

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	\$305M
Unit price	\$1.00
Number of facilities	29
Fund LVR	65%
Average Portfolio Deployment	100%

Current Performance*

Current Yield**	9.07%
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Historical Performance

1 month	0.76%
3 months	2.29%
12 months	8.90%
12 months (DRP)***	9.29%

* Past performance is not a reliable indicator of future performance.

** Last three months annualised.

*** 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

PERCEPTION VS REALITY

We are pleased to provide you with the Monark Prime Credit Fund (the Fund) investor update for the month ended 31 May 2026.

The Fund delivered a return of 0.76% for the month and now provides investors with a current cash yield, calculated by annualising the returns of the last three months, of 9.07% per annum.

One of the enduring lessons of investing is that numbers matter. Another, perhaps less comfortable lesson, is that not all numbers deserve equal trust.

Modern economies are judged by a handful of headline numbers: GDP growth, inflation, unemployment and government budgets. These figures dominate news bulletins, move markets and shape public confidence. But the more closely you examine them, the more they resemble rough approximations than objective truths.

Take GDP. It is widely treated as a measure of economic prosperity, yet it makes remarkably little distinction between productive investment and wasteful expenditure. A dollar spent by an entrepreneur building a profitable business is counted much the same as a dollar spent by government on a cocktail party in a country you'd struggle to find on a map. GDP measures activity, not quality. Digging holes and filling them back in again would technically make the economy larger.

Inflation statistics should be another source for healthy scepticism. Official measures are enormously influential. Lower inflation means lower indexed pension payments, lower increases in many other government obligations and, especially, less pressure on central banks to raise interest rates. The methodologies behind these calculations are complex and constantly evolving, but critics have long argued that they often fail to capture the genuine increase in the cost of living experienced by households. Ask the average family whether their expenses have risen by the official rate, and many will laugh.

Government finances can also be more flattering than they first appear. Large capital expenditures are frequently treated differently from day-to-day operating costs, meaning that significant outlays are not expensed and obvious deficits are magically transformed into welcome surpluses. The result can be a set of accounts that appear healthier than the underlying economic reality.

Then there is unemployment. The headline rate often receives enormous attention, yet it masks important nuances. Someone working an hour a week is classified as employed. So too is a person who desperately wants full-time work but can only secure a handful of casual shifts. Economists refer to this as underemployment - workers whose labour is only partially utilised despite their willingness and ability to do more. Add to this the growth in government-funded and non-market employment, and the picture becomes even murkier. The labour market may be weaker than the headline number suggests.

None of this necessarily implies conspiracy. Governments naturally prefer optimistic narratives. Confidence supports consumption, investment and, importantly, asset prices. A population that believes the economy is healthy tends to behave as though it is healthy, at least for a while.

But investors should remember that perception and reality are not always the same thing. Eventually, fundamentals have a habit of asserting themselves.

This is one of the reasons we continue to value the characteristics of Monark's Prime Credit Fund. The Fund's returns are not dependent on buoyant equity markets, heroic GDP forecasts or governments successfully talking up the economy.

In an environment where confidence may prove more fragile than the headlines suggest, assets that rely on contractual cash flows rather than optimistic narratives deserve serious consideration. As perception gradually converges with reality over the months and years ahead, we believe that distinction will become increasingly valuable.

Fund note: The Fund will remain closed to new investment with sufficient capital to meet the Fund's forecast commitments. We will keep you informed as we continue to reassess the situation.

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	0.79	0.74	0.76								8.74%

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

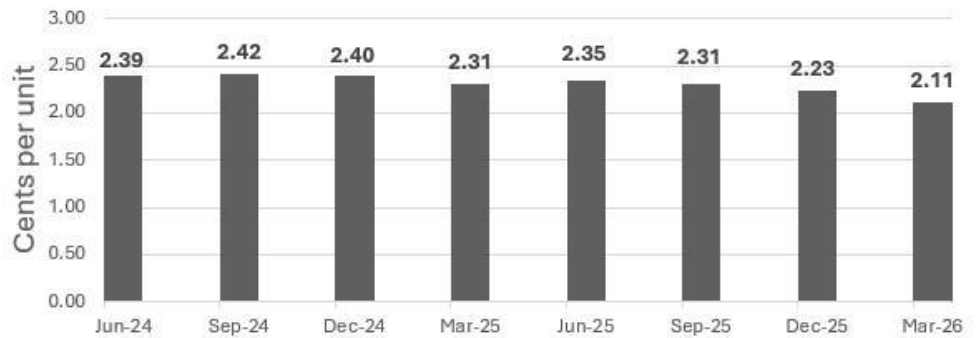
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AFSL No.519884

Monark Prime Credit Fund

Investor Update | May 2026

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



* Past performance is not a reliable indicator of future performance, and the quantum of any future distributions is not guaranteed.

Portfolio details as at 31 May 2026

	Fund Weighting	Loan to Value Ratio (LVR)	Expected Return
Top Five Facilities			
Land Subdivision Bacchus Marsh (VIC)	13%	65%	10.9%
Land Acquisition Greenvale (VIC)	11%	67%	10.8%
Land Acquisition Brighton (VIC)	7%	69%	11.0%
Residential Construction Manly (NSW)	6%	63%	9.4%
Land Acquisition Surry Hills (NSW)	5%	32%	9.8%
Other Facilities	58%	67%	9.9%
Cash	0%	N/A	3.8%

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 (authorised representative no. 001257978). This investor update contains general financial product advice only. The information contained in this investor update, whether express or implied, is 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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