

WHOLESALE INVESTOR REPORT

Monark Prime Credit Fund

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	\$312M
Unit price	\$1.00
Number of facilities	27
Fund LVR	64%
Average Portfolio Deployment	98%
Weighted Average Portfolio Term	7 Months

CURRENT PERFORMANCE*

Current Yield	8.59%
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HISTORICAL PERFORMANCE*

1 month	0.71%
3 months	2.17%
12 months	8.75%
12 months (DRP)	9.12%

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

APPROVED BY

BondAdviser

When the tide goes out

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

The Fund delivered a return of 0.71% for the month and now provides investors with a current cash yield, calculated by annualising the returns of the last three months, of 8.59% per annum.

One of the attractions of private credit is its apparent simplicity. A borrower takes a loan, the lender receives interest, and the loan is secured by an asset. If the loan is senior secured and the loan-to-value ratio (LVR) is conservative, what could go wrong?

Quite a lot, as it turns out.

The critical variable is valuation. While a valuation looks like a precise number, it is ultimately an opinion. Valuations are subjective, can move significantly with market conditions and differ depending on the assumptions and methodology employed.

We were reminded of this by a Monark transaction made a few years ago.

We funded an attractive development site west of Melbourne. It had been valued at approximately \$11 million. The site was relatively flat, straightforward to build on and directly opposite a major shopping centre and established amenities. We provided a senior secured loan at an LVR of 65%.

On the information available to us, it looked rock solid.

A year or so later, the borrower approached us with a new valuation of \$16 million and requested an equity release. This means increasing the loan against the property, allowing the owner to extract some of the uplift in value without selling it.

It sounded reasonable. The property was now supposedly worth \$5 million more.

But we weren't convinced.

We commissioned an independent valuer from our approved panel and undertook a project-related site valuation. Rather than simply asking what the property might be worth today, this approach considers its value in the context of the proposed development, including development costs, expected end values, timing, risks and an appropriate developer's margin.

Both approaches produced a valuation of approximately \$12 million.

The borrower subsequently refinanced our loan with another financier, based on the \$16 million valuation.

At first glance, the new loan could look almost identical to ours. If the incoming lender advanced 65% against \$16 million, it would still appear to have a conservative 65% LVR and be senior secured.

But appearances can be deceiving.

If the property was actually worth closer to \$12 million, a loan calculated at 65% of \$16 million would represent an effective LVR of almost 87%. The security may be identical. The loan may carry the same "senior secured" label. Yet the margin of safety would be dramatically smaller.

This is the point investors should remember when assessing private credit: security is only as good as the value of the security.

Valuation is not an immutable fact. It is an estimate based on assumptions, market evidence and judgement. In a rising market, assumptions can become increasingly optimistic. In a falling market, they can reverse surprisingly quickly.

Private credit shouldn't therefore be judged simply by asking, "What is the LVR?"

The more important question is: "What is the asset really worth, and how confident are we that it would remain worth that much if we needed to rely on it?"

At Monark, we believe the answer requires independent judgement, discipline and, above all, a healthy margin of safety.

Because when the tide goes out, it is not the headline LVR that protects investors. It is the quality of the asset underneath it.

Historical Performance

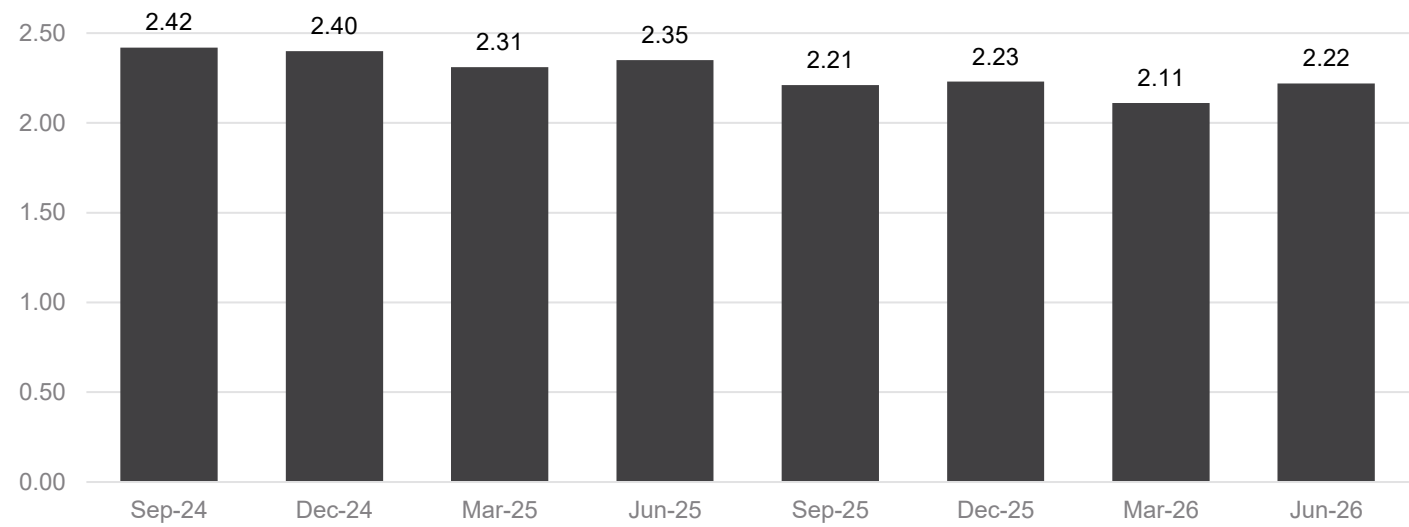
Monthly Returns (%)

YEAR	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	ANNUALISED RETURN
2021									0.54	0.59	0.59	0.62	7.31%
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	0.78	0.73	0.72	9.17%
2026	0.69	0.63	0.79	0.74	0.76	0.72	0.74	0.71					8.68%

Total Distributions Paid Each Quarter

Cents per unit

Paid each quarter over the last two years

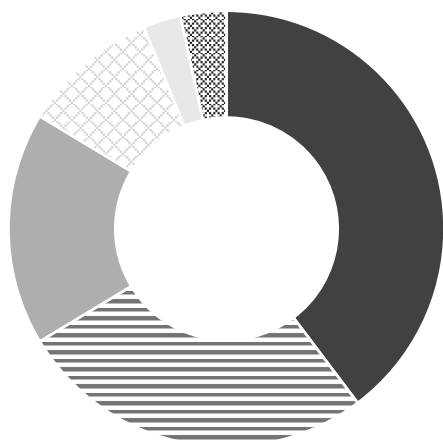


Past performance is not a reliable indicator of future performance, and the quantum of any future distribution is not guaranteed

Portfolio Details as at 31 August 2026

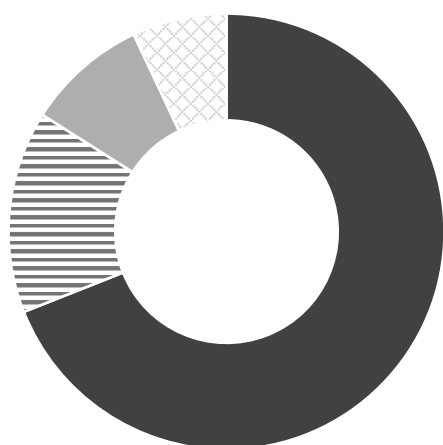
	FUND WEIGHTING	FACILITY LVR	EXPECTED RETURN
Top Five Facilities			
Land Subdivision, Bacchus Marsh (VIC)	13%	65%	10.9%
Land Acquisition, Greenvale (VIC)	11%	67%	10.8%
Commercial Construction, Victoria Park (WA)	9%	64%	9.9%
Residential Construction, Manly (NSW)	7%	63%	9.4%
Residential Construction, Kangaroo Point (QLD)	6%	70%	9.6%
Other Facilities	50%	64%	9.9%
Cash	4%	N/A	3.8%

Facility Type



	Land Acquisition	40%
	Residential Construction	27%
	Land Subdivision	17%
	Commercial Construction	10%
	Residual Stock	3%
	Term Debt Commercial	3%

Geographic Spread

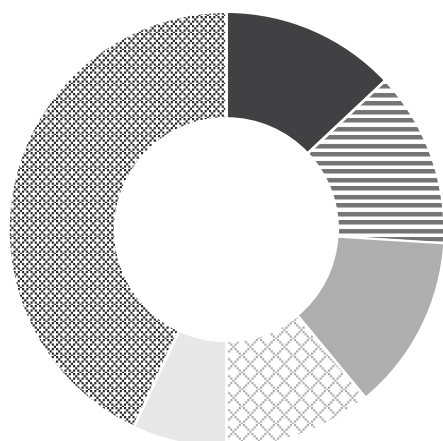


	VIC	69%
	NSW	15%
	WA	9%
	QLD	7%

Monark Property Partners competes in markets where we believe we have a clear competitive advantage. This includes working with an established network of talented and experienced developers, deep familiarity with proposed development sites, the ability to remain close to and carefully monitor construction projects, and a hands-on appreciation of neighbourhood demand for product and pricing.

We believe this tight focus allows us to create opportunities with limited downside and an asymmetrical risk-return profile. As a Melbourne-based non-bank lender, this means that the majority of our transactions will take place in the greater Melbourne area.

Borrower Exposure



	Developer 1	13%
	Developer 2	13%
	Developer 3	13%
	Developer 4	11%
	Developer 5	7%
	Others	43%

Key Terms

Facility LVR

The current amount outstanding under a facility agreement, together with all interest forecast to accrue over the remaining term together with any other amounts outstanding, divided by the latest adopted value of the relevant security asset. For land facilities, the Security Asset is valued on an “as-is” basis; for development facilities, it is valued on an “as-if-complete” basis.

Fund LVR

The aggregate amount outstanding under all facility agreements, together with all interest forecast to accrue over their remaining terms together with all other amounts outstanding, divided by the aggregate latest adopted values of the relevant security assets, using the applicable “as-is” or “as-if-complete” valuation basis for each facility.

Average Portfolio Deployment

The amount of facilities held in the Fund, divided by the value of the entire Fund (cash and facilities), calculated on a daily basis and averaged for the number of days in the month.

Weighted Average Portfolio Term

The average term to expiry for each facility in the Fund’s portfolio weighted according to the drawn principal of each facility.

Current Yield

The preferred measure of Fund performance calculated by annualising the Fund returns of the last three months.

12 months (DRP)

The Fund’s 12-month performance where monthly distributions are reinvested under the Fund’s Distribution Reinvestment Program.

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 their 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.

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