



## PRECINCT FUNDING 2 (RF) LIMITED

Investor Report Date **30-Nov-2017** Determination Date: **31-Oct-2017** Interest Payment Date **20-Nov-2017**

**Main objective of the programme:** To source funding in the Debt Capital markets via the issuance of Floating Rate Notes backed by Commercial Assets.

### PROGRAMME INFORMATION

<b>Transaction type:</b>	Commercial Asset Backed Securitisation
<b>Single issue programme:</b>	Yes
<b>Revolving / static securitisation:</b>	Static
<b>Inception date:</b>	2017/03/31
<b>Originator:</b>	Nedbank CIB Property Finance
<b>Servicer:</b>	Nedbank CIB Property Finance
<b>Administrator:</b>	Nedbank CIB Specialised Funding Support
<b>Maximum programme size:</b>	R 3 000 000 000
<b>Reporting period:</b>	31 July 2017 31 October 2017
<b>Rating agency:</b>	Moody's

### LIABILITIES

Note Class	Class A1	Class A2	Class A3	Class B	Class C	Class D
	PRE2A1	PRE2A2	PRE2A3	PRE2B1	PRE2C1	PRE2D1
Bond code	ZAG000143157	ZAG000143140	ZAG000143165	ZAG000143173	ZAG000143181	ZAG000143199
ISIN Code	ZAR	ZAR	ZAR	ZAR	ZAR	ZAR
Currency	19.44%	18.06%	48.61%	6.48%	4.63%	2.78%
Initial Tranching	1937/01/20	1937/01/20	1937/01/20	1937/01/20	1937/01/20	1937/01/20
Legal Final Maturity	2022/02/20	2022/02/20	2022/02/20	2022/02/20	2022/02/20	2022/02/20
Scheduled Maturity / Step Up call Date	4.90	4.90	4.90	4.90	4.90	4.90
Original term	4.31	4.31	4.31	4.31	4.31	4.31
Years to maturity	2022/02/20	2022/02/20	2022/02/20	2022/02/20	2022/02/20	2022/02/20
Step Up call Date	A2/Aaa.za // Baa1/Aaa.za	A2/Aaa.za // Baa1/Aaa.za	A2/Aaa.za // Baa1/Aaa.za	Ba1/A1.za // Ba1/Aa2.za	B1/Ba1.za // B1/Baa2.za	B2/Ba3.za // B2/Ba1.za
Rating [Original // Current]	20.10%	20.10%	20.10%	14.09%	9.79%	7.22%
Credit Enhancement %	210 000 000	195 000 000	525 000 000	70 000 000	50 000 000	30 000 000
Initial Notes Aggregate Principal Outstanding Balance	-	-	-	-	-	-
Redemptions per Note	Nil	Nil	Nil	Nil	Nil	Nil
Loss On Tranche	210 000 000	195 000 000	525 000 000	70 000 000	50 000 000	30 000 000
Principal Outstanding Balance End of Period	19.44%	18.06%	48.61%	6.48%	4.63%	2.78%
Current Tranching	Floating Rate	Floating Rate	Floating Rate	Floating Rate	Floating Rate	Floating Rate
Type of notes	3m Jibar	3m Jibar	3m Jibar	3m Jibar	3m Jibar	3m Jibar
Reference Rate	1.05%	1.45%	1.80%	2.50%	2.60%	2.70%
Interest Margin (BPS)	7.06%	7.06%	7.06%	7.06%	7.06%	7.06%
Current 3m Jibar Rate	8.11%	8.51%	8.86%	9.56%	9.66%	9.76%
Total Rate	1.420%	1.960%	2.430%	3.380%	3.510%	3.650%
Step up rate (BPS)	91	91	91	91	91	91
Interest Days	4 245 038	4 136 287	11 594 273	1 668 067	1 203 942	729 845
Interest Payment	Nil	Nil	Nil	Nil	Nil	Nil
Cumulative Interest Shortfall	Nil	Nil	Nil	Nil	Nil	Nil
Unpaid Interest (Accrued in Period)	Nil	Nil	Nil	Nil	Nil	Nil

Subordinated loans	Sub loan
Initial Notes Aggregate Principal Outstanding Balance	84 000 000
Redemptions this period	-
Loss taken against the Sub Loans	-
Principal Outstanding Balance End of Period	84 000 000
Unpaid Interest	5 004 646

Liquidity Reserve	Opening Balance	Build-Up	Redemption / Unwind	Closing Balance	Required Level
	75 600 000	-	-	75 600 000	75 600 000

Redraw Reserve	Opening Balance	Further Advances	Deposit	Closing Balance	Target Level
	17 381 235	(20 397 569)	6 461 094	3 444 760	275 000 000

Arrears Reserve	Arrears Reserve Required Amount	Current amount	Unprovided due to Shortage of Funds	Annualised Default Rate	Breach
	-	-	-		N

Principal Redemption Calculation	
Principal Collections	6 461 094
Written off loans	-
Balance on PDL Ledger	-
Potential Redemption Amount	6 461 094

Principal Deficiency	
<b>Total Notes Outstanding</b>	<b>1 164 000 000</b>
Class A1	210 000 000
Class A2	195 000 000
Class A3	525 000 000
Class B	70 000 000
Class C	50 000 000
Class D	30 000 000
Subloans	84 000 000
<b>Redemption of Notes</b>	<b>-</b>
<b>Performing Loan Agreements</b>	<b>1 086 550 139</b>
All loan Agreements	1 086 550 139
Defaulted Loans Agreements	-
<b>Total Reserves</b>	<b>114 754 932</b>
Liquidity Reserve	75 600 000
Arrears Reserve	-
Redraw Reserve	3 444 760
Permitted Investments	35 710 173
<b>Principal Deficiency</b>	<b>-</b>

<b>Principal Deficiency Ledger Reconciliation</b>	
Defaulted Loans	-
Arrears Reserve Provision	-
Revenue Reserves applied in Note Redemption	-
	-

<b>Source of Funds available for Payments</b>		128 691 408
<b>Revenue</b>		
Yield on Commercial Mortgage Assets		26 707 925
Payments from Interest Rate Hedge Provider		-
Reinvestment Income - From GIC Provider		2 541 155
		29 249 079
<b>Principal</b>		
Scheduled Amortisation		22 899 553
Unscheduled Prepayments	-	16 438 459
Principal Recoveries from Defaulted Assets		-
		6 461 094
<b>Releases from Reserve Funds</b>		
Drawings on Liquidity Reserve Fund		75 600 000
Drawings on Arrears Reserve Fund		-
Drawings on Redraw Reserve Fund		17 381 235
Drawings on Warehouse Reserve Fund		-
Drawing on Permitted Investments		-
		92 981 235

<b>Combined Revenue &amp; Principle Ledger Application of Funds</b>		(128 691 408)
Senior Fees and Expenses		(546 291)
Liquidity Facility Interest & Fees		-
Swap Payments		(145 614)
Interest on A Notes		(19 975 597)
Interest on B, C and D Notes		(3 601 855)
Liquidity Provider / Liquidity Reserve Fund		(75 600 000)
Build Up/Replenishment of Arrears Reserve Fund		-
Build Up/Replenishment of Redraw Reserve		(3 444 760)
Further Advances		(20 397 569)
Principal on redeeming notes		-
Derivative termination Amounts		-
Additional Issuer Expenses		(85 768)
Interest and Principal on Sub Loan		(4 893 954)
Dividends on Preference shares		-
Permitted Investments		-

<b>Credit Enhancement</b>		Class A1	Class A2	Class A3	Class B	Class C	Class D
Credit Enhancement available	Yes						
Available to each noteholder	Yes						
Provider	Nedbank Ltd						
Credit rating of provider	Baa3/P3						
Details of credit enhancement	Subordinated notes						
Credit enhancement limit	None						
Current value of credit enhancement							
	Value	954 000 000	759 000 000	234 000 000	164 000 000	114 000 000	84 000 000
	% of notes outstanding	20%	17%	15%	49%	70%	100%
Credit enhancement committed and not drawn	None						

<b>SWAP Information</b>	
SWAP Provider	Nedbank
Moody's Rating of Provider	Baa3/P3
Counterparty Rating Trigger	Ba3/P3
Type of Swap	Basis (Prime for Jibar)
Notional Balance	998 710 955
Margin	3.142%
<b>SWAP Calculation:</b>	
Interest Paid	-18 472 528
Interest Received	18 342 586
Rate Paid	-7.11%
Rate Received	7.06%

<b>Excess Spread Calculation</b>		
	Amount	% of Outstanding Notes
Interest received on Mortgages	26 707 925	2.29%
Interest received on Cash Reserves	2 541 155	0.22%
Swap	-	0.00%
Senior Expenses	(546 291)	-0.05%
Note Interest	(23 577 452)	-2.03%
Net excess spread after Senior Expenses	5 125 337	0.44%

<b>Repayment Statistics</b>	
Mortgage repayment level for the period	0.59%
Annualised repayment profile	2.36%

**ASSETS**

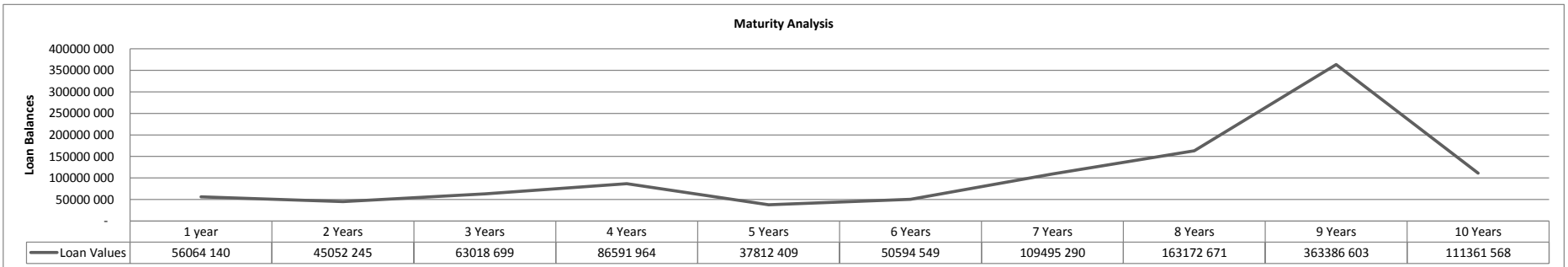
**PORTFOLIO INFORMATION**

Type of underlying assets: Commercial Mortgage Loans

Balances - At Closing		Concentration	OLTV	CLTV	DSCR	Margin to Prime	Current Rate	Time to maturity
Total	2 547 324 500							
Weighted Average			0%	55%	2.2	-0.34%	10.16%	85
Average	16 982 163	0.7%	0%	49%	2.0	-0.34%	10.16%	83
Max	108 015 445	4.2%	0%	80%	17.6	2.54%	13.04%	130
Min	670 757	0.0%	0%	5%	0.4	-1.75%	8.75%	14
# loans	150							
# Properties	223							
# Borrowers	127							

Balances - At Previous Reporting Date		Concentration	OLTV	CLTV	DSCR	Margin to Prime	Current Rate	Time to maturity
Total	1 059 622 062							
Weighted Average			55%	45%	1.8	-0.43%	9.82%	76
Average	11 272 575	1.1%	49%	42%	1.8	-0.40%	9.85%	74
Max	39 512 550	3.73%	80%	77%	6.7	1.38%	11.63%	117
Min	250 580	0.0%	5%	5%	0.7	-1.75%	8.50%	4
# loans	94							
# Properties	153							
# Borrowers	78							

Balances - At Reporting Date		Concentration	OLTV	CLTV	DSCR	Margin to Prime	Current Rate	Time to maturity
Total	1 086 550 139							
Weighted Average			45%	45%	2.2	-0.39%	9.86%	68
Average	10 348 097	1.0%	42%	43%	2.0	-0.37%	9.88%	73
Max	23 422 879	2.16%	77%	77%	34.1	1.38%	11.63%	116
Min	63 386	0.0%	5%	5%	0.9	-1.75%	8.50%	1
# loans	105							
# Properties	153							
# Borrowers	88							



Reconciliation of the movement during the period		Current	Amount	Limit	Available
<b>Total Pool at Beginning of Period</b>	Jul 2017	1 059 622 062			
<b>Payments</b>					
Scheduled repayments		(49 607 478)			
Unscheduled repayments		(33 269)			
Settlements		-			
Foreclosure Proceeds		-			
<b>Total Collections</b>		(49 640 747)			
<b>Disbursements</b>					
Acquisitions		12 391 295			
Redraws or Prepayments		-			
Re-advances of Repayments		-	275 000 000	25%	254 602 431
Further Advances		20 397 569			
<b>Total Disbursements</b>		32 788 864			
<b>Interest and Fees</b>					
Interest Charged		26 707 925			
Fees Charged		600 308			
Insurance Charged		-			
<b>Total Charges</b>		27 308 232			
<b>Other Non Cash Movements</b>					
Non eligible loans removed		-			
Substitutions: Loans transferred in		179 645 235			
Substitutions: Loans transferred out		(163 173 507)			
Repurchased loans/Originator buy backs		-	110 000 000	10%	110 000 000
Other movement		-			
<b>Total Other Cash Movements</b>		16 471 728			
<b>Total Pool at End of Period</b>	Oct 2017	1 086 550 139			

Accounts in Arrears:				
Arrears Status	Number of Loans	% of Loans	Outstanding Balance	% of Balance
Current	-	100.00%	1 086 550 139	100.00%
1-30 days delinquent	-	0.00%	-	0.00%
31-60 days delinquent	-	0.00%	-	0.00%
61-90 days delinquent	-	0.00%	-	0.00%
91-120 days delinquent	-	0.00%	-	0.00%
121 plus	-	0.00%	-	0.00%
<b>Total</b>	-	<b>100.00%</b>	<b>1 086 550 139</b>	<b>100.00%</b>

Analysis of Defaulted Loans				
Arrears Status	Number of Loans	% of Loans	Outstanding Balance	% of Balance
<b>Opening</b>	-	<b>0.00%</b>	-	<b>0.00%</b>
New	-	0.00%	-	0.00%
Recovered	-	0.00%	-	0.00%
Moved to Legal	-	0.00%	-	0.00%
<b>Closing</b>	-	<b>0.00%</b>	-	<b>0.00%</b>

Legal				
Arrears Status	Number of Loans	% of Loans	Outstanding Balance	% of Balance
Opening	-	0.00%	-	0.00%
New entries	-	0.00%	-	0.00%
Recovered	-	0.00%	-	0.00%
Foreclosed	-	0.00%	-	0.00%
Closing	-	0.00%	-	0.00%
Net Movement	-	0.00%	-	0.00%
Recovered % of legal defaults	-	0.00%	-	0.00%

Defaults / Foreclosures / Losses / Recoveries:	Number	Rand Value
Defaults at the end the period	-	-
Cumulative Defaults since closing	-	-
Foreclosures at the end of the period	-	-
Cumulative foreclosures since closing	-	-
Losses at the end of the period	-	-
Cumulative Losses since closing	-	-
Recoveries at the end of the period	-	-
Cumulative Recoveries since closing	-	-

Largest Exposures	Loan Amount	Concentration	DSCR	CLTV
1	36 588 774	3.37%	3.0	32%
2	34 287 151	3.16%	0.9	64%
3	32 178 628	2.96%	1.1	62%
4	25 154 152	2.32%	1.5	36%
5	24 861 593	2.29%	1.9	30%
6	23 737 036	2.18%	1.1	26%
7	23 365 256	2.15%	1.3	31%
8	22 667 833	2.09%	1.5	67%
9	21 458 686	1.97%	1.3	77%
10	21 009 327	1.93%	0.9	63%
11	20 262 932	1.86%	34.1	37%
12	19 707 690	1.81%	1.2	56%
13	18 582 600	1.71%	1.1	53%
14	18 527 955	1.71%	1.1	59%
15	18 299 934	1.68%	1.7	59%
16	18 296 170	1.68%	3.9	20%
17	17 174 334	1.58%	1.0	65%
18	16 912 773	1.56%	4.2	5%
19	15 474 926	1.42%	1.7	36%
20	15 367 894	1.41%	1.4	17%

Region	OMV	%
KwaZulu Natal	628 692 878	20%
Western Cape	853 860 000	27%
Gauteng	1 185 125 000	38%
Other	480 150 000	15%
	3 147 827 878	100%

Property Type	Name	Type	OMV	%
1	Office	A1	893 982 878	28%
2	Industrial	I1	291 780 000	9%
3	Warehouse	I2	590 820 000	19%
4	Retail	M1	784 380 000	25%
5	Other	M2	586 865 000	19%
			3 147 827 878	100%

**TRIGGERS AND PORTFOLIO COVENANTS****Interest Deferral Triggers**

Class B Interest Deferral Event  
 Class D Interest Deferral Event  
 Class C Interest Deferral Event

**Breached**

No  
 No  
 No

**Counterparty Required Rating**

Swap Provider  
 Account Bank  
 Servicer  
 Liquidity Provider  
 Permitted Investments  
 GIC Provider

No  
 No  
 No  
 No  
 No  
 No

**Portfolio Covenants****Required level****Current Level**

	Required level	Current Level	Breached
WDSCR	1.00	2.20	No
WACLTV	60%	45%	No
WA Interest Rate	1.00%	0.39%	No
Single Loan	5.00%	3.37%	No
Bullet Loans > 50%	50%	19%	No
Herfindahl Index	75%	121%	No
Property Regional Covenant			
- Gauteng	60%	38%	No
- Western Cape	40%	27%	No
- KZN	30%	20%	No
- Other Regions	15%	15%	No
Property Useage Covenant			
- Office	40%	28%	No
- Shopping Malls and Retail	40%	25%	No
- Warehouse	30%	9%	No
- Industrial	30%	19%	No
- Other Property	20%	19%	No

**Portfolio Changes**

	Utilisation	Limit	Available Amount
Redraws / Re-advances	20 397 569	275 000 000	254 602 431
Repurchases	-	110 000 000	110 000 000

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