



Thinktank..

High Yield Trust

Monthly
Performance
Report

NOVEMBER 2020

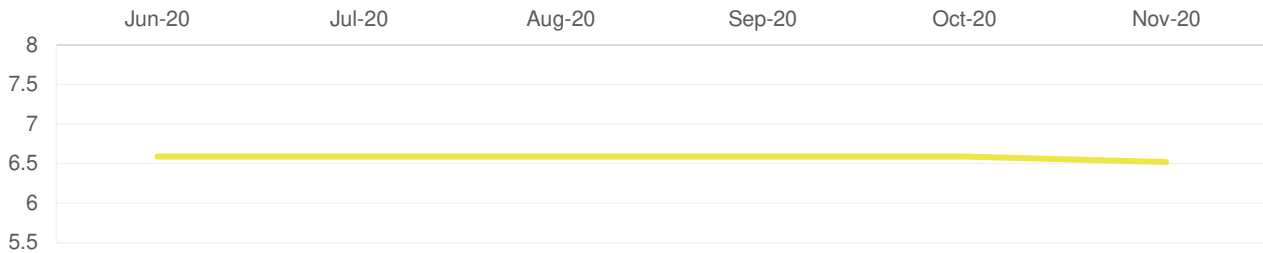


High Yield Trust Monthly Performance Report

RETURN AS AT NOVEMBER 30, 2020

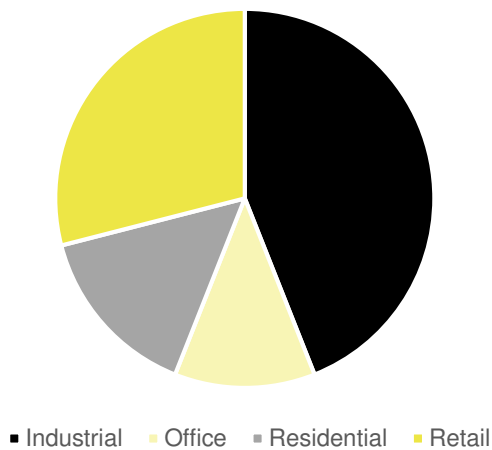
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Annualised Return %

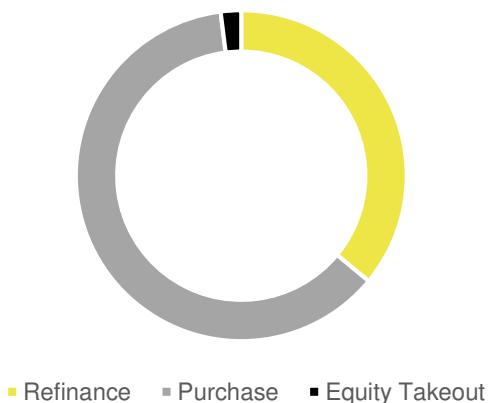


Thinktank Loan Book Metrics

Loan by Security Type*



Loan Purpose*



Investment Overview

Performance and Activity

In November the High Yield Trust has remained stable. Since inception in August 2017 the High Yield Trust has experienced zero losses and as at 30th November 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 30-Nov-2020

**Data as at 30th November 2020*

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).

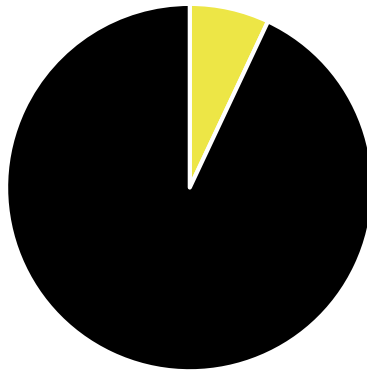
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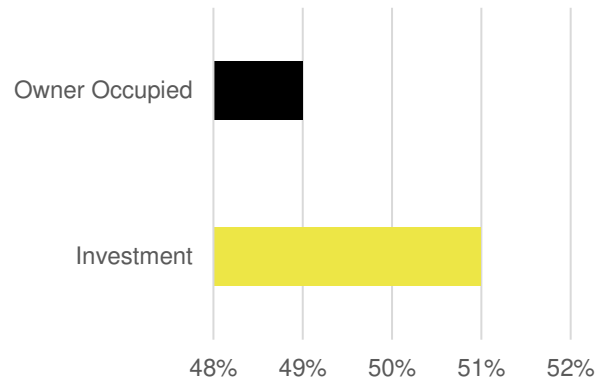
Thinktank Loan Book Metrics

Loan by Verification Type*



■ GST ■ Top-Up

Loan by Occupancy*

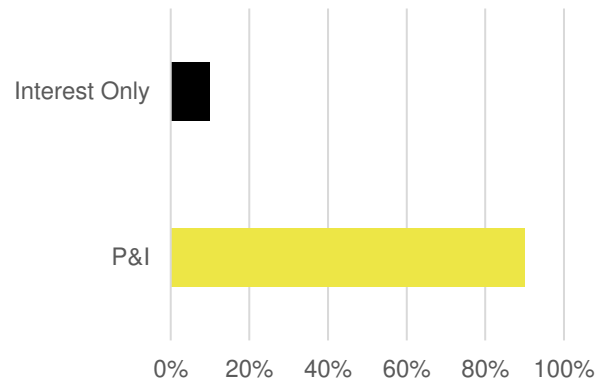


Loans by State*



■ NSW ■ QLD ■ VIC ■ WA ■ SA ■ ACT

Repayment Type*



Market Ratings

	Sydney		Melbourne		Adelaide		Brisbane (SEQ)		Perth	
Resi-Houses	Good	Stable	Fair	Stable	Good	Stable	Good	Stable	Good	Stable
Resi-Units	Fair	Softening	Fair	Stable	Fair	Stable	Good	Stable	Good	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

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MARKET COMMENTARY

by **Per Amundsen, Head of Research**

The Westpac-MI Consumer Sentiment Index jumped again in November by 2.5% to 107.5 after rising 11.9% in October driven by recovery outside of Victoria. In the last three months the index has risen to its highest level since November 2013 – a seven year high. The AiG Manufacturing Index fell by 4.2 points to 52.1 but stayed in expansion above 50 after jumping 9.6 points last month. South Australia fell slightly but stayed in expansion and Victoria recorded its first month of expansion since March 2020 which was great news. At its December meeting, as widely expected, the RBA Board left the Cash Rate at the record low of 0.10% when they held their last meeting of the year, reconvening in February 2021. After the second quarter GDP figures showed a 7.0% decline it was very well received when the third quarter GDP came in at a better than expected 3.3% increase bringing the recession to an end. The focus over the next few quarters will no doubt remain on unemployment with the latest November rate being 7.0% and expectations of a slow but steady improvement ranging from forecasts of 5.0% to 6.0% by the end of 2022. CoreLogic housing prices for November continued a good run of the past few months surprising many with their resilience. National Housing values were up by 0.8% building on last month after five months of consistent declines. In Sydney prices were up 0.4% while in Melbourne the rise was 0.7%. The rest of the capital cities were all up everyone over 1% except Brisbane at 0.6%. There remains quite a difference between Houses and Units with Houses on a national basis up 1.1% while Units were only up 0.2%. As a result of our comments above on Residential, we are seeing the start of a recovery and we have made a few changes to our Ratings and Trends. As noted previously Retail which had already been struggling is still experiencing difficult times and we wait now for its recovery. Industrial has proven to be very 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 remain more positive than some.



MARKET COMMENTARY

by **Lauren Ryan, Investor Relations**

In the month of November Thinktank settled over \$100 million in new loans which is the largest month of originations since our business started in 2006. It was only two months ago that Thinktank issued the largest CMBS transaction in Australia, it really is a year for milestones notwithstanding numerous challenges. Domestic border restrictions continue to ease as we edge closer to the holiday season, allowing family and friends to embrace for the first time in 9 months in some cases. My brother lives in Mackay and my family is thrilled to be able to see him for a few weeks over Christmas and New Year. On other fronts, our hardship team continues to work hard with the declining number of borrowers who still require support with the total percentage of loans in hardship decreasing now to 5.6% of our portfolio. The outlook for small business continues to appear positive as consumers start planning and booking their December lunches and dinners with friends and family. I can only speak for my local establishments but it is very promising to see so many bustling cafes and restaurants at all times of the week. Whilst the prospect of a vaccine is exciting, we can't let our guard down as we have seen how quickly conditions can change. In November the High Yield Trust returned 6.52%.

A downloadable copy of Thinktank's December Monthly Market Focus can be found at: <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

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