MONARK

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Monark High Yield Debt Fund – Series 2 Quarterly Investor Update

30 June 2026

Please Note

Information contained in this investor update

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Dear Investor

Welcome to the Monark High Yield Debt Fund – Series 2 (the Fund, Series 2) update for the quarter ended 30 June 2026.

Executive summary

The Fund's remaining portfolio continues to perform strongly, delivering a since-inception Internal Rate of Return (IRR) of 13.4% per annum.

During the quarter, part repayments from the Elanora Place (Parkdale) and Point Nepean Road (Rye) facilities resulted in two distributions totalling 2.54 cents per unit.

As at 30 June 2026, the portfolio comprised seven facilities. An update on the progress of each investment is provided later in this report.

Investors have now received cumulative distributions of approximately 67 cents per unit. Together with the current unit value of 57.5 cents, this represents total value of approximately $1.25 per unit, or a return of 1.25x capital committed.

As a reminder, the Fund is self-liquidating. Rather than reinvesting proceeds as facilities are repaid, capital and accrued interest are progressively distributed to investors.

In the *Investment Environment* section of this report, we examine how the expanding role of central banks has contributed to greater market instability, increased investor risk-taking and a financial system we compare to an unbalanced tumble dryer.

We continue to see an attractive pipeline of opportunities that meet the investment criteria for our High Yield Debt Funds. Series 4, launched on 15 August 2025, is now fully deployed, and Series 5 is scheduled to open for investment on 12 August 2026.

We hope you find this report informative and thank you for your continued confidence in Monark.

QUARTERLY INVESTOR UPDATE

Investment environment

When the Bank of England was established in 1694, and for hundreds of years thereafter, the job description of a central banker could comfortably fit on the back of an envelope.

Issue a trusted currency.

Keep the banking system standing.

Lend money during a panic.

It wasn't glamorous, but it was important. Like good plumbing, a well-functioning central bank should attract remarkably little attention. Its success lies in its invisibility. When everyone starts talking about it, there's usually a leak somewhere.

Fast forward three centuries and central bankers have somehow become the rock stars of modern finance. They're expected to control inflation, maximise employment, smooth recessions, finance governments, calm bond markets, reassure equity investors and occasionally save capitalism from itself.

It's little wonder they look exhausted.

An unbalanced tumble dryer

The modern financial system increasingly resembles an old, unbalanced tumble dryer. Every few minutes another thumping sound echoes from the laundry, prompting the central bank to run over to rearrange the load and hope for the best.

The problem, of course, isn't the washing.

It's that the machine has become fundamentally unbalanced.

The original purpose of central banks was remarkably modest. They issued reliable money and evolved into lenders of last resort, stepping in during banking panics to provide liquidity to otherwise solvent institutions. That was a sensible evolution. Financial systems occasionally panic. Someone has to provide confidence when everyone else loses theirs.

Then came perhaps the most consequential development of all. Central banks stopped being asked to preserve financial stability and started being asked to deliver economic outcomes.

Following the collapse of the gold standard and the inflationary disasters of the 1970s, they became guardians of price stability. Inflation targeting became their primary objective. Again, entirely sensible. Stable money underpins prosperous economies.

But the remit continued to expand.

Governments understandably dislike unemployment. Voters dislike it even more.

Central banks gradually found themselves expected to support maximum employment alongside stable prices.

Anyone who has studied Economics 101 immediately recognises the problem.

QUARTERLY INVESTOR UPDATE

Sometimes inflation needs higher interest rates.

Higher interest rates slow economies.

Slower economies increase unemployment.

The first genuine conflict had arrived.

The irony is difficult to ignore

If that balancing act wasn't difficult enough, another expectation quietly emerged over the past thirty years.

Don't let asset prices fall too far.

It never appeared in legislation, yet markets increasingly came to believe it anyway. The "Greenspan Put" became embedded in investor psychology. Every wobble would eventually be met by lower interest rates, more liquidity or some new acronym that conveniently translated into, "Don't panic, we're here."

Investors adapted. Risk-taking increased. Debt accumulated. Asset prices climbed. Every rescue quietly encouraged the next expectation.

The irony is difficult to ignore.

Institutions established to reduce financial instability may also have increased investors' willingness to assume it. Decades of increasingly accommodative monetary policy have conditioned markets to expect intervention whenever conditions deteriorate. When participants believe losses will eventually be cushioned, risk is naturally underpriced.

Perhaps the greatest casualty has been something central banks were originally created to protect.

Money itself.

Collapsing trust

Over the course of a single generation, the purchasing power of most developed-world currencies has been materially eroded. Inflation compounds quietly but relentlessly, and people notice.

Perhaps nowhere is this more obvious than the rise of cryptocurrencies.

Whatever one thinks of Bitcoin, an entire generation has begun searching for alternatives to government-issued money.

That tells us something.

Trust, once lost, is extraordinarily difficult to regain.

Meanwhile, global asset prices continue to trade at or near historic peaks - despite slowing productivity, extraordinary debt burdens and rising geopolitical uncertainty.

That disconnect doesn't occur by accident.

Markets increasingly reflect anticipated policy responses as much as they do underlying economic fundamentals. That's an uncomfortable foundation upon which to build long-term wealth.

The banging from the tumble dryer grows louder.

QUARTERLY INVESTOR UPDATE

Avoid predictions, focus on controllables

The greatest risk facing investors today isn't that central banks will make the wrong decision. It's that they've been asked to make too many right ones at the same time.

None of this means a crisis is inevitable. But it does mean investors should be more sceptical of the apparent stability that extraordinary monetary intervention has created.

At Monark, we have never attempted to predict the next central bank policy shift or the next quarter-point move in interest rates. Instead, we focus on what we can control. We lend against quality collateral, insist upon meaningful borrower equity and structure our investments conservatively. In a world where policy has become increasingly experimental, disciplined lending backed by strong security offers something that has become surprisingly scarce: certainty.

In an increasingly noisy world, simplicity becomes a competitive advantage.

Perhaps that's the real lesson.

When the tumble dryer starts shaking violently, sensible people don't stand closer to admire the engineering.

They step back.

And they make sure nothing valuable has been left on top.

QUARTERLY INVESTOR UPDATE

Fund notes

As at 30 June 2026, the portfolio comprised seven facilities. An update on the progress of each investment is provided later in this report.

Net assets totalled $21.7 million at quarter end, comprising $17.3 million of investor capital and $4.4 million of accrued interest. The unit value was 57.5 cents.

During the quarter, part repayments from the Elanora Place (Parkdale) and Point Nepean Road (Rye) facilities resulted in two distributions totalling 2.54 cents per unit, specifically:

- 1.23 cents per unit on 2 April 2026 (part repayment – Rye)
- 1.31 cents per unit on 29 April 2026 (part repayment – Elanora Place)

The capital and income components of these distributions, together with all previous distributions, are shown on pages 13 and 14.

We anticipate making a material distribution of approximately 20 cents per unit in August 2026.

Investors have now received cumulative distributions of approximately 67 cents per unit. Together with the current unit value of 57.5 cents, this represents total value of approximately $1.25 per unit, or a return of 1.25x capital committed. With seven facilities yet to repay, we expect this multiple to increase further.

QUARTERLY INVESTOR UPDATE

In summary

The High Yield Debt Fund Series continues to provide attractive risk-adjusted returns for investors.

Series 1 is delivering a since-inception IRR of 14.3% per annum and is now well into its mature phase, with investors having received approximately $1.16 per unit in distributions. We anticipate making two further distributions totalling approximately 4 cents per unit in August and expect the remaining facilities to be repaid over the balance of the 2026 calendar year.

Series 2 is entering its mature phase and is delivering an IRR of 13.4% per annum. Investors have received distributions totalling approximately 67 cents per unit, with a further material distribution of around 20 cents per unit expected in August.

Series 3 continues to achieve its target IRR of 15% per annum. Investors have received distributions totalling approximately 21 cents per unit, with a further distribution of approximately 4 cents per unit expected in August.

Series 4, launched on 15 August 2025, is now fully deployed and is delivering an IRR of 15.1% per annum, in line with its target return. The fund paid its first distributions in May and June, totalling just under 5 cents per unit. A further distribution of approximately 3 cents per unit is expected in late September.

We continue to see an attractive pipeline of opportunities that meet the investment criteria for the High Yield Debt Fund Series and expect to open Series 5 for investment on Wednesday, 12 August 2026.

Thank you for the confidence you continue to place in Monark. We appreciate the opportunity to manage your investment.

Key Metrics

$37.7M

Capital called

$25.4M

Fund distributions

Of the $37.7M invested, $25.4M (67 cents per unit) has been repaid to 30 June 2026. This includes capital of $20.4M (54 cents per unit) and $5.0M (13 cent per unit) of income.

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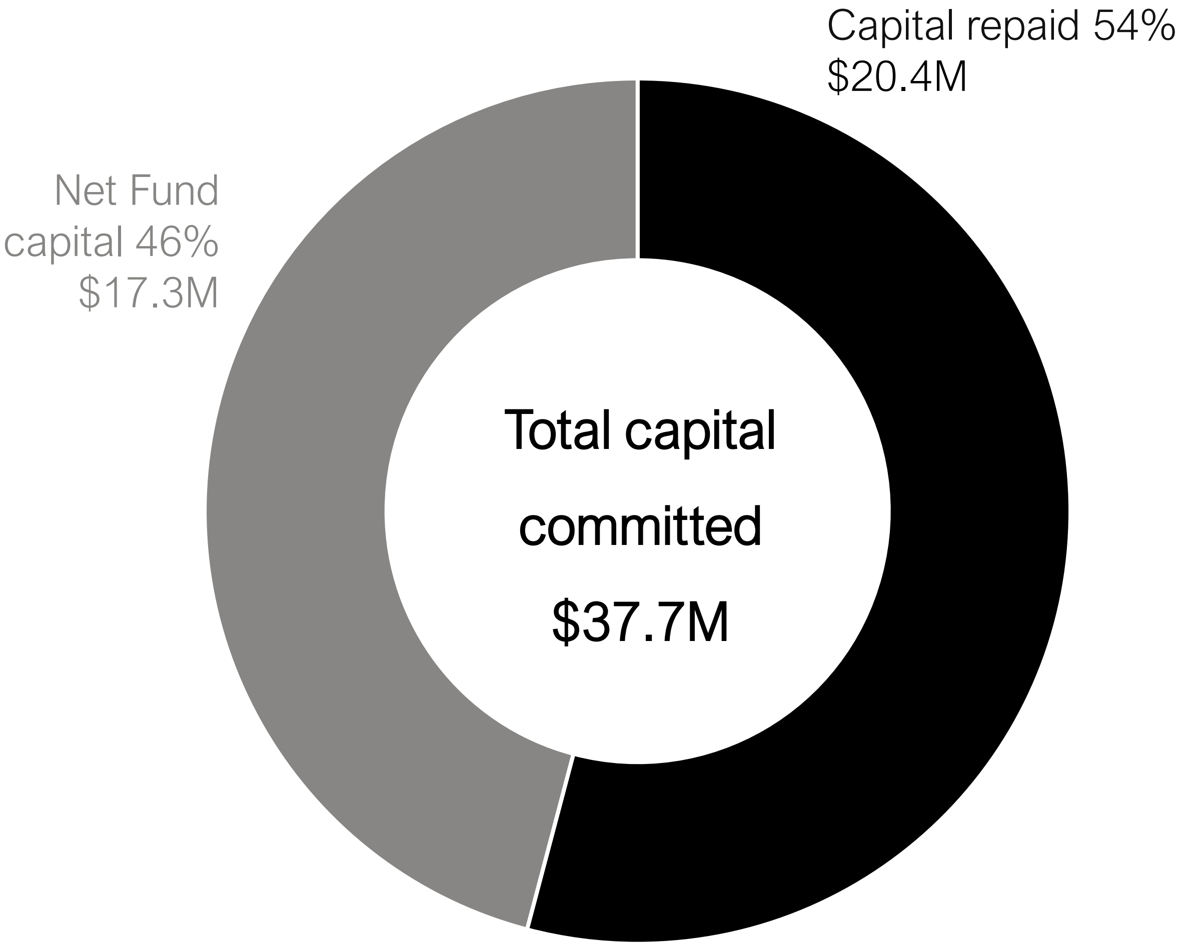
Number of portfolio investments

13.4%

Annual Fund IRR (net of fees and costs) from inception, 1 August 2023 to reporting date, 30 June 2026

Fund Capital

	Fund	Per unit
Total capital committed	$37.7M	$1.00
Capital movements		
Net Fund capital – 1 April 2026	$18.1M	48c
Capital called during current quarter	-	-
Capital repaid during current quarter	$0.8M	2c
Net Fund capital – 30 June 2026	$17.3M	46c
Capital not yet called	-	-



Fund Performance

The Fund’s net IRR from Inception to Reporting Date is 13.4%.

	Fund	Per unit
Capital called	$37.7M	100c
Capital repaid	($20.4M)	(54c)
Net Fund capital	**$17.3M**	**46c**
Net income distributed	$5.0M	13c
Net income accrued	$4.4M	12c
Total net income since inception	**$9.4M**	**25c**
Annual Fund IRR from inception (1 August 2023) to 30 June 2026 [1]	**13.4%**	

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

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.

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
17 November 2025	11.00c	2.78c	8.22c
3 December 2025	3.05c	0.52c	2.53c
19 December 2025	14.20c	2.94c	11.26c
21 January 2026	1.57c	0.41c	1.16c
24 March 2026	0.73c	0.06c	0.67c
2 April 2026	1.23c	0.18c	1.05c
29 April 2026	1.31c	0.13c	1.18c
Financial year ending 30 June 2026	45.90c	11.06c	34.84c
Total distributions paid to date	67.36c	13.23c	54.13c

*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	$17.3M	45.9c
Net income accrued	$4.4M	11.6c
Net asset value	**$21.7M**	**57.5c**

	Per unit
Unit value as at 30 June 2026	$0.58
Total distributions (capital and income) per unit to 30 June 2026	$0.67
Total growth per unit	**$1.25**

Series 2 Portfolio as at 30 June 2026

Facility	Balance of initial investment	Weighting
1. Land Subdivision, Deanside VIC	$4.5M	28%
2. Underbank Estate, Bacchus Marsh VIC	$4.3M	27%
3. Marella, Hampton VIC	$2.1M	13%
4. Bridport Street, Albert Park VIC	$2.0M	13%
5. Whitehorse Road, Deepdene VIC	$1.3M	8%
6. Point Nepean Road, Rye VIC	$1.2M	8%
7. Elanora Place, Parkdale VIC	$0.5M	3%
	$15.9M	100%

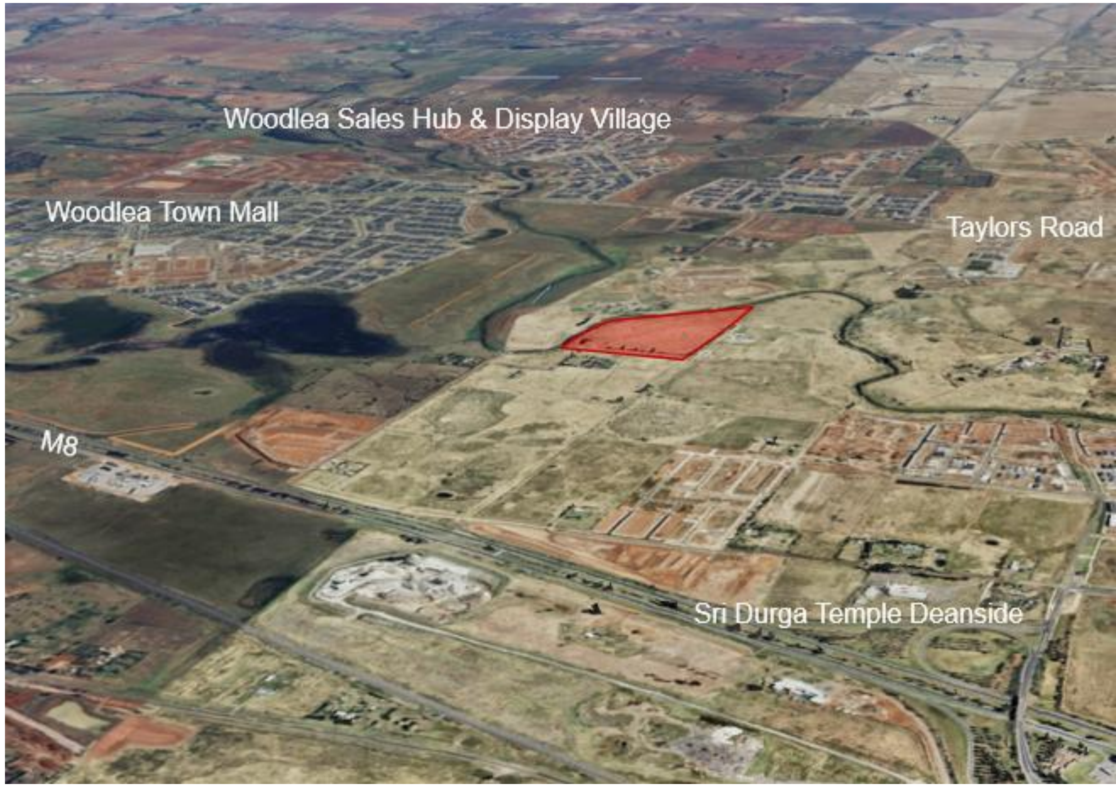
Land Subdivision, Deanside

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. The Monark Prime Credit Fund has provided a senior debt facility to this project.

Key Information:

Developer	Solovey
Balance of initial investment	$4.5 million



Project Update

- Due to material delays in securing the Cultural Heritage Management Plan (CHMP), Monark elected not to participate in the development phase of the Project.
- 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.
- A contract of sale has been executed with the Developer, with the transaction expected to result in the full repayment of the Fund's investment.
- Settlement was originally scheduled for 20 June 2026 and has subsequently been extended to 30 July 2026 under the Share Sale and Purchase Agreement.

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. The Monark Prime Credit Fund has provided a senior debt facility to this project.

Key Information:

Developer	Kataland
Builder	Winslow
Balance of initial investment	$4.3 million

Project Update

- The Borrower acquired the 176-hectare englobo site in 2010 and subsequently secured approval for a master planned community comprising up to 1,200 residential lots across 40 stages, together with a range of community amenities including sporting facilities, a clubhouse, town centre and parklands.
- At financial close, the project had secured presales across a further 120 lots, providing strong visibility over future settlements.
- Civil works for Stages 21–24 are substantially complete. Stages 21 and 22 have achieved Practical Completion and are progressing through final authority approvals and Statement of Compliance processes prior to settlement.
- Broader estate infrastructure works, including sewer, drainage, road construction, culvert crossings and creek stabilisation are also substantially complete. Notably, Melbourne Water issued a Certificate of Practical Completion for the Korkuperrimul Creek waterway works on 15 May 2026, marking a key milestone for the estate.

PORTFOLIO REVIEW

Marella, Hampton

31 – 35 Alicia Street, Hampton VIC

Funding for 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 site through an off-market acquisition in March 2024, with settlement completed in November 2024. A planning permit was subsequently obtained in January 2025.
- Sales momentum has been encouraging, with the display suite completed and the project successfully launched to market. To date, five apartments have been presold under contract, with a further residence currently reserved.
- The project is supported by a senior construction facility provided by NAB, which achieved financial close in December 2025.
- Construction progress remains on track, with completion of in-ground civil works, basement walls and the Basement Level 1 slab pour.
- The project is expected to complete in June 2027.

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. The Monark Prime Credit Fund has provided a senior debt facility to this project.

Key Information:

Developer	Jacmax Projects
Balance of initial investment	$2.0 million

Project Update

- A planning permit for a three-level development was secured via VCAT in May 2024, with endorsed plans received in December 2024.
- To further enhance the Project's profitability and value, the Developer subsequently obtained VCAT approval for a Section 87A amendment in October 2025, increasing the approved development to four levels.
- The project's design offering has been elevated through the integration of interiors by world-renowned designer Kelly Wearstler, delivered in collaboration with Cera Stribley.
- Presales have been pleasingly strong with four apartments sold to date, and a further sale considered imminent.
- The Developer is also progressing the appointment of COBEN as builder and expects to execute a Letter of Intent, enabling demolition and early works to commence in August 2026.
- Monark has been engaged to procure senior debt from major Australian banks and intends to commence this process in July 2026.

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. The Monark Prime Credit Fund has provided a senior debt facility to this project.

Key Information:

Developer	APH Holdings
Balance of initial investment	$1.3 million

Project Update

- In late 2024 the Developer (APH Holdings) went into administration.
- In March 2025, Monark appointed itself Mortgagee in Possession to facilitate an orderly sale process. A contract of sale was subsequently executed with a local developer, supported by the payment of a 10% deposit.
- Settlement was originally anticipated in June 2026 but was delayed due to an administrative matter and is now expected to take place in late July 2026.

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. The Monark Prime Credit Fund has provided a senior debt facility to this project.

Key Information:

Developer	Curtis York
Builder	Sinjen
Balance of initial investment	$1.2 million

Project Update

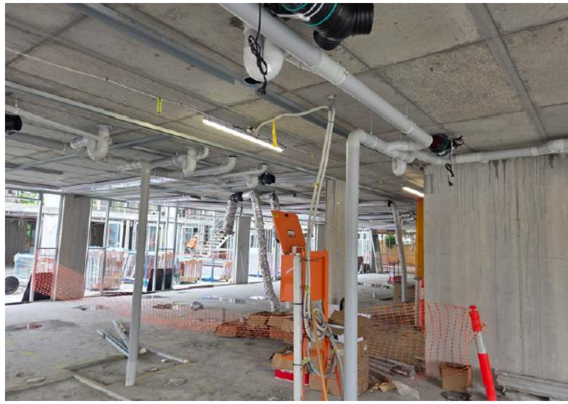
- A planning permit was secured in November 2023, with the project launching in December 2023.
- To date, seven out of the 20 available units have been sold, representing 42% of total project value.
- An Agreement for Lease has been executed with Snap Fitness for the entire ground floor retail tenancy, and the Developer is currently preparing documents to tender for the buildout of the space.
- Westpac provided a Senior Debt Construction Facility in December 2025.
- Construction is progressing well, with the Builder currently four weeks ahead of schedule. Structural works are substantially complete, with framing and service rough-ins well underway.
- Jellis Craig continues to actively market the project with a full marketing campaign across several media platforms.

PORTFOLIO REVIEW

Elanora Place, Parkdale

152 Como Parade, Parkdale VIC

Funding for the development and construction of a 40-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	$0.5million

Project Update

- Settlement of the site was completed in December 2024, following the receipt of a planning permit in September 2024 via a compulsory mediation process with Council.
- Sales performance has been strong, with 18 unconditional pre-sales secured to date, representing 45% of the Project.
- NAB provided the senior construction facility, which achieved financial close in August 2025, supporting the project's progression through construction.
- The structural frame, external walls and glazing have now been completed. Internal wall framing and services rough-ins are substantially complete. Plasterboard installation is well advanced on the ground floor. Finishing trades are underway, and joinery deliveries commenced in late June.

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