



Thinktank

August 2019

Thinktank High Yield Trust

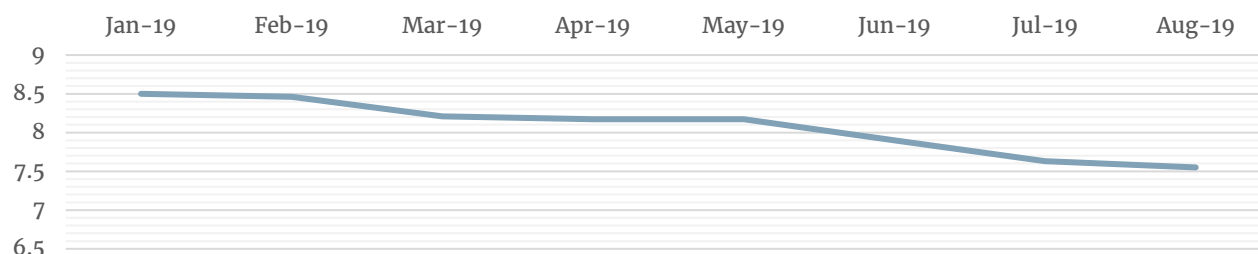
Monthly Performance Report



Thinktank High Yield Trust Monthly Performance Report

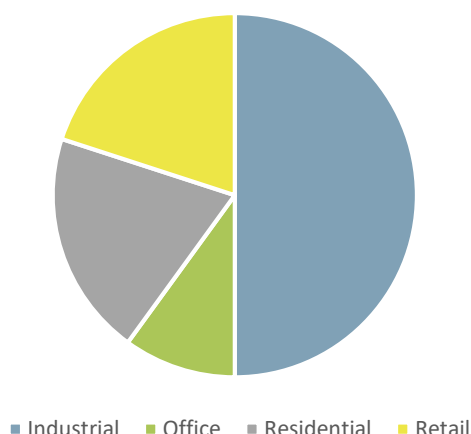
Return as at 31st August 2019

Annualised Return %

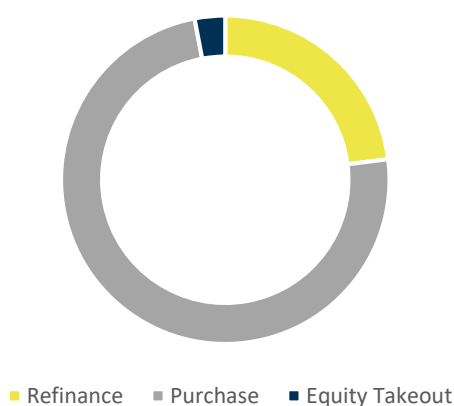


Thinktank Loan Book Metrics

Loan by Security Type*



Loan Purpose*



Investment Overview

Performance and Activity

In August the High Yield Trust increased in size once again. Since inception in August 2017 the High Yield Trust has experienced zero losses and as at 31st August 2019 the High Yield Trust has 0 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

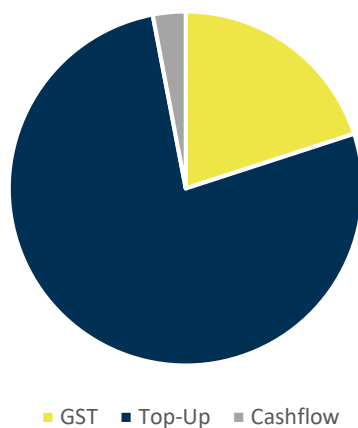
18 months as at 31-August-2019

*Data as at 31st August 2019

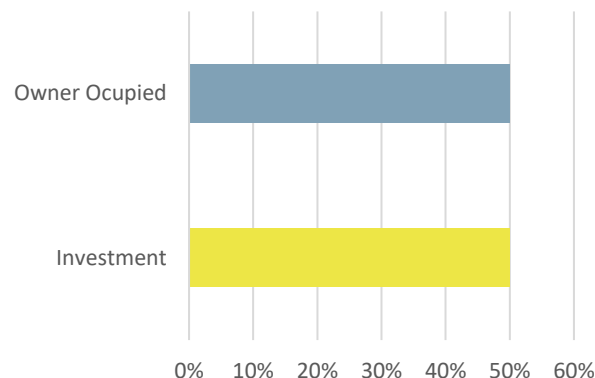


Thinktank Loan Book Metrics

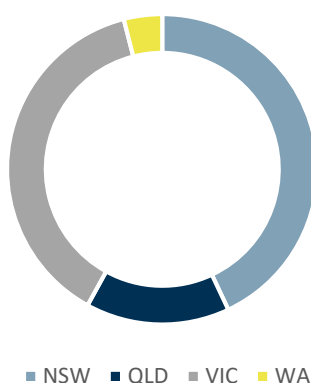
Loan by Verification Type*



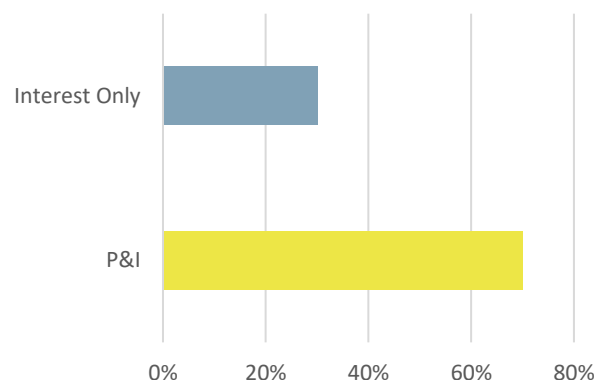
Loan by Occupancy*



Loans by State*



Repayment Type*



Market Ratings

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



Market Commentary

by Per Amundsen, Head of Research

At its September meeting, the RBA Board held the Cash Rate steady at a record low of 1% for another month after a total of 50 basis points cuts last quarter. Governor Lowe has already re-affirmed the prospect of further easing and Retail Sales for July weakened further, falling 0.1% for the month while annual growth slipped to 2.4%. The Q2 GDP came in at 0.5% with annual growth slipping to 1.4%. Markets are closely watching the US Fed after its much anticipated cut in rates at their July meeting. The Fed meets again on 19 September and more cuts are expected at the urging of President Trump. With markets still pricing in further cuts to rates by the RBA the AUD dropped sharply after the FOMC July action to below USD 0.68 but has since recovered somewhat. Our News and Views section in our September Monthly Market Focus covers the semi-annual MSCI All Property Index which recorded a fall in Total Returns down to 8.3% compared to 11.6% last year and 10.3% six months ago. The various sectors continue to perform in line with our ratings and trends with Industrial leading the way and Retail lagging significantly. By Capital City, Melbourne and Sydney are way out in front with signs of some recovery in Perth.



Market Commentary

by Lauren Ryan, Investor Relations

With global geo-political tensions ever present and the inverse yield curve causing great angst amongst economists, investors continue to seek stable investment opportunities amid the uncertainty. Auction clearance rates in Sydney & Melbourne this weekend were up to around 80% which shows promising signs for the residential market. However it is unclear whether investors are as positive about the equities market with many investors seeking income generating assets outside of Australian equities. In the RBA's statement on September 3rd Governor Lowe conveyed his expectations for gradual growth in coming years despite economic growth being lower than expected in the first half of 2019. With the assistance of fiscal policy in the form of tax cuts and ongoing government spending on infrastructure the outlook for investors is brightening. Consumption and production is under the microscope of the RBA, low interest rates and an expected pick-up in household disposable income indicate steady growth to come. Thinktank's High Yield Trust returned 7.55% p.a. in the month of August.

A downloadable copy of Thinktank's September 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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