

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	\$271M
Unit price	\$1.00
Number of facilities	29
Portfolio Weighted Average LVR*	61%
Average Portfolio Deployment	99%

* Excludes all cash held by the Fund.

Current Performance

Current Yield**	9.16%
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** Last three months annualised.

Historical Performance

1 month	0.75%
3 months	2.31%
12 months	9.36%
12 months (DRP)***	9.74%

*** 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 | September 2025

ALIGNING CAPITAL WITH OPPORTUNITY

All facilities in the Monark Prime Credit Fund's (Fund) portfolio are secure and performing. The Fund delivered a return of 0.75% for the month ended 30 September 2025 and now provides investors with a current cash yield, calculated by annualising the returns of the last three months, of 9.16% per annum.

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.

This narrative may very well turn out to be correct.

However, there is an alternative narrative *we consider more likely* for which the outcome won't be as benign.

It's less sexy than AI, more complicated to explain, and less complementary of government and the investment industry in general.

A leading voice embracing this alternative narrative is Macquarie Bank's Global Strategist, Victor Shvets.

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.

Simply, the system has produced more capital than can be productively deployed.

What does mean for Monark and your investment in Prime Credit?

We do not operate in a vacuum and are subject to the forces Shvets describes. We have often stated that we are a patient organisation, not subject to burdensome overhead costs nor compelled by barracking shareholders demanding aggressive growth. This allows us to cherry pick the deals we like. We remain strongly committed to this way of doing business.

Over the last several months we have seen increasingly strong demand to invest in Prime Credit. We couldn't be more pleased or more grateful. However, these inflows combined with several material repayments we expect to receive this quarter, have ensured we have sufficient capital to meet the Fund's forecast commitments. We have therefore chosen to temporarily close the Fund to new investments for the remainder of 2025 and will reassess the situation in early 2026.

That said, we continue to see the kind of opportunities we like, and into which Prime Credit will invest. This is simply a pause to ensure capital and opportunity align. In other words, to avoid the pressure to deploy, the issue Shvets has been so vocal about.

In the meantime, please let us know if you would like to invest in Prime Credit. We have opened a Wait List which will be accommodated on a first in, first served basis.

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	0.78	0.78	0.75				9.30%

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

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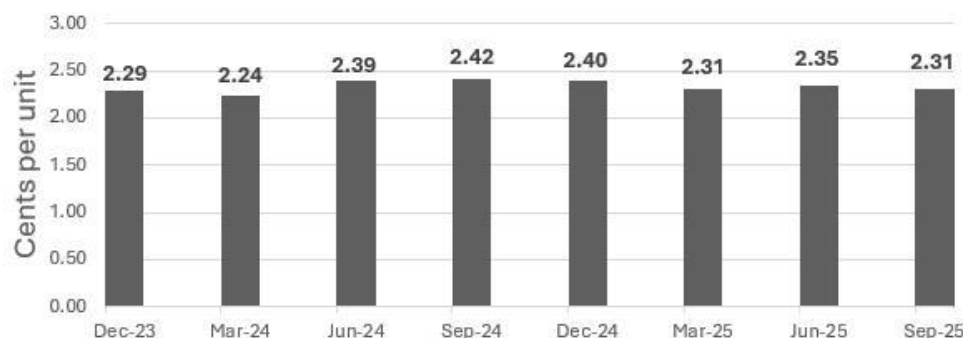
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AFSL No.519884

Monark Prime Credit Fund

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



Portfolio details as at 30 September 2025

	Fund Weighting	Loan to Value Ratio (LVR)	Expected Return
Top Five Facilities			
Land Acquisition Truganina (VIC)	11%	34%	10.4%
Land Acquisition Greenvale (VIC)	10%	68%	11.1%
Residential Construction Parkdale (VIC)	8%	65%	10.8%
Term Debt Commercial Perth (WA)	7%	50%	9.8%
Land Subdivision Cranbourne West (VIC)	6%	74%	11.1%
Other Facilities	58%	64%	10.6%
Cash	0%	N/A	3.1%

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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