PRECINCT FUNDING 1 (RF) LIMITED

Investor Report Date 31-Jul-2016 | **Determination Date:** 30-Jun-2016 | **Interest Payment Date** 27-Jul-2016

Asset Class: Commercial Mortgage Backed Securitisation

LIABILITIES

Note Class	Class A1	Class A2	Class A3	Class B	Class C	Class D
ISIN Code	ZAG000104191	ZAG000104209	ZAG000104217	ZAG000104225	ZAG000104233	ZAG000104241
Initial Tranching	24.72%	24.72%	26.97%	13.48%	4.49%	5.62%
Legal Final Maturity	2028/01/27	2028/01/27	2028/01/27	2028/01/27	2028/01/27	2028/01/27
Step Up call Date	2018/01/27	2018/01/27	2018/01/27	2018/01/27	2018/01/27	2018/01/27
Rating [Original // Current]	A1/Aaa.za // A1/Aaa.za	A1/Aaa.za // A1/Aaa.za	A1/Aaa.za // A1/Aaa.za	A2/Aa2.za // A2/Aa2.za	Baa2/A1.za // Baa2/A1.za	Ba2/Baa2.za // Ba2/Baa2.za
Credit Enhancement %	32.00%	32.00%	32.00%	20.00%	16.00%	11.00%
Initial Notes Aggregate Principal Outstanding Balance	550 000 000	550 000 000	600 000 000	300 000 000	100 000 000	125 000 000
Redemptions per Note	550 000 000	441 095 284	-	-	-	-
Loss On Tranche	Nil	Nil	Nil	Nil	Nil	Nil
Principal Outstanding Balance End of Period	-	108 904 716	600 000 000	300 000 000	100 000 000	125 000 000
Current Tranching	0.00%	4.89%	26.97%	13.48%	4.49%	5.62%
Reference Rate	3m Jibar	3m Jibar	3m Jibar	3m Jibar	3m Jibar	3m Jibar
Interest Margin (BPS)	1.05%	1.25%	1.34%	1.54%	2.40%	2.60%
Current 3m Jibar Rate (28 April 2016)	7.30%	7.30%	7.30%	7.30%	7.30%	7.30%
Total Rate	8.35%	8.55%	8.64%	8.84%	9.70%	9.90%
Step up rate (BPS)	1.420%	1.690%	1.810%	2.080%	3.240%	3.510%
Interest Days	90	90	90	90	90	90
Interest Payment	-	2 295 950	12 782 466	6 539 178	2 391 781	3 051 370
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	275 000 000
Redemptions this period	-
Loss taken against the Sub Loans	-
Principal Outstanding Balance End of Period	275 000 000
Unpaid Interest	10 431 120.27

Liquidity Reserve

	Opening Balance	Redemption / Unwind	Closing Balance	Required Level
	95 250 595	(8 877 265)	86 373 330	86 373 330

Redraw Reserve

	Opening Balance	Redemption / Unwind	Closing Balance	Target Level
	187 304 133	15 700 246	171 603 887	625 000 000
			-	
			171 603 887	

Arrears Reserve

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

Principal Redemption Calculation

Principal Collections	137 787 639
Written off loans	-
Balance on PDL Ledger	-
Potential Redemption Amount	137 787 639

Principal Deficiency

Total Notes Outstanding	1 508 904 716
Class A1	-
Class A2	108 904 716
Class A3	600 000 000
Class B	300 000 000
Class C	100 000 000
Class D	125 000 000
Subloans	275 000 000
Redemption of Notes	146 664 904
Performing Loan Agreements	1 112 902 266
All loan Agreements	1 112 902 266
Defaulted Loans Agreements	-
Total Reserves	442 904 019
Liquidity Reserve	86 373 330
Arrears Reserve	-
Redraw Reserve	171 603 887
Permitted Investments	184 926 802
Principal Deficiency	-

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

Source of Funds available for Payments	459 233 254
Revenue	
Yield on Commercial Mortgage Assets	28 504 590
Payments from Interest Rate Hedge Provider	628 989
Reinvestment Income - From GIC Provider	9 757 308
	38 890 887
Principal	
Scheduled Amortisation	63 706 560
Unscheduled Prepayments	74 081 079
Principal Recoveries from Defaulted Assets	-
	137 787 639
Releases from Reserve Funds	
Drawings on Liquidity Reserve Fund	95 250 595
Drawings on Arrears Reserve Fund	-
Drawings on Redraw Reserve Fund	187 304 133
Drawings on Warehouse Reserve Fund	-
Drawing on Permitted Investments	-
	282 554 728

Combined Revenue & Principle Ledger Application of Funds	(459 233 254)
Senior Fees and Expenses	(430 888)
Liquidity Facility Interest & Fees	-
Swap Payments	-
Interest on A Notes	(15 078 416)
Interest on B, C and D Notes	(11 982 329)
Liquidity Provider / Liquidity Reserve Fund	(86 373 330)
Build Up/Replenishment of Arrears Reserve Fund	-
Build Up/Replenishment of Redraw Reserve	(171 603 887)
Further Advances	(15 700 246)
Principal on redeeming notes	(146 664 904)
Derivative termination Amounts	-
Additional Issuer Expenses	(685 468)
Interest and Principal on Sub Loan	(10 713 787)
Dividends on Preference shares	-
Permitted Investments	

SWAP Information	
SWAP Provider	Nedbank
Moody's Rating of Provider	A3/P2
Counterparty Rating Trigger	A3/P2
Type of Swap	Basis (Prime for Jibar)
Notional Balance	1 457 658 147
Margin	3.375%
SWAP Calculation:	
Interest Paid	-26 237 846.65
Interest Received	25 608 857.17
Rate Paid	7.13%
Rate Received	7.30%

Excess Spread Calculation	Amount	% of Outstanding Notes
Interest received on Mortgages	28 504 590	1.89%
Interest received on Cash Reserves	9 757 308	0.65%
Swap	628 989	0.04%
Senior Expenses	430 888	0.03%
Note Interest	(27 060 745)	-1.79%
Net excess spread after Senior Expenses	12 261 030	0.81%

Repayment Statistics	
Mortgage repayment level for the period	12.38%
Annualised repayment profile	49.12%

ASSETS

PORTFOLIO INFORMATION

Balances - At Closing		Concentration	OLTV	CLTV	DSCR	Margin to Prime	Current Rate
Total	**2 503 647 330**						
Weighted Average			62.3%	53.1%	2.0	-0.65%	7.85%
Average	14 902 663	0.7%	58.2%	49.1%	1.8	-0.56%	7.94%
Max	85 093 731	3.4%	103.8%	83.8%	7.3	0.50%	9.00%
Min	3 833 890	0.2%	12.2%	11.3%	1.0	-1.85%	6.65%
# loans	168						
# Properties	218						
# Borrowers	152						

Balances - At Reporting Date		Concentration	OLTV	CLTV	DSCR	Margin to Prime	Current Rate
Total	**1 112 902 365**						
Weighted Average			53.1%	41.4%	1.6	-0.55%	9.95%
Average	9 593 986	0.9%	49.1%	31.2%	1.8	-0.53%	9.97%
Max	41 310 687	3.71%	83.8%	82.4%	9.9	0.50%	11.00%
Min	90 341	0.0%	11.3%	0.6%	0.0	-1.75%	8.75%
# loans	146						
# Properties	154						
# Borrowers	116						

Reconciliation of the movement during the period		Current	Amount	Limit	Available
Total Pool at Beginning of Period	Mar 2016	1 234 343 567			
Payments					
Scheduled repayments		(92 211 150)			
Unscheduled repayments		(74 081 079)			
Settlements		-			
Foreclosure Proceeds		-			
Total Collections		(166 292 229)			
Disbursements					
Acquisitions		-			
Redraws or Prepayments		-			
Re-advances of Repayments		-	625 000 000	25%	171 603 887
Further Advances		15 700 246			
Total Disbursements		15 700 246			
Interest and Fees					
Interest Charged		28 504 590			
Fees Charged		646 092			
Insurance Charged		-			
Total Charges		29 150 682			
Other Non Cash Movements					
Non eligible loans removed		-			
Substitutions: Loans transferred in		-	500 000 000	20%	51 349 754
Substitutions: Loans transferred out		-			
Repurchased loans/Originator buy backs		-	250 000 000	10%	250 000 000
Other movement		-			
Total Other Cash Movements		-			
Total Pool at End of Period	Jun 2016	1 112 902 266			

Accounts in Arrears:

Arrears Status	Number of Loans	% of Loans	Outstanding Balance	% of Balance
Current	-	100.00%	1 112 902 266	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%
Total	**-**	**100.00%**	**1 112 902 266**	**100.00%**

Analysis of Defaulted Loans

Arrears Status	Number of Loans	% of Loans	Outstanding Balance	% of Balance
Opening	**-**	**0.00%**	**-**	**0.00%**
New	-	0.00%	-	0.00%
Recovered	-	0.00%	-	0.00%
Moved to Legal	-	0.00%	-	0.00%
Closing	**-**	**0.00%**	**-**	**0.00%**

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		Concentration	DSCR	CLTV
1	41 310 687	3.71%	1.7	58.03%
2	34 636 507	3.11%	1.4	60.45%
3	31 240 623	2.81%	1.1	34.56%
4	29 240 469	2.63%	1.0	73.10%
5	27 456 864	2.47%	0.9	49.74%
6	26 299 288	2.36%	1.2	46.79%
7	25 178 303	2.26%	1.2	41.89%
8	25 066 394	2.25%	1.5	30.35%
9	24 702 728	2.22%	1.0	57.31%
10	24 625 856	2.21%	2.3	38.48%
11	24 343 253	2.19%	1.0	46.73%
12	24 290 579	2.18%	0.9	69.20%
13	24 263 057	2.18%	1.6	31.07%
14	23 821 137	2.14%	1.4	56.85%
15	22 012 055	1.98%	1.4	61.00%
16	21 816 134	1.96%	0.9	70.37%
17	21 523 775	1.93%	1.2	47.83%
18	20 775 136	1.87%	1.0	63.34%
19	19 488 213	1.75%	5.9	23.91%
20	18 938 982	1.70%	1.2	38.65%

Region	OMV	%
KwaZulu Natal	582 100 566	16%
Western Cape	919 486 000	26%
Gauteng	1 777 485 000	50%
Other	306 090 000	9%
	3 585 161 566	100%

Property Town	OMV	%
Durban	432 593 998	12.1%
Cape Town	672 136 000	18.7%
Johannesburg	1 460 585 000	40.7%
Worcester	48 300 000	1.3%
Port Elizabeth	176 700 000	4.9%
George	11 350 000	0.3%
Pretoria	229 000 000	6.4%
Dolphin Coast	38 700 000	1.1%
Mqanduli	34 100 000	1.0%
Pietermaritzburg	9 706 568	0.3%
Richards Bay	37 100 000	1.0%
Umtata	9 900 000	0.3%
Butterworth	33 000 000	0.9%
Douglas	14 400 000	0.4%
Queenstown	13 890 000	0.4%
Bloemfontein	38 500 000	1.1%
Ethekwini	64 000 000	1.8%
Paarl	40 000 000	1.1%
Middelburg	78 100 000	2.2%
Vredenburg	52 800 000	1.5%
Stellenbosch	80 500 000	2.2%
Vaal Triangle	9 800 000	0.3%
	3 585 161 566	100%

Property Type	Name	Type	OMV	%
1	Office	A1	1 015 888 713	28%
2	Industrial	I1	600 436 568	17%
3	Warehouse	I2	730 805 285	20%
4	Retail	M1	849 731 000	24%
5	Other	M2	388 300 000	11%
			3 585 161 566	100%

TRIGGERS AND PORTFOLIO COVENANTS

Interest Deferral Triggers	Breached
Class B Interest Deferral Event	No
Class D Interest Deferral Event	No
Class C Interest Deferral Event	No

Counterparty Required Rating	
Swap Provider	No
Account Bank	No
Servicer	No
Liquidity Provider	No
Permitted Investments	No
GIC Provider	

Portfolio Covenants	Required level	Current Level
WDSCR	1.50	1.58
WACLTV	55.00%	41.4%
WA Interest Rate	1.00%	0.55%
Herfindahl index	75%	76%
Single Loan	3.75%	3.71%
Principal Balances > 75%	15.00%	0.98%
Gauteng	55%	50%
Western Cape	35%	26%
KZN	20%	16%
Other Regions	15%	9%
Office CBD	35%	28%
Industrial	20%	17%
Shopping Malls and Retail	25%	24%
Warehouse	25%	20%
Other Property	15%	11%

Portfolio Changes	Utilisation	Limit	Available Amount
Redraws / Re-advances	453 396 113	625 000 000	171 603 887
Substitutions	448 650 246	500 000 000	51 349 754
Repurchases	0	250 000 000	250 000 000

Contact Details:

Servicer	Arranger	Rating Agency
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