



Thinktank

April 2020

Thinktank Income Trust

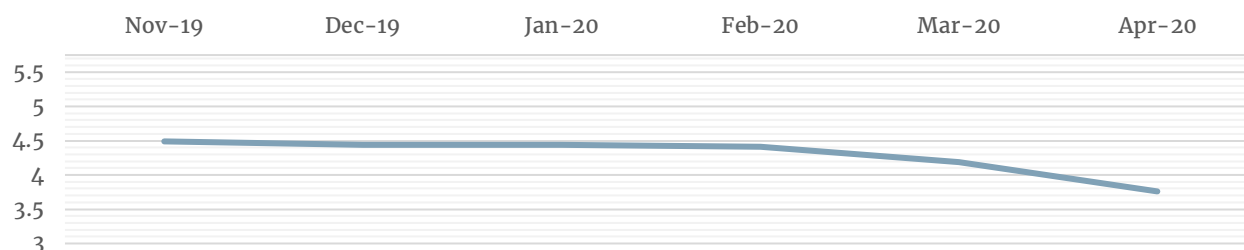
Monthly Performance Report



Thinktank Income Trust Monthly Performance Report

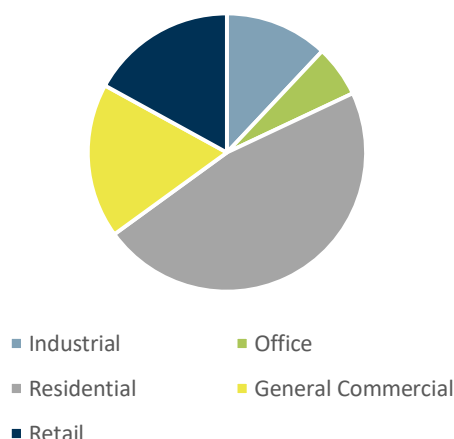
Return as at 30th April 2020

Annualised Return %

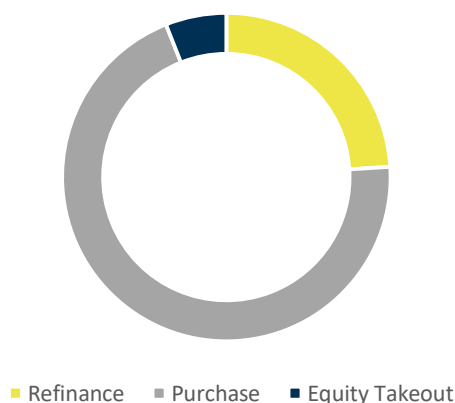


Thinktank Loan Book Metrics

Loan by Security Type*



Loan Purpose*



Investment Overview

Performance and Activity

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

Investment strategy

Originate loans secured by registered first mortgages held over Australian commercial & residential real estate to generate monthly income returns.

Distributions

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

Minimum investment

\$10,000

Minimum term

12 months

Average loan-to-value ratio

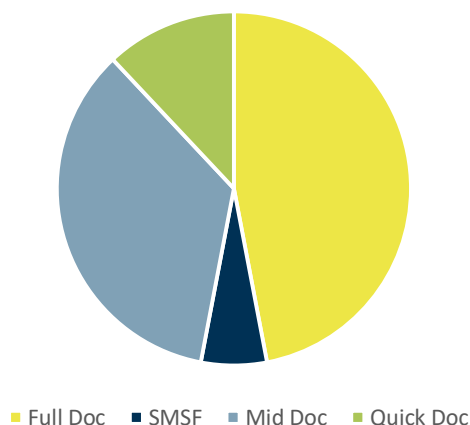
63% as at 30-Apr-2020

*Data as at 30th April 2020

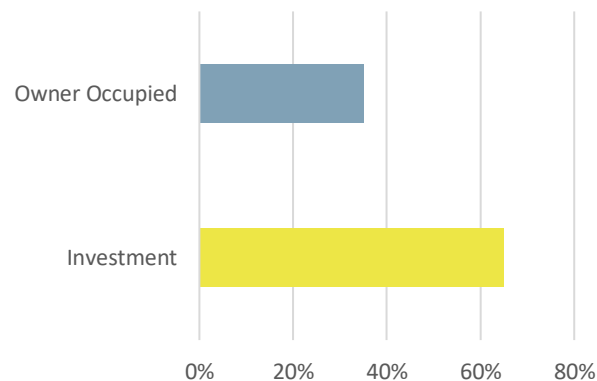


Thinktank Loan Book Metrics

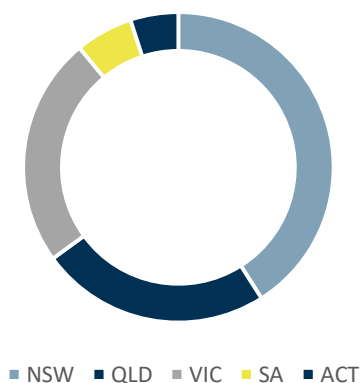
Loan by Verification Type*



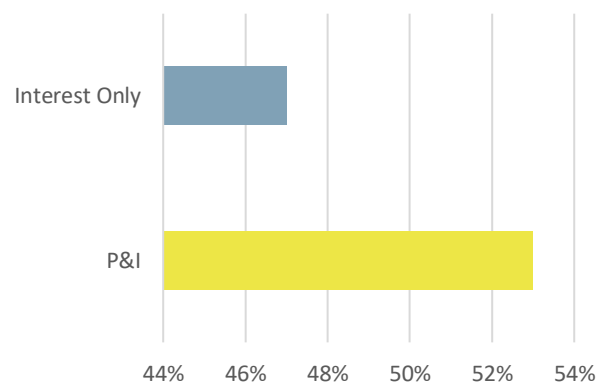
Loan by Occupancy*



Loans by State*



Repayment Type*



Market Ratings

	Sydney		Melbourne		Adelaide		Brisbane (SEQ)		Perth	
Resi-Houses	Fair	Watch	Fair	Watch	Fair	Watch	Fair	Watch	Fair	Watch
Resi-Units	Fair	Watch	Fair	Watch	Fair	Watch	Fair	Watch	Weak	Deteriorating
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



Market Commentary

by Per Amundsen, Head of Research

The Westpac-MI Consumer Sentiment Index plummeted by 17.5% in April to 75.6 far below 100 reflecting the impact of COVID-19 on consumers. The IMF announced in their April World Economic Outlook entitled “The Great Lockdown”, growth for 2020 expected to fall to -3.0% as a result of the corona virus pandemic but then rising strongly to 5.8% in 2021 led by China growing at 9.2% after not even hitting negative territory at 1.2% in 2020. Further details can be found in our April-June 2020 Quarterly Update. At its May meeting, the RBA Board held the Cash Rate at its record low of 0.25% and emphasised its ongoing Quantitative Easing (QE) in maintaining 3 year Treasury yields at that same level of 0.25%. Importantly for interest rate forecasters, the Unemployment Rate for the foreseeable future is expected to remain high after peaking at 10%. This is the same internationally and Chairman Powell of the US Fed has said the same about interest rates. Markets are expecting interest rates to remain at ultra-low levels for years and the AUD while holding around USD 0.64 appears to be benefitting from overall USD weakness. CoreLogic housing prices for April showed a gain for Houses in Sydney up 0.3% but Melbourne down 0.4%. Units were up in both capitals, 0.6% and 0.1% respectively but we remain concerned about the ongoing supply of newly completed apartments. There have been no changes in our ratings and trends this month following substantial movement last month due to COVID-19 and detailed in our April News and Views as well as the Quarterly Update.

Market Commentary

by Lauren Ryan, Investor Relations



April was a challenging month for the entire nation and as we continue to adhere to medical and government advice we move ever closer to opening up the economy, seeing more of our friends and loved ones and being able to travel slightly further than one suburb. There has been a lot of media commentary on how Covid 19 might impact the property market and, whilst there has absolutely been a significant impact economically, the market remains active in both residential and commercial. Thinktank saw new originations of \$62 million in April and our pipeline for new business remains solid. Investors were hit by an out of cycle second cash rate cut in March as a direct result of the country wide lockdown and, combined with the RBA targeting a 3 year Treasury bond rate of 0.25%, experienced a decline in return to 3.76% in the month of April.

A downloadable copy of Thinktank’s May 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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