

Bedrock Mortgage Fund

Fact Sheet - April 2024



Fund Details

Fund:
Ark Bedrock Mortgage Fund

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

Fund Manager:
Ark Capital Funds Ltd

Fund Commenced:
December 2023

Fund Type:
Pooled mortgage fund
for wholesale investors

Distributions Paid:
Monthly

Distribution Reinvestment Available:
Yes

Minimum Subscription:
\$50,000

Minimum Investment Term:
6 months

Redemption:
Quarterly

Target Return:
RBA cash rate + 5%

Investor share of origination fees:
Minimum 1% of investment size

Management Fee:
0.75% of FUM

Direct Costs:
Capped at 0.25% of FUM

Performance Fees:
Nil

Application Fees:
Nil

Redemption Fees:
Nil

Investor Contacts:
Stephan DeSilva
stephan.desilva@arkcapitalfunds.com.au
0455 554 120

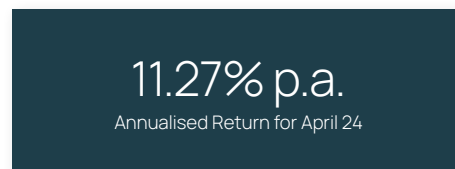
Shane Wakelin
shane.wakelin@arkcapitalfunds.com.au
0409 985 986

Fund Manager:
David Charles
david.charles@arkcapitalfunds.com.au
0417 557 783

Key Metrics

Fund Performance	Feb24	Mar24	Apr24
Mth Return (net of fees)	0.90%	0.95%	0.93%
Annualised	11.27%	11.24%	11.27%

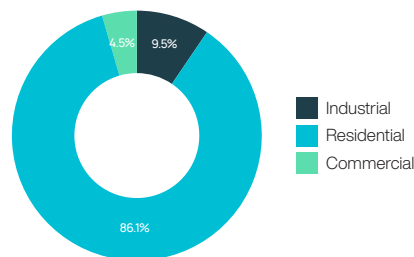
Periodic Performance	Raw	Ann'd
1 Mth	0.93%	11.27%
3 Mths	2.78%	11.29%
Fin YTD	4.69%	11.28%
Since Inception	4.69%	11.28%



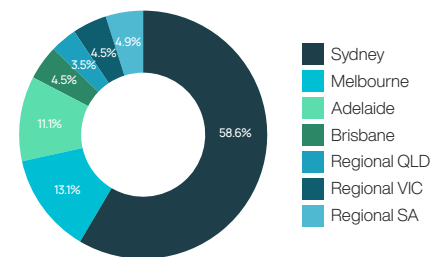
Fund Details	Feb24	Mar24	Apr24
Funds under Management	\$8.9 m	\$20.6m	\$22.4
Number of Unitholders	25	46	49
Number of Borrowers	6	8	9
Number of Loans	8	9	10
Average Loan Size	\$11 m	\$2.3m	\$2.2m
Average LVR	61.8%	63.1%	63.0%
Average Interest Rate	11.82%	11.13%	11.15%
Average Fee Income	1.26%	1.23%	1.23%
Average Loan Maturity	6 mths	9 mths	9 mths
Loans in Arrears	nil	nil	nil
Loans with Prepaid Interest	100%	100%	100%

Portfolio Mix and Diversity

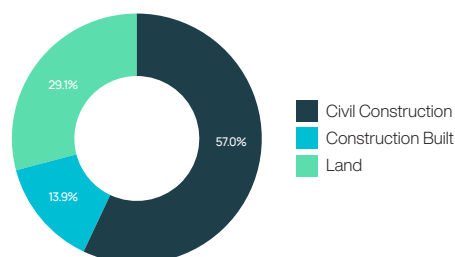
Investment Sectors - April 24



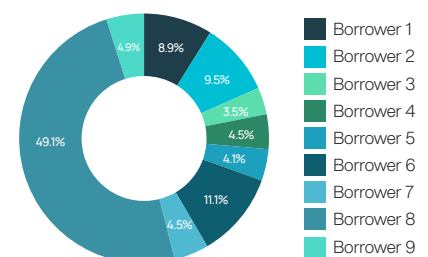
Geographic Location - April 24



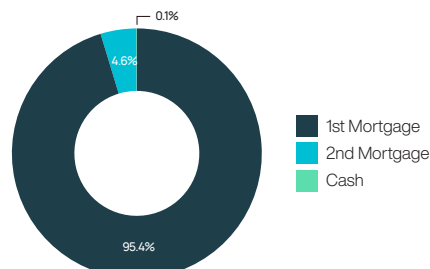
Loan Type / Purpose - April 24



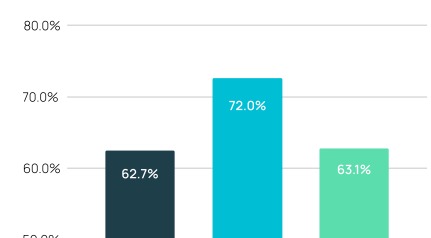
Borrower Mix - April 24



Portfolio Investment Mix - April 24



LVR Profile - April 24



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Fund Manager Commentary

In April '24, in its 5th month since inception Ark Bedrock delivered its investors a 5th consecutive monthly return of 11.24% (annualised) or higher, at 11.27% for the month and 11.28% YTD. FUM increased by \$1.8m in April to \$22.4m and \$4.7m of new FUM was received for unit issue in May '24, bringing current FUM to \$27.1m. Approx. 50% of the Bedrock FUM continues to be from existing Ark investors with a longer term experience with Ark and its investments.

Bedrock achieves its returns through a combination of careful investment selection, and dynamic cash management. Minimising cash holdings as best possible during a month sometimes entails temporarily deploying Bedrock funds into an Ark Wholesale loan intra month, and typically ahead of settlement of a longer-term investment. This softens the negative impact of having funds uninvested and contributes positively to Bedrock's returns. Bedrock is fortunate to be able to do this by virtue of its relationship with its related fund, the Ark Wholesale Fund, and the opportunities created by the Ark team managing that fund.

During April the fund made one new loan investment, a \$1.1m Residential land-bank investment by a high quality borrower developing a significant, master-planned neighbourhood precinct in north Adelaide, South Australia. An additional \$0.7m was invested into two existing loans, ensuring almost full deployment of cash funds.

It is typical that 100% of the interest and loan management fees payable to Ark is prepaid at loan settlement or at least one quarter in advance, substantially eliminating the risk of loan arrears. Ark carefully monitors the financial position and standing of its borrowers, and diligently manages the performance of all individual loans, thus minimising loan defaults and best ensuring protection of investor's capital. 100% of Ark's (and hence Bedrock's) loan investments are performing, with no loans in default or in arrears.

In March 2024 Ark Bedrock received its inaugural fund rating by Research agency SQM, achieving an investment grade rating. This rating will enable a broader number of Financial Advisors to recommend Ark Bedrock to its clients, helping the fund grow and deliver better opportunities and risk weighted outcomes for its investors.

About Bedrock

What does Bedrock invest in?

Bedrock invests in multiple Ark Wholesale loan deals alongside other syndicate investors, currently holding investments in 10 individual loans to 9 individual borrowers. This means Bedrock investors aren't entirely exposed to a single loan, rather a portfolio of loans. This diversity of course reduces an investor's concentration risk. Bedrock investors still get the benefit of the same, specialist property & development due diligence undertaken for all of Ark Wholesale's loans.

How are Bedrock's returns determined?

Bedrock investors receive the same % interest rate from the loans as other syndicate investors, plus the Bedrock Manager rebates to Bedrock a minimum 1% loan management fee on each investment.

Ark Capital does this because it believes we should not double dip on fees (ie, we shouldn't take a loan management fee from the borrower AND take a fund management fee from Bedrock investors).

To Bedrock investors, the 1% loan management fee rebate effectively offsets the Bedrock 0.75% Fund Manager's fee and the (up to) 0.25% direct costs of the fund.

Distribution reinvestment

Distribution reinvestment is offered to all investors in Ark Bedrock by the fund manager, and we are pleased to see investors beginning to take up this opportunity to compound their returns. Units are issued for reinvested distributions immediately - ie, on the first day of the month following that which the distribution relates to.

Ark Capital Funds Ltd is the trustee for Ark Bedrock Mortgage Fund (the Fund), an unregistered unit trust, which is only available to wholesale investors (as defined under the Corporations Act 2001). The investment manager for the Fund is Coinlot Pty Ltd atf Nambawan Management Trust (ABN 48 745 786 335).

This material has been prepared for general information only and does not constitute financial advice nor an offer of any financial product. An Information Memorandum including an Application Form for the Fund is available upon request for wholesale investors and contains among other things a description of the risks associated with an investment in the Fund.