

Bedrock Mortgage Fund

Fact Sheet - March 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:
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0455 554 120

Shane Wakelin
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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

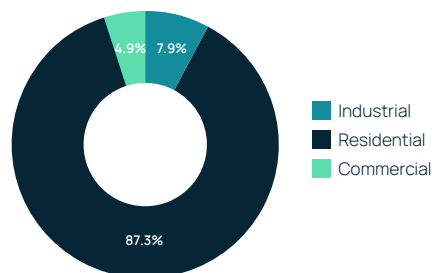
Fund Performance	Jan24	Feb24	Mar24
Mth Return (net of fees)	0.95%	0.90%	0.95%
Annualised	11.24%	11.27%	11.24%
Periodic Performance	Raw	Ann'd	
1 Mth	0.95%	11.24%	
3 Mths	2.80%	11.28%	
Fin YTD	3.76%	11.31%	
Since Inception	3.76%	11.31%	

11.24% p.a.
Annualised Return for March 24

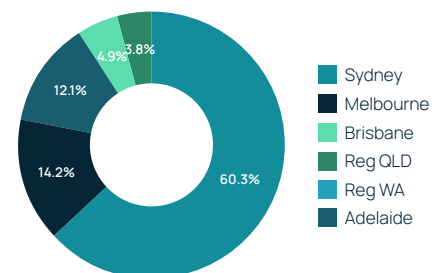
Fund Details	Jan24	Feb24	Mar24
Funds under Management	\$7.9 m	\$8.9 m	\$20.6m
Number of Unitholders	25	25	46
Number of Borrowers	6	6	8
Number of Loans	7	8	9
Average Loan Size	\$11 m	\$11 m	\$2.3m
Average LVR	61.4%	61.8%	63.1%
Average Interest Rate	12.02%	11.82%	11.13%
Average Fee Income	119%	126%	123%
Average Loan Maturity	6 mths	6 mths	9 mths
Loans in Arrears	nil	nil	nil
Loans with Prepaid Interest	100%	100%	100%

Portfolio Diversity

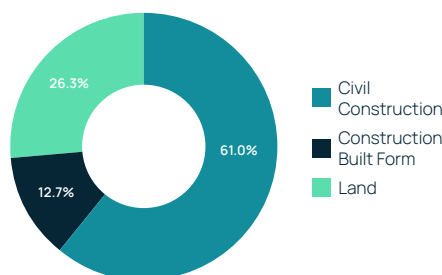
Investment Sectors - March 24



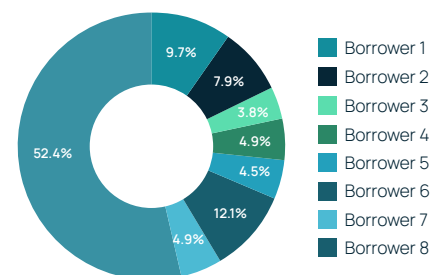
Geographic Location - March 24



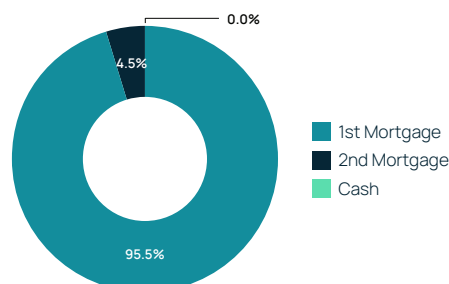
Loan Type / Purpose - March 24



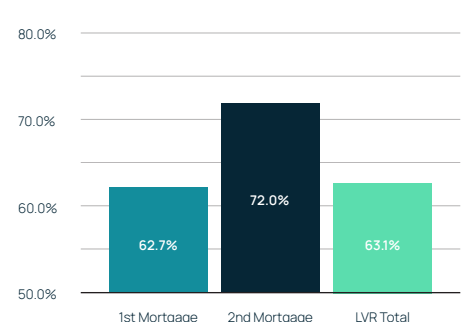
Borrower Mix - March 24



Portfolio Investment Mix - March 24



LVR Profile - March 24



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Fund Manager Commentary

The March '24 Bedrock fund performance again delivered on Ark's goal of offering investors a pooled fund product to complement our contributory style Ark Wholesale fund, delivering strong, contributory-fund like returns from multiple investments in mortgage-secured loans. At the end of March approximately half the Fund's \$20.6m in unitholder FUM is from existing Ark investors who recognise the advantages of investment diversity whilst still investing in trusted, mortgage-secured, Ark Wholesale loans.

The March '24 return was 0.95% and contributed to a year to date 11.31% annualised return, and follows similar results in each of the previous 3 months. This result was delivered through dynamic investment and cash management, with cash deployment during the month running at close to 100%. The Fund ended March with \$20.6m in FUM and investments in 9 mortgage facilities with 8 different borrowers, and a further \$1.7m in applications for unit issue in April 2024.

During the month the fund made just one new investment, a significant \$10m+ position in a new Ark Wholesale 1st mortgage loan, to a high-quality borrower developing a marina in Newport on Sydney's Northern Beaches. This investment represents approximately 50% of the portfolio at the end of March. In the coming months it is the fund manager's intention to allow the concentration to naturally reduce as the fund grows and new investments are made.

During the month 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 10 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.