



Thinktank

May 2020

Thinktank High Yield Trust

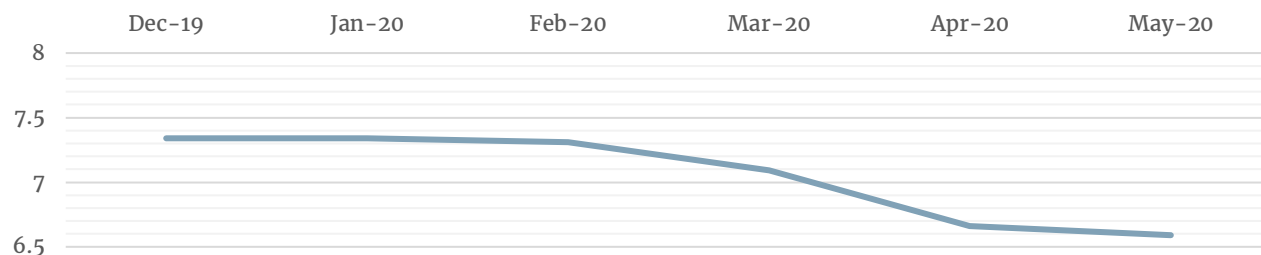
Monthly Performance Report



Thinktank High Yield Trust Monthly Performance Report

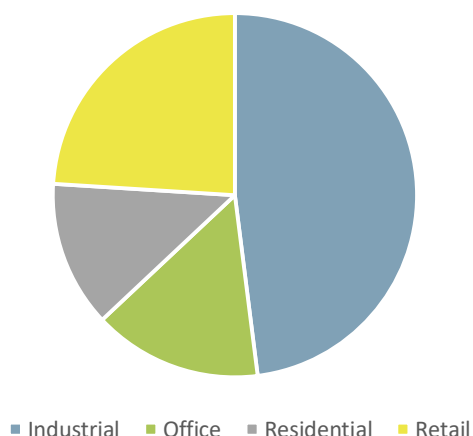
Return as at 31st May 2020

Annualised Return %

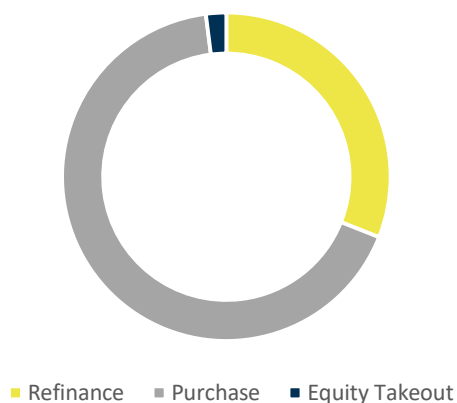


Thinktank Loan Book Metrics

Loan by Security Type*



Loan Purpose*



Investment Overview

Performance and Activity

In May the High Yield Trust has remained stable. Since inception in August 2017 the High Yield Trust has experienced zero losses and as at 31st May 2020 the High Yield Trust has one loan 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

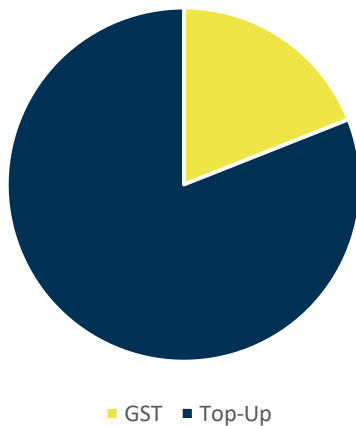
18 months as at 31-May-2020

*Data as at 31st May 2020

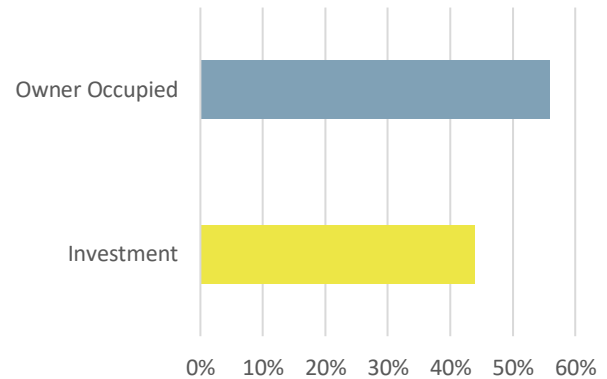


Thinktank Loan Book Metrics

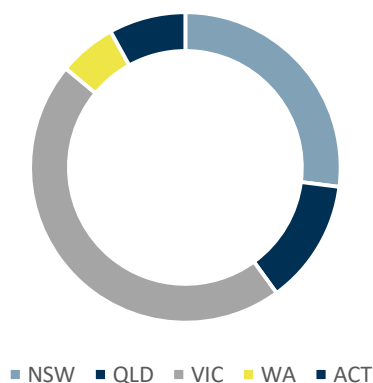
Loan by Verification Type*



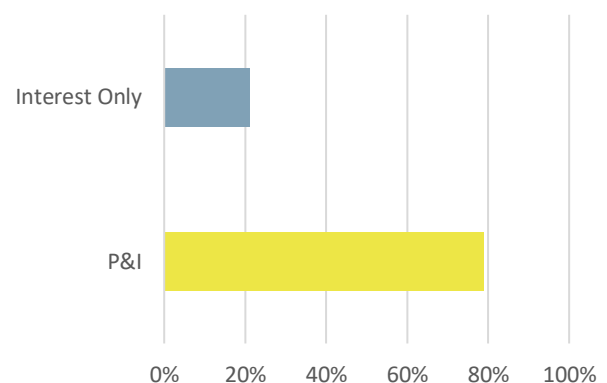
Loan by Occupancy*



Loans by State*



Repayment Type*



Market Ratings

	Sydney		Melbourne		Adelaide		Brisbane (SEQ)		Perth	
Resi-Houses	Fair	Watch	Fair	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	Weak	Deteriorating	Weak	Deteriorating	Weak	Deteriorating	Weak	Deteriorating
Industrial	Good	Stable	Good	Stable	Weak	Stable	Fair	Stable	Weak	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 lryan@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 surged by 16.4% in May to 88.1 nearly reversing the impact on consumers in April of COVID-19. After record volatility over the past two months it will be very interesting to see how consumers react to the early lifting of some restrictions. At its June meeting, the RBA Board held the Cash Rate at its record low of 0.25% as expected and confirmed its ongoing Quantitative Easing (QE) in maintaining 3 year Treasury yields at that same level of 0.25%. Later in the week the ABS released GDP figures for the first quarter of 2020 confirming negative growth of 0.3% (+1.4% yoy) followed by Retail Sales figures recording a fall of 17.7% in April. Governor Lowe's recent speeches continue to be very clear in outlining current Monetary Policy.

Importantly for interest rate forecasters, the Unemployment Rate for the foreseeable future is expected to remain high after peaking at 10%.

Markets continue to expect interest rates to remain at these ultra low levels for years and the AUD has risen to USD 0.69 benefitting from overall USD weakness. CoreLogic housing prices for May showed a fall for Houses in Sydney of 0.6% and Melbourne down 1.1%. Units were down in both capitals, 0.1% and 0.6% respectively and we remain concerned about the ongoing supply of newly completed apartments. The month-on-month drop of 0.4% in national housing values was the first since June 2019. These figures will no doubt continue to change substantially as the impact of COVID-19 is felt and for that reason we continue to adopt a Watch trend for all Residential property. There have been no changes in our ratings and trends from last month. Our News and Views section this month returns to our regular coverage of Self Managed Superannuation Funds (SMSFs) which are of particular interest to many of our Investors.

Market Commentary

by Lauren Ryan, Investor Relations



It has been two years in a row now that the month of May has introduced big change. The NRL is back, pubs are open and finding a seat on public transport has never been so easy. While we are not out of the woods by any means it is fantastic to see businesses re-opening and consumers supporting their favourite cafes & restaurants. A lot of my friends went away for the long weekend, myself included, which will give holiday destinations the valuable consumer spending they need, especially those areas impacted by the bush fires which were not that long ago. With settlements of \$76.5 million in May buyer sentiment for property remains strong which is very promising as the economy rebuilds. In the month of May the High Yield Trust returned 6.59% to investors.

A downloadable copy of Thinktank's June 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

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