

Bedrock Mortgage Fund

Fact Sheet - February 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

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.

Key Metrics

Fund Performance	Dec 23	Jan 24	Feb 24
Mth Return (net of fees)	0.96%	0.95%	0.90%
Annualised	11.26%	11.24%	11.27%
Periodic Performance	Raw	Ann'd	
1 Mth	0.90%	11.27%	
3 Mths	2.81%	11.23%	
Fin YTD	2.81%	11.23%	
Since Inception	2.81%	11.23%	

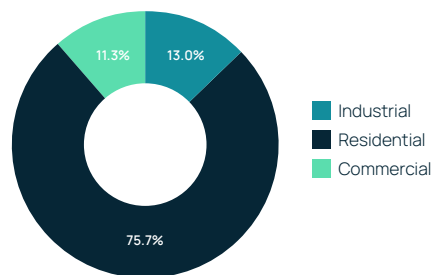
11.27% p.a.

Annualised Return for February 24

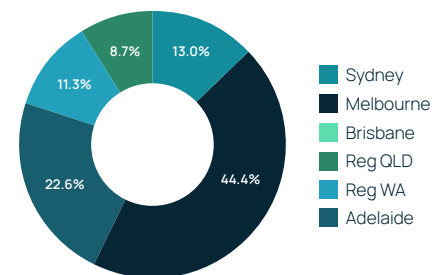
Fund Details	Dec 23	Jan 24	Feb 24
Funds under Management	\$7.4 m	\$7.9 m	\$8.9 m
Number of Unitholders	21	25	25
Number of Borrowers	6	6	6
Number of Loans	7	7	8
Average Loan Size	\$1.0 m	\$1.1 m	\$1.1 m
Average LVR	62.0%	61.4%	61.8%
Average Interest Rate	12.06%	12.02%	11.82%
Average Fee Income	1.20%	1.19%	1.26%
Average Loan Maturity	7 mths	6 mths	7 mths
Loans in Arrears	nil	nil	nil
Loans with Prepaid Interest	100%	100%	100%

Portfolio Diversity

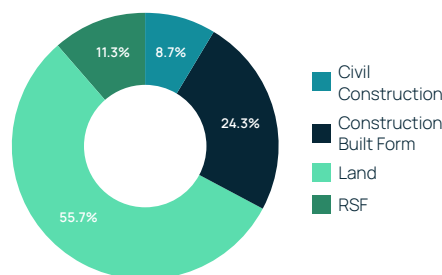
Investment Sectors - Feb 24



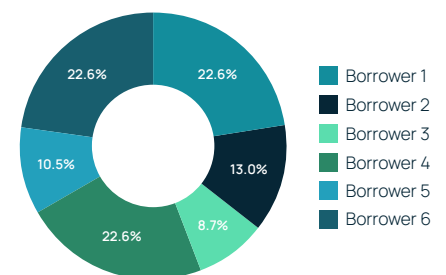
Geographic Location - Feb 24



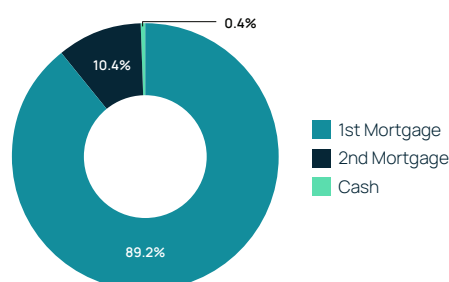
Loan Type / Purpose - Feb 24



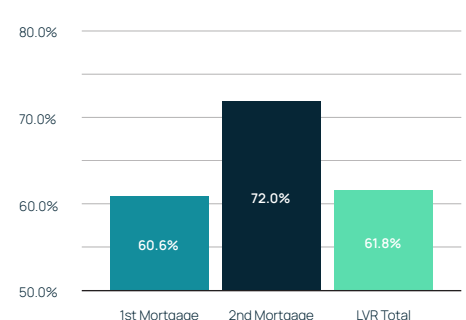
Borrower Mix - Feb 24



Portfolio Investment Mix - Feb 24



LVR Profile - Feb 24



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Fund Manager Commentary

Launched in December 2023, the new Ark Bedrock Mortgage Fund followed up its maiden distribution of 0.96% (11.26% annualised) with a return of 0.95% (11.24%) in January '24 and 0.90% (11.30%) in February '24. The Fund ended February with \$8.9m in FUM and investments in 8 mortgage facilities across Melbourne, Sydney, Adelaide, Margaret River (WA), and Toowoomba (Qld). A further \$12m in applications was received for unit issue on 1 March 2024, bringing FUM to \$20.5m in the first 3 months. The Fund has thus far received significant interest from new investors attracted to the pooled fund model of development investing, but most pleasing is the support (approx. 50% of FUM) from long term Ark investors attracted to Bedrock's simple diversification strategy, the returns being delivered and their past experience with Ark and our approach to lending and investment management.

Ark's Bedrock Fund diversifies its investments by taking an interest in a range of Ark Wholesale Mortgage Fund investments alongside other contributing investors. Hence investors in Bedrock benefit from the reduced concentration risk of this strategy whilst seeing returns similar to those in the contributory Ark Wholesale fund. Investors also benefit from Ark's risk philosophy and practice, that protection of capital takes priority in all lending decisions. Additionally, Ark's rigorous due diligence and loan selection process is heavily informed by the extensive first-hand development experience within the Ark team, which enables Ark to more critically assess the risks in a developer's project, and hence Ark's investment.

Ark's loan origination team will invest only in the sectors and loan types approved by the Board. Ark's loan settings are constantly monitored by its senior management and Board, and updated dynamically to reflect changing macro-economic conditions, and particularly the microclimate in different property development sectors. The Bedrock Fund Investment Committee, comprising the Ark Capital CEO and the dedicated Bedrock Fund Manager communicate constantly to assess investment opportunities for Bedrock, considering the Fund compliance metrics, optimal investment diversity settings and the target returns for the fund.

Research coverage and a rating by SQM Research has been commissioned for the Bedrock Fund, and is expected to be published in April 2024.