



Private Credit Fund (Wholesale 1 PIE Trust)

Performance Update 30 September 2025

Fund Performance | 30 September 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***
September 2025	+0.91%	+2.83%	+14.25%	+60.69%
September 2024	+1.23%	+3.65%	+16.53%	Investor funds under management \$33.086m
September 2023	+1.47%	+4.47%	+19.18%	

September 2025 Quarter | Fund-Performance Commentary

A continued period of steady performance

The September quarter marked another solid period for the Merx Private Credit Fund (Wholesale 1 PIE Trust), underpinned by consistent portfolio performance and ongoing investor support. Activity levels across the market remained broadly in line with previous quarters, with rising business confidence and a noticeable increase in lending applications – a positive shift from the more cautious environment of the past couple of years.

Despite a backdrop of moderating wholesale interest rates and heightened competition from new entrants in the Private Credit space, the fund continued to perform strongly, delivering returns above target and maintaining a prudent risk profile.

Three-year milestone and growth in funds under management

This quarter also marked an important milestone for the fund: three years since its first investment in September 2022. Over that time, Merx has continued to build a disciplined and diversified portfolio that reflects our commitment to quality lending and investor alignment.

Funds under management have now reached \$33 million, reflecting both new inflows and continued reinvestment from existing investors. With wholesale interest rates trending lower, we expect investor demand for Private Credit to strengthen further as deposit rates continue to ease from recent highs.

Portfolio composition and diversification

At quarter end, the fund held 38 loans, with an average loan size of approximately \$593k. The portfolio remains well diversified, with no single loan exceeding 11% of total portfolio value.

The overall mix reflects a measured shift toward second mortgage and business asset-backed positions, balancing yield opportunities with a continued emphasis on security and capital preservation. The portfolio's conservative weighted average loan-to-value ratio remains around 52%, consistent with our disciplined risk management approach.

Figure 1

Loan Portfolio Value by Security Type

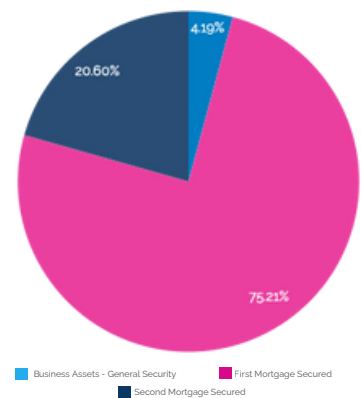
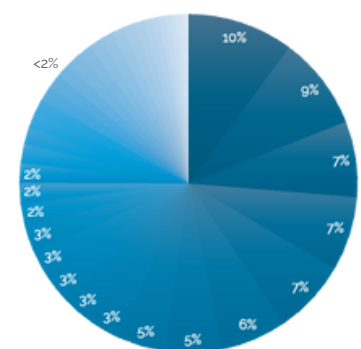


Figure 2

Loan Portfolio Composition | Spread of Loans



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

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Structural enhancements and governance

Merx is in the process of transitioning from a combined manager-trustee structure to appointing **Public Trust** as an independent trustee and custodian. This structural enhancement strengthens governance and oversight, aligning the fund with best-practice standards for investor protection.

Alongside this, several updates are being proposed to the fund's establishment documents, including:

- A full restatement of the Master Trust and Establishment Deeds to enable the transition and provide clarity on administrative aspects of the updated Fund.
- Reducing the base management fee from 2.00% to 1.95%, reinforcing our ongoing commitment to cost efficiency for investors.
- Adjusting the performance fee hurdle rate to OCR +4%, to better reflect market conditions and maintain alignment with investor outcomes.
- Aligning performance fee calculation and payment with the monthly distribution cycle, improving transparency and smoothing investor reporting.

These updates require unit holder consent via a **special resolution process**, with full details to be provided to unit holders directly. We believe these refinements reflect the natural evolution of the fund as it continues to grow in scale and maturity, ensuring that its structure remains robust, transparent and aligned with investor interests.

Anyone with questions is welcome to get in touch with the Merx team to discuss further.

Looking ahead

Seasonal trends point to a typically active final quarter of the year with transaction activity expected to increase across both property and business finance sectors. With wholesale rates stabilising and borrower sentiment improving, we anticipate sustained demand for quality private credit opportunities.

The fund enters this period from a position of strength — with healthy inflows, a diversified loan book, and disciplined deployment standards that support risk-adjusted returns. We expect to see continued momentum in lending across development, refinancing, and working capital transactions, particularly as businesses plan ahead for 2026.

Merx remains well positioned to capture this activity while maintaining its hallmark discipline and investor-first approach. Our focus continues to be on strong portfolio management, active risk oversight, and preserving the high level of investor trust built over the fund's first three years.

Recent Client Scenarios

Client Scenario: #1

Why did this client need our funding: The client's bank pulled out at the last minute ahead of a business acquisition, leaving a crucial funding gap despite significant equity contribution.

Amount: \$600,000 (approximately one-third of the purchase price) **Industry:** Business acquisition and investment **Location:** Auckland **LVR:** No property security - funded against business cash flow at less than 1x EBIT. **Type of Security:** Business assets and cashflow. **Path to Repayment:** Servicing and repayment through the operating cashflow of the client's businesses

Why Merx: We delivered certainty and speed, approving and funding within two days when the client's bank fell short. Our flexible approach, based on understanding the owner's track record and cashflow strength, enabled the acquisition to proceed without delay.

Client Scenario: #2

Why did this client need our funding: To build up stock ahead of the Christmas and summer trading period.

Amount: \$100,000 **Industry:** Seasonal retail/wholesale **Location:** Auckland **LVR:** <70% **Type of Security:** Second mortgage over residential property. **Path to Repayment:** Seasonal trading revenue from Christmas and summer sales, repaying through business cashflow.

Why Merx: We've supported this client for years with debt restructuring and seasonal working capital. Our in-depth understanding of their business meant approval was done over the phone - fast, flexible and tailored funding based on trust and a long-term relationship.

Client Scenario: #3

Why did this client need our funding: A property trader wanting to complete a renovation project found the approach from their bank too restrictive, as their bank would provide them only 60% of the purchase price of the project. They needed fast, flexible finance to get their project moving without tying up all their capital.

Amount: \$1.2m **Industry:** Property development/residential trading **Location:** Auckland **LVR:** 70% on completion value (up to 90% of total project costs including land). **Type of Security:** First mortgage over the development site. **Path to Repayment:** Sale of completed dwelling.

Why Merx: The client's bank was not interested in considering the potential of the project. Merx quickly structured funding around the project's completed value and got the project moving. The clear strategy and strong controls in place meant we could back the deal confidently, enabling this client to trade quickly, "bank a profit" and make progress.

Fund Performance | 30 September 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%	+0.90%	+0.99%	+0.91%				+10.21%	+60.69%

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%	+1.58%	+4.47%	
2023	+1.02%	+1.44%	+1.21%	+0.70%	+0.84%	+0.84%	+0.78%	+1.33%	+1.06%	+0.93%	+1.29%	+1.13%	+13.32%	
2024	+0.78%	+0.90%	+0.96%	+0.88%	+0.87%	+0.74%	+0.80%	+0.91%	+0.88%	+0.82%	+0.82%	+0.96%	+10.82%	
2025	+0.80%	+0.83%	+1.10%	+0.88%	+0.71%	+0.69%	+0.64%	+0.71%	+0.65%				+7.23%	+40.68%

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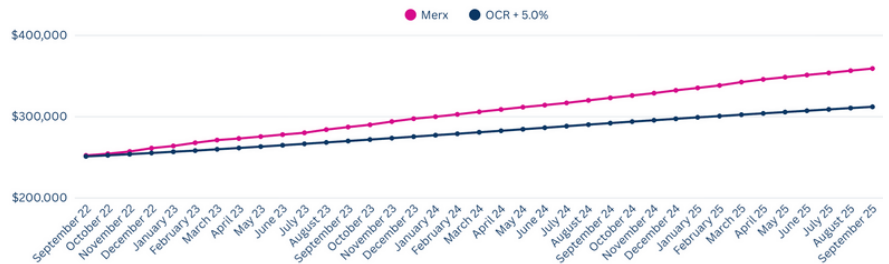
**Total Return - Calendar Year is the compounded monthly, distributions after deductions for all charges before tax (Investor PIR = 0% & 28%) for the Calendar Year (row). Returns are re-invested in this scenario (time-weighted return). The fund was operating for only part of the 2022 calendar year and 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.



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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
Chair



Shanell Erceg
Analyst

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