



PRECINCT FUNDING 1 (RF) LIMITED

Investor Report Date: 31-Jul-2017 Determination Date: 30-Jun-2017 Interest Payment Date: 27-Jul-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

Transaction type:	Commercial Asset Backed Securitisation
Single issue programme:	Yes
Revolving / static securitisation:	Static
Inception date:	2013/03/27
Originator:	Nedbank CIB Property Finance
Servicer:	Nedbank CIB Property Finance
Administrator:	Nedbank CIB Specialised Funding Support
Maximum programme size:	R 2 500 000 000
Reporting period:	1 April 2017 to 30 June 2017
Rating agency:	Moody's

LIABILITIES

Note Class	Class A1	Class A2	Class A3	Class B	Class C	Class D
	PRE1A1	PRE1A2	PRE1A3	PRE1B1	PRE1C1	PRE1D1
Bond code	A2/Aaa.za // A2/Aaa.za	A2/Aaa.za // A2/Aaa.za	A2/Aaa.za // A2/Aaa.za	A2/Aaa.za // A2/Aaa.za	Baa2/Aaa.za // Baa2/Aaa.za	Ba2/A1.za // Ba2/A1.za
Rating [Original // Current]	32.00%	32.00%	32.00%	20.00%	16.00%	11.00%
Credit Enhancement %	550 000 000	550 000 000	600 000 000	300 000 000	100 000 000	125 000 000
Initial Notes Aggregate Principal Outstanding Balance	550 000 000	550 000 000	201 584 616	87 413 461	29 137 820	36 422 276
Redemptions per Note	Nil	Nil	Nil	Nil	Nil	Nil
Loss On Tranche	-	-	398 415 384	212 586 539	70 862 180	88 577 724
Principal Outstanding Balance End of Period	0.00%	0.00%	51.71%	27.59%	9.20%	11.50%
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%	1.25%	1.34%	1.54%	2.40%	2.60%
Interest Margin (BPS)	7.34%	7.34%	7.34%	7.34%	7.34%	7.34%
Current 3m Jibar Rate	8.39%	8.59%	8.68%	8.88%	9.74%	9.94%
Total Rate	1.420%	1.690%	1.810%	2.080%	3.240%	3.510%
Step up rate (BPS)	90	90	90	90	90	90
Interest Days	-	-	8 529 146	4 655 820	1 702 207	2 171 440
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	275 000 000
Redemptions this period	-
Loss taken against the Sub Loans	-
Principal Outstanding Balance End of Period	275 000 000
Unpaid Interest	-

Liquidity Reserve				
	Opening Balance	Redemption / Unwind	Closing Balance	Required Level
	63 306 827	(9 375 899)	53 930 928	53 930 928

Redraw Reserve				
	Opening Balance	Redemption / Unwind	Closing Balance	Target Level
	138 396 267	-	138 396 267	625 000 000

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

Principal Redemption Calculation	
Principal Collections	147 763 451
Written off loans	-
Balance on PDL Ledger	-
Potential Redemption Amount	147 763 451

Principal Deficiency	
Total Notes Outstanding	1 045 441 827
Class A1	-
Class A2	-
Class A3	398 415 384
Class B	212 586 539
Class C	70 862 180
Class D	88 577 724
Subloans	275 000 000
Redemption of Notes	157 139 350
Performing Loan Agreements	705 632 282
All loan Agreements	705 632 282
Defaulted Loans Agreements	-
Total Reserves	375 865 584
Liquidity Reserve	53 930 928
Arrears Reserve	-
Redraw Reserve	138 396 267
Permitted Investments	183 538 389
Principal Deficiency	-

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

Source of Funds available for Payments	
	376 515 229
Revenue	
Yield on Commercial Mortgage Assets	18 881 376
Payments from Interest Rate Hedge Provider	649 646
Reinvestment Income - From GIC Provider	7 517 663
	27 048 684
Principal	
Scheduled Amortisation	30 647 058
Unscheduled Prepayments	117 116 393
Principal Recoveries from Defaulted Assets	-
	147 763 451
Releases from Reserve Funds	
Drawings on Liquidity Reserve Fund	63 306 827
Drawings on Arrears Reserve Fund	-
Drawings on Redraw Reserve Fund	138 396 267
Drawings on Warehouse Reserve Fund	-
Drawing on Permitted Investments	-
	201 703 094

Combined Revenue & Principle Ledger Application of Funds	
	(376 515 229)
Senior Fees and Expenses	(186 621)
Liquidity Facility Interest & Fees	-
Swap Payments	-
Interest on A Notes	(8 529 146)
Interest on B, C and D Notes	(8 529 467)
Liquidity Provider / Liquidity Reserve Fund	(53 930 928)
Build Up/Replenishment of Arrears Reserve Fund	-
Build Up/Replenishment of Redraw Reserve	(138 396 267)
Further Advances	-
Principal on redeeming notes	(157 139 350)
Derivative termination Amounts	-
Additional Issuer Expenses	(813 459)
Interest and Principal on Sub Loan	(8 989 991)
Dividends on Preference shares	-
Permitted Investments	-

Credit Enhancement		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	647 026 443	434 439 904	363 577 724	275 000 000
	% of notes outstanding	62%	42%	35%	26%
Credit enhancement committed and not drawn	None				

SWAP Information	
SWAP Provider	Nedbank
Moody's Rating of Provider	Baa3/P3
Counterparty Rating Trigger	A3/P2
Type of Swap	Basis (Prime for Jibar)
Notional Balance	1 127 535 603
Margin	3.375%
SWAP Calculation:	
Interest Paid	-19 762 764
Interest Received	20 412 410
Rate Paid	7.13%
Rate Received	7.34%

Excess Spread Calculation	Amount	% of Outstanding Notes
Interest received on Mortgages	18 881 376	1.81%
Interest received on Cash Reserves	7 517 663	0.72%
Swap	649 646	0.06%
Senior Expenses	(186 621)	-0.02%
Note Interest	(17 058 613)	-1.63%
Net excess spread after Senior Expenses	9 803 451	0.94%

Repayment Statistics	
Mortgage repayment level for the period	20.94%
Annualised repayment profile	83.08%

ASSETS

PORTFOLIO INFORMATION

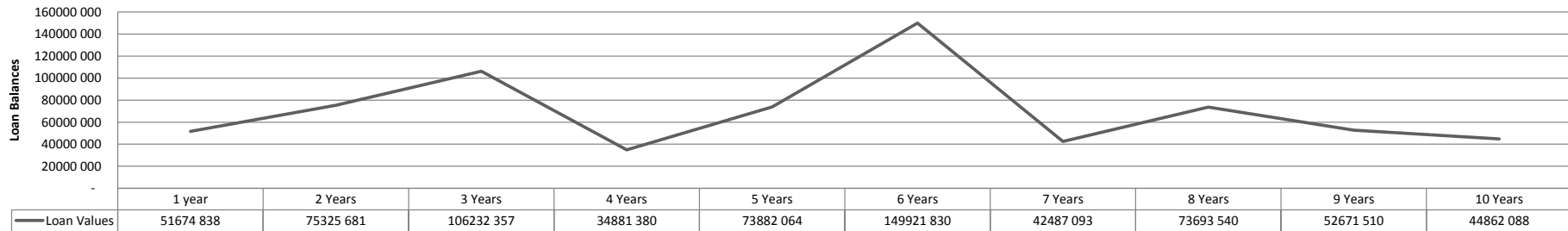
Type of underlying assets: Commercial Mortgage Loans

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 Previous Reporting Date		Concentration	OLTV	CLTV	DSCR	Margin to Prime	Current Rate	Time to maturity
Total	853 351 957							
Weighted Average			39.8%	38.7%	2.0	-0.56%	9.94%	53
Average	7 293 607	0.9%	29.0%	27.8%	2.1	-0.50%	10.00%	49
Max	34 322 843	4.02%	73.1%	71.8%	16.9	0.50%	11.00%	112
Min	880	0.0%	0.0%	0.0%	0.0	-1.75%	8.75%	0
# loans	117							
# Properties	124							
# Borrowers	98							

Balances - At Reporting Date		Concentration	OLTV	CLTV	DSCR	Margin to Prime	Current Rate	Time to maturity
Total	705 632 282							
Weighted Average			38.7%	37.8%	2.7	-0.57%	9.93%	51
Average	6 720 308	1.0%	27.8%	26.3%	2.3	-0.51%	9.99%	47
Max	29 237 253	4.14%	71.8%	70.9%	30.3	0.50%	11.00%	109
Min	-	0.0%	0.0%	0.0%	0.0	-1.75%	8.75%	1
# loans	105							
# Properties	124							
# Borrowers	87							

Maturity Analysis



Reconciliation of the movement during the period		Current	Amount	Limit	Available
Total Pool at Beginning of Period		Mar 2017	853 351 957		
Payments					
Scheduled repayments			(49 528 434)		
Unscheduled repayments			(117 116 393)		
Settlements			-		
Foreclosure Proceeds			-		
Total Collections			(166 644 827)		
Disbursements					
Acquisitions			-		
Redraws or Prepayments			-		
Re-advances of Repayments			-	625 000 000	25%
Further Advances			-		
Total Disbursements			-		
Interest and Fees					
Interest Charged			18 881 376		
Fees Charged			43 776		
Insurance Charged			-		
Total Charges			18 925 151		
Other Non Cash Movements					
Non eligible loans removed			-		
Substitutions: Loans transferred in			-	500 000 000	20%
Substitutions: Loans transferred out			-		
Repurchased loans/Originator buy backs			-	250 000 000	10%
Other movement			-		
Total Other Cash Movements			-		
Total Pool at End of Period		Jun 2017	705 632 282		

Accounts in Arrears:				
Arrears Status	Number of Loans	% of Loans	Outstanding Balance	% of Balance
Current	-	100.00%	705 632 282	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%	705 632 282	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	Loan Amount	Concentration	DSCR	CLTV
1	31 356 467	4.44%	1.5	30%
2	29 237 253	4.14%	1.1	59%
3	25 420 201	3.60%	1.0	27%
4	24 858 272	3.52%	0.9	44%
5	24 632 904	3.49%	2.4	38%
6	23 825 922	3.38%	9.1	52%
7	23 107 992	3.27%	1.0	69%
8	22 432 182	3.18%	1.6	25%
9	22 012 055	3.12%	1.8	46%
10	21 529 920	3.05%	1.0	50%
11	20 880 209	2.96%	1.1	58%
12	19 713 733	2.79%	0.9	71%
13	19 477 683	2.76%	30.3	21%
14	19 379 101	2.75%	1.2	43%
15	17 935 273	2.54%	1.2	57%
16	16 999 073	2.41%	1.5	42%
17	15 950 753	2.26%	1.2	33%
18	15 091 613	2.14%	5.5	22%
19	14 879 979	2.11%	1.2	29%
20	14 252 201	2.02%	2.7	55%

Region	OMV	%
KwaZulu Natal	347 488 713	13%
Western Cape	760 006 000	28%
Gauteng	1 466 485 000	54%
Other	160 800 000	6%
	2 734 779 713	100%

Property Type	Name	Type	OMV	%
1	Office	A1	970 208 713	35%
2	Industrial	I1	522 300 000	19%
3	Warehouse	I2	436 790 000	16%
4	Retail	M1	479 981 000	18%
5	Other	M2	325 500 000	12%
			2 734 779 713	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	Yes*
Account Bank	No
Servicer	No
Liquidity Provider	No
Permitted Investments	Yes*
GIC Provider	Yes*

Portfolio Covenants

	Required level	Current Level	Breached
WDSCR	1.50	2.65	No
WACLTV	55.00%	37.8%	No
WA Interest Rate	1.00%	0.57%	No
Single Loan	3.75%	4.44%	Yes
Principal Balances > 75%	15.00%	0.00%	No
Herfindahl Index	75	54	Yes
Gauteng	55%	54%	No
Western Cape	35%	28%	No
KZN	20%	13%	No
Other Regions	15%	6%	No
Office CBD	35%	35%	No
Industrial	20%	19%	No
Shopping Malls and Retail	25%	18%	No
Warehouse	25%	16%	No
Other Property	15%	12%	No

* Following the recent downgrade of South Africa's sovereign rating and the subsequent downgrading of the South African Banks, these rating triggers were breached. In its reaffirmation of the local currency ratings on the notes in issue, Moody's acknowledges that these rating triggers are of no effect and inconsequential, because a suitable counterparty that has the required rating does not exist in South Africa. Nedbank as Servicer discussed this matter with the Security SPV who in turn concluded that they don't believe that the breaching of these triggers will be detrimental to the noteholders of Precinct 1.

Single loan comprises 4.44% of the Portfolio. The loan is fully performing, with a LTV of 30% and a DSCR of 1.5 times.

Portfolio Changes

	Utilisation	Limit	Available Amount
Redraws / Re-advances	486 603 733	625 000 000	138 396 267
Substitutions	448 650 246	500 000 000	51 349 754
Repurchases	0	250 000 000	250 000 000

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