

Fact Sheet: September 2026

CORNERSTONE FIRST MORTGAGE

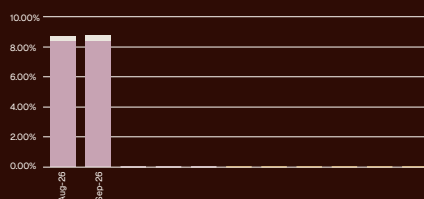
September Annualised
Return

8.76%

Avg. Loan-To-Value
Ratio

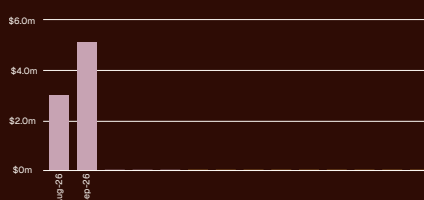
65.0%

Return History



■ Target Return = RBA + 4% ■ Excess over Target

Fund Size (FUM \$m)



Fund Details

FUND COMMENCED	April 2026
TARGET RETURN	RBA cash rate + 4%
MINIMUM SUBSCRIPTION	\$50,000
MINIMUM INVESTMENT TERM	6 months
DISTRIBUTIONS	Paid Monthly
DISTRIBUTION REINVESTMENT AVAILABLE	Yes
REDEMPTION	Quarterly
APPLICATION & REDEMPTION FEE	NIL
PERFORMANCE FEE	NIL

TRUSTEE
Ark Capital Funds Ltd
ACN 604 775 573
AFSL 476209

FUND MANAGER
Ark Capital Funds
Management Pty Ltd
ACN 649 243 881

Key Metrics

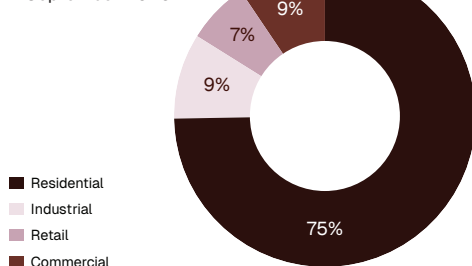
Fund Performance (Net of Fees)	Period	P.A.
1 Mth	0.72%	8.76%
3 Mths	1.46%	8.73%
6 Mths	N/A	N/A
Fin YTD	1.46%	8.73%
Since Inception (April 26)	1.46%	8.73%

Costs & Charges	Period	P.A.
Manager Cost Recovery	0.00%	0.00%
Direct Costs Approx.	0.55%	0.55%

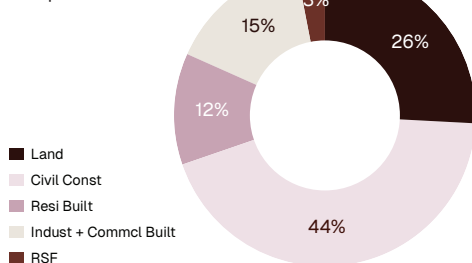
Fund Details	Aug26	Sep26
FUM	\$3.0m	\$5.1m
Number of Borrowers	10	16
Number of Loan Positions	10	17
Avg Loan Size	\$0.30m	\$0.30m
Avg Loan Maturity (Mths)	8.0	7.1
Loans in Arrears	Nil	Nil
Loans with Prepaid Interest	100%	100%

Portfolio Diversity

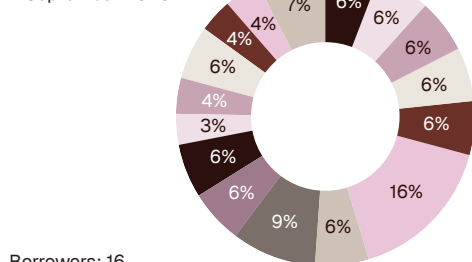
Investment Sector Mix – September 2026



Loan Type/Purpose – September 2026

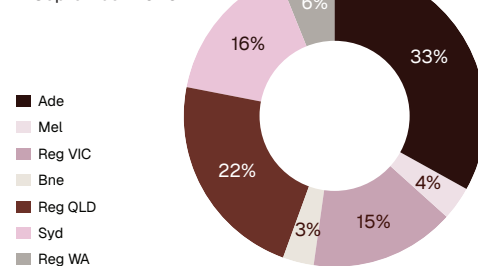


Borrower Mix – September 2026

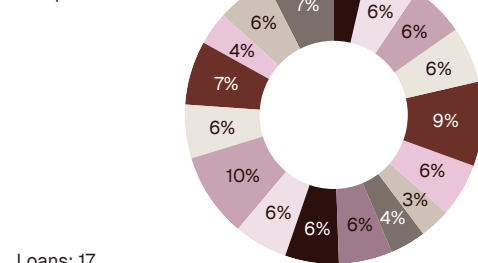


Borrowers: 16

Geographic Mix – September 2026

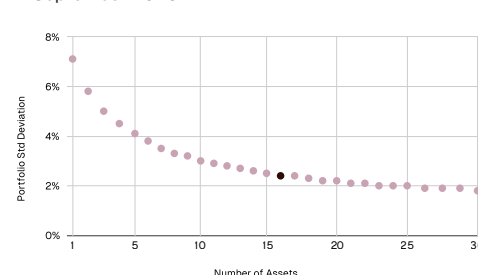


Loan Mix – September 2026



Loans: 17

Standard Deviation (Illustrative) – September 2026



Commentary

- Launch:** In August Ark launched its newest pooled mortgage fund, Ark Cornerstone. The fund is a first mortgage only fund, available to wholesale and retail investors alike. Cornerstone follows a near identical strategy to Ark's other pooled funds, investing exclusively in loan syndicates originated by the Ark Wholesale Mortgage Fund. This strategy ensures Cornerstone has offered fund investors immediately diversity across a series of loans, borrowers and regions.
- Return and Diversity:** Cornerstone's September return was 8.76% (annualised) against the fund's target return of the RBA OCR + 4% (8.35%). In September the portfolio increased to 17 loans to 16 separate borrowers, averaging \$0.3m per loan. As the fund grows we are able to reduce concentration in any one loan or borrower, and at September maximum loan and borrower exposures were 9% and 16% respectively. These will decrease in coming months.

CORNERSTONE FIRST MORTGAGE

Investor Contacts



David Charles

Head of Funds

david.charles@arkcapital.com.au

0417 557 783



Shane Wakelin

Executive Director – Head of Distribution

shane.wakelin@arkcapital.com.au

0409 985 986



Stephan De Silva

Capital and Fund Forecasting Manager

stephan.desilva@arkcapital.com.au

0455 554 120

Commentary Cont

- **Private Credit Market in Focus:** There has been much reporting regarding private credit in the last month, particularly since the failure of the large Sydney based developer Bathla. Whilst Ark has no direct exposure to the Bathla collapse, we've fielded many investor queries and observed investors "pull back" in terms of committing their funds, which frankly, is perfectly natural.

One thing seemingly being ignored by many commentators is that in Australia, private credit loans are typically real property, mortgage-backed loans. This means Bathla's lenders with 1st mortgage security over a particular property have a right to take control of the property, to realise its value and repay its investors.

Of critical importance when advancing loans is the quality and voracity of the independent valuation obtained. We can only speak for ourselves but the diligence we put into interrogating external valuations is significant, and probably the most fundamental element of the due diligence we undertake. Assuming others do the same, we would expect most of Bathla's private credit lenders will recover their investors' funds.

But one thing is highlighted by the Bathla collapse, namely the criticality of hard-edged due diligence on borrowers / sponsors, their financial position and "true" past performance, and the contractors they engage to deliver their projects.

- **Loan Types:** Ark's longstanding loan-type bias is residential and industrial land and sub-division loans, and small scale industrial built-form loans. This is because they typically represent the lowest risk loans in the development space. At the end of September the portfolio was comprised of 69% residential and industrial land and sub division loans, 4% residual (completed) stock. 16% was industrial and non-complex commercial built form loans and 12% residential built-form.

We note the resi-built loans are 2 townhouse loans in infill locations in Adelaide. Where we have deliberately avoided any residential-built loans for the last 3+ years, we have recently taken tentative steps back into this loan type, with a clear focus on small scale, infill projects in established residential suburbs.

ABOUT THE FUND MANAGER

Ark Capital 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 10+ year history Ark Capital has transacted over 200 real estate loan and equity deals valued at over \$1.5 billion.

Ark's executive team has long experience in the important disciplines, including property development, project and loan due-diligence, loan execution, investment management, default management and recovery, and funds management.

Preservation of investor capital is the key principle around which our risk analysis process is built, and around which our approval committees' decision making is centred. Informed by external research and market analyses developed and delivered bi-annually by Urbis, we continually recalibrate Ark's investment settings to avoid the riskiest segments and regions in the market. This laser focus on risk is behind Ark's 99.6% recovery of investor's capital over our 10+ year history.

Due Diligence: To protect investor capital we rigorously, meticulously assess every aspect of a borrower's proposed project, the borrower's background, their contractors, advisors and consultants, their financial position and performance, the markets they develop in and sell into, and the security they are providing. Our screening process sees us typically reject approximately 75% of loan opportunities we assess.

Ark Capital has a growing family of loyal investors encompassing family offices, high net wealth investors, and increasingly, financial advice firms and wealth management firm clients attracted by our performance, transparency and a growing suite of investment products designed to meet their needs.

ABOUT THE CORNERSTONE FIRST MORTGAGE FUND

Cornerstone First Mortgage Fund was created in response to demand from wealth and financial advice firms — several of them already investing in Ark's wholesale pooled funds on behalf of clients — for a pooled option their retail clients could access.

Cornerstone follows substantially the same strategy as Ark's other pooled funds, with one defining difference: it invests only in first-ranking interests in first mortgage loan syndicates. As with Ark's other pooled funds, those investments are sourced exclusively from the Ark Wholesale Mortgage Fund.

Sourcing from a related fund means Cornerstone's diversification is established from day one — a spread of loans, borrowers and regions from the outset, rather than built up over time. Maintaining that diversity, by continually recalibrating the portfolio, is a core objective of the Manager.

Returns to investors are derived from the interest paid by borrowers on the underlying loans, less management fees and allowances for direct costs of the fund including custody, audit, tax and other compliance-related expenses.