



MONARK

Realising the remarkable

Monark High Yield Debt Fund – Series 2 Quarterly Investor Update

30 September 2025

QUARTERLY INVESTOR UPDATE

Please Note

Information contained in this investor update

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QUARTERLY INVESTOR UPDATE

Dear Investor

Welcome to the Monark High Yield Debt Fund – Series 2 (the Fund, Series 2) update for the quarter ended 30 September 2025

Executive summary

The Fund's portfolio continues to perform strongly, achieving target and providing investors with a since-inception Internal Rate of Return (IRR) of 15.0% per annum.

During the quarter The Wickham, an industrial redevelopment in Highett, was repaid leaving the Fund with 12 portfolio investments. In addition, the Fund received realised income from an earlier investment in the Rockpool Rainbow Bay facility. This enabled a distribution of 12.81 cents per unit, which was paid to investors on 22 August. To date investors have received distributions totalling approximately 34 cents per unit.

We anticipate receiving three repayments over the next few months. Murray Street, Perth is expected to repay in mid-November, enabling a distribution of 13 cents per unit. Both Kalara House, Parkdale and Cove, Coogee are expected to repay in late December or early 2026 providing for further distributions totalling approximately 17 cents per unit.

The current unit value is approximately 87 cents. Total growth per unit (current value plus distributions) is therefore \$1.21, providing investors with a current return on capital committed of 1.21x.

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 challenge two beliefs embraced by many investors. Beliefs which if blindly accepted have the potential to cause great harm to an investment portfolio and financial wellbeing. We also explain why investing in private debt – and funds such as Monark High Yield Debt - does not rely on either belief to deliver the outcomes our investors seek.

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's final call for funds completed on 16 July, we launched Series 4 soon thereafter. With a proven thesis underpinning the performance of all three earlier funds, investor demand for Series 4 was particularly strong. We sought to accommodate requests where possible, but set a hard cap at \$60m, \$10m higher than the capital sought.

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

QUARTERLY INVESTOR UPDATE

Investment environment

In this note we explore two widely held investor beliefs. Beliefs, which if examined more carefully, are nowhere near as robust as the consensus would like to imagine. Beliefs, which if blindly accepted, have potential to cause great harm to an investment portfolio and financial wellbeing. We also consider how an investment in private debt, through funds like High Yield Debt, does not rely on either belief to deliver the outcomes investors look for.

But first some wise words on calibrating one's mindset when it comes to deciding what to believe.

Thank you, Mac Davis

Way back in 1980, American country music artist, Mac Davis, wrote a song with the cheeky title, "It's Hard to be Humble".

The chorus goes like this:

Oh, Lord it's hard to be humble, when you're perfect in every way.

I can't wait to look in the mirror, I get better looking each day.

To know me is to love me, I must be one hell of a man.

Oh, Lord it's hard to be humble, but I'm doing the best that I can.

For Mac it was a tongue-in-cheek dig at ego, humility being in short supply amongst his fellow celebrity musicians.

Humility

We believe that humility is an essential quality for those entrusted with the capital of others. But after 15 years of history's longest and greatest bull market, we sense that this quality is in short supply.

This was underlined recently at Citibank's Australian investment conference.

The bank's chief global market strategist Jim McCormick observed that the market's measures of uncertainty are about as low as they have ever been. Low uncertainty means high certainty.

McCormick observed, "We need to be humble, but markets are pricing in no humility. They're certain that everything is fine."

That's dangerous. Why? Because certainty means confidence. And confidence means being comfortable paying top dollar. And paying top dollar almost always results in a poor investment outcome.

Let's explore two widely held beliefs that feed today's confidence. A confidence boosted by a lack of humility and arguably responsible for some of the highest prices ever paid for investment assets.

QUARTERLY INVESTOR UPDATE

Belief 1: It's about *time in* the market. Not *timing* the market.

In other words, it's always a good time to invest.

This is a cornerstone belief and mantra of many (most?) financial advisors.

Like many questionable beliefs there's an element of truth. It is true sometimes. And sometimes not. The smart is not clinging to the rule but knowing *when* to cling to the rule.

It is true that time heals *almost* all wounds. That irrespective of when you invest, if you hold on long enough, you'll see a profit. But how long is long?

One of the 20th century's greatest economists, John Maynard Keynes, observed, "in the long run we are all dead". That's an undeniable truth which should inform the term for which an investor will commit capital.

With regards to timing then, quite simply there are many examples throughout history when poor timing led to very poor outcomes.

Here's one.

The STOXX50 comprises Europe's top 50 stocks. The bluest of the blue chips. You'll know many of the names: Allianz, BNP Paribas, LVMH Moët Hennessy Louis Vuitton, Hermes International, L'Oreal, Danone, Airbus, Adidas, Nokia, Siemens, Bayer, BMW, Mercedes-Benz etc.

Here's a graph of this index from the turn of the century:



On the 6th of March 2000, the index closed at 5464.

On the 19th of September 2025, the index closed at 5458 and only after this date has gone on to new all-time highs.

Over 25 years going nowhere. Add inflation and your wealth has taken a big step backwards.

What lessons can we learn?

1. Time does heal *almost* all investment wounds. But sometimes this can take a terribly long time. Different investors have different time horizons. One cannot apply the same philosophy for both the 25-year-old and the 65-year-old. The shorter your horizon, the less faith you can place in the belief.

QUARTERLY INVESTOR UPDATE

2. Time is not a substitute for more careful consideration. Simply, unlike planting an oak tree, there are better times to invest than others. Timing is important – buying when there is angst in the air and the price you pay for each dollar of earnings is below the multi-year average. That was not the case in March 2000 (at the height of the Dotcom boom) and it is likely not the case at what may very well turn out to be the height of the AI boom.

Time in the market, not timing the market is a glib, lazy belief. It lacks both historical rigour and ignores personal time horizons.

Belief 2: The market discounts the future

In our recent update to Prime Credit fund investors, we said:

It is usually taken as read that rising financial markets signal good times ahead. That today's asset prices are tomorrow's expected cashflows discounted at a rate the market feels appropriate for the risk of those flows manifesting.

The narrative currently embraced by most investors is for AI to boost profitability and for interest rates to continue to track down. A double positive for the bottom line. Like the force, these expectations are strong and the risks threatening this outcome perceived as low, hence most major markets trading close to all-time highs - both indices and the prices investors are prepared to pay for each dollar of future earnings.

We accept that this narrative may very well turn out to be correct.

However, we suggested that an alternative, more narrowly held narrative, may in fact be the driver behind today's extraordinary market performance. This narrative offered by Macquarie Bank's Global Strategist, Victor Shvets.

We wrote:

Shvets believes that one of the defining problems of today's modern economies is an oversupply of capital. He maintains that decades of financialisation, loose monetary policy, and technological progress have generated far more capital than the global system can productively absorb. Instead of fuelling broad-based growth, this glut of capital flows into financial markets, speculative assets, and corporate buybacks.

Shvets observes that capital has increasingly moved away from labour and the "real economy". Productivity and wage growth remain subdued even as asset prices soar, because excess capital prefers chasing returns in financial instruments rather than funding innovation or socially useful investment.

We see this in Australia's GDP breakdown where business investment is a perennial laggard.

And we see this in the multi-year rise of financial markets, primarily driven by investors paying more for earnings (i.e. multiple expansion) rather than earnings growth itself, which is tethered to the real economy.

QUARTERLY INVESTOR UPDATE

This then is an entirely different way of understanding today's investment markets. Rather than signalling a growing economy, stronger cashflows and less investment risk, markets mirror the desperate need for capital to find a home, a home for which top dollar is paid.

What does this mean for investors in Monark's High Yield Debt funds?

We have made the point that when it comes to most investment assets – in this note the very best companies in Europe – an investor cannot simply write a cheque and expect an optimal outcome. That if you invest at an inopportune time, you may have to wait decades just to get your capital back.

The entry prices paid when investing in the High Yield Debt funds do not rise and fall in cadence with investor mood and economic cycles. Units are priced at an objective net asset value. Each dollar you invest buys a dollar's worth of secured debt.

This means that timing risk is far more muted.

Further, if Shvets is right and if market behaviour over the next 25 years rhymes with the last, we could also see a material correction, or at the very least a period of price stagnation. Why? Because market prices almost always "mean revert". That means they return to the average prices investors have always offered for each dollar of earnings.

Capital gains are ephemeral, able to reverse until realised. Whilst markets have consistently reached higher highs and higher lows, it's the capital gains from investments made during the last leg of a bull market that tend to be lost. Are we in that last leg, the home straight, extra time? Who knows? Current pricing and investor behaviour would suggest so.

The gains achieved by investors in Monark's High Yield Debt Fund Series are arguably more certain. Debt is a contract and interest accrued is interest due. The outcome of your investment is aligned to the success of the development funded and the ability of the borrower to repay. Transparent controllables which we carefully monitor and manage.

As markets continue to march to new highs on higher and higher multiples rather than sustainable earnings, we believe that more and more astute investors will look for - and allocate into – investments generally agnostic to timing, and whose drivers are local and easily understood rather than subject to the uncertainty and complexity associated with global investment markets.

We believe the High Yield Debt funds are an excellent exemplar of just such investments.

QUARTERLY INVESTOR UPDATE

Fund notes

The Fund's remaining portfolio continues to perform strongly, providing investors with an IRR of 15.0% per annum.

As at 30 September 2025, the Fund has a value of \$32.7 million, \$27.1 million of this is investor capital and \$5.6 million accrued interest. The unit value is 86.8 cents.

During the quarter The Wickham, an industrial redevelopment in Highett, was repaid leaving the Fund with 12 portfolio investments. In addition, the Fund received realised income from an earlier investment in the Rockpool Rainbow Bay facility. This enabled a distribution of 12.81 cents per unit, which was paid to investors on 22 August. To date investors have received distributions totalling approximately 34 cents per unit. Details, including the split between the capital and income components for these distributions, are provided on pages 14 and 15.

We anticipate receiving three repayments over the next few months. Murray Street, Perth is expected to repay in mid-November, enabling a distribution of 13 cents per unit. Both Kalara House, Parkdale and Cove, Coogee are expected to repay in late December or early 2026 providing for further distributions totalling approximately 17 cents per unit.

As at 30 September 2025, investors have now received distributions totalling 34.3 cents per unit. With a current unit value of 86.8 cents per unit, the Fund is delivering a 1.21x on capital committed. With the Fund's portfolio now established and performing well, we expect the times cash committed will continue to increase.

QUARTERLY INVESTOR UPDATE

In summary

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 \$1.08 per unit returned to investors.

Series 3, which completed its last call for capital on 16 July, is performing well with an IRR of 14.8% per annum.

Series 4 launched on 15 August with committed capital of \$60 million, \$10 million higher than the target disclosed in its Information Memorandum. We see this demand as a reflection of the growing investor interest in the High Yield Debt Fund Series. As we describe in our *Investment Environment* note, there is a global surplus of capital, or, looked at the other way, a limited number of attractive deployment opportunities. Until these circumstances change, we will remain disciplined around how much capital we accept. This to avoid pressure to deploy into subpar opportunities and mindful of the preference our investors have for shorter deployment periods, thus avoiding the need to hold cash for lengthy periods anticipating capital calls.

In the *Investment Environment* note we also sought to challenge the mantra around “*time in* the market, rather than *timing* the market”. We show that this is historically incorrect and more a sound bite of those who have hung up their shingle post GFC. We concluded that unrealised capital gains are just that – unrealised and can reverse as quickly as they accumulated. We contrasted this vulnerability with the more robust notion of accrued interest – a number underpinned via by contract, and far more certain than the uncertainty of future moods and cashflows.

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

QUARTERLY INVESTOR UPDATE

Key Metrics



\$37.7M

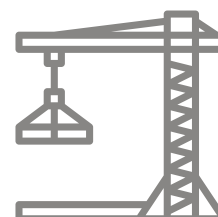
Capital called



\$12.9M

Fund distributions

Of the \$37.7M invested, \$12.9M (34 cents per unit) has been repaid to 30 September 2025. This includes capital of \$10.6M (28 cents per unit) and \$2.3M (6 cent per unit) of income.



12

Number of portfolio investments



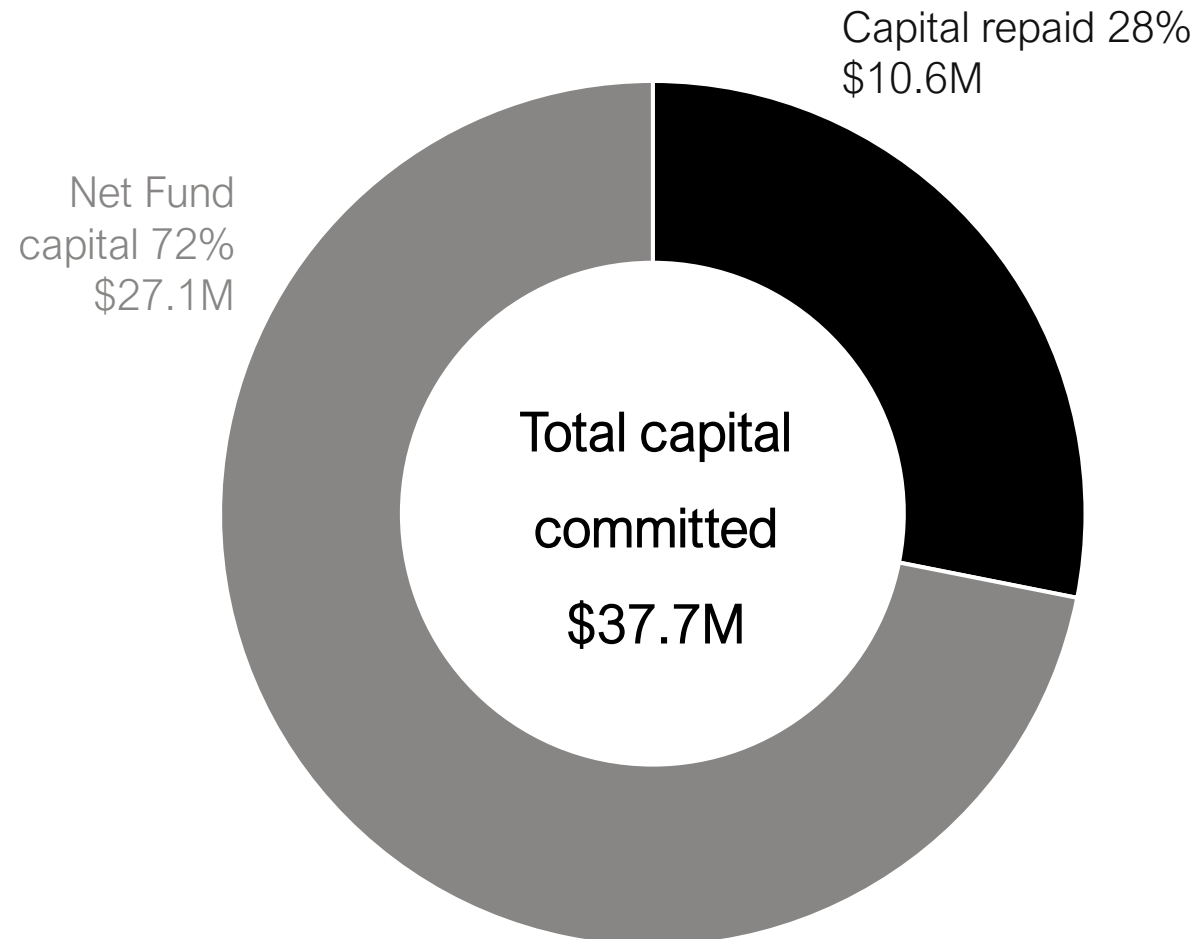
15.0%

Annual Fund IRR (net of fees and costs) from inception, 1 August 2023 to reporting date, 30 September 2025

QUARTERLY INVESTOR UPDATE

Fund Capital

	Fund	Per unit
Total capital committed	\$37.7M	\$1.00
Capital movements		
Net Fund capital – 1 July 2025	\$30.4M	81c
Capital called during current quarter	-	-
Capital repaid during current quarter	\$3.3M	9c
Net Fund capital – 30 September 2025	\$27.1M	72c
Capital not yet called	-	-



QUARTERLY INVESTOR UPDATE

Fund Performance

The Fund's net IRR from Inception to Reporting Date is 15.0%.

	Fund	Per unit
Capital called	\$37.7M	100c
Capital repaid	\$10.6M	28c
Net Fund capital	\$27.1M	72c
Net income distributed	\$2.3M	6c
Net income accrued	\$5.6M	15c
Total net income since inception	\$7.9M	21c
Annual Fund IRR from inception (1 August 2023) to 30 September 2025 ¹	15.0%	

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

QUARTERLY INVESTOR UPDATE

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

QUARTERLY INVESTOR UPDATE

Detailed Investor Cashflows – Fund Distributions*

Date	Total cents per unit	Income cents per unit	Capital cents per unit
8 November 2024	9.00c	0.82c	8.18c
13 February 2025	1.57c	0.26c	1.31c
22 May 2025	6.80c	0.60c	6.20c
11 June 2025	4.09c	0.49c	3.60c
Financial year ending 30 June 2025	21.46c	2.17c	19.29c

*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.

QUARTERLY INVESTOR UPDATE

Detailed Investor Cashflows – Fund Distributions*

Date	Total cents per unit	Income cents per unit	Capital cents per unit
22 August 2025	12.81c	4.04c	8.77c
Financial year ending 30 June 2026	12.81c	4.04c	8.77c
Total distributions paid to date	34.27c	6.21c	28.06c

*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.

QUARTERLY INVESTOR UPDATE

Unit Value

	Fund	Per unit
Net Fund capital	\$27.1M	72.0c
Net income accrued	\$5.6M	14.8c
Net asset value	\$32.7M	86.8c
		Per unit
Unit value as at 30 September 2025		87c
Total distributions (capital and income) per unit to 30 September 2025		34c
Total growth per unit		\$1.21

QUARTERLY INVESTOR UPDATE

Series 2 Portfolio as at 30 September 2025

Facility	Balance of initial investment	Weighting
1. Land Subdivision, Deanside VIC	\$4.5M	17%
2. Underbank Estate, Bacchus Marsh VIC	\$4.3M	16%
3. Kallara House, Parkdale VIC	\$4.2M	16%
4. Murray Street, Perth WA	\$3.0M	11%
5. Marella, Hampton VIC	\$2.1M	8%
6. Bridport Street, Albert Park VIC	\$2.0M	8%
7. Elanora Place, Parkdale VIC	\$1.8M	7%
8. Point Nepean Road, Rye VIC	\$1.6M	6%
9. Whitehorse Road, Deepdene VIC	\$1.6M	6%
10. Cove, Coogee NSW	\$0.8M	3%
11. Wanda Terraces, Caulfield North VIC	\$0.4M	1%
12. The Carlile, Armadale VIC	\$0.3M	1%
	\$26.6M	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. Monark is a shareholder in the project.

Key Information:

Developer	Solovey
Balance of initial investment	\$4.5 million

Project Update

- The Developer has decided to sell the project due to delays and costs associated with obtaining the Cultural Heritage Management Plan (CHMP).
- Stonebridge Real Estate agents were engaged to run an EOI Campaign.
- After considering offers from third parties, the Developer submitted a higher offer (~5% above 3rd party offers) to buy the Fund's interest in the Project. This will result in the Fund receiving repayment of the full principal and part of the accrued coupon.



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	\$4.3 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.
- Pavement construction works are primarily complete with the exception of the pavements over the culverts.
- Sewer and Drainage are primarily complete along with water main works. Landscaping works are well advanced.



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	\$4.2 million

Project Update

- Since settlement of the land facility in December 2023, the developer has secured 20 unconditional presales representing 61% of the apartments available for sale.
- All major works including plastering and cladding are complete.
- Joinery, internal services, floor coverings, painting, and tiling are close to completion, with landscaping currently underway.
- Adjusted Practical completion date is November 2025 with settlements expected in December 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.

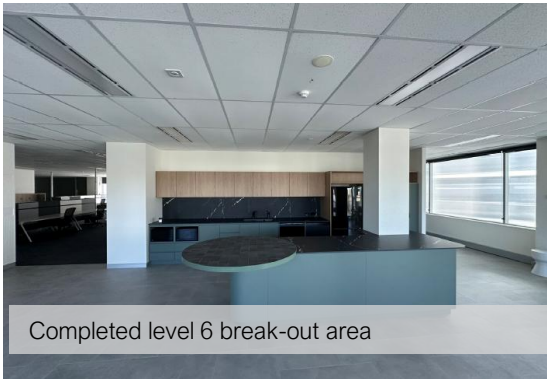
The loan represents a discount of 50% to replacement cost in a market where the vacancy rate for A-grade buildings of this quality remains tight.

Key Information:

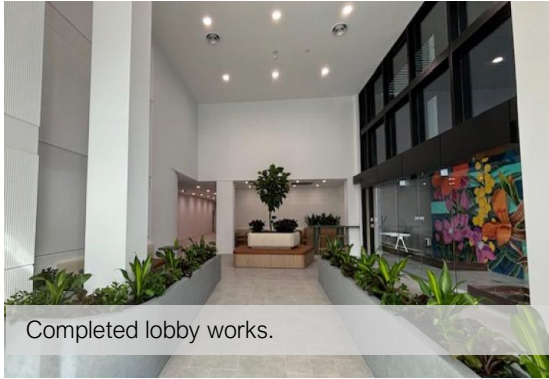
Owner	A syndicate managed by Properties & Pathways
Balance of initial investment	\$3.0 million

Project Update

- Financial close occurred in August 2023.
- The owner strategically acquired this A-Grade office asset as a value repositioning play.
- Following the success of the project’s refurbishment and leasing activity, the Owner has confirmed the facility will be repaid in mid-November 2025. The proceeds will be distributed to investors shortly thereafter.



Completed level 6 break-out area



Completed lobby works.

PORTFOLIO REVIEW

Marella, 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. Monark is a shareholder in the project.

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 took place in November 2024.
- A planning permit for the project was received in late January 2025.
- The project display suite has been completed, the project launched, and two contracted pre-sales achieved to date.
- Monark is currently in discussions to provide a senior construction debt facility.
- Demolition of existing structures is underway. Services upgrade works to water & electricity have commenced.
- Construction is expected to start before Christmas 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 were received in December 2024. The Developer then applied for a Section 87A (Amend a Permit) via VCAT to re-instate the fourth level which was lost in the initial VCAT process. VCAT mediation was held in early October 2025, the outcome of which will be provided in the next quarterly update.
- World renowned interior designer, Kelly Wearstler, has completed the interior design work which has been integrated into the scheme by Cera Stribley.
- 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 43-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. Monark is a shareholder in the project.

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 11 unconditional sales.
- NAB has approved a senior debt construction facility with financial close achieved in mid-October.
- The construction contract has been executed, and construction is now underway.



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. Monark is a shareholder in the project.

Key Information:

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

Project Update

- 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 has executed a Heads of Agreement (HOA) with Snap Fitness for the entire ground floor retail space and is in the final stages of executing an Agreement for Lease (AFL).
- The executed AFL is anticipated to increase the project’s value by circa \$1.1 million, with an updated valuation anticipated by end October 2025.
- The Developer is currently finalising a construction contract with the Builder, Sinjen, anticipated to be executed before the end of October 2025.
- Approval for a 65% LVR (Loan to Value Ratio) and 80% LTC (Loan to Cost) senior construction facility has been approved by Westpac.
- Documentation for both the construction facility and contract has been finalised, with construction expected to commence in November 2025.



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 was intended to 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

- In late 2024 the Developer (APH) went into administration. The facility was not part of the APH group but held by a trust controlled by APH's owner and not subject to the appointment of administrators.
- This allowed Monark to consider several exit options.
- In March 2025, Monark stepped in as mortgagee in possession to facilitate a sale to a local developer. A contract of sale was executed and a 10% deposit paid.
- The settlement date is in June 2026.



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 (transferring to Hogs & Co)
Balance of initial investment	\$0.8 million

Project Update

- Since the last update, the Developer has executed a Deed of Settlement and Release with the outgoing builder (Twentythree Projects) and subsequently executed a new construction contract with Hogs & Co Projects (**Hogs**).
- Procurement is complete. Delays in re-contracting with the joinery and window subcontractors have now been resolved. Installation commenced in late September.
- Structural reinforcement of the existing building is complete, and the roof has been replaced. Window installation is 90% complete. Services connections are also underway.
- Internal partition framing and plasterboard is primarily complete.
- The project is expected to complete in November 2025.



PORTFOLIO REVIEW

Wanda Terraces, Caulfield North

14 - 16 Hawthorn Road, Caulfield North, VIC

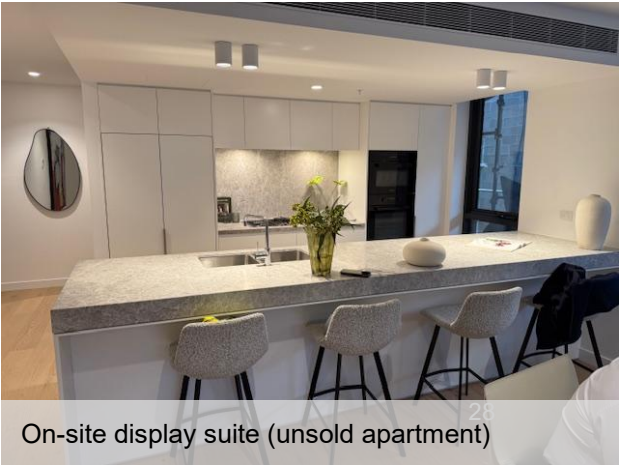
Funding provided for the construction and development of a four-level building, incorporating 24 apartments over two levels of basement carpark. The project is designed by Ewert Leaf to a high level of finish and comprises a mix of two- and three-bedroom configurations. Monark Group has also funded the 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 complete.
- The structure works are complete along with external framing and windows. Brickwork is primarily complete and render works are underway on the façade. Internally, plasterboard is complete on all levels and finishes are well advanced with tiling and joinery underway on Level 3.
- Authority supply applications are complete, and the builder has received offers for electrical supply, water and sewer, NBN and gas. The council stormwater connection, sewer works, watermain works and electrical conduit works have all been completed with NBN and gas to be connected in the coming period.
- The Developer has reported an uptick in presale enquiry following the completion of the on-site display suite (see photo to the right) with several inspections held and more scheduled.
- 13 unconditional sales out of 24 available units have been secured.



On-site display suite (unsold apartment)

PORTFOLIO REVIEW

The Carlile, Armadale

929 – 933 High Street, Armadale VIC

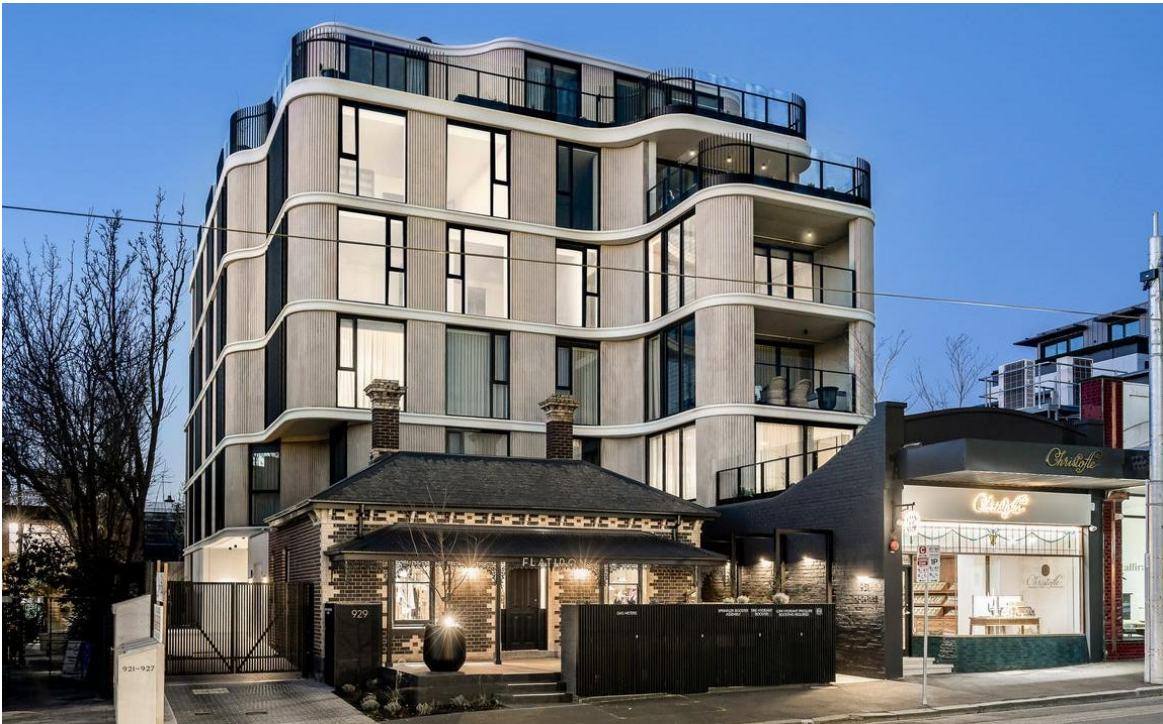
A luxury six-level development with nine apartments and two retail units. Three levels of basement car parking provide traditional garage and tandem car spaces accessed via a car lift. Designed by Bayley Ward, the apartments comprise two, three and four-bedroom units ranging in size from 107 sqm to 332 sqm. The apartments are proposed to be finished to a luxury standard featuring timber flooring, natural stone benchtops and splash backs, Vzuga 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	\$0.3 million

Project Update

- Construction is now complete.
- Seven units have been sold and settled with the proceeds used to repay the senior debt facility.
- A marketing campaign is underway with sales agent Marshall White to sell the remaining units.
- Both retail units are occupied and operating, the first as a high-end women's fashion brand FLATIRON, and the second the luxury gifts' boutique, Christofle.
- A further unit is scheduled to settle in January 2026 for a consideration materially above valuation.



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