



High Yield Trust

Monthly Performance Report

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

March 2025

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Investment Overview

Performance and Activity

In March the High Yield Trust return remained stable at 10.59%. Since inception in August 2017 the High Yield Trust has maintained zero losses as at 31st March 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

65.82% as at 31-Mar-2025

Average life of loan

21.3 months as at 31-Mar-2025

APIR Code

TTG2419AU

*Data as at 31st March 2025

Market Ratings

▶ Stable
 ▲ Improving
▼ Deteriorating

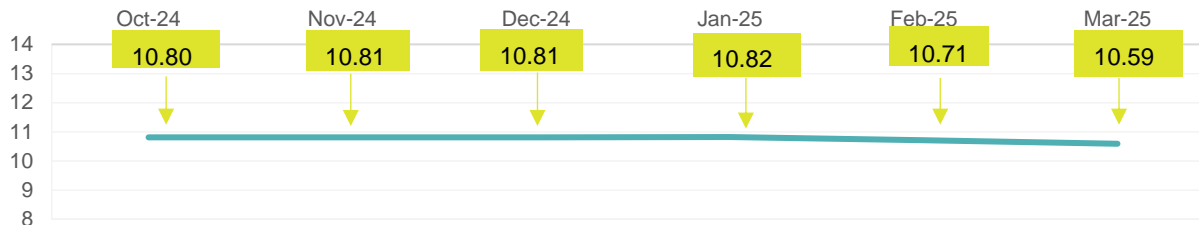
	Sydney	Melbourne	Adelaide	Brisbane	Perth
Residential Homes	Fair ▲	Fair ▲	Good ▲	Good ▶	Good ▲
Residential Units	Fair ▶	Fair ▲	Good ▲	Good ▲	Strong ▲
Office	Fair ▶	Fair ▶	Fair ▶	Fair ▶	Fair ▶
Retail	Fair ▶	Fair ▶	Fair ▶	Fair ▲	Fair ▶
Industrial	Good ▶	Good ▶	Strong ▶	Strong ▶	Strong ▲

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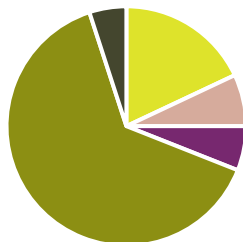
RETURN AS AT MARCH 31, 2025

Annualised Return %



Thinktank Loan Book Metrics*

Loan by Security Type*



- Industrial
- Office
- Commercial Other
- Retail
- Residential

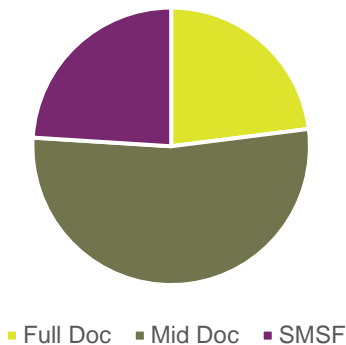
Loan by Occupancy*



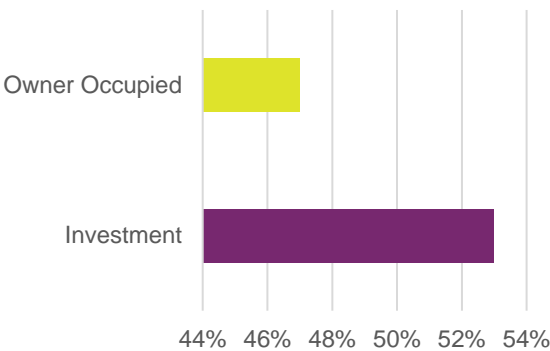
- Purchase
- Refinance
- Equity Takeout

Thinktank Loan Book Metrics

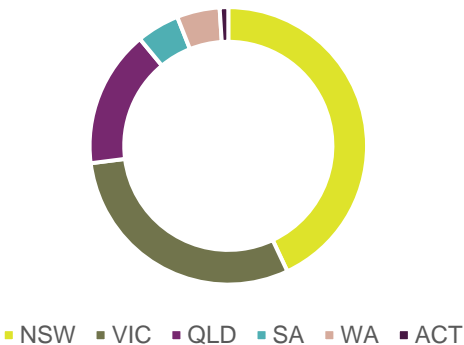
Loan by Product Type*



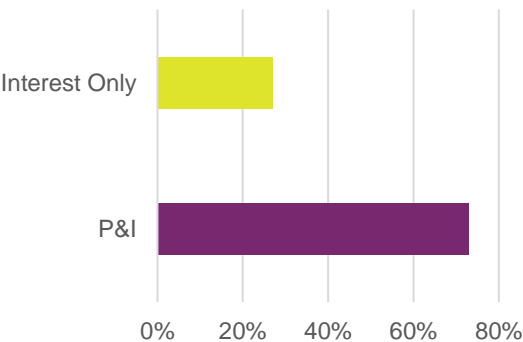
Loan by Occupancy*



Loans by State*



Repayment Type*



Market Commentary

by Per Amundsen, Head of Research

The Westpac–MI Consumer Sentiment Index fell by 6% in April to 90.1 but those surveyed before President Trump's tariff announcement recorded 93.9 while those surveyed after the announcement fell by nearly 10% to 86.6. Consumers were also less optimistic about interest rates cuts with only 50% a reduction next month following the RBA's February meeting.

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 Reserve Bank of Australia (RBA) met again for the second time in 2025 on 31 March and 1 April. As expected the Cash Rate was left unchanged following the 25 basis point cut in February.

Retail sales were up 0.1% for the month of February and 3.6% year over year continuing a slow rise. Unemployment for February was also little changed at 4.1% down 0.1% from January. Internationally the OECD released an interim economic outlook in mid-March entitled "Steering through uncertainty" and projected 2025 growth of 3.1% globally with 2.8% for the USA and 2.4% for Australia. These are likely

to be downgraded in light of the tariffs. Many other Central Banks have been cutting rates.

The Federal Reserve Bank (FOMC) in the United States held rates unchanged in March but the Bank of Canada (BoC) cut its rates on 12 March by 25 basis points down to 2.75%, its third cut in a row after cutting by 50 basis points in December. The BoC meets again later this month while the FOMC does not meet again until May. Current US 10 year Government Bond yields are down at 4.18% with 2 year bonds also down at 3.76%. In Australia 10 year bonds are at 4.10% and 3 year bonds down at 3.28%.

The AUD remains well down from near 0.69 early last year having now dropped below 0.60 on unsettling global news on tariffs. CoreLogic dwelling prices for March recorded a positive National result for the month up 0.4% and also up by 0.7% for the quarter. Sydney and Melbourne both showed good monthly turnarounds from earlier this year being up 0.3% and 0.5% for the month respectively. Sydney was up 0.4% for the quarter and Melbourne was up 0.3% for the quarter.

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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 second meeting of 2025 on the 31 March and 1 April, during which it decided to maintain the Official Cash Rate at 4.1%. Although inflation is showing signs of moderation, the RBA Board continues to take a cautious approach, prioritising the sustainable return of inflation to the midpoint of the 2-3% target range.

In March, Thinktank successfully completed a private placement transaction, valued at \$400 million. The private placement was structured similarly to Thinktank's public capital markets transactions but was placed with 4 long term investors. This transaction enhances Thinktank's ability to diversify its funding sources, complementing its securitisation programs and the Income & High Yield Trusts, thereby providing additional liquidity sources.

At the end of March, I had the privilege of presenting at an InvestmentMarkets webinar, where I discussed strategies for generating reliable income streams through investments in private markets. I would like to extend my gratitude to those who attended the session. If you would like to view a recording of the presentation, please [follow this link](#).

On Wednesday 2 April, a historic announcement was made by US President Donald Trump, revealing the establishment of widespread tariffs on multiple US trading partners. The global stock markets reacted swiftly, with significant sell offs observed in the days following the announcement. In addition, the bond markets experienced notable movements, prompting various market analysts and economists to predict that the RBA may reduce the Official Cash Rate multiple times throughout the remainder of 2025 and into 2026.

It is important for investors to note that Thinktank's portfolio consists of a diverse range of small-ticket commercial and residential property assets, supported by domestic small-to-medium enterprises (SMEs), self-employed individuals, and Self-Managed Superannuation Fund (SMSF) borrowers. While global and domestic economic uncertainty has introduced volatility in public markets, the stability of Thinktank's portfolio remains, with no direct impact on the value of the underlying assets.

In March, Thinktank recorded new loan originations amounting to \$283 million, bringing the portfolio's assets under management (AUM) to \$6.82 billion. As of 31 March, the portfolio's 30-day arrears rate stood at a stable 3.03%. Furthermore, the High Yield Trust achieved an annualised return of 10.59% for the month.

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Contact Us

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



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