

Fund Performance | 31 March 2025

After fees and costs, before tax*

Period	1 month	3 months**	Total pre-tax return - 12 month rolling**	Total cumulative pre-tax return - since inception***
March 2025	+1.53%	+3.86%	+15.50%	+51.42%
March 2024	+1.34%	+3.71%	+17.28%	
March 2023	+1.68%	+5.20%		

Rolling 12 months data not applicable in the 2023 period as fund had been operating seven months only to March 2023.

March 2025 Quarter | Fund-Performance Commentary

Another 31 March financial-year finish has come and gone—and, true to form, the "deadline effect" lit a fire under borrowers. March alone delivered a flurry of loan repayments and redeployments, pushing the one-month return to +1.53% (annualised c. 18% net of fees, pre-tax). Stacked on top of two solid preceding months, the quarter closed with a three-month pre-tax return of +3.86% and left the fund almost fully invested, minimising cash drag.

Over the full year the fund paid a rolling 12-month total pre-tax return of 15.50%, comfortably above our target band despite intensifying competition for quality deals. Since inception (July 2022) investors have now enjoyed +51.42% cumulative compounded returns (after deductions before tax).

Risk-Return Discipline

Keeping risk on a short leash is baked into our DNA. Here's how the portfolio is currently stacked—and why that matters for investors:

Safety-first mix (Figure 1).

- 72.6% parked in first-mortgage security—the workhorse that delivers steady income.
- 25.15% in carefully structured second-mortgage deals.
- 2.23% in pure business-asset general security for a measured dash of extra yield.

The blend tilts toward the reliability of senior security while still reserving roughly a quarter of the fund for higher-return mezzanine opportunities—so investors capture upside without riding a roller-coaster.

No elephants in the room (Figure 2).

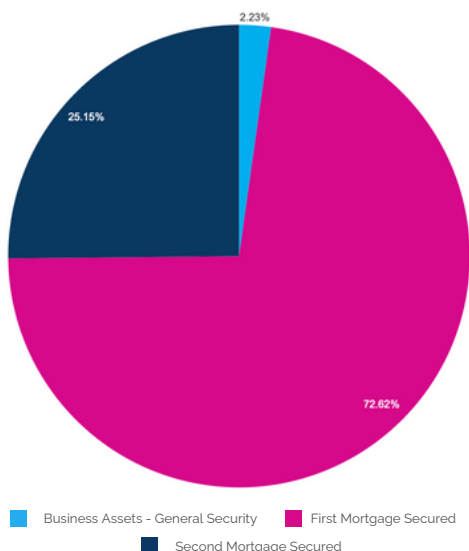
Our largest single loan sits at just 8.45% of fund value. The portfolio of loans is spread over a broad range of unrelated borrowers. Keeping exposures small and diversified means one borrower's bad day never derails the whole train.

Practical diversification

With no lumpy positions and maturities staggered across the calendar, cash flows back to the fund every month. This is a constant balancing act.

Figure 1

Loan Portfolio Value by Security Type



*Rounding Policy - For the purposes of this table, we round all return data down to the nearest 2 decimal points. Actual returns distributed to investors may be higher than illustrated above given the effect of this rounding policy.

**Total Return - 3 Months and 12 Month Rolling are the compounded monthly returns, with distributions re-invested, after deductions for all charges before tax (Investor PIR - 0%), over the respective periods. Returns are re-invested in this scenario (time-weighted return).

***Total Cumulative Return Since Inception is the compounded monthly, distributions after deductions for all charges before tax (Investor PIR - 0%) since the establishment of this fund. Returns are re-invested in this scenario (time-weighted return). 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.

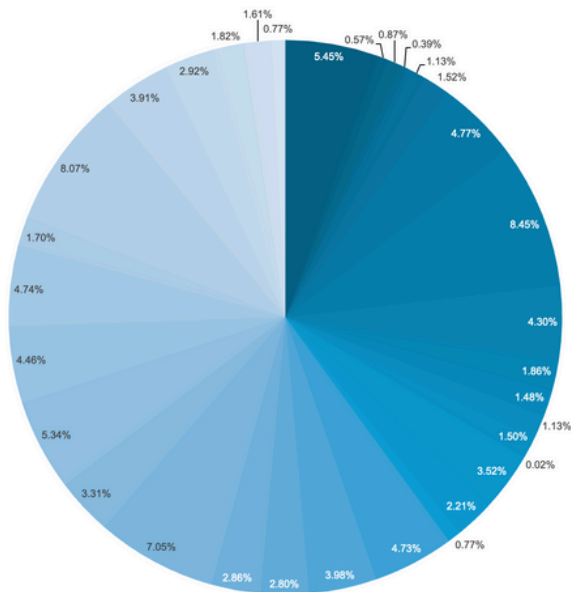
Like to learn more?

The Merx Wholesale 1 PIE Trust Private Credit Fund is designed for investors by investors. [Learn more.](#)

[Invest With Us](#)

Figure 2

Loan Portfolio Composition | Spread of Loans



Looking Ahead

Early signs point to a cautious lift in activity as the new financial year begins, but conditions remain challenging and selectivity is still essential.

Main-bank thaw. Large banks are becoming more active in funding new projects and acquisitions, which should lift transaction volumes and open refinance pathways. We expect this will also support confidence in the market.

Property-market pulse. Weekly auction clearance rates have improved, with more vigorous bidding for completed residential stock. We remain wary of raw-land exposure, where valuations can shift quickly.

Crowded non-bank space. Competition among private lenders continues to intensify, placing pressure on margins for straightforward deals. We are focusing on niche, higher-yield opportunities we know well and staying disciplined on covenants.

Challenging backdrop. Borrowers are still operating in a "quite hard" environment—higher costs and uneven demand in some sectors—so rigorous credit selection remains critical.

Return outlook. Despite margin pressure, we expect net returns to stay at or above target in the near term, supported by disciplined lending and active portfolio management.

We will continue to deploy capital only where the risk-adjusted reward stacks up, maintaining diversification and flexibility in liquidity to help the portfolio navigate whatever 2025 may still deliver.

Recent Client Scenarios

Client Scenario: #1

Why did this client need our funding: A business owner in a growth phase needed capital to pursue new contracts and scale up operations. After weathering a challenging couple of years, things were turning around — but his equity was tied up in property, and banks weren't able to assess his situation holistically. He needed a lender who could take a wider view of both his business and investment assets.

Amount: \$225,000 **Industry:** Construction and investment property **Location:** Auckland **LVR:** 75% **Type of Security:** Second mortgage over investment property and general security over business assets. **Path to Repayment:** Business cash flow from new contracts and ongoing operations.

Why Merx: We looked at the full picture — not just business or property in isolation. Our flexible approach allowed this client to unlock equity and pursue growth, with funding structured around his actual capacity, not just what the tick-box models say.

Client Scenario: #2

Why did this client need our funding: An experienced business operator had the opportunity to purchase a franchise in a growth region. While they didn't have direct experience in this specific sector, the franchise offered strong systems, support, and market demand. They needed to release equity from a residential property to fund the acquisition.

Amount: \$435,000 **Industry:** Franchise acquisition **Location:** Christchurch **LVR:** 75% **Type of Security:** Second mortgage over residential investment property. **Path to Repayment:** Cash flow from the franchised business, with refinancing expected after 12 months of trading.

Why Merx: We recognised the strength of the opportunity, the track record of the franchisor, and the borrower's ability to run a successful business. Our funding helped them get established quickly, with a clear exit strategy — transitioning to mainstream bank lending once proven.

Client Scenario: #3

Why did this client need our funding: A repeat client was ready to move ahead with a small townhouse development after securing consents and a fixed-price build contract. Traditional lenders were not interested due to the project's modest scale, despite strong fundamentals and clear demand in the area.

Amount: \$920,000 **Industry:** Residential development **Location:** Waikato **Type of Security:** First mortgage supported by pre-sales and project viability. **Path to Repayment:** Sale of completed townhouse units.

Why Merx: We specialise in funding smaller, high-potential development projects that are often overlooked. Our pragmatic approach helps experienced developers bring much-needed housing to market, with simple structures and capitalised interest to reduce cash flow pressures during the build.

Fund Performance | 31 March 2025

Returns after fees and costs, before tax (PIR = 0%)*

Financial Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total Return Calendar Year**	Cumulative Return Since Inception***
2022									+1.27%	+1.15%	+1.50%	+2.20%	+6.26%	
2023	+1.42%	+2.01%	+1.68%	+0.98%	+1.16%	+1.17%	+1.08%	+1.86%	+1.47%	+1.30%	+1.79%	+1.57%	+18.96%	
2024	+1.08%	+1.25%	+1.34%	+1.22%	+1.20%	+1.04%	+1.11%	+1.27%	+1.23%	+1.14%	+1.14%	+1.34%	+15.34%	
2025	+1.12%	+1.16%	+1.53%										+3.86%	+51.42%

Returns after fees and costs, after tax (PIR = 28%)*

Financial Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total Return Calendar Year**	Cumulative Return Since Inception***
2022									+0.91%	+0.83%	+1.08%	+1.60%	+4.49%	
2023	+1.03%	+1.47%	+1.24%	+0.72%	+0.86%	+0.87%	+0.80%	+1.39%	+1.10%	+0.98%	+1.35%	+1.19%	+13.80%	
2024	+0.82%	+0.95%	+1.03%	+0.94%	+0.92%	+0.80%	+0.86%	+0.98%	+0.96%	+0.89%	+0.89%	+1.05%	+11.67%	
2025	+0.88%	+0.91%	+1.21%										+3.03%	+36.81%

*Rounding Policy - For the purposes of this table, we round all return data down to the nearest 2 decimal points. Actual returns distributed to investors may be higher than illustrated above given the effect of this rounding policy.

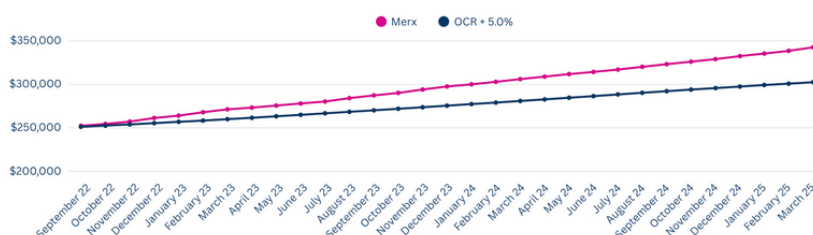
**Total Return - Calendar Year is the compounded monthly, distributions after deductions for all charges before tax (Investor PIR = 0%) or after tax (Investor PIR = 28%) for the Calendar Year (row). Returns are re-invested in this scenario (time-weighted return).

***Total Cumulative Return Since Inception is the compounded monthly, distributions after deductions for all charges before tax (Investor PIR = 0%) or after tax (Investor PIR = 28%) since the establishment of this fund. Returns are re-invested in this scenario (time-weighted return).

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.

Comparison of compounded returns after tax (PIR = 28%) of an investment with Merx against an investment returning OCR +5.0%

There is no appropriate comparative market index and no suitable comparable index or benchmark for this unit trust against which to assess either movements in the market in relation to the returns from the assets in which the unit trust invests or the performance of the unit trust as a whole. We have adopted OCR +5.0% as a hypothetical benchmark for illustration purposes only.



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.

[Read More](#)


Andrew Dunning



Brett Martelli



Garrick Wynne



Shanell Erceg

Like to learn more?

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

[Invest With Us](#)