



**Thinktank**

Leading  
Commercial  
Finance

# Thinktank

# Series 2016-1 Trust

## Commercial Mortgage Backed Securities

# Disclaimer

This information has been prepared on a strictly confidential basis by Think Tank Group Pty Ltd (“Thinktank”) and may neither be reproduced in whole nor in part, nor may any of its contents be divulged to any third party without the prior written consent of Thinktank. This information is not intended to create legal relations and is not binding on Thinktank under any circumstances whatsoever. This information has been prepared in good faith and is based on information obtained from sources believed to be reliable, however Thinktank does not make any representation or warranty that it is accurate, complete or up to date. The information may be based on certain assumptions or market conditions, and if those assumptions or market conditions change, the information may change. No independent verification of the information has been made. Any quotes given are indicative only. No part of this information is to be construed as a solicitation to buy or sell any product, or to engage in, or refrain from engaging in, any transaction.

To the extent permitted by law, Thinktank nor any of its associates, directors, officers or employees, or any other person, makes any promise, guarantee, representation or warranty, either express or implied, to any person as to the accuracy or completeness of this information, or of any other information, materials or opinions, whether written or oral, that have been, or maybe, prepared or furnished by Thinktank, including, without limitation, economic and financial projections and risk evaluation. No responsibility or liability whatsoever (in negligence or otherwise) is accepted by any person for any errors, mis-statements or omissions in this information or any other information or materials. Without prejudice to the foregoing, neither Thinktank, nor any of its associates, directors, officers, employees nor any other person shall be liable for any loss or damage (whether direct, indirect or consequential) suffered by any person as a result of relying on any statement in, or omission from this information. Nothing in this information should be construed as legal, financial, accounting, tax or other advice.



## **CONTENTS**

---

- 1. Thinktank Corporate Overview**
- 2. Business Model & Market Dynamics**
- 3. Origination, Underwriting & Servicing**
- 4. Key Personnel, Risk Management & Compliance**
- 5. Thinktank Series 2016-1 Trust Transaction Summary**



SECTION 01

---

# Thinktank Corporate Overview



# Company Background

Commencing operations in September, 2006 Thinktank currently oversees a commercial loan book of \$463 million comprising 735 first mortgage loans with an average size of \$630,000 and weighted average LVR of 64.9%.

The performance of the Thinktank loan portfolio over ten years has been of superior quality. Loan arrears have generally remained low with 90 day plus arrears averaging 2% throughout the GFC and dropping in the time since while cumulative realised losses have been minimal.

Over the past three years, the company has progressively broadened its position in the market resulting in sustained but conservative growth in the assets under management with the focus remaining on inherent underlying credit quality.



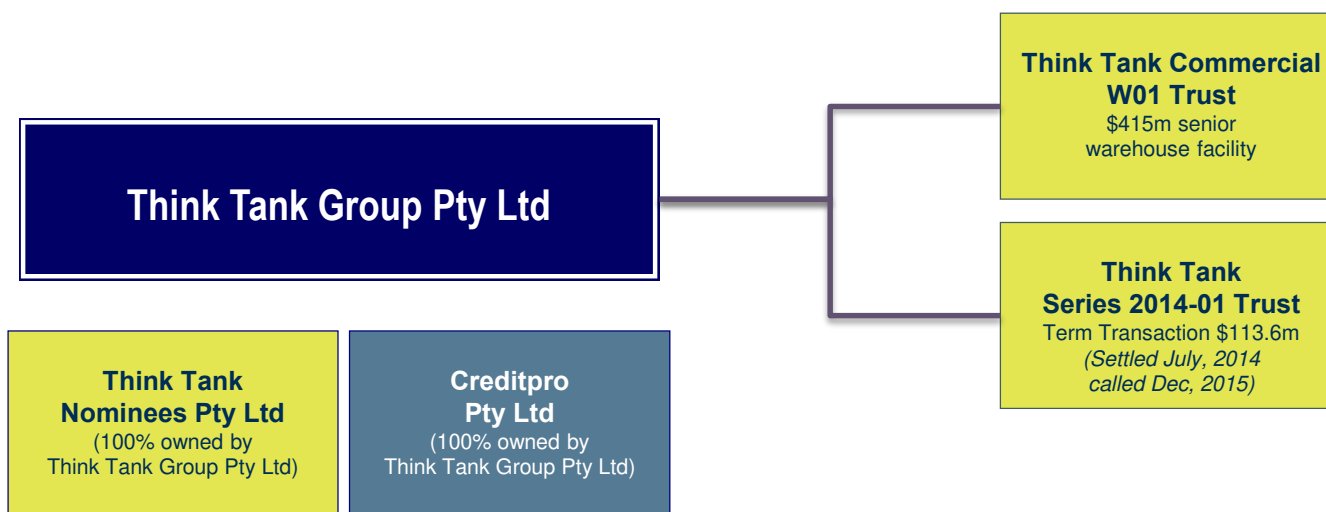
# Company Overview

- ❖ Thinktank is an originator, credit underwriter and trust manager of small ticket (sub \$3m) commercial mortgages targeting the SME market
  - Property types include retail, industrial, office
- ❖ Founded in 2005 by experienced banking & financial services professionals in commercial property & SME lending, the first loan was written in Sept, 2006
- ❖ Sydney based and privately owned with 14 shareholders
- ❖ All founders and key senior staff are un-changed since commencement
- ❖ Grew to \$100m pre-GFC then limited growth through to 2010 due to capital constraints
- ❖ Mid-2010 introduced new capital to structure & re-commenced growth to \$200m+
- ❖ First securitisation rated by S&P completed July, 2014 has opened up repeat access to capital markets and more efficient senior and mezzanine debt funding to support continuing growth



# Industry Standard Wholesale Funding Structure

- ❖ Thinktank is the beneficial owner and Trust Manager of two special purpose funding entities
- ❖ After trust expenses & interest paid to the wholesale funding providers, profits accrue to Thinktank
- ❖ Thinktank also generates income from establishment fees, servicing fees and early termination fees



SECTION 02

---

# Business Model and Market Dynamics





# Market Size & Scope

## ❖ **Australian Commercial Property Sub-\$5m**

- The market for small ticket commercial property across Australia is immense
- Diversification exists between retail, industrial and office
- Natural geographic concentration with the east coast dominant
- Relatively even split between owner-occupiers and investors
- Yields on commercial property average 6-9%, well in excess of residential
- Market growth currently below trend due to pockets of over-supply & stress
- Finance broker aggregation groups introduce in excess of \$5b annually
- Non-bank lenders currently occupy less than 10% of the market

## ❖ **Advent of SMSF-LRBA Lending for Commercial Property**

- Current legislation offers considerable tax advantages via SMSF ownership
- SMEs can owner-occupy and lease from their SMSF at market rent
- Limited or no tax is payable on capital gains or rental income in retirement
- Low interest rate climate enhances affordability & aids principal amortisation
- Does necessitate well informed financial, legal and accounting advice
- SMSF borrowing confirmed following government response to Murray FSI



# Competition

## ❖ Banks Dominate

- The big four banks tend to control around 75-80% of the market
- Second tier banks see another 10-15%
- Banks have advantages in pricing, discretion and product width
- Banks aim for “whole of wallet” and price competitively inside the cross sell
- Tend not to be as service efficient and responsive as non-banks

## ❖ Non-Banks Have Limited But Improving Penetration

- Funding costs are responsive to capital markets environment
- Loan products are confined to a smaller sub-set of bank lending
- Product eligibility is determined by capital markets compatibility
- Ability to compete has improved in the last two-three years
- Non-banks have lower operating costs and are more agile than the banks
- Technology is closing the gap, reducing costs further and bringing innovation
- Barriers to entry are high: cost of capital and wholesale funding acceptance



# Non-Bank Competitive Advantages

## Thinktank offers a number of product & service advantages over the banks

Thinktank Commercial Loans	Bank Commercial Loans
Set & forget loans over 30 years & up to 5 years interest only	Usually shorter 3-15 years, can create problems on renewal
No annual reviews or regular property re-valuations	Commonly require annual/regular reviews & updated info
No ongoing fees	Quarterly, annual, rollover, admin fees – fees for everything
No cross-collateralisation of securities or cross selling	Borrowings are typically tied together making changes difficult
Fast approval & easy to change or vary loan arrangements	Getting a bank to do anything quickly is always a challenge
Highly skilled and experienced Sales and Credit personnel	Limited access to skilled people, constant personnel changes
Fully flexible commission structure to introducers	Limited commissions and only for repeat business introducers



# Business Strategy Overview

1. Pursuit of measured organic growth, with focus on core assets & strengths to surpass \$500m in portfolio size over the next 12 months:
  - Current origination rate: **1.25 to 1.5** loans per day => \$15-\$20m pm
  - Objective is to progressively increase this to a consistent \$20-\$25m pm
  - Becoming a commercial lender of choice for major aggregation groups
  - Present annual loan enquiry from finance brokers exceeds \$1.2bn
2. Technology:
  - Online loan application service released in Dec, 2015
  - Services third party channel and now opens up direct channel
  - Back end development project accommodates straight through processing
  - Reduction of >50% in processing times
3. Funding line diversification to support growth in scale:
  - Options via securitisation plus other wholesale and institutional avenues



# Key Performance Drivers

The primary drivers of a mortgage lending business such as Thinktank include:

1. **Loan volumes** – new monthly originations less discharges & natural pay down
2. **Loan book balance** – Assets Under Management (AUM) total
3. **Net interest margin (NIM)** – Rate charged to borrowers less cost of funds
4. **Loan Arrears** – loans in default and not making scheduled payments
5. **Loss Minimisation** – efficiency in realising underlying security upon enforcement



# Key Underpinnings of Growth

Thinktank's medium term outlook for its Key Performance Drivers is positive:

- ❖ Growth in monthly **loan volumes** to \$20-25m will be supported through:
  - Additional Sales personnel in Sydney and Melbourne
  - Melbourne office established in 2015
  - Introduction of digital capability and back end technology development
  - Continuing to improve efficiency of funding
- ❖ The **loan book balance** is projected to grow to \$500m by early-2017
- ❖ **Net interest margins** are targeted to be maintained through:
  - Utilisation of new capital to replace high margin external mezzanine funding
  - Introduction of new sub-senior mezzanine funding to \$30m at lower margins
  - Managing NIM on the back book as necessary with movements in the market
- ❖ **Loan arrears** remain a key area of focus for executive management and are expected to remain at or below the industry average



# Funding Outlook

## Current Origination

- ❖ New lending is averaging \$20m pm (\$15m net)

## Adjustment to Warehouse Arrangements to Increase Scale

- ❖ Revolving \$30m sub-senior mezzanine facility introduced in 2015 at lower margins
- ❖ This has both reduced the cost of funds to Thinktank and delivered greater funding scale

## Next Securitisation

- ❖ The initial term deal was called after 18 months (Dec, 2015)
- ❖ We have sufficient warehouse funding capacity and options to increase the total loan portfolio to in excess of \$600m over the next 12-18 months
- ❖ The current outlook a new, larger term transaction of  $\geq$ \$200m



SECTION 03

---

# Origination, Underwriting, Servicing





# Commercial Lending Proposition to SMEs

- ❖ Thinktank provides flexible commercial loan options with up to 30 year terms
- ❖ Credit characteristics and requirements are in alignment with major bank criteria\*
- ❖ Loan products cover the majority of property lending transaction opportunities
- ❖ SMEs will typically choose a Thinktank loan because:
  - Straight forward, set and forget loan structure similar to home loans
  - No ongoing fees & charges or embedded annual reviews
  - No cross collateralisation of securities, cross selling or layers of bureaucracy
  - Sales team comprises highly experienced banking & SME lending personnel
- ❖ Thinktank focuses on credit quality, borrower integrity & generic security properties located in major urban areas
- ❖ Loans are generally interest only in first 3-5 years then revert to full amortisation
- ❖ Average loan life is approximately 5-7 years

\* Please refer to Slide 26 for a summary of Thinktank credit underwriting criteria



# Typical Loan & Borrower Characteristics

## ❖ Loan Features, Interest and Repayment

- All loans are full recourse (joint & several) to the principals
  - Personal guarantees are taken on SMSF loans with a no guarantee (non-recourse) option on P&I loans  $\leq 50\%$  LVR
- Borrower interest rates are determined according to risk (ie. LVR, servicing)
- Thinktank re-sets its own variable loan base rate each month on the 10<sup>th</sup>
- Borrower repayments are met by Direct Debit to nominated bank accounts
- The majority of commercial borrowers seek interest only at commencement
- All loans then fully amortise to zero over 15-30 years (no balloon payments)
- Average loan contract is 20-22 years
- All loan documentation & compliance verified pre-settlement by TT solicitors

## ❖ Target Market

- SME owner-occupiers and commercial property investors
- Self Managed Superannuation Funds (members in the accumulation phase)
- Borrowers requiring funding for purchase, re-finance and equity release
- All major urban areas within Australia (except for NT)



# Eligible Property Types

- ❖ Eligible security property types include:
  - Retail
  - Industrial
  - Office (strata)
  - Professional suites
  - Child care (non-specialised)
  - Mixed use commercial and resi
  - Residential for commercial purposes (eg. boarding house, block of 4 units)
  - Rural residential
- ❖ No specialised securities (eg. petrol stations, sporting facilities, hotels, motels)
- ❖ No environmentally susceptible properties (eg. chemical sites, quarries, marinas)



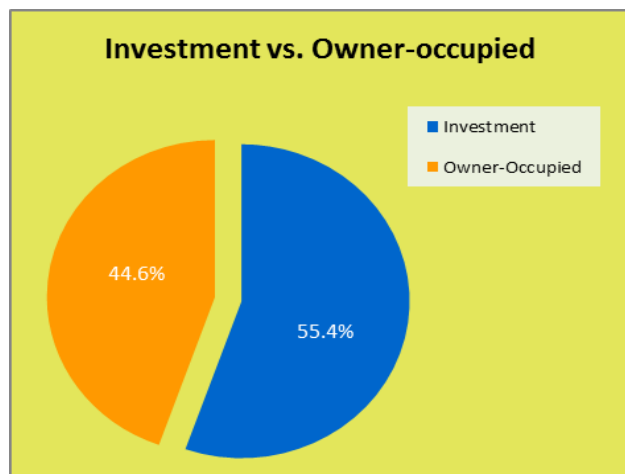
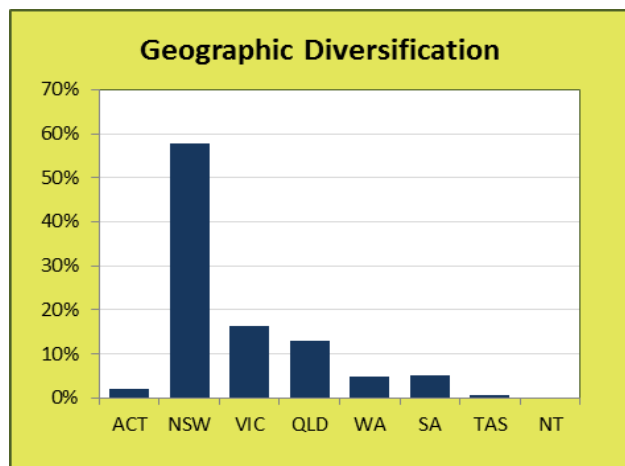
# Thinktank Loan Product Range

	Full Doc	Mid Doc (Alt Verify)	Quick Doc (Low Doc)	SMSF
LVR Limit	75%	70%	65%	75%
Loan Size Limit	\$3,000,000	\$2,000,000	\$2,000,000	\$3,000,000
Max Loan Term	30	30	30	30
Max Interest Only Period	5	5	3	5
Security Property Types	All standard commercial and residential	All standard commercial and residential	All standard commercial and residential	All standard commercial
Purpose	Purchase, refinance, equity release	Purchase, refinance, equity release	Purchase, refinance, equity release	Purchase, refinance only
Investor/Owner Occupied	Either	Either	Either	Investment only
Income Verification	Last 2 years financial statements & tax returns	Self certified income plus one of: last two BAS returns or last six months trading statements or accountant's letter	Self certified income plus review of leases and last 6 months loan statements	Last 2 years financial statements & tax returns plus evidence of contributions
ICR	1.50x	1.75x	2.00x	1.50x
Re-draw	Yes	Yes	Yes	No
Urban Population Min	20,000	20,000	50,000	50,000
Broker Trail Commission	Up to 0.50%	Up to 0.50%	Up to 0.50%	Up to 0.50%



# Current Loan Book Composition

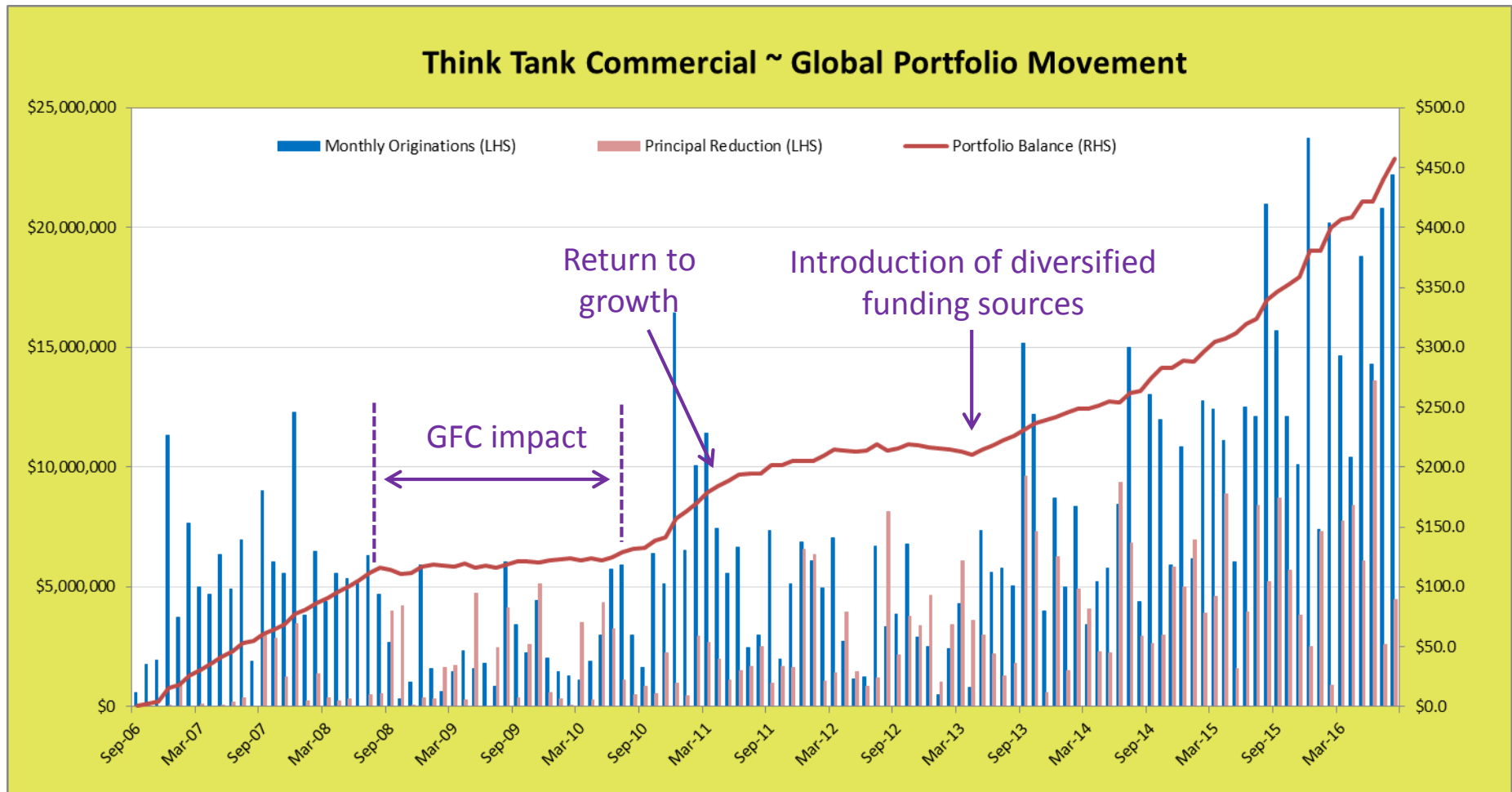
As at EOM August, 2016



Loan Book Summary	31 August, 2016
Number of Loans	726
Loan Pool Balance	\$458,039,063
Average Loan Balance	\$630,000
Maximum Loan Balance	\$4,053,124
Weighted Average LVR	64.92%
Maximum Current LVR	82.42%
WAV Borrower Margin Over BBSW30	4.76%
Weighted Average Seasoning	24 months
Weighted Average Interest Cover	2.59x
Average Loan Life Expectancy	5-6 years
Average Contracted Loan Term	22 years
Average Gross Borrower Interest Rate	6.42%
Current 30+ Days Arrears	1.0%
Annualised Loan Losses to Date	0.17%



# Portfolio Growth Over Time

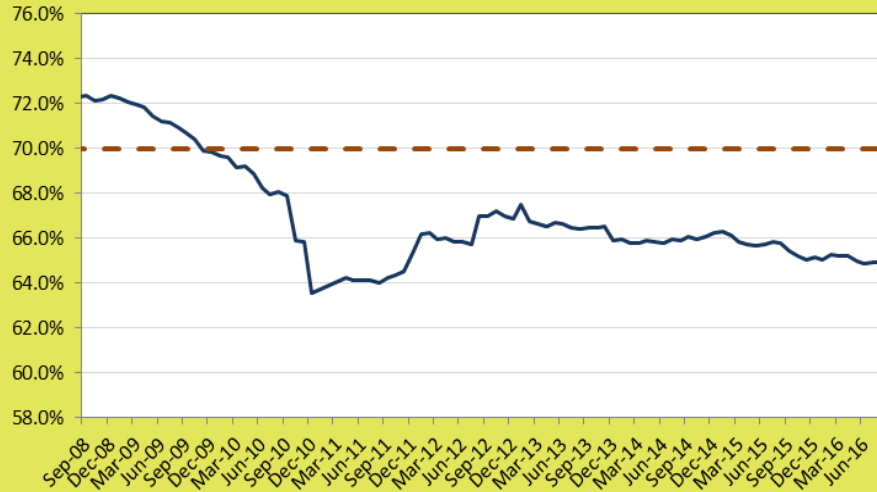


❖ Total originations to date of \$800m – discharges & principal reductions of \$343m



# High Quality and Diverse Portfolio

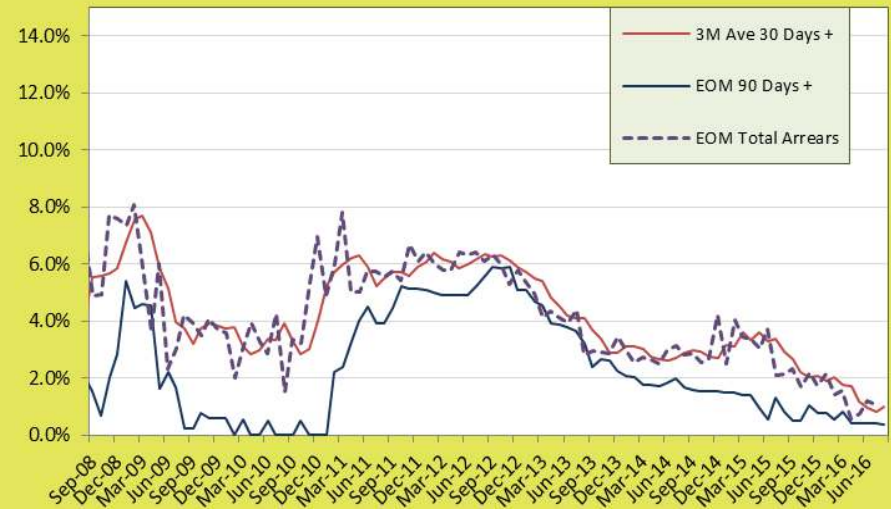
Think Tank Commercial Weighted Ave LVR



- ❖ Current weighted average LVR is conservative
- ❖ Trend remains consistent and sound
- ❖ Reflects sound underwriting standards

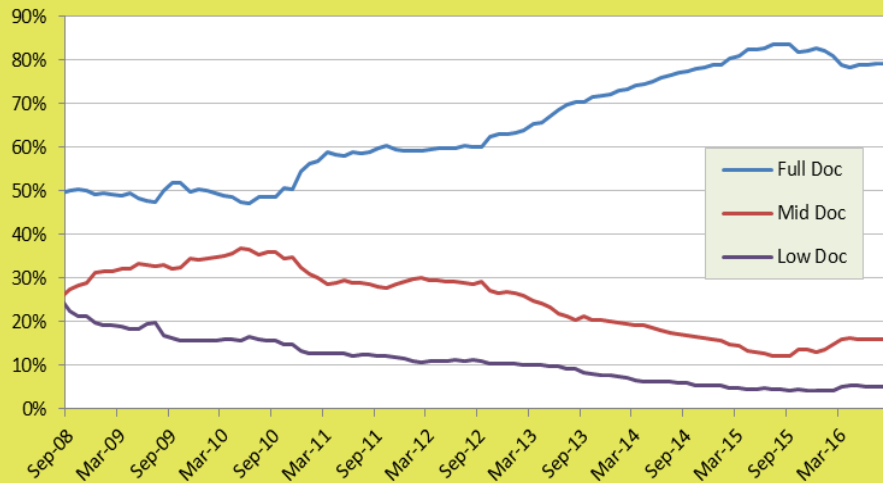
- ❖ Arrears trended up with the GFC and post
- ❖ Actively managed down through 2011-13
- ❖ Now stable within typical industry levels

Think Tank Commercial Loan Arrears History



# High Quality and Diverse Portfolio

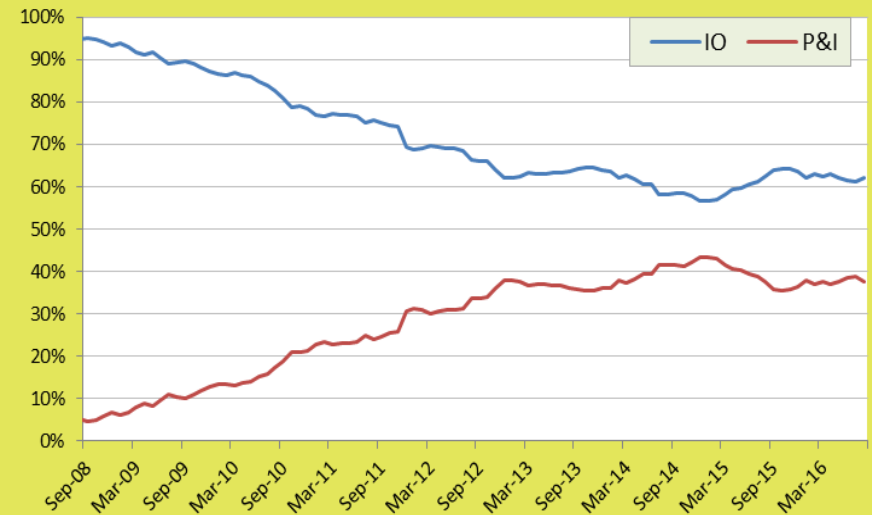
Full Doc ~ Mid Doc ~ Low Doc Chronology



- ❖ Full Doc percentage trending higher with growth
- ❖ Preference for higher quality, lower risk loans
- ❖ Trend is very positive for pool composition

- ❖ Increasing P&I adds to portfolio strengths
- ❖ Borrower debt reduction is encouraged
- ❖ Trend levelling out with strengthening growth

Interest Only vs P&I





# Third Party Distribution

## ❖ Distribution – Predominantly Through Accredited Finance Brokers

- Thinktank offers full service loan application support to finance brokers
- Supports, trains, educates & informs finance brokers
- Close relationships with major aggregation groups & top commercial brokers
- Flexible up front and trail commission options superior to banks
- Broadening to encompass accountants & financial planners
- Brokers/aggregators are individually and contractually accredited
- Additional accreditation process for SMSF loan introductions
- Must be a member of an industry body and maintain adequate PI insurance
- Updated PI cover must be provided annually
- Relationships reviewed, terminated for improper/unprofessional conduct
- *Trail commission suspended in the case of arrears*
- *Brokers play no role in credit underwriting process or arrears management*



# Credit Underwriting

- All commercial loans are assessed in the same manner regardless of origination channel.
- Applications are individually assessed by Credit Managers with extensive financial services backgrounds.
- All loans require a first and a second (Senior Credit Manager) approver.
- Loans above \$2 million go to Executive Credit Committee members for sign off.
- Income verification is required for all applications. Quick Doc loans (max 65% LVR) are self-certified.
- All applicants and guarantors are subject to credit checks and must have a clean history.
- Thinktank applies NCCP responsible lending principles to all loans.
- Interest Cover is assessed on the basis of All Income versus All Liabilities on all parties to the loan.
- Rental income is accepted for servicing purposes at 80% of gross.
- Maximum LVR is 75%, reducing to 70% for Mid Doc and 65% for Quick Doc (LVRs <85% to June, 2008).
- All security properties are subject to a full independent valuation instructed by Thinktank.
- Valuers are appointed and removed from the Thinktank valuer panel at the instigation of the ECC.
- Security properties must be fully insured as guided by the valuation report.
- *Loan pricing is relative to product (serviceability) type and LVR.*
- Credit policy is reviewed at least annually.
- Hindsight reviews are conducted on >50% of loan files by General Manager, Peter Kearns.
- Detailed file reviews are undertaken on all MIP loans by General Manager, Peter Kearns and the ECC.



# Fraud Prevention

- ❖ Measures to protect against fraud are in place at all levels of the organisation with specific attention on:
  - **Introducer** identification and verification of information
  - **Borrower** identification and verification of supporting loan information
  - **Security property** validation and confirmation of title
  - Third party **service providers**
  - **Internal** resources and processes
- ❖ Detailed policies and procedures adhered to across rigorous AFSL based compliance program
- ❖ Board sub-committees: Credit; Audit, Finance & Risk; Corporate Governance, closely oversee the program
- ❖ Introducers are individually checked and verified – met personally by TT Relationship Managers
- ❖ Veda used to identify all loan parties exceeding AML/CTF standards
- ❖ External solicitors produce and certify proper loan documentation execution
- ❖ Title insurance policies taken out on all loans
- ❖ All loan approvals require at least two different officers to sign off
- ❖ AMAL Asset Management Ltd manage loan level data and reporting
- ❖ All cash receipts are managed through bank accounts controlled by the Trustee, BNY
- ❖ All internal cash movements require two signatories/authorisations - Finance Admin personnel no authority
- ❖ Accounts and AFSL compliance audited annually by Ernst & Young



# Settlements and Trust Management

## ❖ Settlements

- Receive settlement certification from panel solicitors (Makinson & d'Apice)
- Calculate CE and issue draw notices
- Instruct movement of funds via the Trustee (all accounts INO of Trustee)
- Instruct AMAL to set up new loans on system and establish DDR
- Send out Welcome Letter
- Receive and disburse net fees paid by borrower upon settlement
- Pay up front commission to broker

## ❖ Trust Management

- Manage all aspects of funding
- Oversee portfolio performance for eligibility and covenant performance
- Manage asset and liability and bank account reconciliations
- Manage and produce all investor and financial reporting
- Prepare and instruct monthly waterfall distributions
- Manage annual independent audit

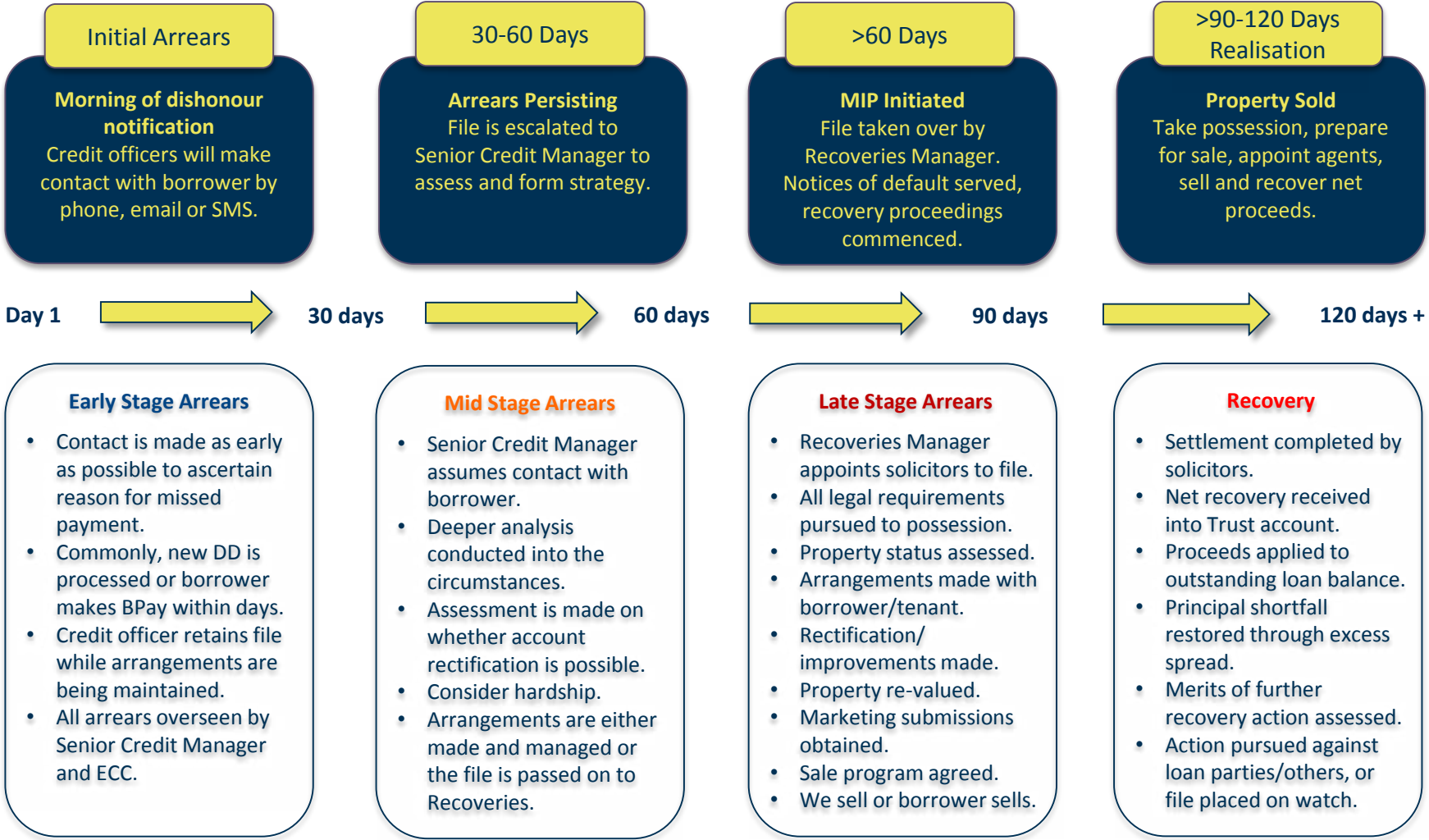


# Third Party Service Providers

- ❖ Loan servicing by AMAL Asset Management Limited (AMAL), with a “Strong” Servicer rating from S&P:
  - House loan level data and issue loan statements
  - Run Direct Debits
  - Reconcile cash and individual loan movements
  - Produce daily and monthly reports
  - Ensure industry compliant data protection, back up and redundancy
- ❖ Pre-settlement, Thinktank uses the same loan management platform as AMAL.
- ❖ Thinktank accesses the AMAL system for ongoing credit monitoring, arrears management and foreclosure.
- ❖ VEDA ID Matrix used for identification (fully AML/CTF compliant).
- ❖ VEDA used for individual and corporate credit checks.
- ❖ Dun & Bradstreet used for detailed applicant cash flow and creditor payment analysis.
- ❖ Panel valuers are exclusively experienced commercial property valuers and expert in their respective locations.
- ❖ Panel solicitors, Makinson & d’Apice used for documentation production, execution and settlement.
- ❖ Enforcement, recovery and litigation solicitors appointed case-by-case depending on location of property.
- ❖ PPB Advisory used for Receiver and Manager appointments.



# Arrears Management and Collection Process



SECTION 04

---

# Key Personnel, Risk Management & Compliance



# Compliance & Corporate Governance

## ❖ Extensive Compliance Program

- The company operates under Australian Financial Services Licence 333163 and is subject to annual AFSL compliance audits by Ernst & Young
- Concurrent compliance programs include:
  - ACL (Australian Credit Licence)
  - AML/CTF (Anti-Money Laundering & Counter-Terrorism Financing Act)
  - WH&S (Workplace Health & Safety)

## ❖ Corporate Governance

- The company operates to corporate governance standards that are consistent with a public company
- The Board meets a minimum of 11 times a year and formally convenes the following sub-committees: Audit, Finance & Risk; Credit; and Nominations & Remuneration
- Management operates to ISO 31000 Risk Management standards





# Management Information Systems

## ❖ **Loan and Portfolio Level – AMAL**

- Direct access via web interface, XChange
- Daily pool cuts per Trust, arrears, dishonor and BPay reports
- Monthly portfolio, loan movement, GL, commissions, servicer statement
- Other reports: fixed rate/IO expiry, insurance expiry, AML/CTF transactions

## ❖ **Trust Level Reporting**

- Industry standard suite of investor cashflow, asset and strat reports

## ❖ **Internal Management and Board Reporting**

- Balanced Scorecard approach to monitoring portfolio performance
- Accounts for all entities recorded in MYOB (externally audited by EY)
- Budget v actual completed on a monthly basis



# Disaster Recovery & Business Continuity

## ❖ **AMAL Loan Level Data**

- Data is continuously backed up intra-day and end of day
- On site and multiple offsite encrypted back ups maintained
- Extensive business continuity provisions are in place to keep services up
- Web-based (Citrix) data access allows for business continuity for clients

## ❖ **Thinktank Data and Borrower File Information**

- Server data is backed up continuously intra-day and end of day
- On site and dual offsite encrypted back ups are maintained
- All key documents within each borrower file are held electronically
- Same day re-location and business continuity procedures in place
- All personnel have remote access capability
- Regular testing is in place
- Recovery Management Team consists of Jonathan Street, Peter Kearns and Per Amundsen



# Senior Management Team

- ❖ Three executive directors: **Jonathan Street** (Finance & Strategy), **Peter Kearns** (Credit & Operations) and **Per Amundsen** (Compliance & Corporate Governance)
  - Jonathan has 25 years experience in financial services and SME lending:
    - One of the founders of the business in 2005/06
    - International institution & retail/branch management
  - Peter has 30 years experience in institutional commercial property finance:
    - Head of Commercial Property, Citibank (3yrs, \$1.5bn portfolio)
    - Head of Commercial Loan Admin, AMP Property Finance (10 yrs, \$1.5bn)
  - Per has 35 years experience in institutional commercial property finance:
    - General Manager of AMP Property Finance (\$1.5bn portfolio)
    - Executive Manager at Westpac in both Property and Corporate
- ❖ All have been with Thinktank since commencement & have equity in the business
- ❖ Head of Sales & Distribution: **Peter Vala**
  - Peter has over 30 years experience in banking and financial services
    - Regional executive with ANZ, ranked No. 1 in Australia 2012/13
    - Senior management positions in St George in property & SME funding



# Non-Executive Directors

## ❖ **Simon Price**

- Simon is a director of investment bank, Azure Capital and has been involved in an advisory capacity with Think Tank since inception. Simon is a specialist in project and structured finance. He also provides advice on equity capital markets and M&A transactions in numerous sectors including natural resources and financial services.

## ❖ **Glenn Maynard**

- Glenn established finance broking firm, 'The Mortgage Store' into a diversified business managing clients that originated over \$1 billion in residential and commercial loans. He has operated in the mortgage broking market for more than 15 years and has a wide network of industry contacts.

## ❖ **Derryn Harrison**

- Derryn is a significant shareholder in Thinktank and the owner of Boston Managed Investments Ltd, the manager of the Boston Income Fund which currently provides \$28m in mezzanine capital into the funding of the portfolio.

## ❖ **Louise Taylor Walls**

- Louise has an extensive background in financial services including a number of years with the Boston Group, Dunn & Bradstreet and more recently with Westpac. Louise brings extensive experience in financial management, audit, compliance and strategy.



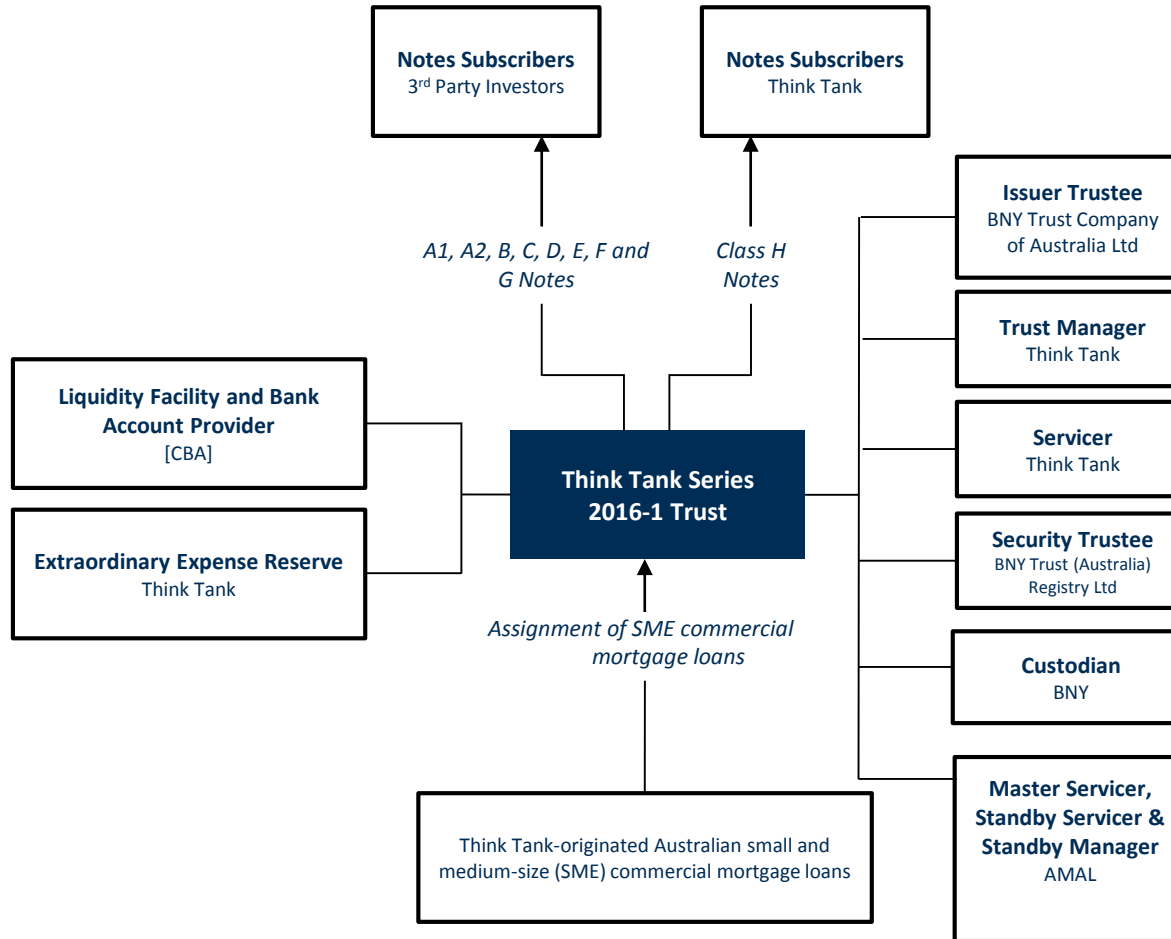
SECTION 05

---

# Thinktank Series 2016-1 Trust Transaction Summary



# Structure Diagram



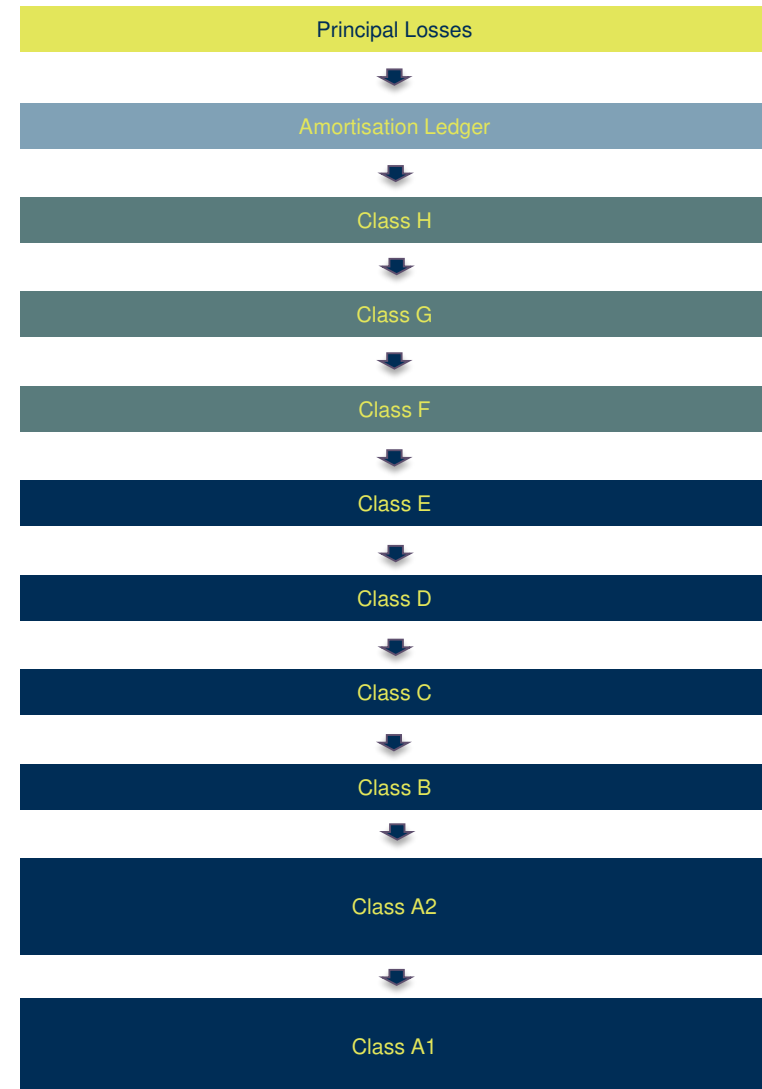
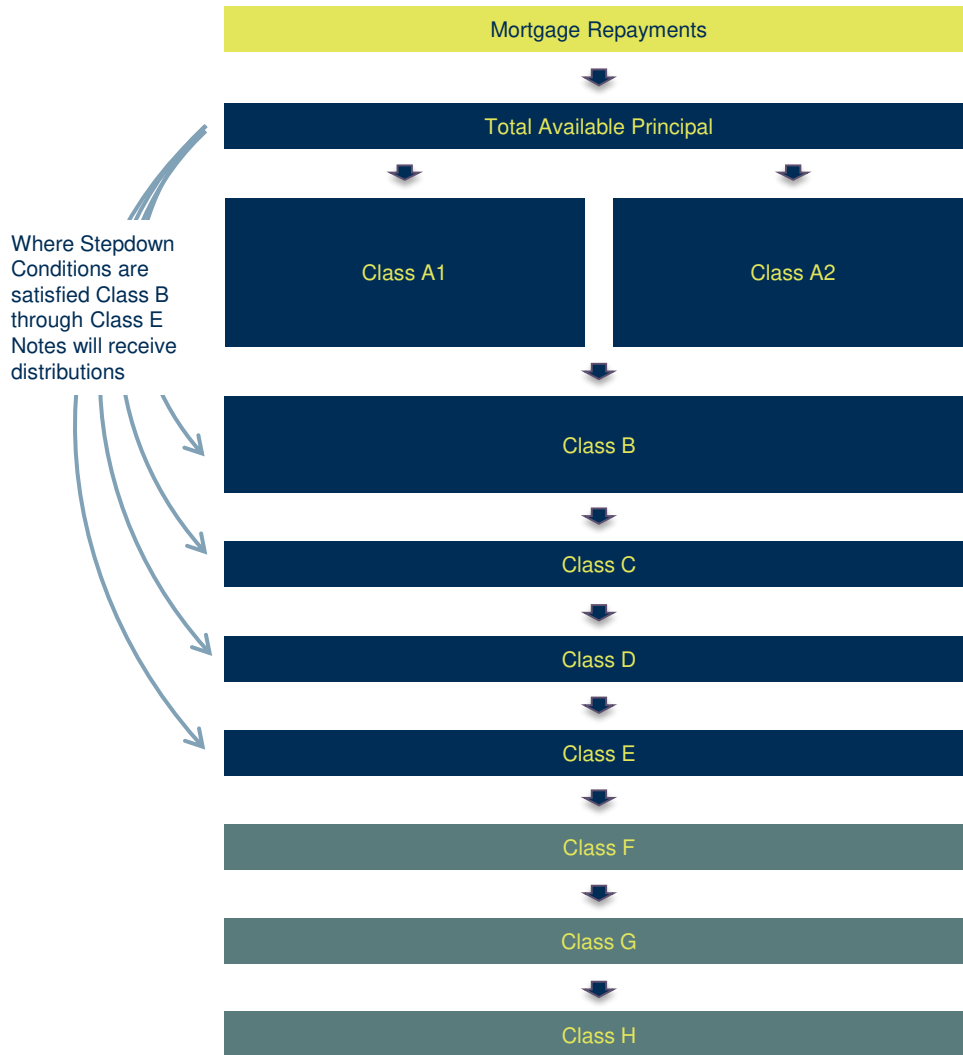
# Note Structure

Class	Amount (%)	Amount (AUD)	S&P Minimum Credit Support (%) <sup>1</sup>	Credit Support (%)	Expected Rating (S&P)	Coupon	Weighted Average Life (yrs) <sup>2</sup>	Legal Maturity
Class A1	[65.0]	[130,000,000]	[25.4]	[35.0]	AAA(sf)	BBSW1M + [ ]bps	[1.9]	
Class A2	[8.5]	[17,000,000]	[25.4]	[26.5]	AAA(sf)	BBSW1M + [ ]bps	[1.9]	
Class B	[5.8]	[11,600,000]	[18.6]	[20.7]	AA(sf)	BBSW1M + [ ]bps	[3.0]	
Class C	[7.0]	[14,000,000]	[11.6]	[13.7]	A(sf)	BBSW1M + [ ]bps	[3.0]	
Class D	[7.0]	[14,000,000]	[6.6]	[6.7]	BBB(sf)	BBSW1M + [ ]bps	[3.0]	
Class E	[1.7]	[3,400,000]	[3.2]	[5.0]	BB(sf)	BBSW1M + [ ]bps	[3.0]	The Payment Date in Jan 2049
Class F	[1.7]	[3,400,000]	NA	[3.3]	Not Rated		[3.0]	
Class G	[1.6]	[3,200,000]	NA	[1.7]	Not Rated		[3.0]	
Class H	[1.7]	[3,400,000]	NA		Not Rated		[3.0]	
Total		[200,000,000]						

1. Based on Pool as at 31 August 2016
2. WAL is based on a CPR of 19%, Stepdown Conditions are met and Notes being called at 3 years

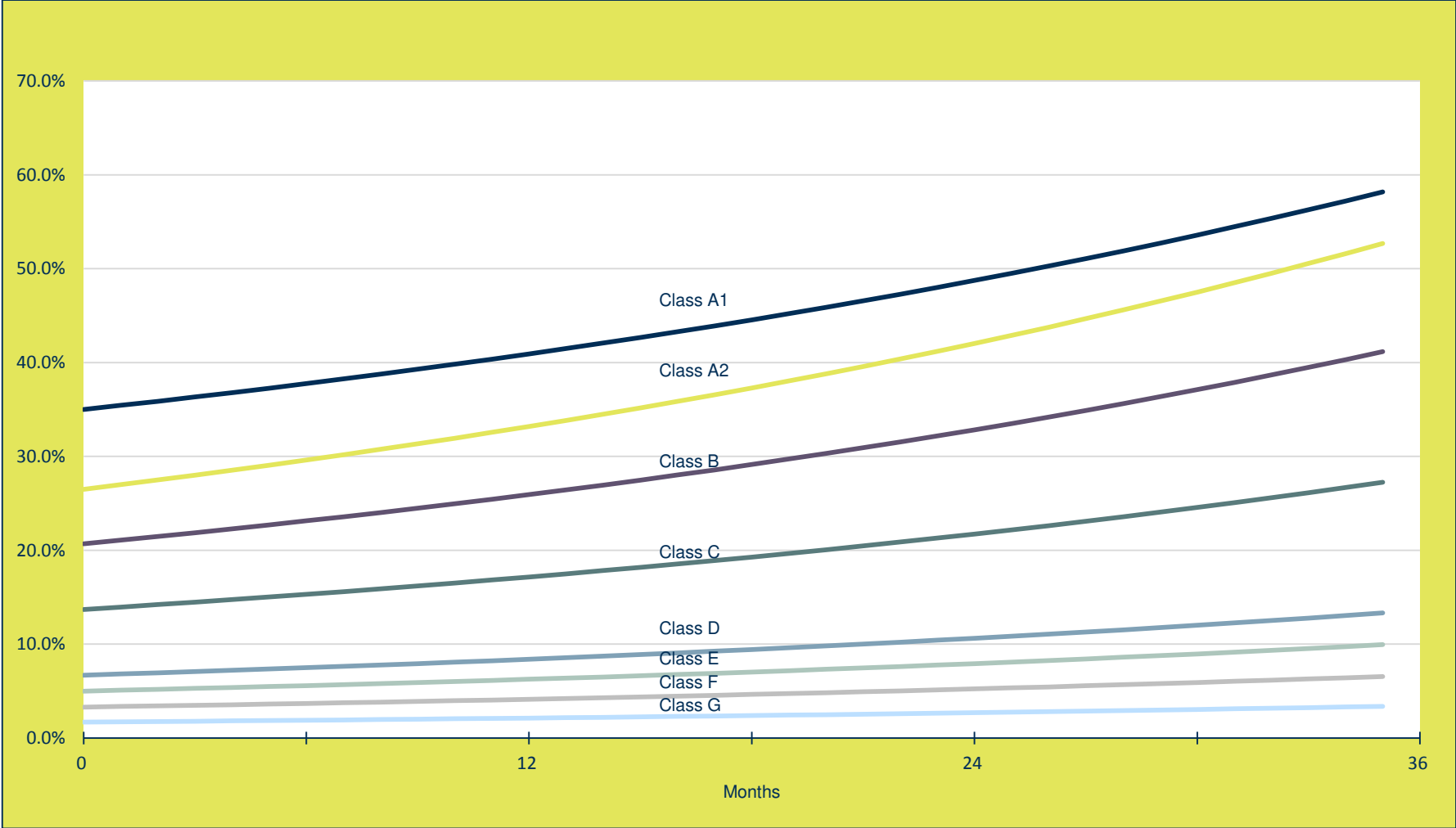


# Principal Allocation & Charge-Off Priority





# Credit Support Over Time

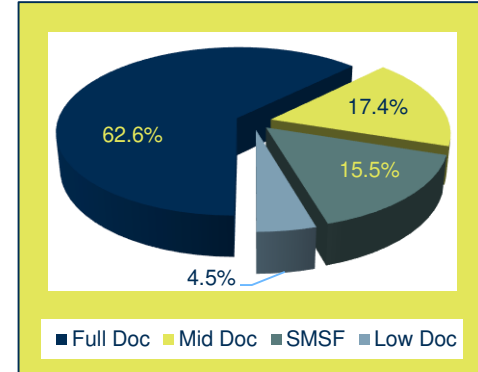
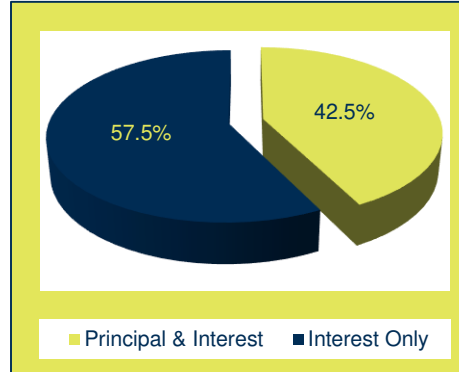


# Pool Statistics (as at 31 August 2016)

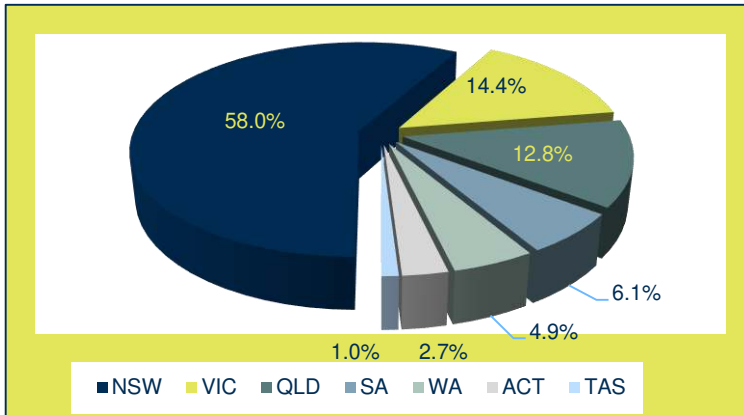
## Pool Summary

Pool Size	\$199,963,712
No. of Loans	396
No. of Loans (consolidated)	380
Average Loan Size	\$504,959
WA LVR	64.8%
Maximum Loan Size	\$2,158,000
WA Seasoning	29.9

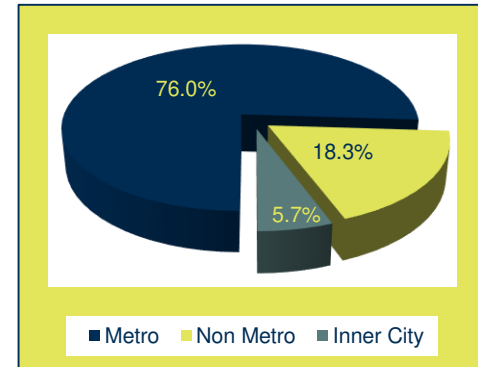
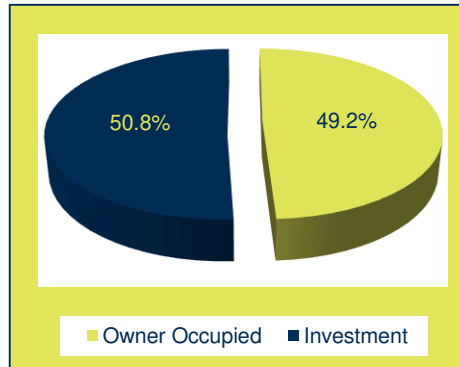
## Repayment and Documentation



## Geographic Distribution

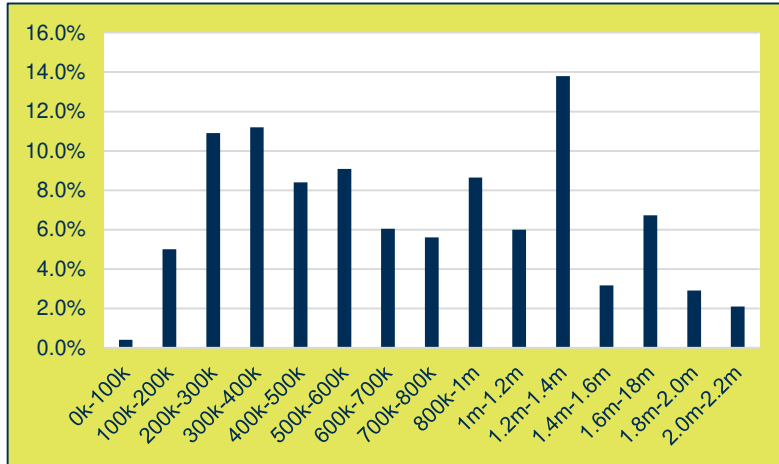


## Borrower Type and Location

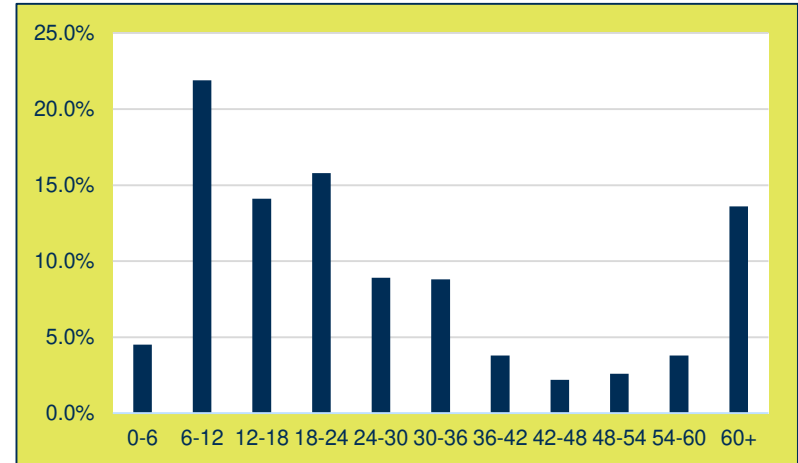


# Pool Statistics (as at 31 August 2016)

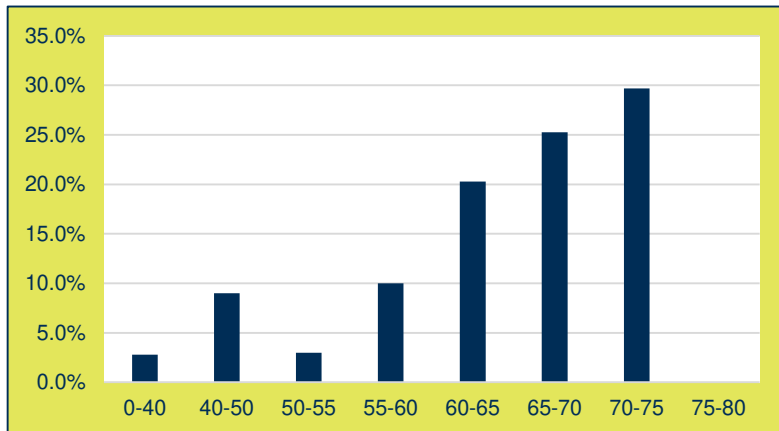
**Current Principal Balance**



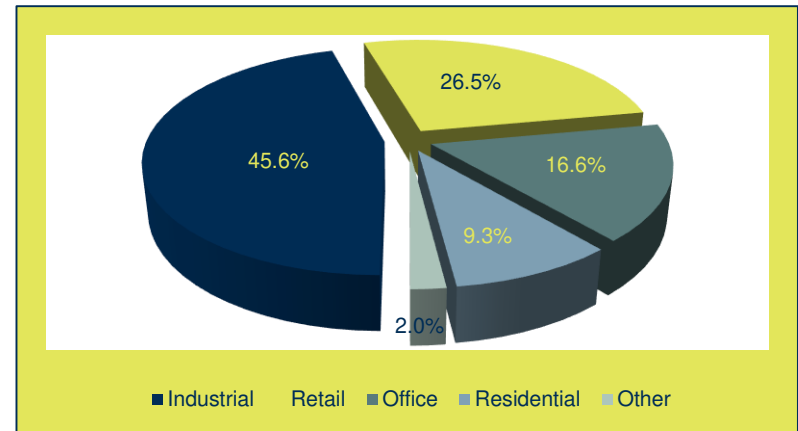
**Seasoning (months)**



**Current LVR**



**Property Type**

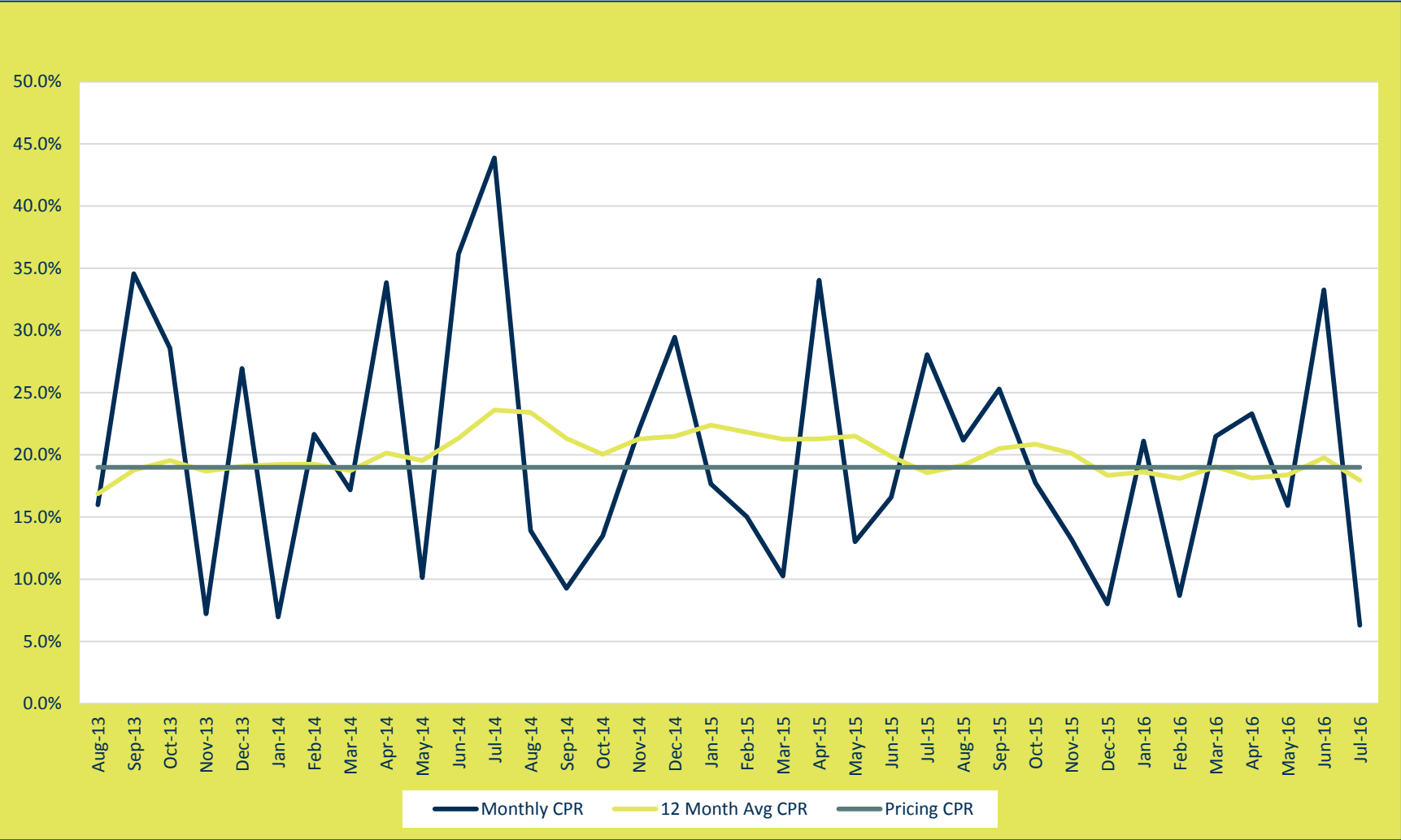


# SME CMBS Deals

	Thinktank Series 2016-1 Trust	Liberty Series 2016-1 SME	Liberty Series 2015-1 SME	Thinktank Series 2014-1 Trust	Liberty Series 2013-1 SME
Closing Date	Sep-16	Sep-16	Sep-15	Jul-14	Jun-13
Senior Tranche	A1 / A2	A1 / A2	A1 / A2	A1 / A2	A1 / A2
WAL	1.9 / 1.9	1.8 / 1.8	1.8 / 3.7	0.7 / 3.3	1.5 / 3.5
Price (bps)	[ ] / [ ]	180 / 240	150 / 195	150 / ND	150 / 200
Issue Amount	[\$200]m	\$400m	\$300m	\$113.6m	\$250m
No of Loans	396	1,106	996	294	810
Average Loan Size	\$504,959	361,670	\$301,217	\$386,472	\$308,650
Max. Loan Size	\$2,158,000	2,000,166	\$2,824,907	\$1,254,500	\$1,486,370
WA LVR	64.8%	66.0%	62.0%	64.0%	65.10%
Max. LVR	75.0%	98.9%	99.90%	81.30%	98.40%
Interest Only	57.5%	61.7%	50.30%	52.20%	55.50%
SMSF	15.4%	36.1%	24.90%	Nil	26.60%
Owner Occupied	47.7%	42.6%	48.10%	55.60%	19.60%
Geographic Distribution	NSW: 58.0%	NSW: 27.9%	NSW: 27.3%	NSW: 62.8%	NSW: 28.4%
	VIC: 14.4%	VIC: 32.7%	VIC: 33.8%	VIC: 12.6%	VIC: 35.0%
	QLD: 12.8%	QLD: 24.6%	QLD: 17.7%	QLD: 10.8%	QLD: 15.7%
Inner City/Metro/Non Met	5.7%/75.9%/18.4%	1.4%/73.1%/25.5%	4.1%/63.5%/32.5%	5%/74.7%/20.3%	2.4%/68.1%/29.5%
WA Seasoning	29.3 months	5.9 months	26.9 months	34.8 months	15.4 months
Alt & Low Doc/No Doc	22.0%/Nil	26.3%/12.5%	29%/5.2%	38%/Nil	18%/4.4%
Credit Impaired	Nil	3.7%	3.10%	Nil	8.30%
Required AAA CE (S&P)	25.4%	19.2%	22.0%	27.4%	22.9%
Default frequency (S&P)	29.6%	36.8%	38.0%	32.3%	42.5%
Loss severity (S&P)	85.8%	52.1%	57.8%	84.8%	53.9%
CE Provided (%)	35.0% / 26.5%	35.0% / 25.0%	35.0% / 28.0%	29.0% / 29.0%	34.2% / 23.0%



# Loan Book Prepayment History



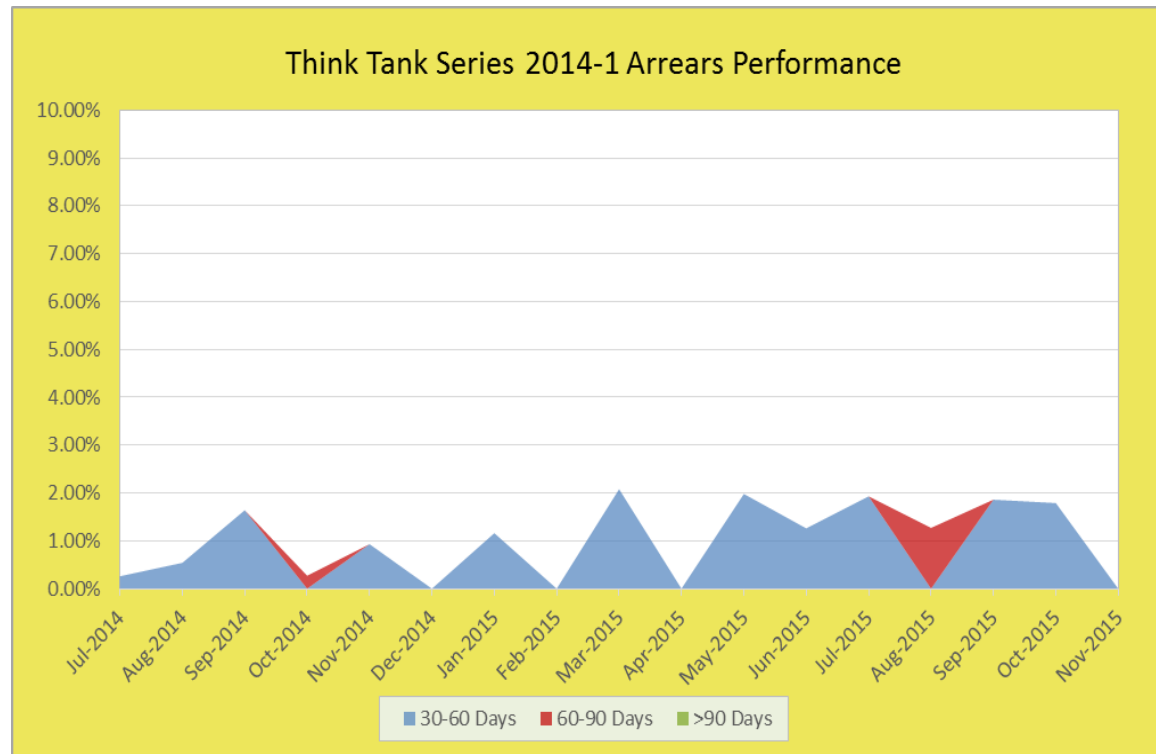
# Prepayment Sensitivity

WAL	CPR						
	10%	15%	17%	19%	21%	23%	30%
Class A1	2.4	2.1	2.0	1.9	1.8	1.7	1.4
Class A2	2.4	2.1	2.0	1.9	1.8	1.7	1.4
Class B	3.0	3.0	3.0	3.0	3.0	3.0	2.8
Class C	3.0	3.0	3.0	3.0	3.0	3.0	2.8
Class D	3.0	3.0	3.0	3.0	3.0	3.0	2.8
Class E	3.0	3.0	3.0	3.0	3.0	3.0	2.8
Class F	3.0	3.0	3.0	3.0	3.0	3.0	3.0
Class G	3.0	3.0	3.0	3.0	3.0	3.0	3.0
Class H	3.0	3.0	3.0	3.0	3.0	3.0	3.0

WAL is based Stepdown Conditions are met at the earliest opportunity and Notes being called at 3 years



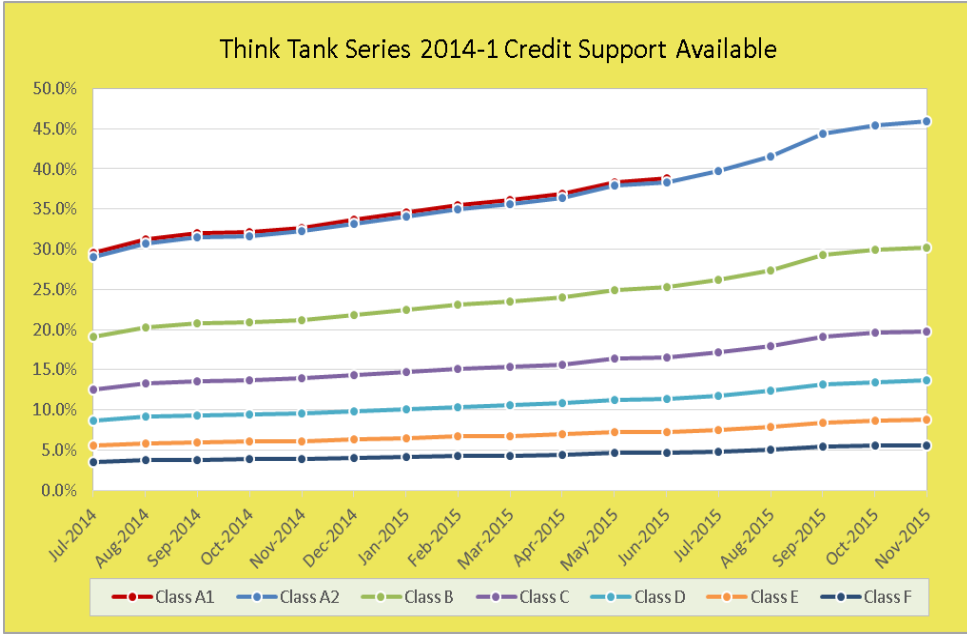
# Think Tank Series 2014-1 Performance



- ❖ Average 1.0% arrears
- ❖ Consistent with broader portfolio performance
- ❖ Zero incidence of >90 days
- ❖ Zero defaults
- ❖ Zero losses

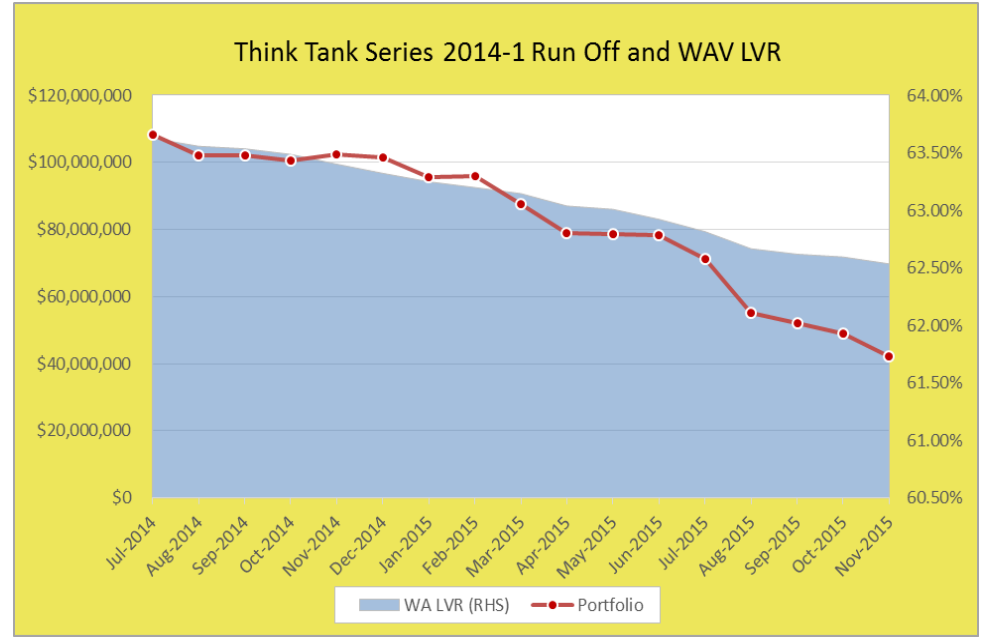


# Think Tank Series 2014-1 Performance



- ❖ Consistent uplift in Credit Support over time
- ❖ All Note classes performed as expected

- ❖ CPR approximately 19%
- ❖ Discharges evenly split between sale and refinance
- ❖ WAV LVR shows consistent improvement





# Further Information and Points of Contact

## Thinktank Points of Contact

Jonathan Street  
Chief Executive Officer

- Direct: (02) 8669 5505
- Mobile: 0438 319 432
- Email: [jstreet@thinktank.net.au](mailto:jstreet@thinktank.net.au)

Peter Kearns  
Director & General Manager

- Direct: (02) 8669 5501
- Mobile: 0434 609 238
- Email: [pkearns@thinktank.net.au](mailto:pkearns@thinktank.net.au)

Andrew Bennett  
Chief Financial Officer

- Direct: (02) 8669 5518
- Mobile: 0405 380 241
- Email: [abennett@thinktank.net.au](mailto:abennett@thinktank.net.au)

## Investor Reporting

Secure log in access will be provided to investors on the Thinktank website

Bloomberg



## Thinktank Corporate Information

### [Leadership team](http://thinktank.net.au/about-us/leadership-team/)

<http://thinktank.net.au/about-us/leadership-team/>

### [Corporate governance](http://thinktank.net.au/institutions/corporate-governance/)

<http://thinktank.net.au/institutions/corporate-governance/>

### [In the news](http://thinktank.net.au/uploads/news/AFR_SMSF_Property_Market_Adapts.pdf)

[http://thinktank.net.au/uploads/news/AFR\\_SMSF\\_Property\\_Market\\_Adapts.pdf](http://thinktank.net.au/uploads/news/AFR_SMSF_Property_Market_Adapts.pdf)

- Close -





**Thinktank**

[thinktank.net.au](http://thinktank.net.au)