance is a situation where a government's fiscal policy has a far greater impact on the real economy – and financial markets – than that of the country's reserve bank monetary policy.

Simply, for much of the last 15 years, fiscal policy has been "running hot". This period is unprecedented in its scale and is producing outcomes that have many economists and students of financial history scratching their heads.

But if one looks carefully, fiscal dominance explains much of today's unusual market and investor behaviour. It explains why so many economists got last week's expected rate cut wrong. When fiscal policy runs hot, monetary policy needs to remain restrictive. It explains why equity markets are overvalued and continue to become even more expensive. It explains the behaviour of both gold and Bitcoin – they are essentially currencies with constrained or limited supply. As fiat money supply increases, their value in fiat rises too.

Fiscal dominance has had a profound impact on investment portfolios, with many bellwether markets at or near all-time highs. But like a tapped out credit card it has its limits. Recent US dollar weakness may be the first sign that the world's credit engine is starting to struggle.

Investors should be looking carefully for any evidence of fiscal restraint, slowing credit growth, and declining liquidity. The repricing of assets that have flourished in today's environment may be severe. History contains no good outcomes after periods of parabolic price rises and significantly stretched pricing.

We suspect it is the growing realisation that excessive government debt creation has an expiry date, and that risk assets which have benefitted from this period of fiscal dominance are vulnerable, that has motivated investors to make an allocation to private credit. Particularly towards senior-secured facilities with real estate as collateral. In Buffett parlance, we believe that Prime Credit is wearing bathers. And when the tide goes out, we'll be fine.

### Land Subdivision, Cranbourne West (Harli)

Our portfolio table on the next page shows the Harli facility with a loan-to-value (LVR) ratio of 74%. Typically, this would be considered high for a senior debt facility. However, there are a number of factors which give us a great deal of comfort with this transaction. These include an experienced developer with whom we have worked for several years, strong demand for the product we are funding – land lots in a popular growth corridor (evidenced by a number of recent sales), and a modest residual LVR of 53%. Plus, the higher LVR enables Prime Credit to earn an enhanced return on the facility. Importantly, the Portfolio Weighted Average LVR at 64%, remains within the covenant of 65%.

### Temporary fund closure to new investment

Due to strong investment inflows over the last quarter, and several material facility repayments, we believe the Fund's liquidity is sufficient to meet its commitments for the immediate future. We have always communicated that our priority is to optimise investor returns, not to grow our funds under management. We have therefore decided to temporarily close the Fund to new investment. We have opened a Wait List for investors wishing to invest which will operate on a first-come, first-in basis. With a number of attractive opportunities undergoing due diligence, we expect the Fund will soon be able to accept new investment. We will continue to advise you of our progress in this regard.

## 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	0.80	0.79	0.76							9.39%

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.

## Monark Property Partners Pty Ltd

### Melbourne Office

Level 2, 390 Malvern Road  
Prahran VIC 3181  
03 8517 1710

### Sydney Office

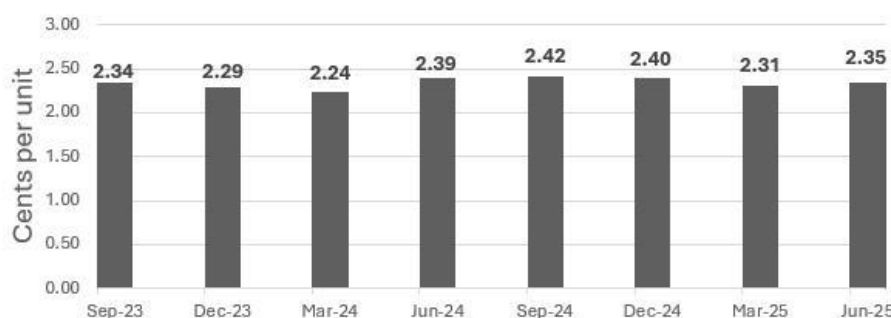
Westfield Tower 2,  
22/101 Grafton Street  
Bondi Junction NSW 2022  
02 8095 6450

monarkpartners.com.au  
AFSL No.519884

# Monark Prime Credit Fund

Investor Update | June 2025

## Total distributions paid each quarter (over last two years / cents per unit)



## Portfolio details as at 30 June 2025

	Fund Weighting	Loan to Value Ratio (LVR)	Expected Return
<b>Top Five Facilities</b>			
Land Acquisition Greenvale (VIC)	10%	64%	10.8%
Residential Construction Parkdale (VIC)	7%	65%	10.8%
Term Debt Commercial Perth (WA)	7%	57%	10.2%
Land Subdivision Cranbourne West (VIC)	6%	74%	11.1%
Commercial Construction Highett (VIC)	6%	61%	10.6%
<b>Other Facilities</b>	64%	64%	10.6%
<b>Cash</b>	0%	N/A	3.3%

### 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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