



# Thinktank.

Income Trust  
Monthly  
Performance  
Report

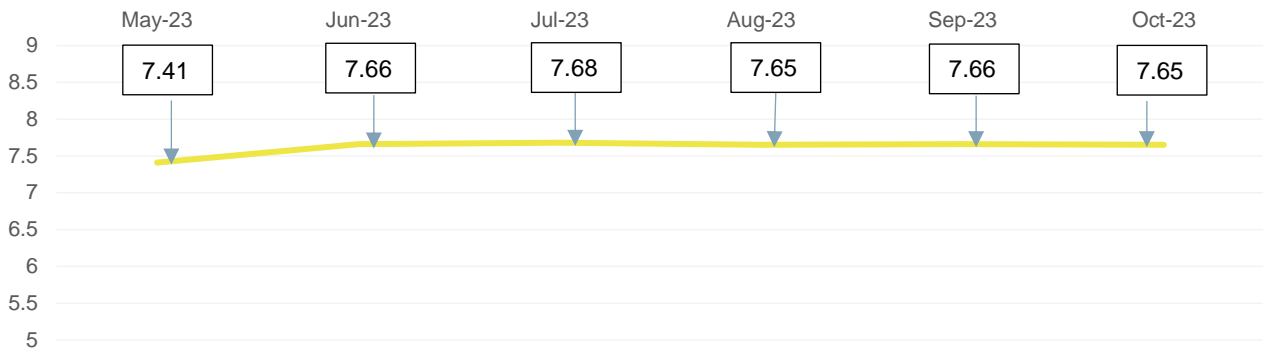
OCTOBER 2023

# Income Trust Monthly Performance Report

RETURN AS AT OCTOBER 31, 2023

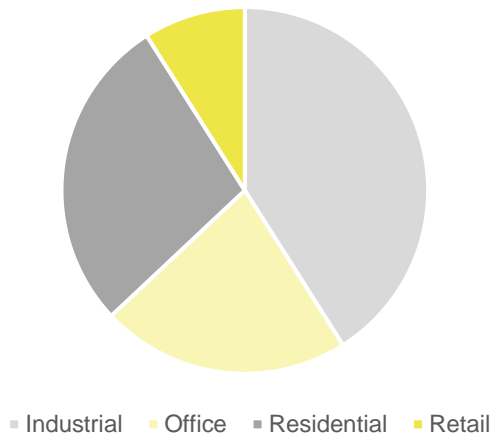
# Thinktank..

## Annualised Return %

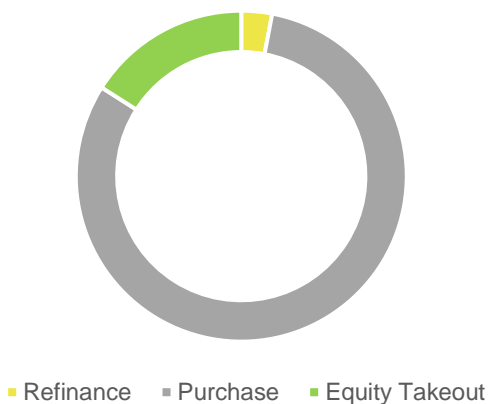


## Thinktank Loan Book Metrics

### Loan by Security Type\*



### Loan Purpose\*



## Investment Overview

### Performance and Activity

In October 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> October 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

74.21% as at 31-Oct-2023

*\*Data as at 31<sup>st</sup> October 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).

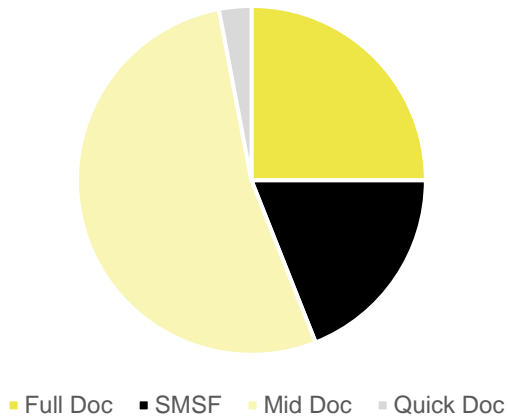
# Income Trust Monthly Performance Report

RETURN AS AT OCTOBER 31, 2023

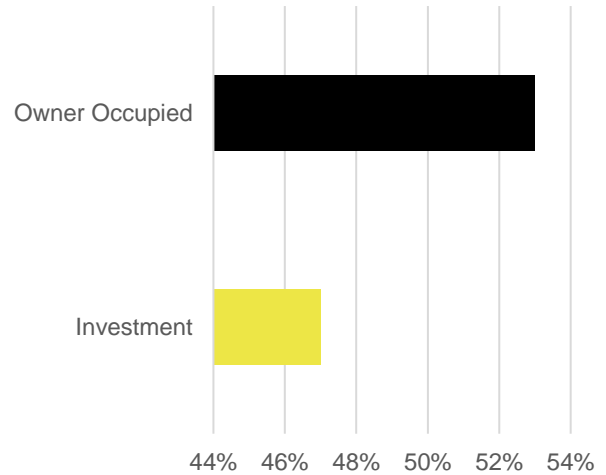


## Thinktank Loan Book Metrics

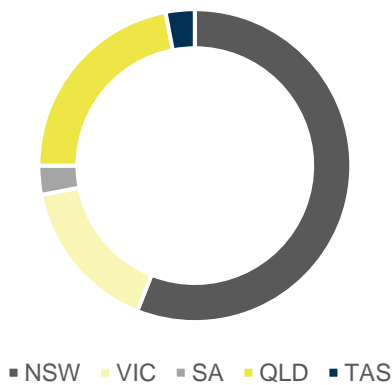
Loan by Product Type\*



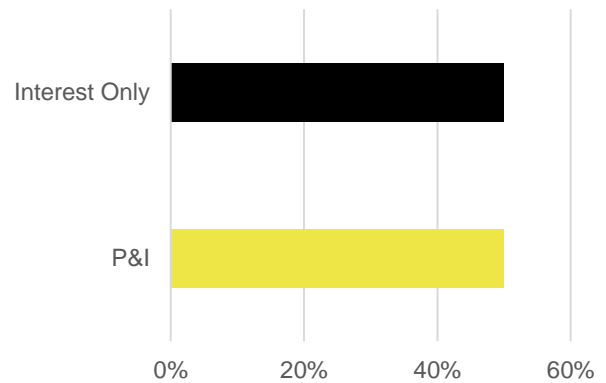
Loan by Occupancy\*



Loans by State\*



Repayment Type\*



## Market Ratings

	Sydney		Melbourne		Adelaide		Brisbane (SEQ)		Perth	
<b>Resi-Houses</b>	Fair	Stable	Fair	Stable	Good	Improving	Good	Improving	Good	Improving
<b>Resi-Units</b>	Fair	Stable	Fair	Stable	Good	Improving	Good	Improving	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 OCTOBER 31, 2023

# Thinktank..



## Market Commentary

by Per Amundsen, Head of Research

The Westpac-MI Consumer Sentiment Index rose in October by 2.9% to 82; still only a muted lift in sentiment. The Westpac Leading Index was also up slightly at -0.34 in September from -0.48 in August continuing its string of negative reads since August '22 and Westpac still expects it to continue for another year. At its November meeting, the second for Michele Bullock as the new Governor, the RBA

Board made their first increase in the Cash Rate raising it by 25 basis points to 4.35% the first upward move in five months. This latest decision had been forecast by just about all commentators including all four major banks. Last month's RBA's six-monthly Financial Stability Review also had comments about the possibility of further rate increases but was broadly positive. The 2nd quarter GDP result of a disappointing 0.4% for the 3 months to June and 3.4% year over year was released by the ABS in September and once again raised the expectation of prolonged slow growth. The unemployment rate of 3.6% in September was unchanged from August and is forecast to be little changed during 2023 but quarterly CPI was up slightly to 1.2% and 5.4% for the year on higher fuel and rental costs. Just released Retail sales for September were up 0.9% for the month and 2.0% over September 2022. CoreLogic dwelling prices for October continued their recovery across almost all Capitals but again at different paces. National Housing values posted a 0.9% gain for the month following a 0.7% rise in September (revised down from 0.8%). They are now up 2.3% for the past quarter. The improvement was based on gains in Perth of 1.6% for the month and 4.6% for the quarter. Adelaide and Brisbane were not far behind at 4.2% and 3.8% for the quarter respectively and 1.3% and 1.4% for the month. For the month Sydney was up 0.8% and Melbourne 0.5%. We continue to reflect the improvement of Residential in almost all areas and have improved our Ratings and Trends for Adelaide and Brisbane while all Capitals are showing positive CoreLogic Housing results for the month. We maintain our cautious optimism despite concern with the interest rate increase. Other sectors remain unchanged.

## Investment Commentary

by Lauren Ryan, Investor Relations

When the RBA met in October, they maintained the status quo with the cash rate while highlighting the possibility of future rate increases. A surprising degree of resilience in the September quarter inflation data, coupled with persistent low unemployment, led to an Official Cash Rate hike on Tuesday, November 7th, from 4.1% to 4.35%. The RBA acknowledged that, in their opinion, inflation has peaked and emphasised the need for additional measures to steer inflation back within the 2-3% target range by 2025. As previously mentioned, the RBA has a limited toolkit at its disposal, and fiscal policy additionally plays a pivotal role in

curbing inflation. This importance has been underscored by the IMF, which has recommended that both state and federal governments consider reducing inefficient infrastructure expenditure. In October, Thinktank sponsored the SMSF Tech Strategy Day in Sydney, Brisbane, and Melbourne. While certain segments of the market may be slowing down, the demand for borrowing and investment within SMSFs remains robust. This was reflected in Thinktank's origination activities in October, with a record number of applications and settlements. This demonstrates that there is still a strong appetite for credit in the market. Thinktank does not seek to be a price-leading lender, however our SME and SMSF borrowers consistently choose to partner with us. This decision is driven by the robust relationships we have nurtured over the years with our broker and aggregator partners, as well as our deep understanding of the SMSF sector and lending products, which prioritise cash flow optimisation. Thinktank settled a \$750 million Residential Mortgaged Backed Securitisation (RMBS) which was upsized from \$500 million as a result of strong support and investment from our domestic and global institutional partners. Stress in various parts of the market is undeniable, with many borrowers, families, and businesses experiencing challenging times. Thinktank's collections team continues to do an excellent job assisting borrowers who fall behind on payments or require hardship support. This need is likely to increase as the economy contracts. In October Thinktank new loan originations increased to \$212 million. As at 31st October, our portfolio arrears stood at 2.8% 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).