



Thinktank

October 2020

Thinktank High Yield Trust

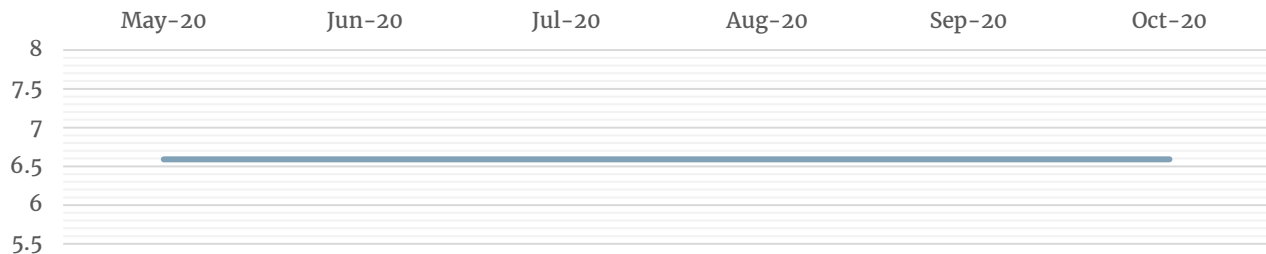
Monthly Performance Report



Thinktank High Yield Trust Monthly Performance Report

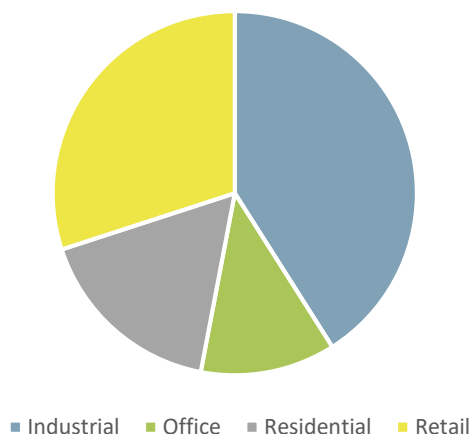
Return as at 31st October 2020

Annualised Return %

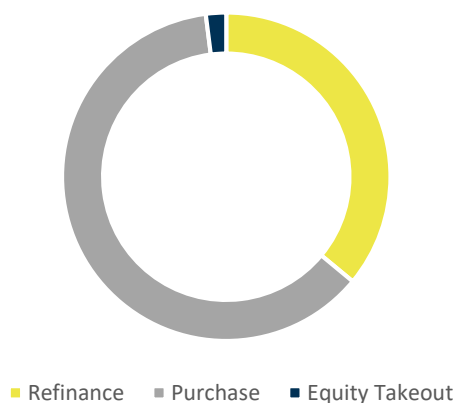


Thinktank Loan Book Metrics

Loan by Security Type*



Loan Purpose*



Investment Overview

Performance and Activity

In October the High Yield Trust has remained stable. Since inception in August 2017 the High Yield Trust has experienced zero losses and as at 31st October 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

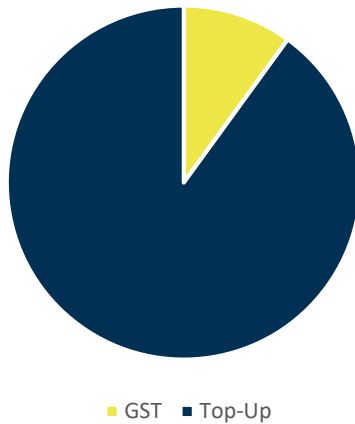
18 months as at 31-Oct-2020

*Data as at 31st October 2020

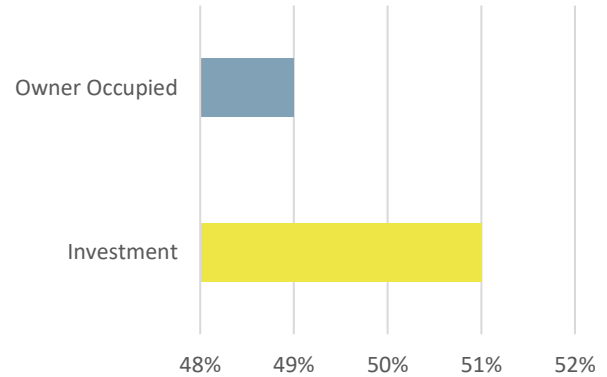


Thinktank Loan Book Metrics

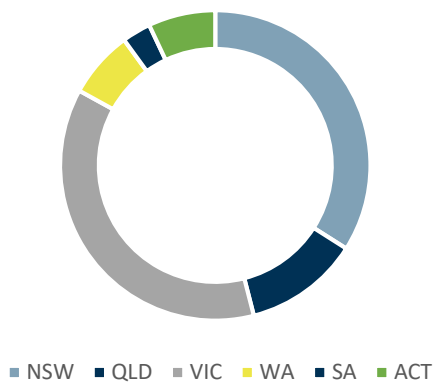
Loan by Verification Type*



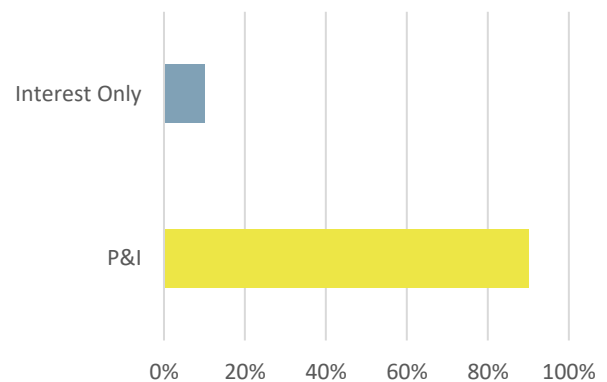
Loan by Occupancy*



Loans by State*



Repayment Type*



Market Ratings

	Sydney		Melbourne		Adelaide		Brisbane (SEQ)		Perth	
Resi-Houses	Good	Stable	Fair	Softening	Good	Stable	Good	Stable	Fair	Stable
Resi-Units	Fair	Softening	Fair	Softening	Fair	Stable	Good	Stable	Fair	Stable
Office	Good	Stable	Fair	Stable	Strong	Stable	Fair	Stable	Fair	Stable
Retail	Weak	Deteriorating	Weak	Deteriorating	Fair	Deteriorating	Weak	Deteriorating	Weak	Deteriorating
Industrial	Good	Stable	Good	Stable	Strong	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 jumped again in September by 11.9% to 105.0 after surging 18% in August driven by recovery outside of Victoria. In the last two months the index has risen to its highest level since July 2018. The AiG Manufacturing Index also leapt by 9.6 points to 56.3 moving into expansion above 50. The Services Index was also up by a spectacular 15.2 points to 51.4 its first positive month since November 2019. The Construction Index was up again in September by 7.5 points to 52.7 moving into expansion with rises in all States except Victoria and bringing all AiG indices into expansion. At its November meeting, the RBA Board cut the Cash Rate by 15 basis points to a new record low of 0.10% as widely expected after clear signalling from the RBA Governor. The action on Monetary Policy is expected to further help housing markets which noted below are now doing better than many had forecast. CoreLogic housing prices for October were a great start to the week preceding the RBA Board meeting and the running of the Melbourne Cup. National Housing values were up by 0.4% after five months of consistent declines. In Sydney prices were up 0.1% while in Melbourne the drop was just 0.2%. The rest of the capital cities were all up with Adelaide leading the way at 1.2%. There is quite a difference between Houses and Units and part of this is reflected in the three month rolling rents reported which were +0.8% for Houses and -2.3% for Units for the combined capitals. We had anticipated some of these developments and as a result no changes were required to our ratings and trends. Retail which had already been struggling had hit even more difficult times and we wait now for its recovery. Industrial has proven to be quite resilient and appears to be everyone's favourite. Office continues to await the longer term response of businesses to work from home attitudes but we are more positive than some. As noted in the paragraph above on Residential we are seeing the start of a recovery.

Market Commentary

by Lauren Ryan, Investor Relations

Over the last month we have seen the first Melbourne Cup without racegoers, the NRL & AFL grand finals with reduced crowds, which I suspect many did not think would even be possible early in the year. Melbournians are now allowed back into pubs and restaurants and we are still awaiting the outcome of one of the most controversial US election in history. 2020 really isn't holding back! As at November 6th Thinktank's hardship's reduced to 8.7% of the portfolio which is fantastic ongoing progress. I continue to speak with borrowers regarding their hardship circumstances and the sentiment amongst many is positive as their businesses are ramping up due to an increase in consumer confidence and workers using annual leave to travel to popular destinations within their state and some interstate travel where allowed. There is still some work to be done in regards to interstate travel and border restrictions but the month on month improvements show promising signs for the economy. The impact of a decrease in the official cash rate to 0.1% on consumer spending as we move into the Christmas and New Year silly season will be of great interest to investors, politicians and economists. In October the High Yield Trust returned 6.59%.

A downloadable copy of Thinktank's November 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 lryan@thinktank.net.au or +61 401 974 839