



# Thinktank.

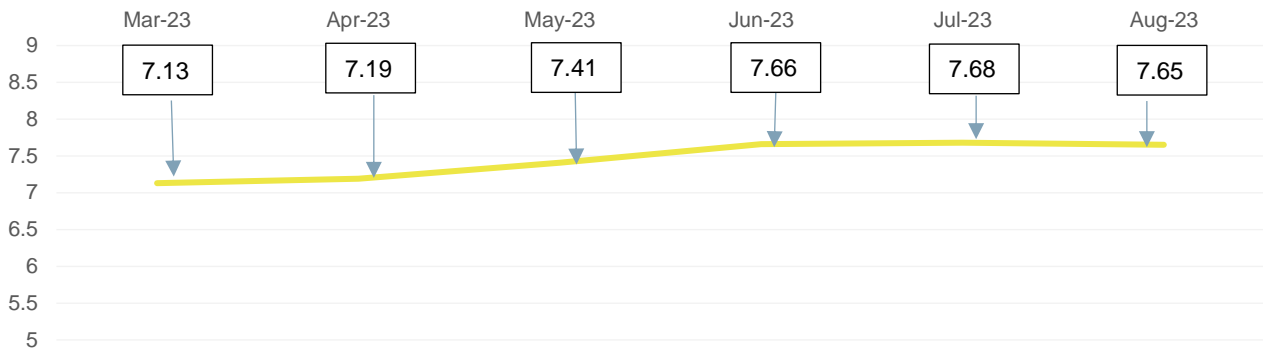
Income Trust  
Monthly  
Performance  
Report

AUGUST 2023

# Income Trust Monthly Performance Report

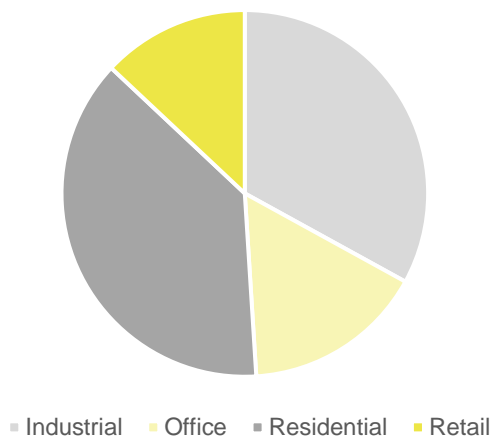
RETURN AS AT AUGUST 31, 2023

## Annualised Return %

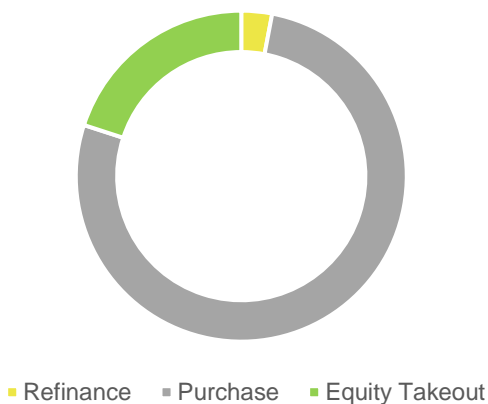


## Thinktank Loan Book Metrics

### Loan by Security Type\*



### Loan Purpose\*



## Investment Overview

### Performance and Activity

In August the Income Trust delivered increased returns to investors for another month. Since inception in August 2017 the Income Trust has maintained zero losses and as at 31<sup>st</sup> August 2023, there are two loans within the Income Trust currently in arrears.

### Investment strategy

Generate monthly income returns by originating loans secured by registered first mortgages held on Australian commercial and residential real estate.

### Distributions

Paid on the 10<sup>th</sup> of each month or the following business day in arrears.

### Minimum investment

\$10,000

### Minimum term

12 months

### Average loan-to-value ratio

73.67% as at 31-Aug-2023

*\*Data as at 31<sup>st</sup> August 2023*

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](mailto:lryan@thinktank.net.au) Thinktank Nominees Pty Ltd (AFSL No. 333 163).

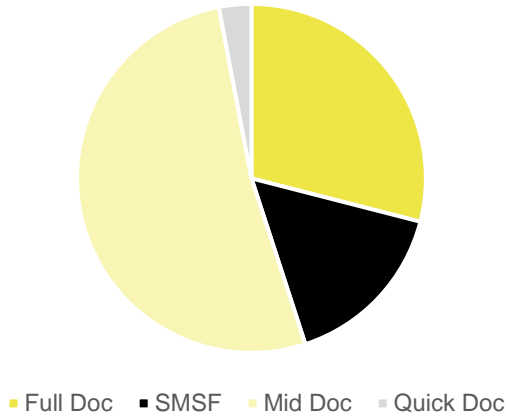
# Income Trust Monthly Performance Report

RETURN AS AT AUGUST 31, 2023

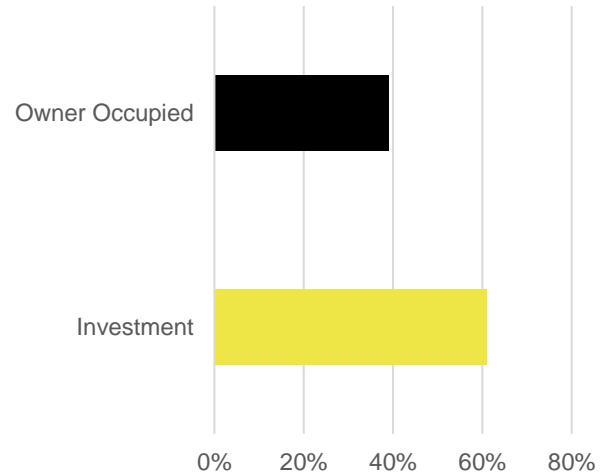


## Thinktank Loan Book Metrics

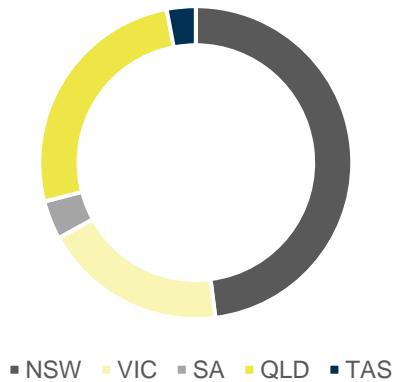
Loan by Product Type\*



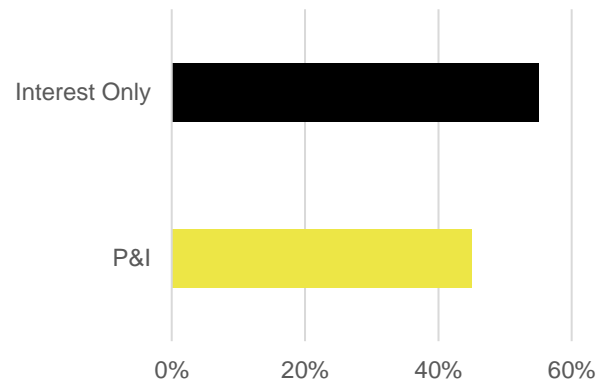
Loan by Occupancy\*



Loans by State\*



Repayment Type\*



## Market Ratings

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

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](mailto:lryan@thinktank.net.au) Thinktank Nominees Pty Ltd (AFSL No. 333 163).

# Income Trust Monthly Performance Report

RETURN AS AT AUGUST 31, 2023

# Thinktank..



## Market Commentary

by Per Amundsen, Head of Research

The Westpac-MI Consumer Sentiment Index was down slightly by 0.4% to 81.0 points in August and remains deeply pessimistic and still near recession level lows recorded for the last year. The Westpac Melbourne Institute Leading Index however was up slightly at -0.60 in July from June's -0.67 but still recorded 12 months of negative prints which is the longest in seven years. At its September meeting,

the RBA Board surprised hardly anyone this time by again pausing on raising the Cash Rate for the third month in a row and keeping it at 4.10%. This was the last meeting for Governor Phillip Lowe ahead of the end of his seven year term later in September. This latest pause had been forecast by just about all commentators and was seen as continued welcome relief for consumers and the economy in general even though further increases are still considered possible by many market economists and was reflected in the minutes of the meeting which contained numerous updates from last month. The 2nd quarter GDP result of a disappointing 0.4% for the 3 months to June and 2.1% year over year was released by the ABS the following day and has once again raised the expectation of prolonged slow growth. The unemployment rate of 3.7% in July was up slightly from 3.6% and forecast to be little changed during 2023 but monthly CPI was down to 4.9% from 5.4%. CoreLogic dwelling prices for August continued their recovery across almost all Capitals. National Housing values posted a 1.1% gain for the month following a 0.7% rise in July. They are now up 3.8% for the past quarter. The improvement was based on gains in Brisbane of 1.7% and 1.1% in both Sydney and Adelaide. For the month Perth was up 0.9% and Melbourne 0.5%. We continue to reflect the improvement of Residential in almost all areas and have maintained our Ratings and Trends across all Capitals with none showing a negative CoreLogic Housing result for the month. We maintain our cautious optimism. Retail continues to be showing some recovery although volatile, especially secondary although sales are flat. Industrial which remains very strong; while Office is doing better in some Capitals a real recovery remains some time into the future.

## Investment Commentary

by Lauren Ryan, Investor Relations

August saw the RBA hold the Official Cash rate at 4.1% citing a decline in headline inflation. Core inflation remains elevated which leaves the discussion open amongst many economic experts that there is potential for a further rate rise in 2023. Higher inflation for longer seems to be the global central bank view as economies navigate a contractionary environment whilst avoiding recession. On the domestic front the cash rate pause was welcomed by individual and company borrowers alike. Signs

of economic slowdown are evident across the community however and many Australians now are certainly feeling the pinch. Easing goods inflation in segments of the market was a welcome result, however a continued tight labour and housing markets show little sign of easing which is of concern as services inflation remains stubbornly high. The Financial Review Property Summit kicks off this week and housing affordability, the rental crisis, and issues within the building industry are all key items on the agenda. Increasing housing supply will take time and the lack of it will be a key factor in the housing market rebound despite the increased costs and challenges associated with servicing a mortgage. Interestingly, recent PEXA data revealed that certain parts of Australia's east coast have seen an increase in cash transactions, where one quarter of all purchases are mortgage-free. In contrast the market has also seen an increase in property investors and borrowers with holiday homes placing these properties on the market in response to their changing financial circumstances. Rental vacancy rates across the country remain tight which will continue to keep rents high. As this situation continues, we can expect continued discussion by State Government on rental freezes or similar policies. At the end of August, I presented at the SMSF Trustee Empowerment Day three city roadshow. It was great to see so many engaged trustees discussing investment strategies and regulatory changes impacting their SMSFs. Thank you to all who attended the events. In the first month of the new financial year originations were down slightly with new loan originations in August amounting to \$185 million. As at 31<sup>st</sup> August, our portfolio arrears stood at 2% and the Income Trust was yielding a return of 7.65%.

A downloadable copy of Thinktank's Monthly Market Focus can be found [here](#).

For more information about Thinktank's Investment Trusts, please contact Lauren Ryan on [lryan@thinktank.net.au](mailto:lryan@thinktank.net.au) or 0401 974 839.

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](mailto:lryan@thinktank.net.au) Thinktank Nominees Pty Ltd (AFSL No. 333 163).