



Thinktank

November 2019

Thinktank High Yield Trust

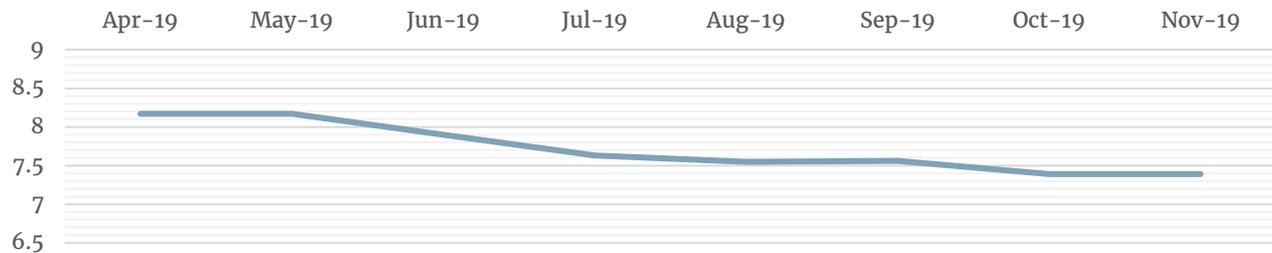
Monthly Performance Report



Thinktank High Yield Trust Monthly Performance Report

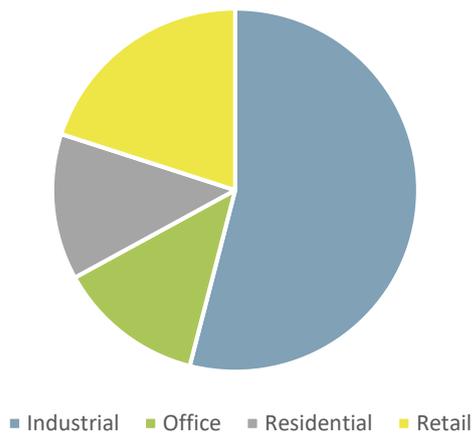
Return as at 30th November 2019

Annualised Return %

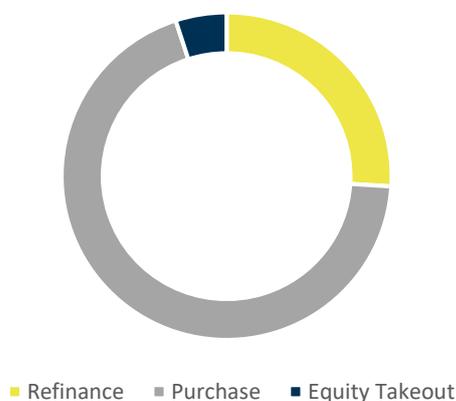


Thinktank Loan Book Metrics

Loan by Security Type*



Loan Purpose*



Investment Overview

Performance and Activity

In November the High Yield Trust increased in size once again. Since inception in August 2017 the High Yield Trust has experienced zero losses and as at 30th November 2019 the High Yield Trust has one 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 life of loan

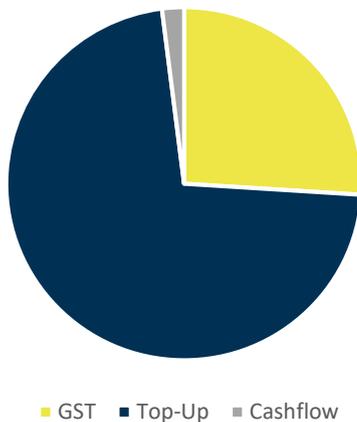
18 months as at 30-November-2019

*Data as at 30th November 2019

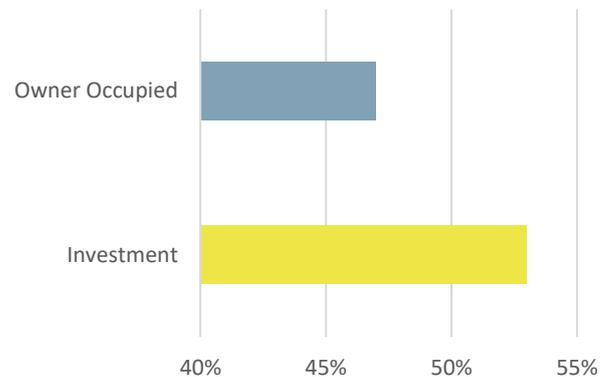


Thinktank Loan Book Metrics

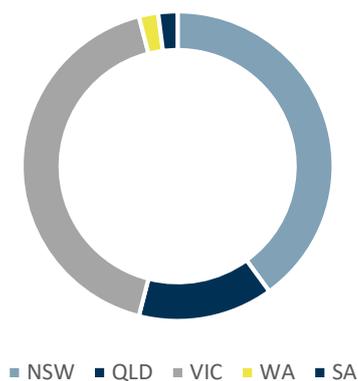
Loan by Verification Type*



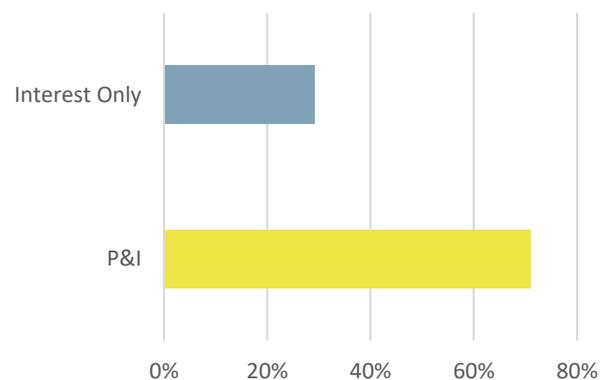
Loan by Occupancy*



Loans by State*



Repayment Type*



Market Ratings

	Sydney		Melbourne		Adelaide		Brisbane (SEQ)		Perth	
Resi-Houses	Good	Improving	Good	Improving	Fair	Improving	Fair	Stable	Fair	Stable
Resi-Units	Fair	Stable	Fair	Stable	Fair	Improving	Fair	Stable	Weak	Deteriorating
Office	Strong	Improving	Strong	Improving	Fair	Improving	Fair	Improving	Fair	Stable
Retail	Fair	Stable	Fair	Stable	Weak	Stable	Fair	Stable	Fair	Stable
Industrial	Strong	Improving	Strong	Improving	Weak	Stable	Fair	Improving	Weak	Stable



Market Commentary

by **Per Amundsen, Head of Research**

At its December meeting the RBA Board held the Cash Rate steady for the time being at the record low of 0.75%. Governor Lowe has spoken of the likelihood of further easing and the November quarterly SoMP also pointed that way. The Q3 GDP came in at a sluggish 0.4% with the annualised rate rising to 1.7%; the OECD announced global growth for Q3 slowed to 0.3% compared to 0.4% for Q2. Retail sales for October were once again weak, being flat at 0.0% and down to 2.1% for the year following on the third quarter which was actually down -0.1%. The US Fed is not expected to cut at its December meeting and Chairman Powell's remarks appear to signal some doubt about more cuts. With markets unsure about further cuts to rates by the RBA the AUD rose in late October to above USD 0.68 and then fell below that level with many senior economists now looking to a cut in February after the RBA returns from its Christmas / New Year's break. It is now just a bit above that level. There have been a couple of changes in our ratings and trends this month. Melbourne and Sydney Residential are upgraded to Good for Houses and with an Improving trend. The month-on-month lift of 1.7% in national housing values was the largest monthly gain since 2003. Our News and Views section covers the lively debate on Fiscal and Monetary Policy and the important impact this has on interest rates with the three rate cuts earlier this year contributing to the housing recovery.



Market Commentary

by **Lauren Ryan, Investor Relations**

As another decade draws to a close and Australians begin to wind down for the Christmas and New Year period many will reflect on the year that was and speculate on what 2020 has in store for us. I attended a Thanksgiving dinner with some American friends a few weeks ago and, like many of us, was bombarded that entire weekend with Black Friday sale offers. In his statement on December 3rd Governor Lowe indicated the main domestic uncertainty is the outlook for exactly that, consumption. With interest rates the lowest they have ever been, the RBA, economists and investors will be eagerly awaiting 4th quarter GDP & consumption figures, which will include the holiday spending spree. The demand for good quality residential & commercial property remains strong however, and the RBA is confident the monetary easing in the last half of 2019 will in time lead to increased construction spending. 2019 exposed major quality issues within the high-rise construction industry which has contributed to a decline in consumer sentiment and understandably so. Investors and owner-occupiers are in the market for quality assets which Thinktank experienced in November originating over \$57 million in new lending. Thinktank's High Yield Trust returned 7.39% p.a. in the month of November. With the silly season now well and truly underway I imagine many of our readers, like myself, have social gathering after social gathering to celebrate our efforts this year and to wish our friends and family a safe and merry festive season.

A downloadable copy of Thinktank's December 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 lryan@thinktank.net.au or (02) 8669 5532.