

Bedrock Mortgage Fund

Fact Sheet - October 2024



October 2024 Return

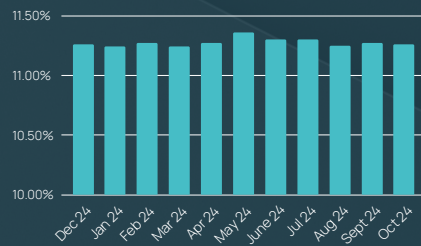
11.26% p.a.

Net of fees and costs, distribution paid monthly.

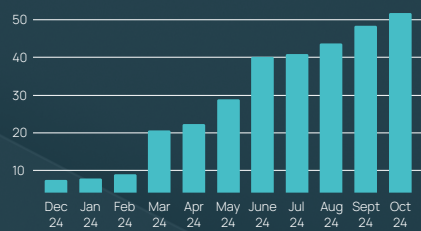
Weight Average LVR

62.9%

Reliable distributions



Fund Size (FUM \$m)



Fund Details

Fund Commencement: December 23

Target Return: RBA cash rate + 5%

Minimum Subscription: \$50,000

Minimum Investment Term: 6 months

Distributions: Paid Monthly

Distribution Reinvestment Available: Yes

Redemption: Quarterly

Application & Redemption Fees: Nil

Performance Fees: Nil

Platforms: Mason Stevens, Netwealth,

Trustee: Ark Capital Funds Ltd (ACN 604 775 573, AFSL 476209)

Manager: Ark Capital Funds Management Pty Ltd (ACN 649 243 881)

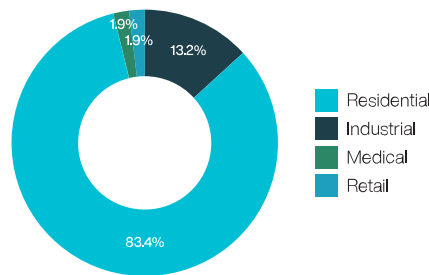
Key Metrics

| Fund Performance (net of fees) | Period | P.A |
|--------------------------------|--------|--------------|
| 1 mth | 0.96% | 11.26% |
| 3 mths | 2.84% | 11.29% |
| 6 mths | 5.69% | 11.32% |
| YTD | 10.38% | 11.33% |
| Since Inception | 10.38% | 11.33% |
| Fees (Comprised of) | | 1.00% |
| Fund Management Fee | | 0.75% |
| Direct Cost Recovery | | 0.25% |

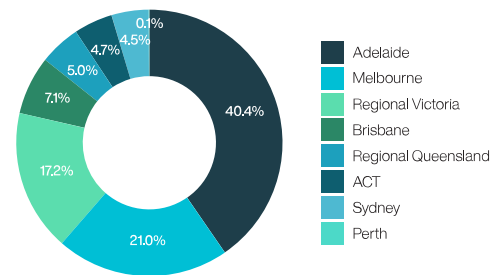
| Fund Details | Aug24 | Sep24 | Oct24 |
|------------------------|----------|----------|----------|
| FUM | \$43.7 m | \$48.5 m | \$51.9 m |
| Number of Unitholders | 121 | 130 | 138 |
| Number of Borrowers | 13 | 14 | 16 |
| Number of Loans | 20 | 22 | 22 |
| Average Loan Size | \$2.2 m | \$2.2 m | \$2.3 m |
| Average Loan Maturity | 12 mths | 11 mths | 10 mths |
| Loans in Arrears | nil | nil | nil |
| Prepaid Interest Loans | 100% | 100% | 100% |

Portfolio Diversity

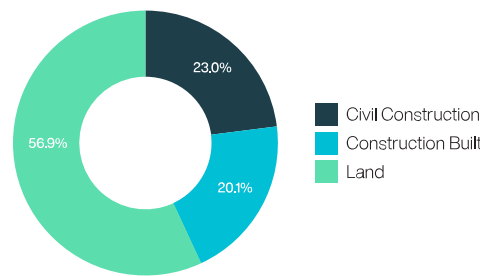
Investment Sectors - October 24



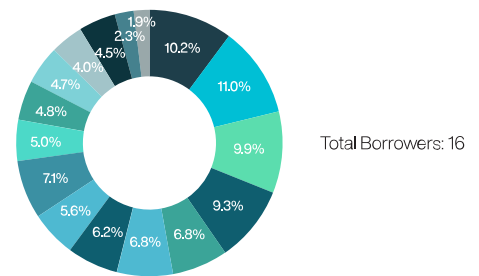
Geographic Location - October 24



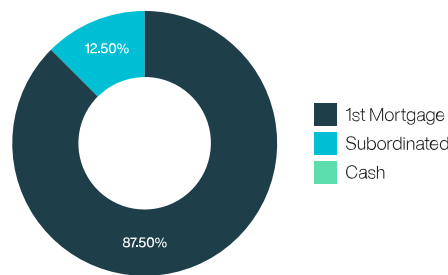
Loan Type / Purpose - October 24



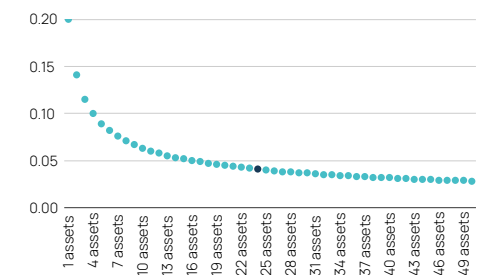
Borrower Exposure - October 24



Portfolio Investment Mix - October 24



Portfolio Standard Deviation - October 24



Commentary

- > Returns: Month return of 0.96% or 11.26% annualised and a year-to-date return of 11.33%.
- > Reliability of returns: 11 consecutive months of returns within the band 11.20% to 11.35%.
- > Portfolio diversity improved: 22 loans, 16 borrowers, 8 regions, 6 states/territories. Loans in each of Industrial, Residential, Retail and Medical sectors
- > Lowest risk loan types: Investments skewed toward lower-risk Land and Civil construction (80%) and Industrial built form (13%) loans.
- > Strong outlook: Average remaining investment term of 10 months and all loan interest prepaid by the borrower underpins returns for the next 3 quarters.

About the Fund Manager

Ark Capital Funds is a boutique property fund manager established in 2015, specialising in private real estate debt and equity, and led by owners and executives with long experience through numerous credit and property development cycles.

Ark's primary business is its Ark Wholesale Mortgage Fund, a contributory fund originating mid-market syndicated loans, primarily to property developers and development land investors. Throughout its near 10 year history Ark Capital has transacted over 100 real estate loan and equity deals valued at approximately \$1 billion, and proudly boasts a 100% capital and income recovery record.

Ark's executive team has long experience in the important disciplines, including property development and project assessment, loan due-diligence, loan origination and settlement, comprehensive loan management through the loan term, loan default management and debt recovery, and funds management and governance.

At Ark we put the preservation of our investors' capital at the forefront of our risk analysis process. Ark's executive team constantly reassesses the development landscape and Ark's investment settings, in order to avoid the riskiest segments and regions in the market. Coupled with our due diligence capability, these are our key strengths.

We rigorously, meticulously assess every aspect of a borrower's proposed project, the borrower's background, the markets they develop in and sell into, their contractors, their financial position and performance, and the security they are providing. We typically reject approximately 85% of loan opportunities we assess.

Ark Capital has a growing family of loyal mortgage fund investors encompassing high net wealth investors, family offices and independent financial advisor firms who recommend our investments to their clients. We are open and transparent with our investors, and value the faith they show in us.

About the Bedrock Fund

Bedrock was created to offer a "pooled" version of Ark's Wholesale Mortgage Fund to our investors, to provide an investment diversity option for our investors seeking to avoid concentration risk.

Bedrock invests exclusively in Ark Wholesale Mortgage Fund loans, in syndicate alongside other contributing investors. Bedrock takes positions in multiple loans in order to deliver an ever-reducing concentration risk as measured by the portfolio standard deviation, and essentially making it a proxy for the greater Ark Capital investment universe.

Bedrock's diversity targets include increasing the number of loans, limiting single borrower exposure, and spreading investments across multiple regions and development sectors. The portfolio is constantly calibrated to deliver its returns with as much diversity as is practicable.

Bedrock's investments include a minimum 85% 1st mortgage loans with up to 15% able to be invested in subordinated loan positions. The Fund Manager's judicious use of subordinated loan positions has added approximately 70 basis points to Bedrock's YTD annualised returns.

Bedrock's returns are determined by reference to the interest rate paid by borrowers on the loans, plus a 1% rebate from the Fund Manager of its line fee on the loans, less the Fund Manager's 0.75% fee and direct costs capped at 0.25%.

Investor Contacts

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