



Thinktank

March 2020

Thinktank High Yield Trust

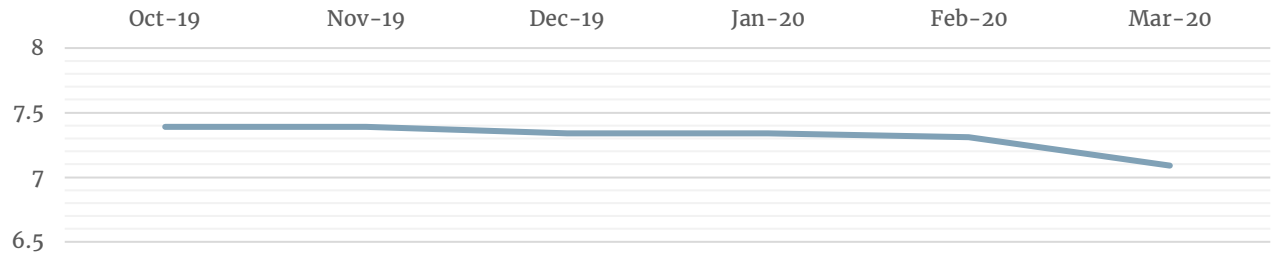
Monthly Performance Report



Thinktank High Yield Trust Monthly Performance Report

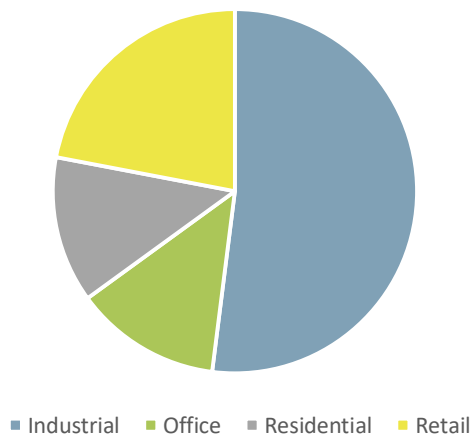
Return as at 31st March 2019

Annualised Return %

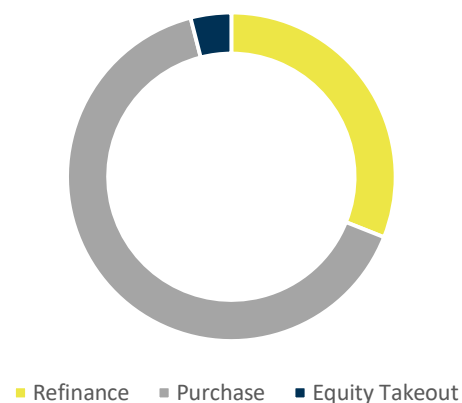


Thinktank Loan Book Metrics

Loan by Security Type*



Loan Purpose*



Investment Overview

Performance and Activity

In March the High Yield Trust increased in size once again. Since inception in August 2017 the High Yield Trust has experienced zero losses and as at 31st March 2020 the High Yield Trust have zero 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

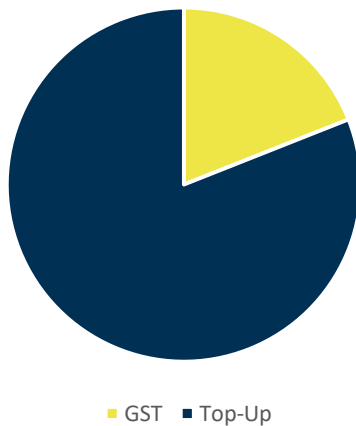
18 months as at 31-March-2020

*Data as at 31st March 2020

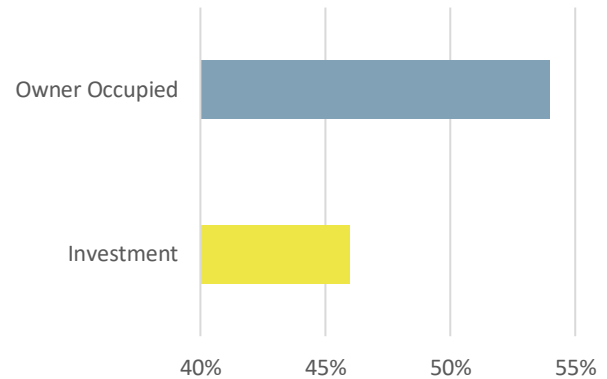


Thinktank Loan Book Metrics

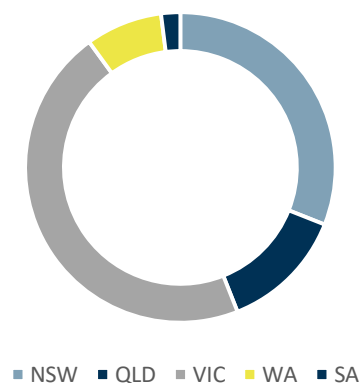
Loan by Verification Type*



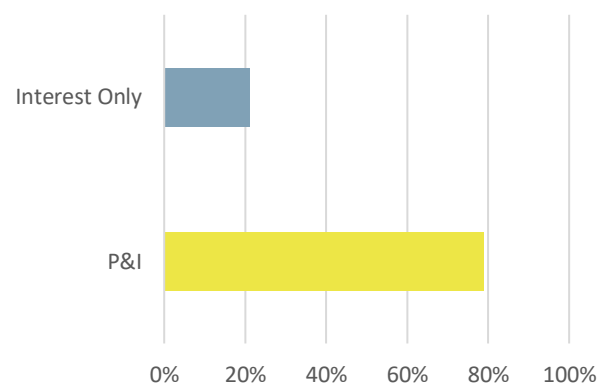
Loan by Occupancy*



Loans by State*



Repayment Type*



Market Ratings

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



Market Commentary



by Per Amundsen, Head of Research

As noted last month, the COVID-19 outbreak had started to dominate both the economy and our lives. This has only become more so. At its April meeting the RBA Board left the Cash Rate at an unchanged record low of 0.25% after cutting it by 25 basis points in an emergency mid-month meeting in March. Governor Lowe spoke of Quantitative Easing measures on the basis of the coronavirus and the RBA's Financial Stability Review to be released just before Good Friday will be very interesting as will the IMF Global Economic update out just after Easter. The prospect of a negative GDP figure for the first quarter is very real and the near certainty of a significant negative second quarter would signal a technical recession. CoreLogic housing prices for March showed further increases in Sydney and Melbourne with houses up 1.1% and 0.4% respectively. Units were up the same in both Capitals however we remain concerned about the ongoing supply of newly completed apartments and the fresh unknown of the COVID-19 pandemic. The RLB Q1 Crane Index shows 27 less cranes in use for residential projects in Melbourne but actually up a few in Sydney. The month-on-month lift of 0.7% in national housing values was also good but the uncertainty currently present has led us to put a Watch on all our Residential Trends and put all Ratings as Fair other than Perth Units which remain Weak-Deteriorating having fallen by 0.3% in March, the only decline amongst the five we cover. There have been many other changes in our ratings and trends this month. Industrial ratings in both Melbourne and Sydney are Good matching the Office sectors there making four markets rated as Good and Stable with all in Sydney and Melbourne. Retail is Weak and Deteriorating everywhere and already poor consumer sentiment has only suffered further as noted above. On a positive note, our experience is that landlords/investors are seeking a deferral of mortgage payments in order to allow tenants to survive this crisis. Both State and Federal governments have announced legislation to protect tenants and lenders have supported these moves with their own hardship relief as has Thinktank. This welcome initiative is currently playing out across office, industrial and retail properties and it is our view from our direct communication with our Borrowers that most businesses have very sound prospects for a return to healthy business activity once the crisis ends.

Market Commentary

by Lauren Ryan, Investor Relations

I know it feels like an age since our last edition, how much can change in a month? You all would have received Thinktank's official C-19 investor update while as more information becomes to hand it will be distributed to you via email from myself. It is very important to us to keep our investors informed and confident in their investment with us. Thinktank is committed to continuing to protect investors' capital and income returns during this period of uncertainty. Thinktank's High Yield Trust returned 7.09% p.a. in the month of March.



A downloadable copy of Thinktank's April Monthly Market Focus can be found at the link below:
<https://www.thinktank.net.au/news/>

For more information about Thinktank's Investment Trusts, please contact Lauren Ryan on lryan@thinktank.net.au or (02) 8669 5532.