



Wholesale 1 PIE Trust

Debt Fund Performance Update

30 September 2024

Fund Performance | 30 September 2024

Period	1 month	3 months	Total Return 12 months	Total Returns Since Inception - Compounded*	Compound Annual Growth Rate Since Inception
September 2024	1.25%	3.61%	15.46%	40.89%	18.67%
September 2023	1.50%	4.39%	17.79%		
September 2022	1.29%	NA	NA		

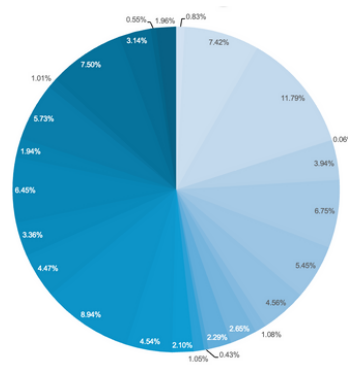
Competition for good investments continued in the September quarter, putting pressure on returns. However, net investor returns remained strong and above our target range.

The 12-Month Total Net Distribution to Investors in the year to September 2024 is 15.46%, and Compounding Returns Since Inception are 40.89%, up from 37.19% in the June quarter.

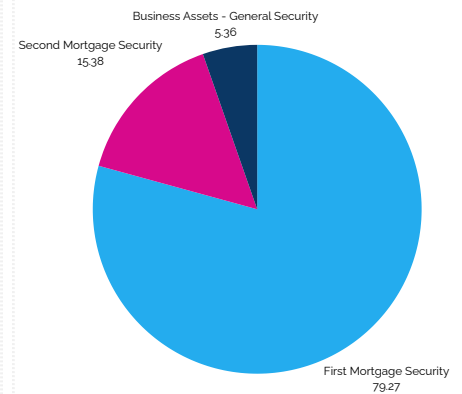
Also, we have simplified historic returns reporting - you can [view this here](#). Under this format, we expect to demonstrate constant progress and solid, consistent net returns over time.

*Returns Since Inception based on model portfolio compounding returns.
Past performance is not a guarantee of future performance.

Loan Portfolio Composition | Spread of Loans



Loan Portfolio Value by Security Type



September 2024 Quarter | Commentary

The business environment remained tough this quarter. We're seeing early signs of recovery with clients seeking funding for new projects. Competition for quality non-bank loans has continued to increase, putting pressure on returns for good opportunities.

Despite these challenges, we stayed true to our lending principles, prioritising capital protection over quick deployment. Thanks to our extensive network, we remained near fully invested throughout the quarter.

Falling bank deposit rates have provided relief for borrowers and drawn more investors to us, as traditional savings returns decline.

The debt fund continues to perform well, with a 12-Month Total Net Distribution above 15%.

Looking Ahead

With September behind us, we're now heading into the busy lead-up to Christmas—typically a peak period for lending as businesses aim to close deals before year-end.

We're seeing more positive sentiment in the market, and we expect solid lending opportunities to emerge. Our focus remains on providing well-secured loans that help Kiwi businesses and investors bring their projects to life. For recent examples of how our funds have supported local businesses, see the next page.

Also, we've commenced the fund's first audit and expect to share the results with investors by the end of the year.

Thank you for your continued support as we help Kiwi businesses achieve their goals.

Like to learn more?

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

[Invest With Us](#)

Recent Investments | Portfolio Examples

Our investors often share how fulfilling it is to know their capital is driving real progress for local business owners—especially those who struggle to secure support from larger banks.

Recently, we spoke with one of our clients about how Merx funds were instrumental in bringing their vision to life. Hearing firsthand how our lending helps businesses grow and succeed reinforces the meaningful impact we're making together. To learn more, check out their story here and see to right for more example of clients we have assisted in the September quarter.

Questions From Investors

As you know, at Merx, we value open communication and encourage investors to ask questions. Based on those questions, we recently created a refreshed FAQs for both current and prospective investors—[view it here](#). And as always, keep the questions coming; we're happy to help.

[Investor FAQs](#)[Client Success](#)

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](#)

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.

[Invest With Us](#)

Client Scenario: #1

Why did this client need our funding: The client negotiated the purchase of a complementary business that would add scale and profit to their existing professional services business. They didn't have any property security, making it unlikely to raise money from a main bank in the business banking space. While their trading history supported their ability to repay debt over time, they were unable to get approval from their bank without property security in place.

Amount: \$350,000 **Industry:** Professional Services

Location: Auckland **Debt/EBIT Ratio:** 1x **Type of Security:** General security over the business, specific security over the accounts receivable **Path to Repayment:** The additional cash flow from purchasing this business should enable them to repay all of the debt we provided over time.

Why Merx: We provided funding that was fit for purpose, which was to make an acquisition to grow their business. We structured repayments over a sensible time period, aligned with their expected trading and the stable cash flow generated from the business.

Client Scenario: #2

Why did this client need our funding: Most funders were taking a very conservative approach, not willing to be exposed to land that is not immediately lined up for development. This client needed funding to meet some outstanding bills and tax debts on other projects. They had unencumbered land intended for future development, but no funders were willing to provide funding against that security.

Amount: \$350,000 **Industry:** Property development

Location: Bay of Plenty **LVR:** 20% **Type of Security:** Land for future development **Path to Repayment:** The client will pay us interest monthly from their broader group cash flow and will ultimately either refinance the land or pay us back from the sale of other property development projects.

Why Merx: We were able to provide approval within one week and settle quickly afterward. We took a pragmatic view, recognising that land still has value even in a tough market. The borrower had the capacity to pay interest on the land while working through the issues in their broader portfolio to refinance or repay us.

Client Scenario: #3

Why did this client need our funding: Business funding to help a national import / wholesale and online retail business refinance some very expensive, poorly structured business debt and provide further funding to support working capital into the summer season.

Amount: \$175,000 **Industry:** Import / wholesale and online retail

Location: Christchurch - nationwide **LVR:** 70% **Type of Security:** Business assets and second mortgage (caveat) over residential property **Path to Repayment:** Regular monthly payments from business cash flow.

Why Merx: We were quickly able to understand the client's business and their seasonal funding requirement. The previous business funding arrangement was draining all of the surplus cash from this profitable business. They needed a better structure. Merx was able to provide that.