



Thinktank..

Income Trust

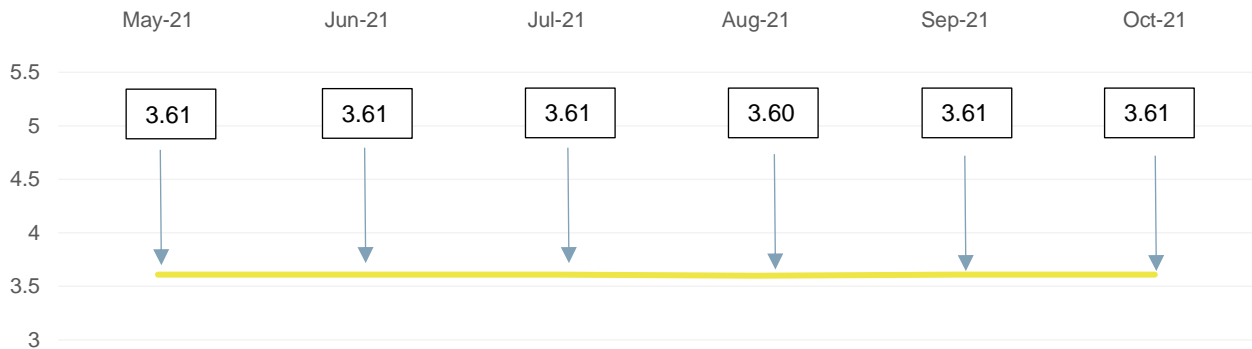
Monthly Performance Report

OCTOBER 2021

Income Trust Monthly Performance Report

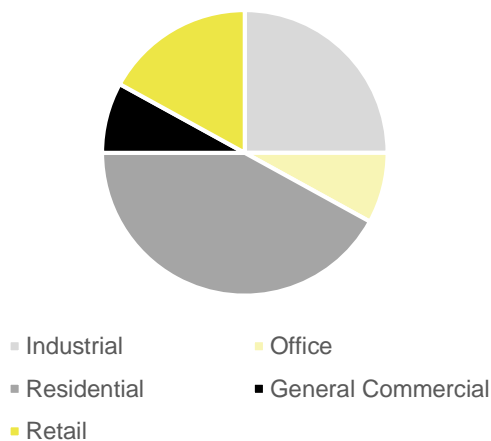
RETURN AS AT OCTOBER 31, 2021

Annualised Return %



Thinktank Loan Book Metrics

Loan by Security Type*



Loan Purpose*



Investment Overview

Performance and Activity

In October the Income Trust returns to investors remained stable. Since inception in August 2017 the Income Trust has experienced zero losses and as at 31st October 2021 the Income Trust has zero loans in arrears.

Investment strategy

Originate loans secured by registered first mortgages held over Australian commercial & residential real estate to generate monthly income returns.

Distributions

Paid on the 10th of each month or the following business day in arrears.

Minimum investment

\$10,000

Minimum term

12 months

Average loan-to-value ratio

61.61% as at 31-October-2021

**Data as at 31st October 2021*

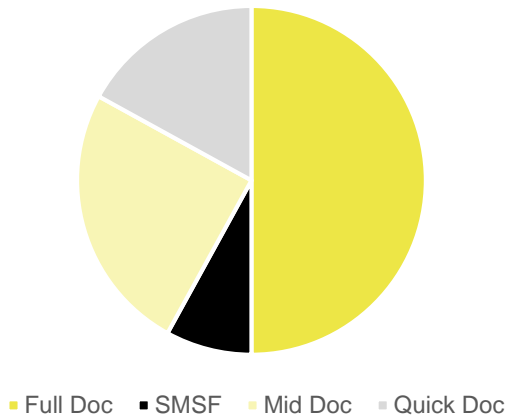
Income Trust Monthly Performance Report

RETURN AS AT OCTOBER 31, 2021

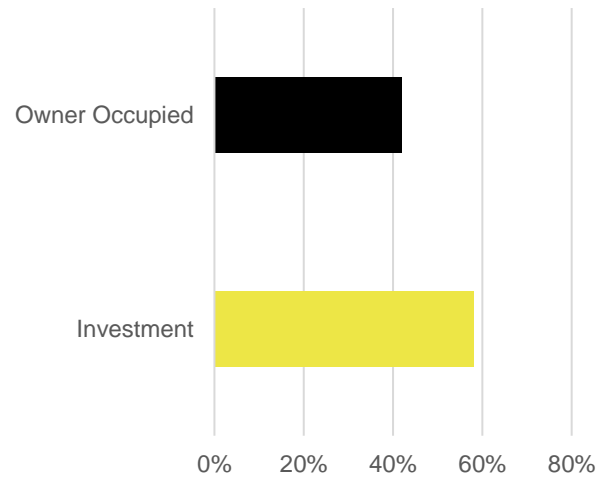


Thinktank Loan Book Metrics

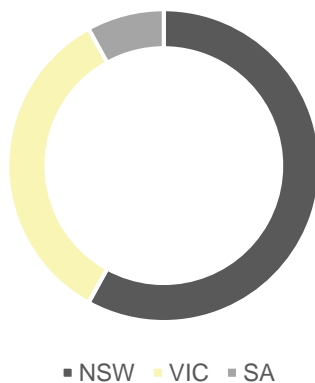
Loan by Product Type*



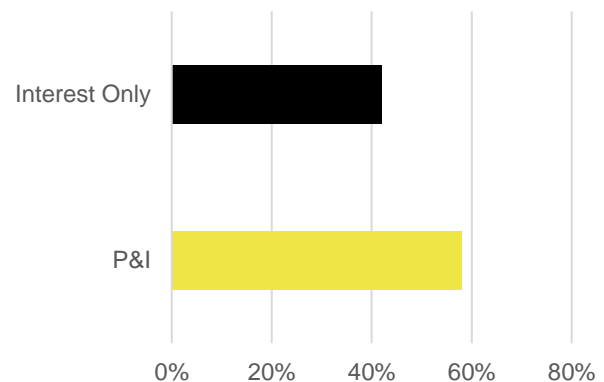
Loan by Occupancy*



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 | Good | 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 |

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 lyan@thinktank.net.au Thinktank Nominees Pty Ltd (AFSL No. 333 163).





Market Commentary

by Per Amundsen, Head of Research

The Westpac-MI Consumer Sentiment Index fell by 2.0% in October to 106.2 after its 2.0% rise in September. This month's results for the AiG Manufacturing Index saw it ease by 0.8 points to 50.4. This was the fourth consecutive month of deceleration and the weakest monthly result for the Australian PMI® since September 2020 but still maintaining a 13th month of expansion above 50. At its November "Melbourne Cup" meeting the RBA Board once again left the Cash Rate at the record low of 0.10%. Governor Lowe's remarks suggested that the cash rate may rise earlier than previously forecast in late 2023 however the RBA will discontinue the target for the yield on the April 2024 bond. As is typical in the post meeting comments ahead of the Statement on Monetary Policy (SMP) on Friday, the RBA flagged some of the key changes to its economic forecasts. It is clear that the RBA has upgraded its inflation outlook. CoreLogic dwelling prices for October continued the same trend of the past few months. National Housing values were up by 1.49% for the month and 4.60% for the quarter. The lending controls introduced by APRA with respect to interest rate buffers used by Banks in assessing serviceability of borrowers does not appear to have had much impact although this remains early days. The prospect of other measures remains quite real in our opinion. Residential Ratings and Trends are unchanged from our more detailed review in our October Quarterly Market Update. Retail appears to be showing initial signs of recovery and indications of a turnaround as we see the end of lockdowns. 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.

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 Income Trust returned 3.61%.

A downloadable copy of Thinktank's November 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 lyan@thinktank.net.au or 0401974839

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