Merx

Private Credit Fund

Wholesale 1 PIE Trust Performance Update

30 June 2025

Fund Performance | 30 June 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***
June 2025	+0.96%	+3.20%	+15.17%	+56.27%
June 2024	+1.04%	+3.50%	+17.45%	
June 2023	+1.17%	+3.35%		

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

June 2025 Quarter | Fund-Performance Commentary

A solid start to the new financial year

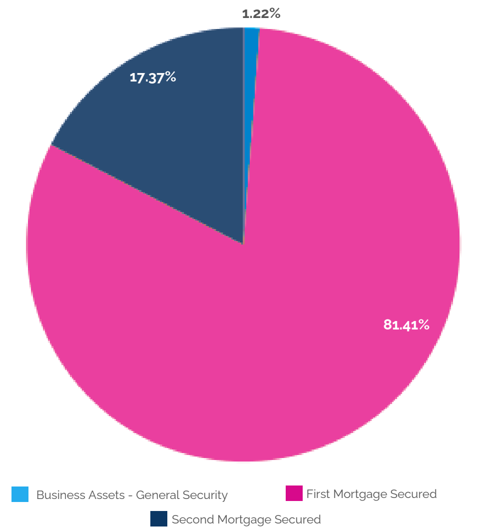
This quarter marks the start of a new financial year, and as is typical for this period, returns included some drag from one-off expenses related to year-end processes such as unit holder reporting, financial accounts, and audit costs.

Despite this, the fund delivered a solid net return of 3.2% for the three months to 30 June 2025 (after costs, before tax). The 12-month rolling return remains strong at over 15% per annum — comfortably above our target range. Since inception in July 2022, investors have now received over 55% in cumulative compounded returns (after deductions, before tax).

With year-end now complete, investors will have received their Portfolio Investment Entity (PIE) tax certificates. As a Portfolio Investment Entity (PIE), tax is effectively capped at 28% prescribed investor rate (PIR), which can offer a meaningful advantage for those on higher tax rates.

Figure 1

Loan Portfolio Value by Security Type



Prudent positioning and portfolio spread

The portfolio remains anchored in first mortgages (Figure 1), with select second-ranking positions providing modest yield uplift without compromising quality. Loans are well diversified across unrelated borrowers, with no single exposure dominating (Figure 2). At quarter end:

- Live loans: 37
- Largest loan: 12.46% of fund value
- Top 10 loans: 61.52% of fund value

The fund also held a slightly higher cash balance this quarter, following strong investor inflows and a deliberate, disciplined approach to deployment. While we remain responsive and flexible, we only make an investment when the opportunity meets our standards.

Strong safeguards and investor alignment

The fund does not make loans to related parties — a rule embedded in our founding documents and strictly upheld. This protects investor capital from potential conflicts of interest and ensures full independence in lending decisions.

We remain focused on delivering strong, risk-adjusted performance and protecting the trust you've placed in us. Your capital continues to work — and work safely — in a diversified, actively managed portfolio.

**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

Investors must qualify as Wholesale Investors as that term is defined in sections 3(211a) – (c) or 313(a) of Schedule 1 of the Financial Markets Conduct Act ("FMCA"). **The fund is not suitable for retail investors.**

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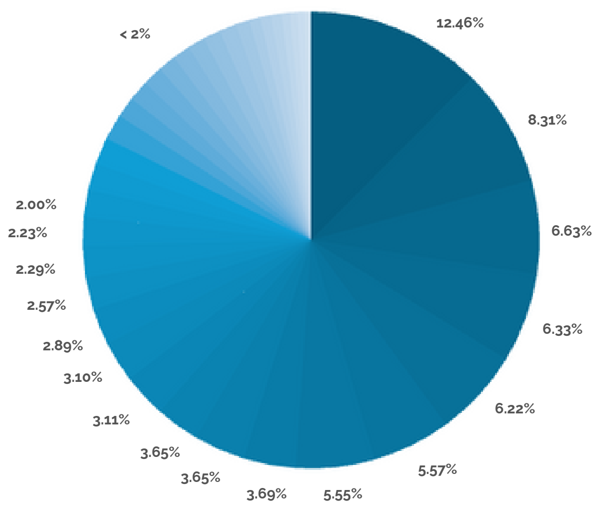
Figure 2

Loan Portfolio Composition | Spread of Loans



Looking Ahead

Early signs of a cautious uplift continue, but the market remains nuanced, and discipline is still essential. The key themes from last quarter remain relevant:

Main-bank thaw. Traditional lenders are becoming more active, particularly in funding established developments and acquisitions. This is gradually improving refinance options and supporting transaction flow.

Property-market pulse. Activity appears to have lifted, with improved auction clearance rates and renewed interest in completed stock. While we're seeing more confident bidding, we remain cautious around raw-land exposures and early-stage projects.

Crowded non-bank space. The private lending market remains competitive, especially for vanilla investments. This is putting pressure on margins, reinforcing the need to focus on higher-yield, structured opportunities we know well.

Challenging backdrop. Economic conditions remain uneven, and borrowers continue to face cost pressures and funding uncertainty. Strong credit selection and proactive structuring remain key.

Yield-seeking behaviour. With term deposit rates falling, more investors are looking to Private Credit to enhance portfolio returns. This demand is contributing to pricing pressure across the sector — but we continue to focus on maximising investor outcomes without compromising lending standards.

We remain committed to disciplined deployment, helping borrower clients move forward in a tough environment, while delivering stable, risk-adjusted returns to our investors.

Recent Client Scenarios

Client Scenario: #1

Why did this client need our funding: This client was referred by their accountant and needed short-term working capital to navigate the holiday period and prepare for growth in 2025. Their existing bank funding was too restrictive, and while they had begun talks with another bank, those negotiations wouldn't conclude before Christmas. We stepped in to bridge the gap, helping them stay on track until their new funding structure began in the new year.

Amount: $600,00 **Industry:** Professional services **Location:** Auckland and nationwide **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.

Why Merx: This client valued our quick response, flexible approach, and tailored solution—especially compared to the rigid structure of their existing bank. We swiftly identified their needs and delivered funding to support them through the short term.

Client Scenario: #2

Why did this client need our funding: This client had completed a townhouse development in Auckland but faced pressure from a rigid lender demanding repayment before Christmas. We quickly assessed the property's value, confirmed it was sufficient security, and provided funding under a new pragmatic structure.

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 townhouse development stock.

Why Merx: We quickly confirmed that the property project was complete, 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 client had strong offshore income and NZ investment assets but limited local cash flow, making bank borrowing difficult. We took the time to understand their situation and provided funding to unlock equity and support new 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 NZ from their offshore investments, or realisation of NZ 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.

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Fund Performance | 30 June 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%	+1.22%	+0.99%	+0.96%							+7.19%	+56.27%

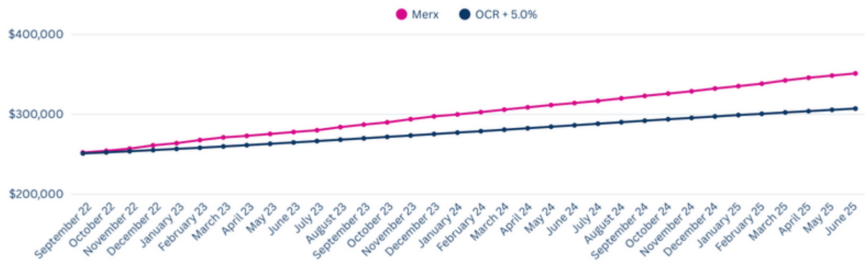
*Returns after fees and costs, after tax (PIR = 28%)**

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%	+0.97%	+0.78%	+0.76%							+5.64%	+40.28%

**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% & 28%) for the Calendar Year (row). Returns are re-invested in this scenario (time-weighted return). The fund was operating for only part of the 2022 calendar year and the current calendar year is not yet complete.*
****Total Cumulative Return Since Inception is the compounded monthly, distributions after deductions for all charges before tax (Investor PIR = 0% & 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

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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.

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Andrew Dunning
Managing Director


Brett Martelli
Director


Garrick Wynne
Director


Chris Swasbrook
Director


Shanell Erceg
Analyst

Like to learn more?

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

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