



Thinktank..

High Yield Trust

Monthly
Performance
Report

NOVEMBER 2021

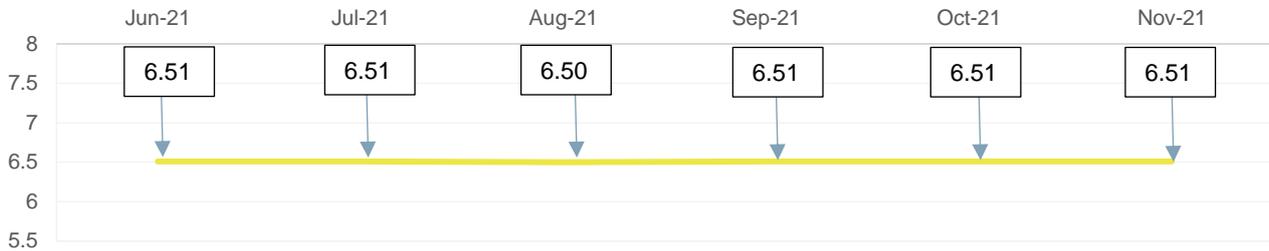


High Yield Trust Monthly Performance Report

RETURN AS AT NOVEMBER 30, 2021

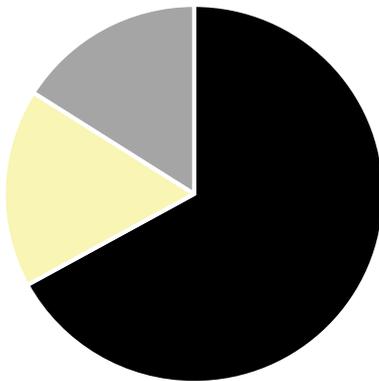


Annualised Return %



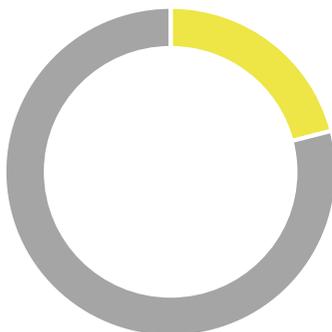
Thinktank Loan Book Metrics

Loan by Security Type*



■ Industrial ■ Office ■ Retail

Loan Purpose*



■ Refinance ■ Purchase

Investment Overview

Performance and Activity

In November 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 30th November 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 loan-to-value ratio

78.22% as at 30-November-2021

Average life of loan

14 months as at 30-November-2021

**Data as at 30th November 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).

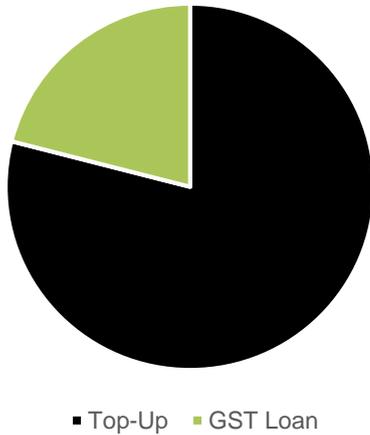
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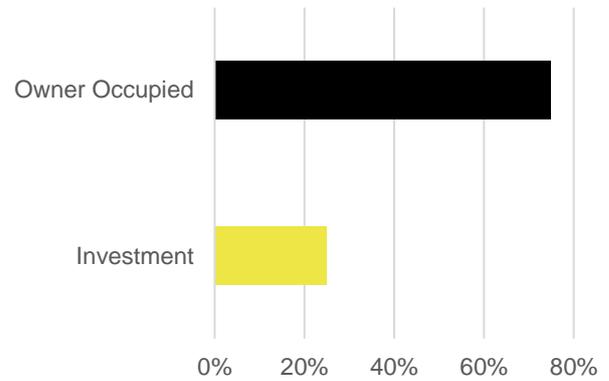


Thinktank Loan Book Metrics

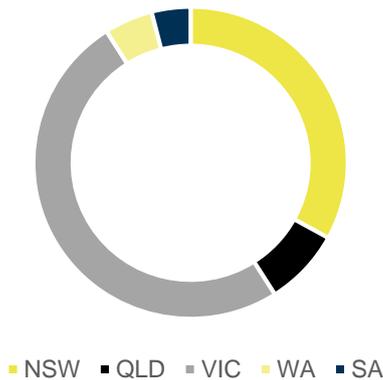
Loan by Product Type*



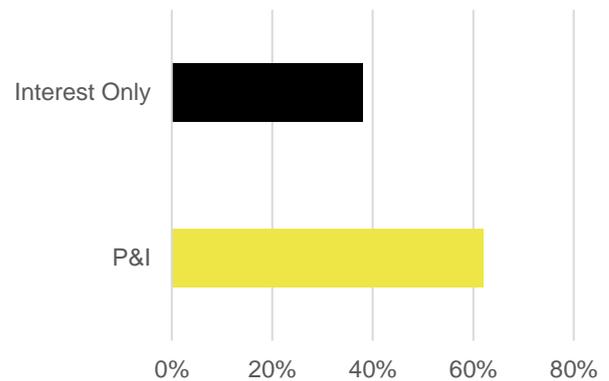
Loan by Occupancy*



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	Fair	Stable	Fair	Stable	Strong	Stable	Fair	Stable	Fair	Stable
Retail	Weak	Stable	Weak	Stable	Good	Stable	Fair	Stable	Good	Stable
Industrial	Strong	Improving	Strong	Improving	Strong	Improving	Good	Stable	Good	Stable

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RETURN AS AT NOVEMBER 30, 2021

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MARKET COMMENTARY

by Per Amundsen, Head of Research

The Westpac-MI Consumer Sentiment Index rose by 0.6% in November to 105.3 after its 2.0% rise two months earlier in September was described as truly remarkable at a time when Australia's two largest cities were in lockdown. This month's results for the AiG Manufacturing Index saw it rise by 4.4 points to 54.8. At its last meeting of the year before its January break, the RBA Board as widely expected once again left the Cash Rate at the record low of 0.10%. Governor Lowe's remarks reiterated updated comments in last month's Statement on Monetary Policy (SMP) in which the RBA flagged some of the key changes to its economic forecasts all of which were positive and we can expect more of this in February when the next update is issued. Later in November the ABS released the October Retail Sales statistics showing a strong 4.9% gain over the previous month and a rise of 5.2% compared to October 2020. 10 year US Treasury Yields were last traded steady at 1.47%; AUS 10 year Gov't bonds were at 1.70%. The AUD has traded down since last month and very briefly fell below USD 0.70 with the spread between US and AUD yields widening but is now back up. CoreLogic dwelling prices for November continued the same trend of the past few months. The lending controls introduced by APRA last month with respect to interest rate buffers used by Banks in assessing serviceability of borrowers does not appear to have had much impact. The prospect of other measures remains quite real in our opinion and with interest rates expected to remain at ultra-low levels for some time to come this seems to be the likely alternative. We continue to reflect the extension of the rise in Residential and even though some observers have expressed concern; our Ratings and Trends are unchanged from the update in our October Quarterly. Retail continues to be showing initial signs of recovery and indications of a turnaround as we see the end of lockdowns. The final October Retail numbers released in late November were positive and while we have kept Sydney and Melbourne Retail Weak we have upgraded the trend to Stable. Industrial continues to be very strong and remains the market favourite and strengthening in all geographies. Office is recovering as workers return to the CBD with reports of improved leasing activity and major investments by sovereign wealth funds.



MARKET COMMENTARY

by Lauren Ryan, Investor Relations

The hot topic in November, and no doubt for many months to come, was the economic recovery and whether interest rates domestically and globally will be on the rise in 2022. Inflation and wages for skilled workers are seemingly rising and there is much discussion around the underlying drivers. Border closures and "The Great Resignation" have impacted the supply of skilled workers which has been a factor in wage increases trending higher. Covid-19 induced supply chain & logistic constraints have also been a factor in the rising cost of goods, which means 2022 will be a very interesting year for the direction of inflation and interest rates. To finish out the year, Thinktank has just settled the largest ever SME CMBS transaction in Australian history of \$750 million, a fantastic effort by all involved and shows the strength of the asset class in the eyes of institutional investors. As at 30th November Thinktank's portfolio arrears stood at 1.6% and the High Yield Trust returned 6.51%.

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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