



Thinktank..

High Yield Trust

Monthly Performance Report

MAY 2021

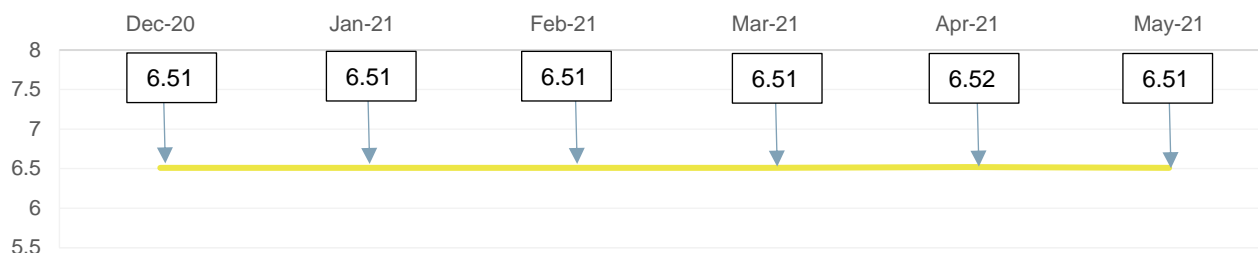


High Yield Trust Monthly Performance Report

RETURN AS AT MAY 31, 2021

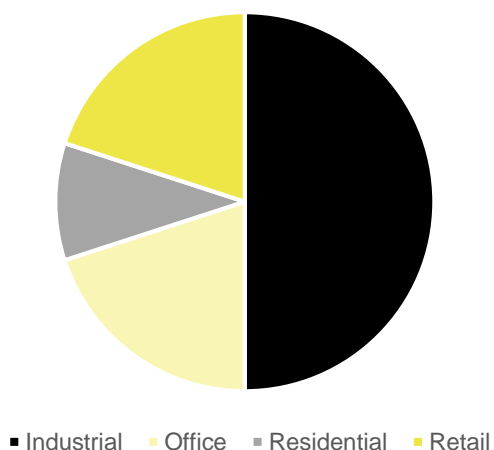
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Annualised Return %

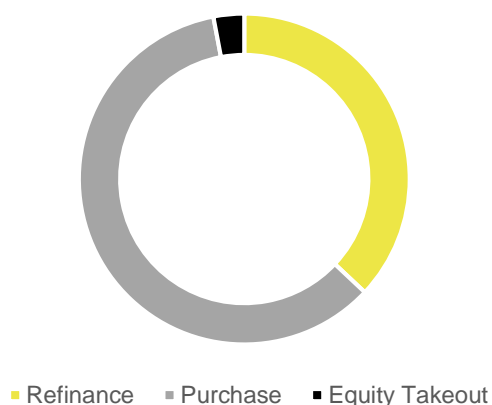


Thinktank Loan Book Metrics

Loan by Security Type*



Loan Purpose*



Investment Overview

Performance and Activity

In May the High Yield Trust return to investors has remained stable. Since inception in August 2017 the High Yield Trust has experienced zero losses and as at 31st May 2021 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-May-2021

**Data as at 31st May 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).

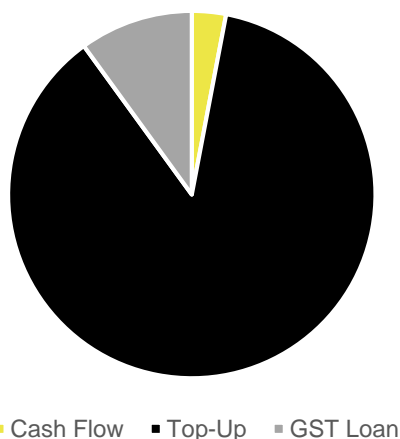
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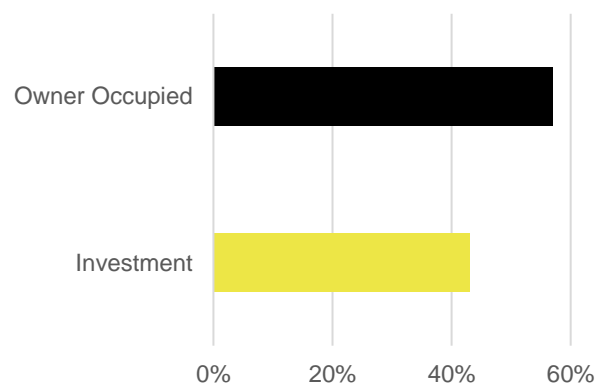
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Thinktank Loan Book Metrics

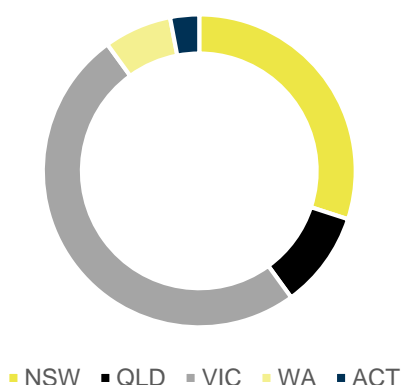
Loan by Product Type*



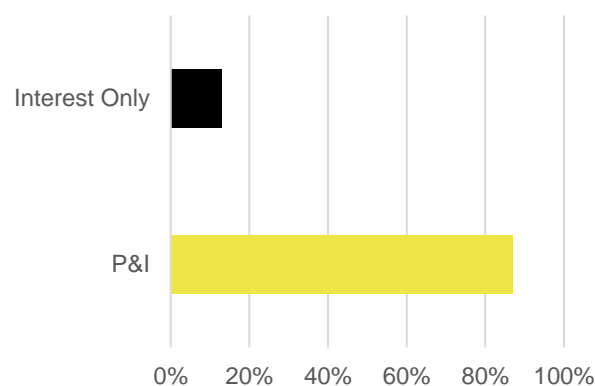
Loan by Occupancy*



Loans by State*



Repayment Type*



Market Ratings

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

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MARKET COMMENTARY

by Per Amundsen, Head of Research

The Westpac-MI Consumer Sentiment Index fell by 4.8% in May to 113.1; while a fall of this size is significant it is worthwhile noting that it is still the second highest print for the index since April 2010. At its June meeting the RBA Board left the Cash Rate at the record low of 0.10% and any thoughts about an earlier than expected increase in official rates were extinguished despite ongoing improvement in forecasts for economic growth, employment and inflation. The minutes repeated the following comment on inflation: "The Board will not increase the Cash Rate until it is sustainably within the 2 to 3% target range." The release the following day of GDP figures for the March quarter of a 1.8% rise (1.1% annual) was greeted as good news with forecasters now looking for up to a 3.5% increase for the full year 2021. The day after that a 1.1% increase in Retail Trade for the month of April was announced by the ABS but with lots of State based variance. The US Fed has said the same about interest rates remaining low for years to come and 10 year US Treasury Yields were last traded at 1.61% slightly up from last month; AUS 10 year Gov't bonds were steady, last trading at 1.68% down from last month. The AUD continues to remain at 0.77 – 0.78 but various analysts still expect a move above 0.80. CoreLogic housing prices for May continued the exceptionally strong run of the past few months confirming the positive view of most with their recovery. National Housing values were up by a further 2.2% for the month and up by more than 1.0% in every capital city in the country. In Sydney, House prices were up 3.5% in May and breaking double figures at 14.8% for the year and we rate that sector Strong and Improving. Retail continues to struggle and is still experiencing difficult times; we are waiting for signs of a turnaround which may come with some longer term changes to sector strategy although the 1.1% growth in April sales was enough to upgrade Sydney to Fair and Stable.



MARKET COMMENTARY

by Lauren Ryan, Investor Relations

In May it was fantastic to head down to Melbourne to spend time with investors, present at the SISFA Technical Day and spend some time with our brokers with Connective. It is clear that people, where possible, prefer face to face events and look forward to those returning in Victoria when possible. Unfortunately as Australia moves into winter we are yet again reminded we are still fighting against Covid-19. Thoughts and well wishes are with all those in Victoria who are in the midst of another lockdown. Despite the interstate lockdowns, restrictions and prospects of international borders opening diminishing activity in both the lending and investing market remains strong with investors seeking secured, passive, income returns. In May Thinktank originated \$119 million in new loans and the High Yield Trust returned 6.51%

A downloadable copy of Thinktank's June 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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