



Thinktank

June 2020

Thinktank High Yield Trust

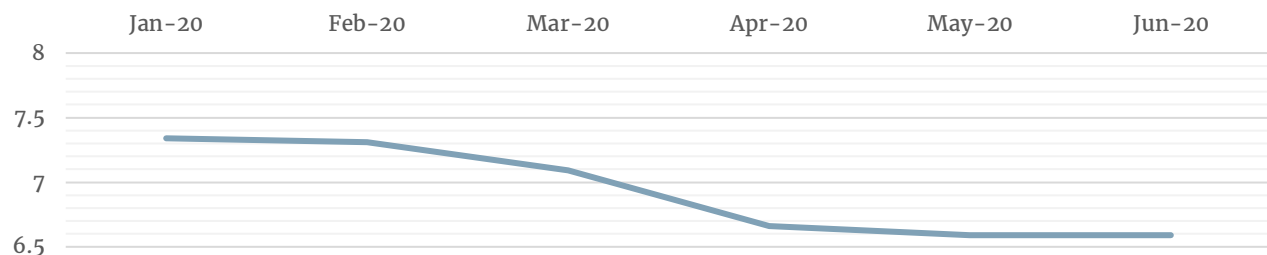
Monthly Performance Report



Thinktank High Yield Trust Monthly Performance Report

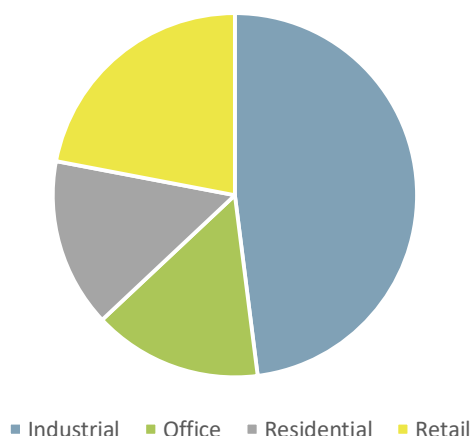
Return as at 30th June 2020

Annualised Return %

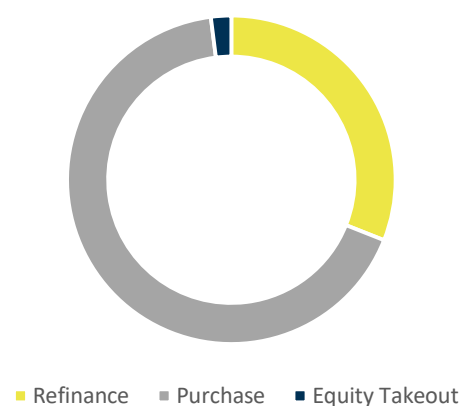


Thinktank Loan Book Metrics

Loan by Security Type*



Loan Purpose*



Investment Overview

Performance and Activity

In June the High Yield Trust has remained stable. Since inception in August 2017 the High Yield Trust has experienced zero losses and as at 30th June 2020 the High Yield Trust has one loan in arrears.

Investment strategy

Origination of loans secured by registered second mortgages (where Thinktank holds the first mortgage) held over Australian commercial & residential real estate to generate monthly income returns

Distributions

Paid on the 10th of each month (or following business day) in arrears.

Minimum investment

\$10,000

Minimum term

12 months

Average life of loan

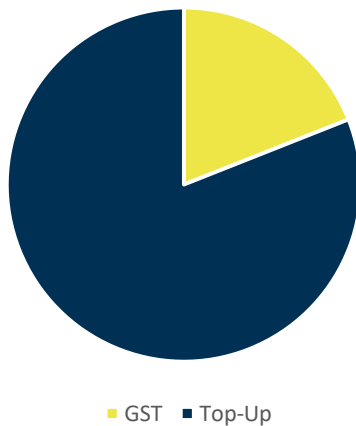
18 months as at 30-June-2020

*Data as at 30th June 2020

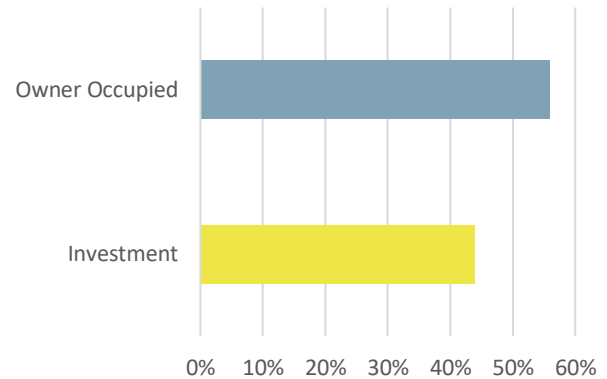


Thinktank Loan Book Metrics

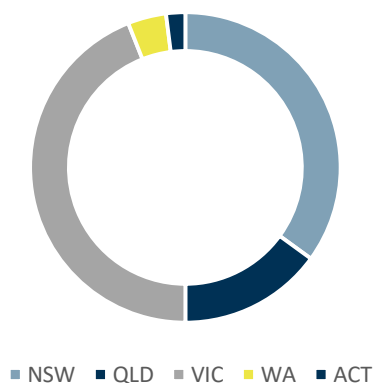
Loan by Verification Type*



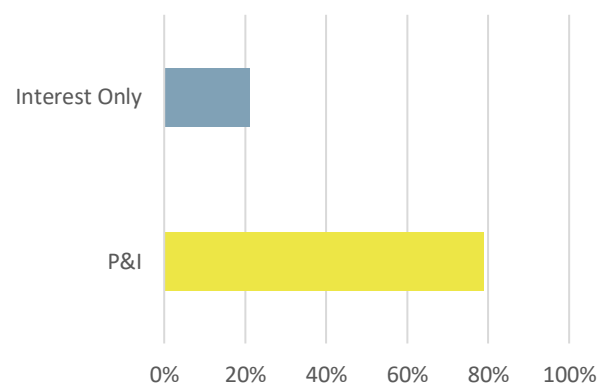
Loan by Occupancy*



Loans by State*



Repayment Type*



Market Ratings

	Sydney		Melbourne		Adelaide		Brisbane (SEQ)		Perth	
Resi-Houses	Fair	Softening	Fair	Softening	Fair	Softening	Fair	Softening	Fair	Softening
Resi-Units	Fair	Softening	Fair	Softening	Fair	Softening	Fair	Softening	Weak	Softening
Office	Good	Stable	Good	Stable	Fair	Stable	Fair	Stable	Fair	Stable
Retail	Weak	Deteriorating	Weak	Deteriorating	Weak	Deteriorating	Weak	Deteriorating	Weak	Deteriorating
Industrial	Good	Stable	Good	Stable	Weak	Stable	Fair	Stable	Weak	Stable

Disclaimer: This document is not intended to be read by anyone other than a Wholesale Client or Eligible Investor (as defined in Section 761G of the Corporations Act 2001) and should be read in conjunction with the Information Memorandum for Thinktank Group Pty Ltd dated 2nd May 2017. A copy of the Information Memorandum can be obtained by contacting Lauren Ryan on (02) 8669 5532 or at lryan@thinktank.net.au Thinktank Nominees Pty Ltd (AFSL No. 333 163).



Market Commentary



by **Per Amundsen, Head of Research**

The Westpac-MI Consumer Sentiment Index rose for a second month in a row by 6.3% in June to 93.7 remarkably reversing the impact on consumers of COVID-19 in April and March which saw a 20% fall. This appears to be consumers' reaction to the early lifting of some restrictions and it is quite likely that the volatility experienced may be repeated as the current situation in Victoria plays out. At its July meeting, the RBA Board held the Cash Rate at its record low of 0.25% as expected. Recent speeches by the RBA continue to be very clear in outlining ongoing Monetary Policy while at the same time encouraging more support from Fiscal Policy. Internationally the IMF released its World Economic Outlook Update in June entitled "A Crisis Like No Other, An Uncertain Recovery"; it projected a 4.9% decline in global growth for 2020 which was 1.9% worse than it had done in April. CoreLogic housing prices for June once again as expected showed a fall for Houses in Sydney of 0.9% and Melbourne down 1.3%. Units were down in both capitals, 0.6% and 0.7% respectively and we note considerably more comment on the supply of newly completed apartments. The month-on-month drop of 0.7% in national housing values greater than 0.4% in May. These figures will no doubt continue to change as the impact of COVID-19 continues to be felt but we have replaced the Watch trend for some Residential sectors with Softening. While we remain cautious about other sectors pending a return to normalcy it is clear that Retail which had already been struggling is headed for even more difficult times ahead. While there are changes taking place in all property sectors, they appear different from earlier downturns with Industrial appearing quite resilient and Office awaiting the response of businesses to work from home attitudes. We are maintaining a Stable trend for the latter despite some ominous signs in locations such as the Docklands in Melbourne which we think may be short-term in nature.

Market Commentary

by **Lauren Ryan, Investor Relations**

With the 19/20 financial year recently coming to a close, I am very excited to share with you that, despite a challenging final quarter, the last 12 months saw Thinktank's loan book increase by 54% and the number of loans rise by 135%. The support from our institutional funders and high net wealth investors such as yourselves has been instrumental in this growth and Thinktank being able to offer financing solutions to even more quality borrowers. Over the last few weeks I have been speaking with some of our borrowers who are currently experiencing Covid-19 hardship to ascertain whether they are in a position to resume their repayments or if they require further support. It is encouraging to see around 50% of respondents are already in a position to resume their repayments, though unfortunately the situation in Victoria highlights that we are not yet out of the woods and the environment can change rapidly. The RBA held the cash rate at 0.25% and indicated it will remain at this level for quite some time, for investors this means that at some point they may need to consider higher yielding investments to meet their income needs. In the month of June the High Yield Trust returned 6.59% to investors.

A downloadable copy of Thinktank's July Monthly Market Focus can be found at the link below:

<https://www.thinktank.net.au/news/>

For more information about Thinktank's Investment Trusts, please contact Lauren Ryan on

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