



## PRECINCT FUNDING 2 (RF) LIMITED

Investor Report Date **31-Aug-2017** Determination Date: **31-Jul-2017** Interest Payment Date **21-Aug-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 March 2017 to 31 July 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	4.56	4.56	4.56	4.56	4.56	4.56
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)	7.33%	7.33%	7.33%	7.33%	7.33%	7.33%
Current 3m Jibar Rate	8.38%	8.78%	9.13%	9.83%	9.93%	10.03%
Total Rate	1.420%	1.960%	2.430%	3.380%	3.510%	3.650%
Step up rate (BPS)	143	143	143	143	143	143
Interest Days	6 890 445	6 703 860	18 768 750	2 694 473	1 944 212	1 178 281
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	-

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	17 381 235	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	17 381 235
Written off loans	-
Balance on PDL Ledger	-
Potential Redemption Amount	17 381 235

Principal Deficiency	
<b>Total Notes Outstanding</b>	1 164 000 000
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>Performing Loan Agreements</b>	1 059 622 062
All loan Agreements	1 059 622 062
Defaulted Loans Agreements	-
<b>Total Reserves</b>	145 074 631
Liquidity Reserve	75 600 000
Arrears Reserve	-
Redraw Reserve	-
Permitted Investments	69 474 631
<b>Principal Deficiency</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>		145 305 729
<b>Revenue</b>		
Yield on Commercial Mortgage Assets	17 244 082	
Payments from Interest Rate Hedge Provider	231 099	
Reinvestment Income - From GIC Provider	22 458 019	
	39 933 200	
<b>Principal</b>		
Scheduled Amortisation	6 686 070	
Unscheduled Prepayments	10 695 165	
Principal Recoveries from Defaulted Assets	-	
	17 381 235	
<b>Releases from Reserve Funds</b>		
Drawings on Liquidity Reserve Fund	75 600 000	
Drawings on Arrears Reserve Fund	-	
Drawings on Redraw Reserve Fund	-	
Drawings on Warehouse Reserve Fund	-	
Drawing on Permitted Investments	12 391 295	
	87 991 295	

<b>Combined Revenue &amp; Principle Ledger Application of Funds</b>		(145 305 729)
Senior Fees and Expenses	(351 000)	
Liquidity Facility Interest & Fees	-	
Swap Payments	-	
Interest on A Notes	(32 363 055)	
Interest on B, C and D Notes	(5 816 966)	
Liquidity Provider / Liquidity Reserve Fund	(75 600 000)	
Build Up/Replenishment of Arrears Reserve Fund	-	
Build Up/Replenishment of Redraw Reserve	(17 381 235)	
Further Advances	-	
Principal on redeeming notes	-	
Derivative termination Amounts	-	
Additional Issuer Expenses	(705 240)	
Interest and Principal on Sub Loan	(696 940)	
Dividends on Preference shares	-	
Permitted Investments	(12 391 295)	

<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	1 042 390 358
Margin	3.142%
<b>SWAP Calculation:</b>	
Interest Paid	-31 144 462
Interest Received	31 375 560
Rate Paid	-7.11%
Rate Received	7.36%

<b>Excess Spread Calculation</b>		
	Amount	% of Outstanding Notes
Interest received on Mortgages	17 244 082	1.48%
Interest received on Cash Reserves	22 458 019	1.93%
Swap	231 099	0.02%
Senior Expenses	(351 000)	-0.03%
Note Interest	(38 180 021)	-3.28%
Net excess spread after Senior Expenses	1 402 179	0.12%

<b>Repayment Statistics</b>	
Mortgage repayment level for the period	1.64%
Annualised repayment profile	6.51%

**ASSETS**

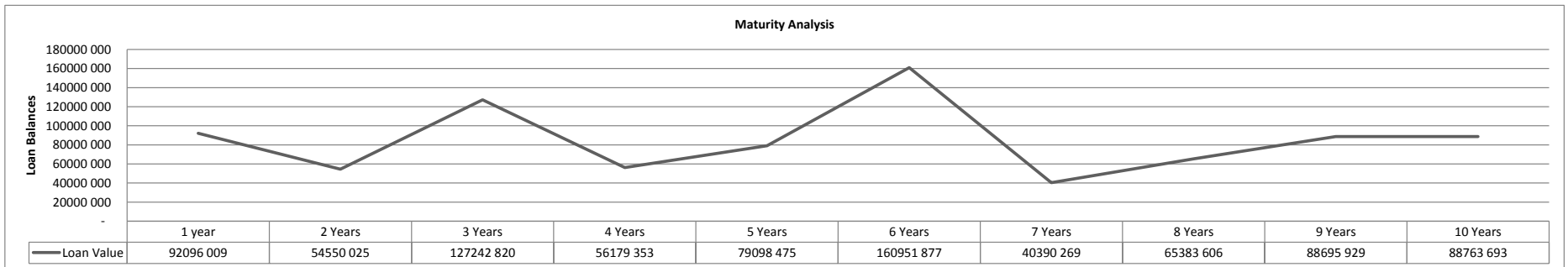
**PORTFOLIO INFORMATION**

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			0.0%	55.0%	2.2	-0.34%	10.16%	85
Average	16 982 163	0.7%	0.0%	48.5%	2.0	-0.34%	10.16%	83
Max	108 015 445	4.2%	0.0%	80.0%	17.6	2.54%	13.04%	130
Min	670 757	0.0%	0.0%	4.9%	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			55.0%	45.2%	1.8	-0.43%	9.82%	76
Average	11 272 575	1.1%	48.5%	42.2%	1.8	-0.40%	9.85%	74
Max	39 512 550	3.73%	80.0%	76.6%	6.7	1.38%	11.63%	117
Min	250 580	0.0%	4.9%	5.0%	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	1 059 622 062							
Weighted Average			45.2%	45.2%	1.8	-0.43%	9.82%	76
Average	11 272 575	1.1%	42.2%	42.2%	1.8	-0.40%	9.85%	74
Max	39 512 550	3.73%	76.6%	76.6%	6.7	1.38%	11.63%	117
Min	250 580	0.0%	5.0%	5.0%	0.9	-1.75%	8.50%	4
# loans	94							
# Properties	153							
# Borrowers	78							



Reconciliation of the movement during the period	Current	Amount	Limit	Available
<b>Total Pool at Beginning of Period</b>	Apr 2017	-		
<b>Payments</b>				
Scheduled repayments	(23 930 152)			
Unscheduled repayments	(10 695 165)			
Settlements	-			
Foreclosure Proceeds	-			
<b>Total Collections</b>	<b>(34 625 317)</b>			
<b>Disbursements</b>				
Acquisitions	1 076 008 705			
Redraws or Prepayments	-			
Re-advances of Repayments	-	275 000 000	25%	275 000 000
Further Advances	-			
<b>Total Disbursements</b>	<b>1 076 008 705</b>			
<b>Interest and Fees</b>				
Interest Charged	17 244 082			
Fees Charged	994 591			
Insurance Charged	-			
<b>Total Charges</b>	<b>18 238 673</b>			
<b>Other Non Cash Movements</b>				
Non eligible loans removed	-			
Substitutions: Loans transferred in	-			
Substitutions: Loans transferred out	-			
Repurchased loans/Originator buy backs	-	110 000 000	10%	110 000 000
Other movement	-			
<b>Total Other Cash Movements</b>	<b>-</b>			
<b>Total Pool at End of Period</b>	Jul 2017	<b>1 059 622 062</b>		

<b>Accounts in Arrears:</b>				
<b>Arrears Status</b>	<b>Number of Loans</b>	<b>% of Loans</b>	<b>Outstanding Balance</b>	<b>% of Balance</b>
Current	-	100.00%	1 059 622 062	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>-</b>	<b>100.00%</b>	<b>1 059 622 062</b>	<b>100.00%</b>

<b>Analysis of Defaulted Loans</b>				
<b>Arrears Status</b>	<b>Number of Loans</b>	<b>% of Loans</b>	<b>Outstanding Balance</b>	<b>% of Balance</b>
<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>-</b>	<b>0.00%</b>	<b>-</b>	<b>0.00%</b>

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

<b>Defaults / Foreclosures / Losses / Recoveries:</b>	<b>Number</b>	<b>Rand Value</b>
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	39 512 550	3.73%	1.1	47%
2	34 988 943	3.30%	0.9	65%
3	34 949 069	3.30%	1.5	39%
4	33 137 093	3.13%	5.0	67%
5	29 362 026	2.77%	1.6	43%
6	25 983 746	2.45%	1.1	39%
7	25 471 324	2.40%	1.9	30%
8	25 411 184	2.40%	1.1	28%
9	23 815 836	2.25%	1.2	49%
10	23 796 273	2.25%	1.3	32%
11	22 742 816	2.15%	6.7	67%
12	21 461 020	2.03%	1.3	77%
13	21 238 407	2.00%	1.0	63%
14	20 708 419	1.95%	1.3	38%
15	20 615 653	1.95%	1.1	58%
16	19 876 371	1.88%	1.2	57%
17	18 878 547	1.78%	1.1	61%
18	18 372 629	1.73%	1.7	60%
19	17 538 142	1.66%	1.0	66%
20	17 417 698	1.64%	4.2	5%

Region	OMV	%
KwaZulu Natal	722 224 878	23%
Western Cape	919 370 000	29%
Gauteng	1 113 625 000	35%
Other	383 150 000	12%
	3 138 369 878	100%

Property Type	Name	Type	OMV	%
1	Office	A1	978 044 878	31%
2	Industrial	I1	287 680 000	9%
3	Warehouse	I2	593 475 000	19%
4	Retail	M1	776 780 000	25%
5	Other	M2	502 390 000	16%
			3 138 369 878	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	Breached
WDSCR	1.00	1.78	No
WACLTV	60%	45%	No
WA Interest Rate	1.00%	0.43%	No
Single Loan	5.00%	3.73%	No
Bullet Loans > 50%	50%	40%	No
Property Regional Covenant			
- Gauteng	60%	35%	No
- Western Cape	40%	29%	No
- KZN	30%	23%	No
- Other Regions	15%	12%	No
Property Useage Covenant			
- Office	40%	31%	No
- Shopping Malls and Retail	40%	25%	No
- Warehouse	30%	9%	No
- Industrial	30%	19%	No
- Other Property	20%	16%	No

**Portfolio Changes**

	Utilisation	Limit	Available Amount
Redraws / Re-advances	-	275 000 000	275 000 000
Repurchases	-	110 000 000	110 000 000

**Contact Details:****Servicer**

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