



Wholesale 1 PIE Trust

Debt Fund Performance Update

31 December 2024

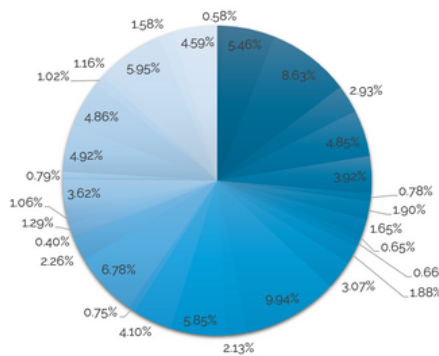
Fund Performance | 31 December 2024

Period	1 month	3 months	Total Return 12 months	Total Returns Since Inception - Compounded*	Compound Annual Growth Rate Since Inception
December 2024	1.32%	3.61%	14.41%	46.02%	18.28%
December 2023	1.55%	4.65%	17.62%		
December 2022	2.16%	4.82%	6.10%		

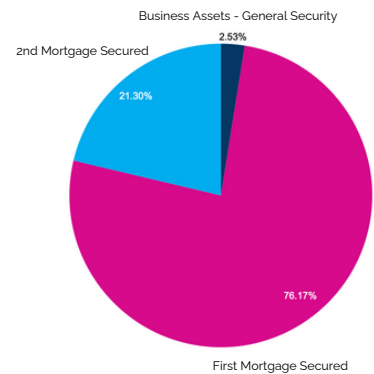
While net investor returns continued to deliver above our target range, increasing competition for good investments and market interest rate reductions in the December quarter ramped up pressure on returns.

The 12-Month Total Net Distribution to Investors in the year to December 2024 is 14.41% and Compounded Returns Since Inception are 46.02%, up from 40.89% in the September quarter. To view historic returns reporting, please click [here](#)

Loan Portfolio Composition | Spread of Loans



Loan Portfolio Value by Security Type



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

December 2024 Quarter | Commentary

The end of the calendar year is always a time of increased activity, and the final quarter of 2024 was no exception. As we approached the Christmas break, there was a noticeable surge in new lending opportunities, particularly over the last six weeks of the year. The natural deadline created by the holiday season focused the minds of business owners and investors, driving them to close opportunities before stepping away for the break.

This push meant that, despite a slightly lower return for the quarter compared to the same period in previous years, we were able to wrap up the year with nearly all of the funds invested and working over the holiday period. This strong final stretch allowed us to finish the year on a solid note.

For the quarter ending 31 December 2024, the return was a little lower than usual, primarily due to the heightened competition we've mentioned in previous reviews. This increased competition, along with market interest rate reductions has impacted the net returns available from loan investments.

Looking at the full year, however, the net distribution to investors for 2024 was a solid 14.41%. Furthermore, the total compounded net returns since the fund's inception remain very strong at 46.02%, reflecting the fund's solid performance over the long term.

Overall, while the competition in the market has had some short-term impact, the long-term growth and returns continue to be positive, and we look forward to another year of delivering value to our 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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Looking Ahead

As we step into 2025, we're energised by the momentum carried forward from the close of 2024. With a sense of cautious optimism, we anticipate increased confidence in the market and the potential for bank interest rates to continue their downward trend. These factors would support a more vibrant lending environment, offering opportunities to strategically deploy investor funds.

Our focus remains on supporting New Zealand's business owners and investors as they navigate the year ahead. By fuelling opportunities in the market, we aim to empower growth, supporting the backbone of the economy. Thank you for your ongoing partnership—your support is instrumental in driving progress for businesses across Aotearoa.

Helpful reads for investors

[Investor Insights](#)

[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](#)

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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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Recent Client Scenarios

Client Scenario: #1

Why did this client need our funding: Referred by their accountant, they needed working capital for the Christmas period and 2025. Their existing bank was too restrictive for anticipated growth, and negotiations with another bank wouldn't finalise before Christmas. They required short-term funding to bridge the holiday season and prepare for new financing in early 2025.

Amount: \$600,000 **Industry:** Professional Services

Location: Auckland **LVR:** 70% **Type of Security:** General security over the business, plus second mortgage over their investment property.

Path to Repayment: Servicing the debt through business cash flow with a likely refinance in early 2025.

Why Merx: The client appreciated our prompt response, understanding, and flexible funding—unlike their bank's rigid structure. We quickly addressed their needs and provided short-term support.

Client Scenario: #2

Why did this client need our funding: This client completed a townhouse development in Auckland and faced a rigid lender demanding repayment before Christmas. We promptly confirmed sufficient property value and recognised private lenders expect timely repayment.

Amount: \$1.35 million **Industry:** Property development

Location: Auckland **LVR:** 70% **Type of Security:** Settlement of conditional presale agreements or resale in the market. **Path to**

Repayment: Sale of residual townhouse stock.

Why Merx: We quickly confirmed that the property project was fully completed, with all necessary certificates and compliance requirements in place. After reviewing the sale contracts and visiting the property, we were able to act promptly to resolve the client's issue.

Client Scenario: #3

Why did this client need our funding: This high-net-worth individual had local investment assets but limited cash flow. Most of their income was from offshore investments which complicated bank credit assessments. We recognised their offshore income and NZ asset quality, enabling them to access equity and pursue further investment opportunities.

Amount: \$150,000 **Industry:** Property investment

Location: Auckland **LVR:** <50% **Type of Security:** First mortgage over residential investment property. **Path to Repayment:** Funds being brought back to New Zealand from their offshore investments, or realisation of New Zealand domiciled property investment assets.

Why Merx: We quickly understood the client's situation and the specific funding they required. Relying on their proven track record of generating income and investment returns both in New Zealand and internationally, we implemented a straightforward structure to meet their needs. This no-fuss approach provided the funding necessary to capitalise on upcoming opportunities.