



High Yield Trust

Monthly Performance Report

A monthly snapshot of our **High Yield Trust** performance.

February 2025

Thinktank.

Investment Overview

Performance and Activity

In February the High Yield Trust return decreased slightly due to the RBA cash rate cut on February 18th. Since inception in August 2017 the High Yield Trust has maintained zero losses as at 28th February 2025.

Investment strategy

Generate monthly income returns by investing in mortgage-backed securities secured by registered first mortgages held on Australian commercial and residential real estate.

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

65.83 % as at 28-Feb-2025

Average life of loan

21.57 months as at 28-Feb-2025

APIR Code

TTG2419AU

*Data as at 28th February 2025

Market Ratings

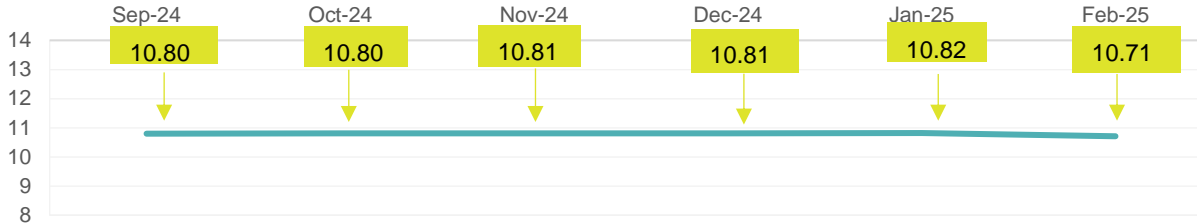
▶ Stable ▲ Improving
▼ Deteriorating

	Sydney	Melbourne	Adelaide	Brisbane	Perth
Residential Homes	Fair ▲	Fair ▲	Good ▲	Good ▶	Good ▲
Residential Units	Fair ▲	Fair ▲	Good ▲	Good ▲	Strong ▲
Office	Fair ▶	Fair ▶	Fair ▶	Fair ▶	Good ▲
Retail	Fair ▶	Fair ▶	Fair ▶	Fair ▲	Fair ▶
Industrial	Good ▶	Good ▶	Strong ▶	Strong ▶	Strong ▲

High Yield Trust Monthly Performance Report

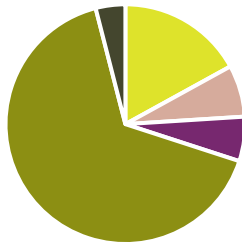
RETURN AS AT FEBRUARY 28, 2025

Annualised Return %



Thinktank Loan Book Metrics*

Loan by Security Type*



- Industrial
- Office
- Commercial Other
- Retail
- Residential

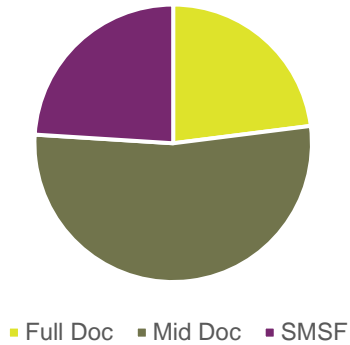
Loan by Occupancy*



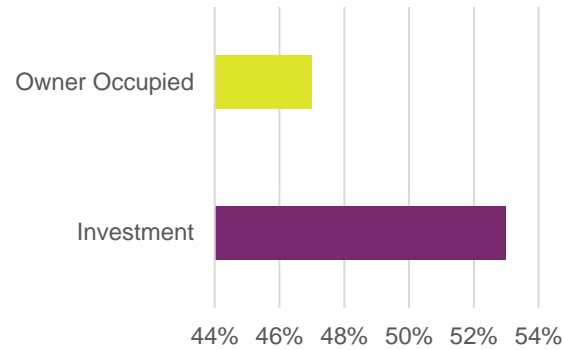
- Purchase
- Refinance
- Equity Takeout

Thinktank Loan Book Metrics

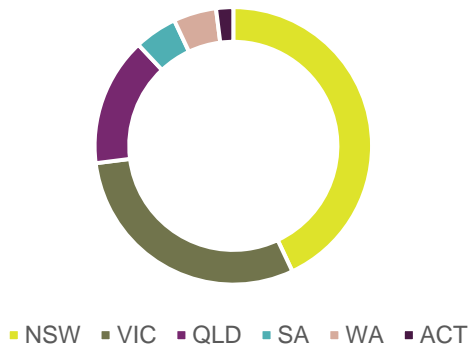
Loan by Product Type*



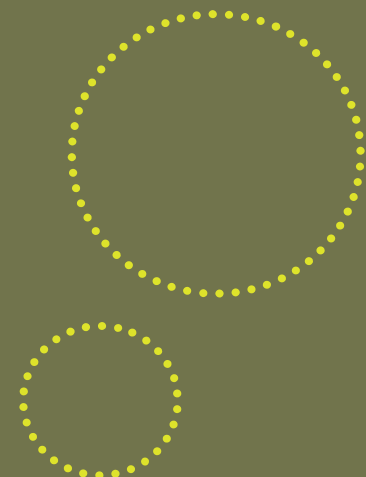
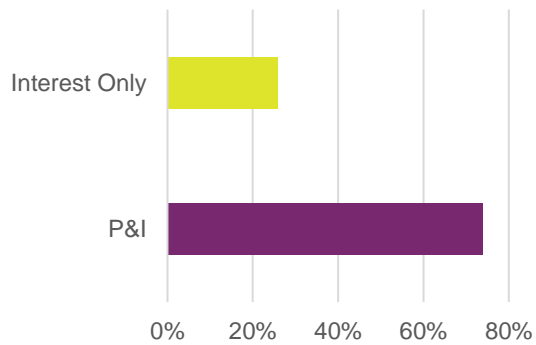
Loan by Occupancy*



Loans by State*



Repayment Type*



Market Commentary

by Per Amundsen, Head of Research

The Westpac–MI Consumer Sentiment Index edged up slightly by 0.1 in February to 92.2 remaining on the pessimistic side on the current economic outlook but less so than a year ago. Consumers were however optimistic about interest rates which proved to be correct when the RBA met after the survey was conducted.

The Westpac Melbourne Institute Leading Index was issued after the RBA cut interest rates and rose to +0.58 its highest level in 2 ½ years. The Australian Industry Group (AiG) Industry Index for February recorded a small decline of 1.1 points and remained in negative territory (where it has been for the past 32 months) at -17.6. However the PMI (manufacturing) rose by 13.2 to -8.2 while the PCI (construction) rose 14.4 points but also remained in negative territory at -3.7 although these are their strongest readings since mid-2022.

The Reserve Bank of Australia (RBA) met for the first time in 2025 on 17, 18 February after having left the Cash Rate unchanged for all of 2024. Retail sales were up 0.3% for the month of January and 3.8% year over year continuing

a slow rise. GDP figures for the December quarter were released on 5 March and showed a 0.6% gain for the quarter and an annual increase of 1.3% for the year. Internationally many other Central Banks have been cutting rates.

The Federal Reserve Bank in the United States held rates unchanged in January but the Bank of Canada cut its rates in January but only by 25 basis points down to 3.00% after cutting by 50 basis points in December. They both meet again later this month. Current US 10 year Government Bond yields are down at 4.28% with 2 year bonds also down slightly at 4.00 . In Australia 10 year bonds are at 4.35% and 3 year bonds down at 3.76%.

The AUD remains well down from near 0.69 early last year having dropped below 0.62 on unsettling global news on tariffs but has since recovered to just below 0.63. CoreLogic dwelling prices for February recorded a positive National result for the month up 0.3% but still down slightly by -0.1% for the quarter. Sydney and Melbourne both showed good monthly turnarounds from January being up 0.3% and 0.4% respectively.

Thinktank..



Thinktank's Monthly Market Focus can be downloaded from our website.

[Access it here](#)



Investment Commentary

by Lauren Ryan, National Manager, Investments

The Reserve Bank of Australia (RBA) convened for its first meeting of 2025 on the 17th and 18th of February, during which it announced a widely anticipated 0.25% reduction in the Official Cash Rate, bringing it down to 4.1%.

While a minority of market analysts had forecast the RBA to leave the cash rate unchanged, Governor Bullock's accompanying Statement on Monetary Policy gave credence to their position with a notably hawkish line regarding the potential for further rate cuts in 2025.

This month, Thinktank sponsored the SMSF Association's National Conference in Melbourne, marking the first major industry event of the year. This conference provided an excellent opportunity to engage with industry peers and discuss the potential policy and economic implications for the Self Managed Super Fund (SMSF) sector in the upcoming year.

Key takeaways from the event of particular interest to our stakeholders include the shelving of Division 296 and new anti money laundering, counter terrorism financing, and Know Your Customer (KYC) requirements. Many individual investors and borrowers may have already noticed these enhanced requirements, with financial institutions requesting updated

identification documentation from their clients.

February also saw the successful settlement of another institutional debt warehouse with a new global funding partner. Thinktank has a long standing relationship with both domestic and institutional investors who provide multiple forms of capital that support our range of lending activities.

The establishment of this new facility further strengthens Thinktank's standing as a reputable non-bank lender and issuer in the debt capital markets. Additional warehouses, such as this one, extend our ability to efficiently manage capital allocation between our various funding facilities, and which also serves to enhance liquidity in our Income and High Yield Trusts.

In February, Thinktank recorded \$270 million in new loan originations, bringing the portfolio's assets under management (AUM) to \$6.7 billion. As of 28 February, the portfolio's 30 day+ arrears rate decreased to 3.1%. Meanwhile, the High Yield Trust achieved an annualized return of 10.71% for the month.



Contact Us

For more information about Thinktank's Investment Trusts, please contact **Lauren Ryan**.



lryan@thinktank.net.au



0401 974 839

