



Thinktank..

High Yield Trust

Monthly Performance Report

OCTOBER 2021

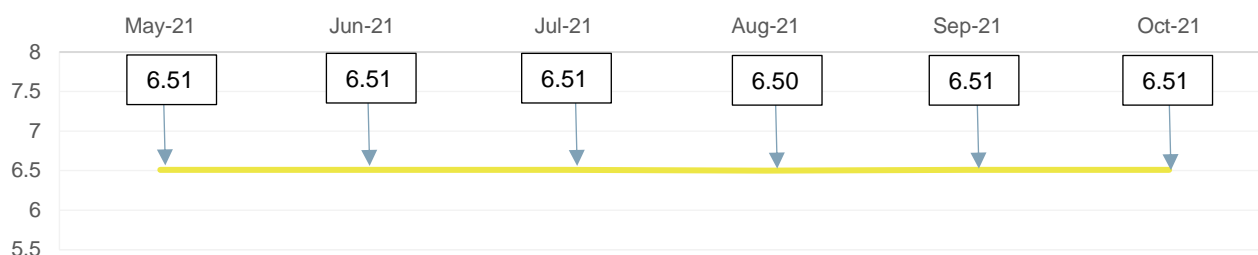


High Yield Trust Monthly Performance Report

RETURN AS AT OCTOBER 31, 2021

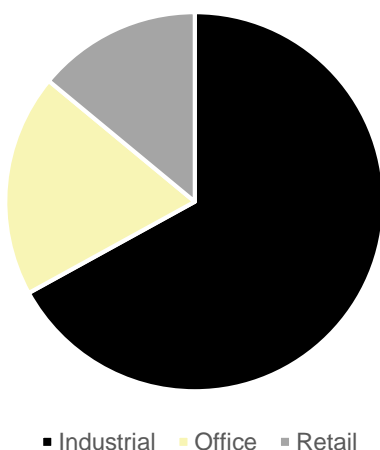
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Annualised Return %

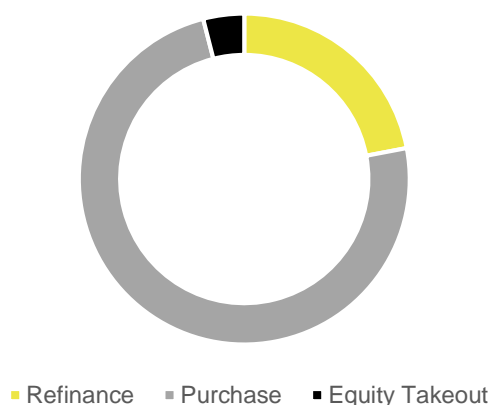


Thinktank Loan Book Metrics

Loan by Security Type*



Loan Purpose*



Investment Overview

Performance and Activity

In October 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 October 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

77.96% as at 31-October-2021

Average life of loan

14 months as at 31-October-2021

**Data as at 31st October 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).

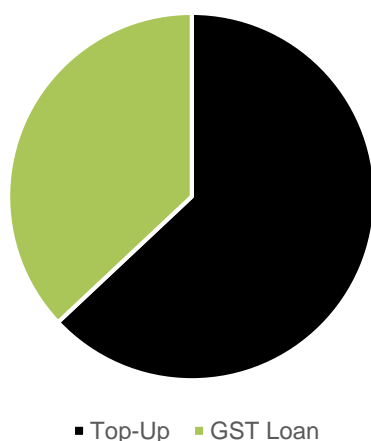
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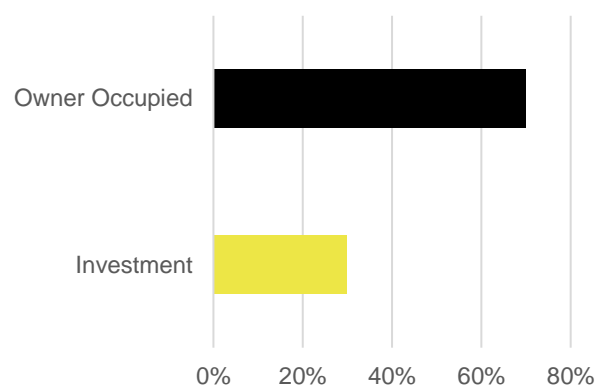
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Thinktank Loan Book Metrics

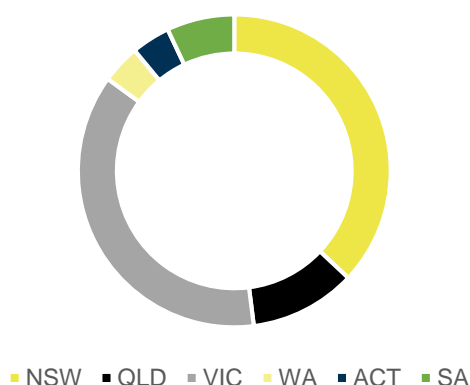
Loan by Product Type*



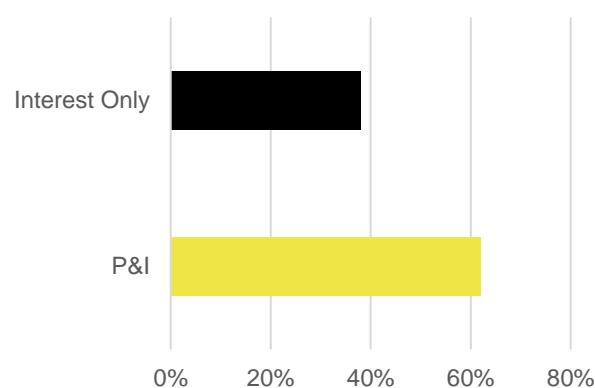
Loan by Occupancy*



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	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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MARKET COMMENTARY

by Per Amundsen, Head of Research

The Westpac-MI Consumer Sentiment Index rose by 2.0% in September to 106.2 and was described as truly remarkable at a time when Australia's two largest cities were in lockdown. At its October meeting the RBA Board once again left the Cash Rate at the record low of 0.10%. Governor Lowe's remarks contained a new comment about possible action to maintain lending standards and the following day APRA announced an increase in the "interest rate buffer" to be used by banks in calculating servicing capacity of home loan applicants. The Governor also reconfirmed that rates would not rise until 2024. CoreLogic dwelling prices for September continued the upward run of the past few months but again at a somewhat reduced pace. National Housing values were up by a further 1.5% for the month and a total of 20.3% for the past year. As noted above the prospect of lending controls was mentioned by the RBA at their monthly Board meeting and then announced the next day by APRA with the Banks to increase from plus 2.5% to 3.0% the buffer used in calculating Interest Coverage Ratios. We continue to be encouraged by the extension of the rise in Residential even though some are obviously rather more concerned than ourselves but our Ratings and Trends are unchanged. Retail continues to struggle and we are still waiting for signs of a turnaround which may have to await the end of lockdowns. The August fall in national retail sales was as expected with the current NSW and Victoria lockdowns being very damaging; down 3.5% and 3.0% respectively.

MARKET COMMENTARY

by Lauren Ryan, Investor Relations



October 11th was an important date in NSW as restrictions eased for the fully vaccinated and consumers were able to go to restaurants, bars, see family and travel within Greater Sydney. The past few weeks have seen further restrictions ease domestically and globally in the lead up to Christmas which will bring great joy to those who have been separated for their family for extended periods. With an economic rebound underway, the RBA indicated last Tuesday the Official Cash Rate may now rise sooner than 2024. Many in the market feel a rise in interest rates will happen earlier and we have seen many borrowers rush to fix their mortgages. Interest rates realistically can only go up and how the RBA balances a rise in official rates with a heavily indebted Australian borrower market will be of great interest to all. New lending activity in the market remains high with Thinktank originating \$218 million in October, a new record! We are expecting this level of activity to slow down once the holiday season arrives. As at 31st October Thinktank's portfolio arrears stood at 1.8% and the High Yield Trust returned 6.51%.

A downloadable copy of Thinktank's November 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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