

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	\$290M
Unit price	\$1.00
Number of facilities	24
Fund LVR	58%
Portfolio LVR*	65%
Average Portfolio Deployment	90%

* Portfolio weighted average LVR (excludes all cash held by the Fund).

Current Performance

Current Yield** 8.32

** Last three months annualised.

Historical Performance

1 month	0.63%
3 months	2.05%
12 months	8.98%
12 months (DRP)***	9.39%

*** 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

THE DOG THAT DIDN'T BARK

We are pleased to provide you with the Prime Credit Fund's (the Fund) update for the month ended 28 February 2026.

The Fund delivered a return of 0.63% for the month, providing investors with a current cash yield of 8.32% per annum, calculated by annualising the returns generated over the past three months.

At a recent summit hosted by the Australian Financial Review, the topic of Artificial Intelligence dominated discussion. Not Middle East conflict, nor geopolitics, housing affordability, inflation, tax reform, or government deficits. Instead, the conversation kept returning to how quickly AI is moving from an experimental technology to something that is already reshaping everyday business operations.

The AFR described the moment as "the dog that didn't bark" — a quiet but unmistakable shift in how companies think about the future.

Fresh developments suggest this change is already underway. Logistics software group WiseTech Global recently announced significant job reductions, widely interpreted as an early sign that AI-driven productivity improvements are beginning to influence employment decisions in corporate Australia.

Many investors believe AI will significantly boost productivity and corporate profits, thereby supporting historically expensive equity prices. That may well prove true. But history tells us that when technology changes quickly, some companies benefit while others disappear.

Examples are easy to find. When Ford Motor Company introduced mass-produced cars, the stagecoach industry disappeared. Apple's iPod transformed the music industry, while Sony's once-iconic Walkman quietly faded away. Eastman Kodak Company, once synonymous with photography, collapsed when digital cameras took over.

Technological change often redistributes value rather than simply creating it.

Some investors believe we may now be seeing similar pressures emerge in the Software-as-a-Service (SaaS) sector. For years many software companies have charged substantial annual licence fees for standardised platforms. As generative AI becomes capable of designing and coding customised software, businesses may increasingly question the need to pay large subscription fees for off-the-shelf systems.

If that happens, parts of the sector — home to some of the most popular (and arguably still overpriced) stocks — could face meaningful disruption.

For investors, the challenge during periods of technological change is that it is rarely obvious in advance who the winners and losers will be.

This uncertainty is beginning to influence parts of the private credit market as well. Where lenders are exposed to sectors facing structural disruption, counterparty risk can increase and collateral values may become less predictable.

Against this backdrop, we believe investors benefit from lending strategies supported by tangible assets and essential demand. The kind of assets securing facilities into which Prime Credit invests.

Artificial Intelligence will undoubtedly improve efficiency across many industries, including construction. But it cannot build a home, remove the need for housing, or create additional land. The structural demand for housing — and the scarcity of well-located development sites — continue to underpin the collateral supporting the Fund's loan portfolio.

For this reason, we believe real-asset-backed lending offers investors welcome stability during periods of rapid technological change.

Fund Update

The Fund has remained closed to new investments for several months, reflecting a strong liquidity position relative to current commitments.

During February, the Fund maintained an average daily cash balance of approximately \$30 million, representing just over 10% of total capital. While this provides considerable liquidity, elevated cash balances dilute portfolio returns. For that reason, and due to further material facility repayments expected in the coming months, the Fund will continue to remain closed to new subscriptions.

Three Year Historical Performance (%)

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	ANNUALISED RETURN
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	0.78	0.73	0.72	9.17%
2026	0.69	0.63											8.21%

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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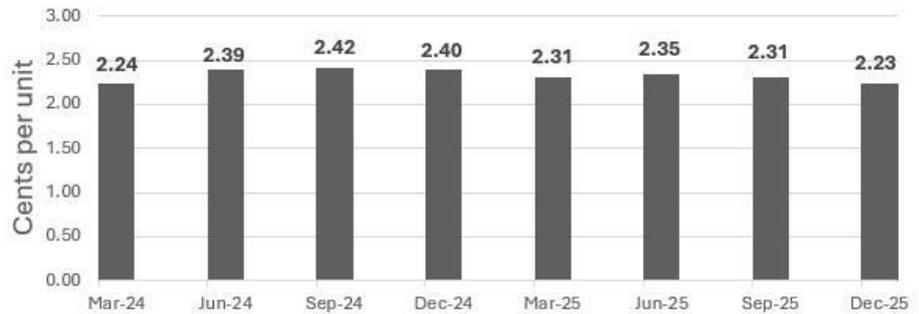
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Monark Prime Credit Fund

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



Portfolio details as at 28 February 2026

	Fund Weighting	Loan to Value Ratio (LVR)	Expected Return
Top Five Facilities			
Land Subdivision Bacchus Marsh (VIC)	12%	65%	10.9%
Land Acquisition Greenvale (VIC)	11%	67%	10.8%
Residential Construction Caulfield North (VIC)	8%	66%	10.2%
Land Acquisition Brighton (VIC)	7%	69%	11.0%
Land Acquisition Manly (NSW)	5%	64%	10.0%
Other Facilities	52%	64%	10.0%
Cash	5%	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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