



Wholesale 1 PIE Trust

Debt Fund Performance Update

31 March 2024

Fund Performance | 31 March 2024

Financial Year	June	September	December	March	12 Month Rolling Average	Since Inception†
2024	13.34%	17.58%	18.59%	14.82%	16.08%	32.51%

Net investor returns have continued to be strong this quarter and remain above our target range.

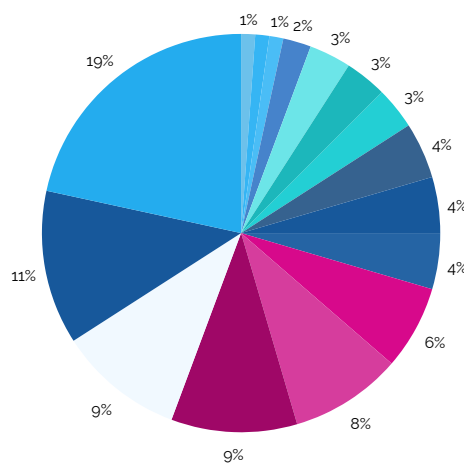
The table above shows quarterly Average Monthly Net Distribution pre-tax (annualised) to unit holders.

The pre-tax average actual distributions to unit holders (after fees and costs) for the March 2024 quarter were 14.82%.

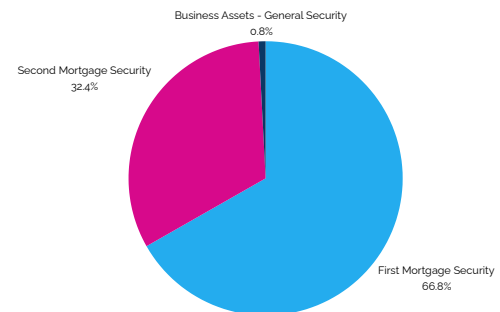
†Returns Since Inception of 32.51% is based on an actual investor account with net returns re-invested monthly.

Past performance is not a guarantee of future performance. The fund was established on 30 June 2022 and made its first investments in September 2022.

Loan Portfolio Composition
Spread of Loans



Loan Portfolio Value by Security Type



March 2024 Quarter | Commentary

The March 2024 quarter exhibited typical trends, with January being a slow period for new loan activity, as anticipated. However, February and March saw a significant surge in client loan activity, keeping us nearly fully invested by the end of the period.

As many would have noted in these early months of 2024, the economic landscape is finely balanced. While challenges persist for many, there are pockets of opportunity as some business owners and investors cautiously reengage with the market. The adage that making money is never easy holds true, and this year appears to be no exception.

Looking Ahead

We continue to tread cautiously yet optimistically towards new opportunities this quarter. As we see more new investors join us, we have been deploying funds into new loan opportunities. We are continuing to progress with a measured approach to growth.

This requires a balance between maximizing investor returns and exercising prudence in committing to new loan investments, ensuring sustainable and stable expansion. And as always, we continue to apply robust monitoring and management of the portfolio and work closely with our clients to review progress against predefined plans.

We have noted a growing appetite among non-bank lenders to extend loans to the New Zealand business community, signaling increased competition in the lending landscape. While this increase in competition may translate to lower returns for investors, the continuing cautious stance of traditional banks towards business lending provides ample opportunity for Merx to step in with fit-for-purpose funding for New Zealand business owners and property investors.

Like to learn more?

The Merx Wholesale 1 PIE Trust Debt Fund is designed for investors by investors. Click to find out more.

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Recent Investments | Portfolio examples

This Debt fund invests in loans to a broad range business owners and property investors. We take pride in supporting Kiwis with well-thought-out plans across a wide range of industries.

Our expanding portfolio of success stories underscores the effectiveness of our lending process and its ability to facilitate our clients' objectives. Take a look to the right for a sample of funding solutions we have implemented recently.

Managing Risk. Delivering Returns.

In the recent Investor Update emails, we shared two articles for our investors partners: The first takes a look at how the fund is structured and managed to mitigate risk and enhance the safety of investors' funds. The second looks at our portfolio approach and how we achieve the returns we do. Click below to read on.

Managing Risk and Return >>>

Generating Investor Returns >>>

Merx Management

Aligned interests is a core principle of the fund. As the Trust's management team, we have "skin in the game" as we personally invest alongside our investor partners. Click below to learn more about our individual journeys as investors.



Andrew Dunning

[Read More](#)



Brett Martelli

[Read More](#)



Garrick Wynne

[Read More](#)

Client Scenario: #1

Why did this client need our funding: Business owner, undertaking a restructure in their business. Needed funds to meet restructure costs and fund working capital. Bank too slow and not supportive. We provided a quick response and clear commitment to fund.

Amount: \$500,000 | **Industry:** Building materials and trade
Location: Auckland | **LVR:** 56% | **Type of security:** Business assets and second mortgage over residential property | **Path to repayment:** Sale of residential property assets

Client Scenario: #2

Why did this client need our funding: Property investor needed funding to complete renovation project on investment property and pay last outstanding bills to contractors. Had otherwise funded from cash equity. Bank was not interested given LVR over 65%. We understood the broader situation and provided the certainty this client needed to finish their project.

Amount: \$250,000 | **Industry:** Residential property investor
Location: Bay of Plenty and Auckland | **LVR:** 75%
Type of security: Second mortgage over residential property investment assets | **Path to repayment:** Rental income and business income to pay interest in the short term. Sale of investment assets to repay.

Client Scenario: #3

Why did this client need our funding: Business owner breeding livestock for sale. Needed working capital and capex funding for the business. Client wanted to get on with the project and didn't want to endure the Bank's long approval process. We provided a quick response and clear commitment to support.

Amount: \$200,000 | **Industry:** Breeding livestock for sale
Location: South Auckland | **LVR:** 10% | **Type of security:** First mortgage over farm property | **Path to repayment:** Cashflow from business and likely refinance to main bank once track record is established.

Client Scenario: #4

Why did this client need our funding: Property investor saw an opportunity to acquire a very good investment asset, excellent location and at a great price. Needed to move quickly to secure the deal. Experience had suggested their Bank would be too slow. We provided a quick commitment and certainty to the client so they could transact with confidence.

Amount: \$1,240,000 | **Industry:** Residential property investment
Location: Bay of Plenty | **LVR:** 55% | **Type of security:** First mortgage over residential investment property | **Path to repayment:** Refurbish, re-tenant and likely refinance on completion.

Like to learn more?

The Merx Wholesale 1 PIE Trust Debt Fund is designed for investors by investors. Find out how it can complement your diversified portfolio, to create income for life.

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