



Thinktank..

High Yield Trust

Monthly
Performance
Report

JANUARY 2021



High Yield Trust Monthly Performance Report

RETURN AS AT JANUARY 31, 2021

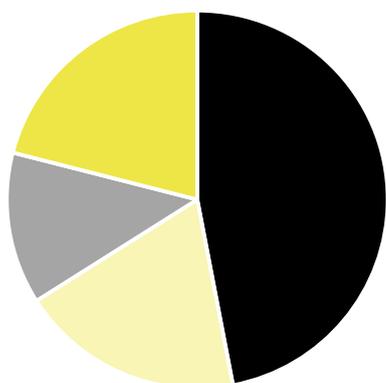


Annualised Return %



Thinktank Loan Book Metrics

Loan by Security Type*



■ Industrial ■ Office ■ Residential ■ Retail

Loan Purpose*



■ Refinance ■ Purchase ■ Equity Takeout

Investment Overview

Performance and Activity

In January the High Yield Trust has remained stable. Since inception in August 2017 the High Yield Trust has experienced zero losses and as at 31st January 2021 the High Yield Trust has two 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-Jan-2021

**Data as at 31st January 2021*

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).



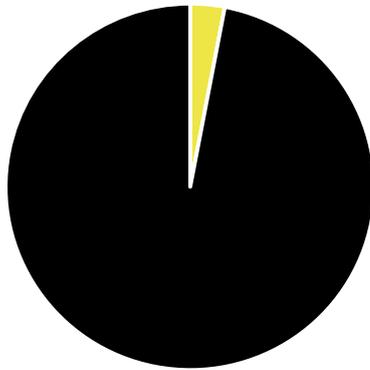
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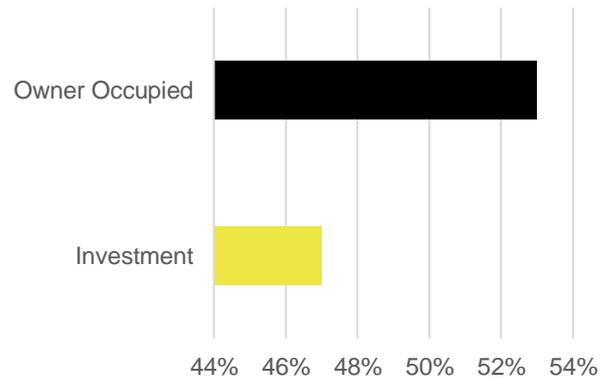
Thinktank Loan Book Metrics

Loan by Verification Type*

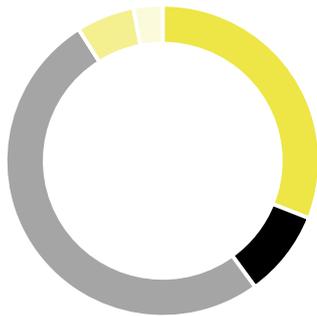


■ GST ■ Top-Up

Loan by Occupancy*

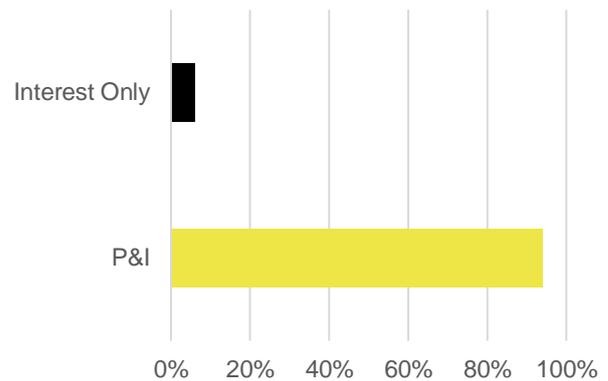


Loans by State*



■ NSW ■ QLD ■ VIC ■ WA ■ 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**

At its February meeting, the first of 2021, the RBA Board left the Cash Rate at the record low of 0.10% but the key was a speech by Governor Lowe reaffirming that rates will stay low for years to come and adding another \$100 billion in Gov't Bond purchases to the RBA's QE program. This was followed by the quarterly Statement on Monetary Policy which further reinforced the points made by Dr Lowe. Both the World Bank and the IMF forecast improving world growth but remain cautious. The third quarter GDP came in at a better than expected +3.3% and is forecast to stay at 3.5% for the next couple of years but with unemployment only down to 6.5% in the next year. Inflation is stuck at under 2% out until June '23 . Both Fiscal Policy and the recent action on Monetary Policy has lifted sentiment and is expected to further help housing markets which noted below are now doing better than most had forecast. The focus over the next few quarters will no doubt remain on unemployment with the latest December rate being 6.8% and expectations of a slow but steady improvement with the forecasts noted above. The US Fed has said the same about interest rates remaining low for years to come but 10 year US Treasuries were last traded at higher yields of 1.18% the highest since March 2020 and AUS 10 year Gov't bonds were at 1.26% also a high since March 2020. The AUD has stabilised around 0.76. CoreLogic housing prices for February continued a very good run of the past few months surprising many with their resilience. National Housing values were up by 0.9% building on four months of consistent rises.



MARKET COMMENTARY

by **Lauren Ryan, Investor Relations**

Last month I wrote about the Trans-Tasman travel bubble which was unfortunately delayed that day due to new Covid cases in Brisbane and Auckland. So much can change in a day. In positive news, domestic borders are now re-opening as cases country wide remain low and manageable. I personally am noticing more and more people on public transport during the week as they return to work, cafes and restaurants are busy and over the weekend 19 of my friends and I attend a show for the first time in a long time. I am thrilled to be able to support the performing arts and related venues once again and that this show was completely sold out! Over the weekend we had the BBL final, on Monday we had the Super Bowl and we are edging closer and closer to the start of the AFL and NRL seasons. The social aspects that such activities provide many Australians was taken away from us during 2020. With consumer confidence continuing to rise and case numbers remaining low, the upcoming professional and amateur sport seasons will be huge sources of joy, excitement and relief to many. The associated consumer and corporate expenditure plus job creation associated with these sporting seasons will be very welcomed by all. Last Tuesday we saw the RBA keep the official cash rate a 0.1% and indicate it will remain at this rate potentially to 2024! With an additional \$100 billion in QE in the mix, investors will clearly struggle to meet their income needs via cash and term deposits and will continue to seek alternative investment options to meet their goals. As I write to you to in January the High Yield Trust returned 6.51% pa.

A downloadable copy of Thinktank's February's 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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