



Thinktank

January 2020

Thinktank High Yield Trust

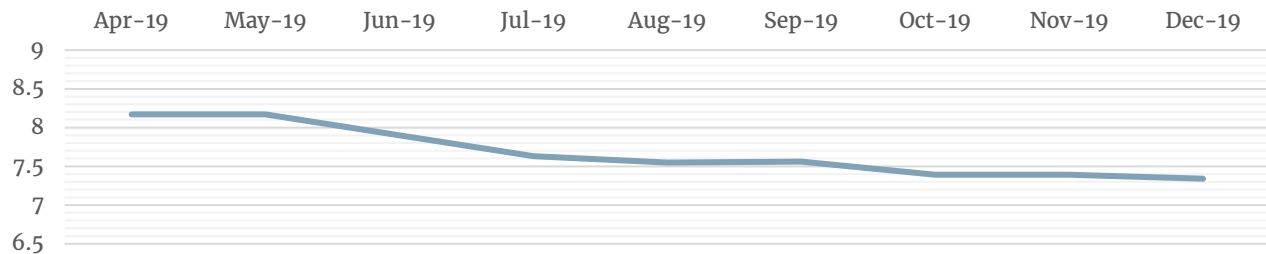
Monthly Performance Report



Thinktank High Yield Trust Monthly Performance Report

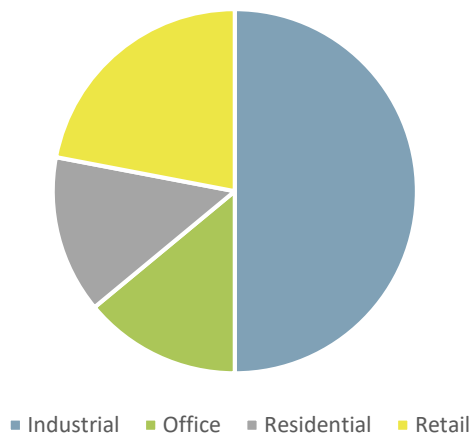
Return as at 31st December 2019

Annualised Return %

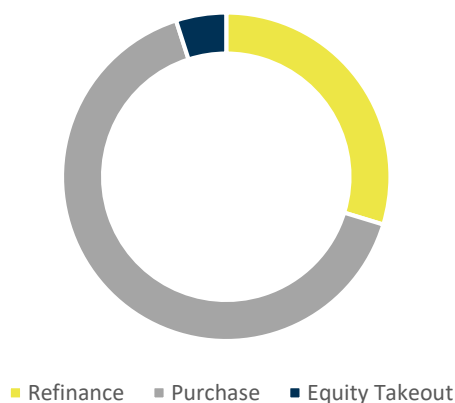


Thinktank Loan Book Metrics

Loan by Security Type*



Loan Purpose*



Investment Overview

Performance and Activity

In January 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 January 2020 the High Yield Trust has one loans 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

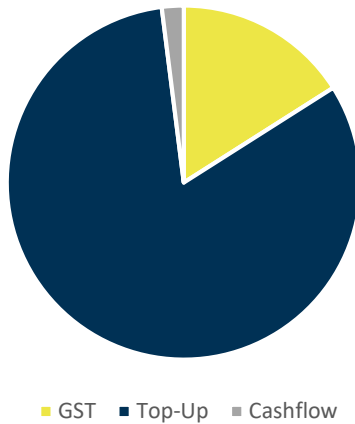
18 months as at 31-January-2020

*Data as at 31st January 2020

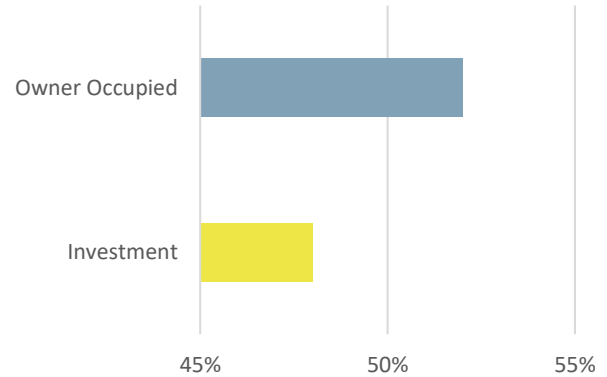


Thinktank Loan Book Metrics

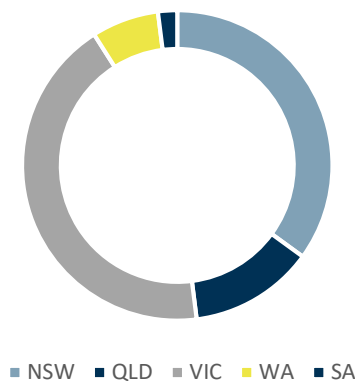
Loan by Verification Type*



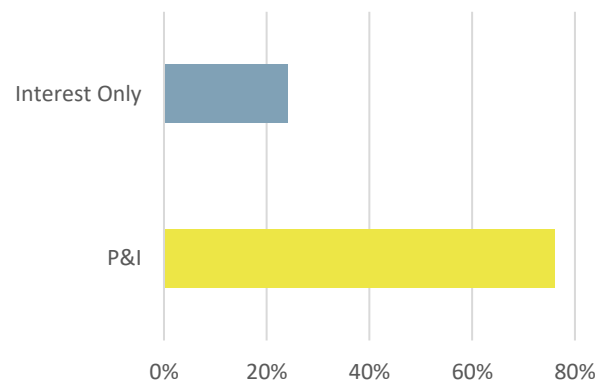
Loan by Occupancy*



Loans by State*



Repayment Type*



Market Ratings

	Sydney		Melbourne		Adelaide		Brisbane (SEQ)		Perth	
Resi-Houses	Good	Improving	Good	Improving	Fair	Improving	Fair	Stable	Fair	Stable
Resi-Units	Fair	Stable	Fair	Stable	Fair	Improving	Fair	Stable	Weak	Deteriorating
Office	Strong	Improving	Strong	Improving	Fair	Improving	Fair	Improving	Fair	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 first meeting of 2020 in February the RBA Board held the Cash Rate steady for the time being at the record low of 0.75%. The following day Governor Lowe spoke of the possibility of further easing and the February quarterly SoMP will no doubt shed further light on future policy moves. The IMF announced global growth for 2020 expected to slow to 3.3% down by 0.1% on its last forecast and then rise slightly to 3.4% in 2021. The Q4 CPI came in at a slightly improved 0.7% with the annualised rate rising to 1.8%. Retail sales for November picked up thanks to “Black Friday” but was followed by a weak December. Importantly for interest rate forecasters, the Unemployment Rate for December dipped to 5.1%. The US Fed did not cut at its December meeting and Chairman Powell’s remarks appeared to signal doubt about more cuts. Markets are expecting further easing by the RBA and the AUD has been falling below USD 0.68 with many senior economists now looking to a cut in April followed by another a few months later bringing the Cash Rate to only slightly above zero at 0.25%. CoreLogic housing prices for January showed further strong gains in Sydney and Melbourne with houses up 1.5% and 1.4% respectively. Units were up as well, 0.3% for the month in Sydney and 0.7% in Melbourne but we remain concerned about the ongoing supply of newly completed apartments. The month-on-month lift of 0.9% in national housing values was also good and brought the annual recovery to 4.1%. Our News and Views section of our Monthly Market Focus covers the semi-annual Property Council of Australia’s Office Market Report.

Market Commentary

by **Lauren Ryan, Investor Relations**



Welcome to 2020, early indications suggests we are all in for a huge start to the new decade! On Tuesday Governor Lowe’s Statement on Monetary Policy suggested consumer sentiment is moving into more positive territory. The housing market in Sydney & Melbourne is picking up, along with other markets around the country, and the demand for mortgage finance is increasing. Having just purchased my first investment property I am pleased to have contributed ever so slightly to this uplift. On a more sombre note, the devastation left behind by the bushfires over the past few months followed by the recent flooding on the East Coast leaves large parts of the country to be rebuilt and to recover. This addition to spending may only provide temporary stimulus as the RBA continues to miss inflation targets though many of our country towns will be in need of government and consumer spending for months to come. The effects of the Coronavirus and the resulting slowdown in the Chinese economy are also yet to be fully realised on a global scale which adds a level of uncertainty into the forecasts. Next week I will be attending the SMSF Associations National Conference in the Gold Coast, if you are attending the event do let me know! Thinktank’s High Yield Trust returned 7.34% p.a. in the month of January.

A downloadable copy of Thinktank’s February 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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