



## PRECINCT FUNDING 2 (RF) LIMITED

Investor Report Date **31-May-2018** Determination Date: **30-Apr-2018** Interest Payment Date **21-May-2018**

**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>	30 January 2018 30 April 2018
<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	3.81	3.81	3.81	3.81	3.81	3.81
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)	7.13%	7.13%	7.13%	7.13%	7.13%	7.13%
Current 3m Jibar Rate	8.18%	8.58%	8.93%	9.63%	9.73%	9.83%
Total Rate	1.420%	1.960%	2.430%	3.380%	3.510%	3.650%
Step up rate (BPS)	90	90	90	90	90	90
Interest Days	4 233 082	4 123 048	11 553 596	1 661 301	1 198 973	726 781
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	5 452 965

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
	60 292 986	(25 265 927)	43 971 004	78 998 063	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	43 971 004
Written off loans	-
Balance on PDL Ledger	-
Potential Redemption Amount	43 971 004

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>1 011 523 019</b>
All loan Agreements	1 011 523 019
Defaulted Loans Agreements	-
<b>Total Reserves</b>	<b>226 561 656</b>
Liquidity Reserve	75 600 000
Arrears Reserve	-
Redraw Reserve	78 998 063
Permitted Investments	71 963 593
<b>Principal Deficiency</b>	<b>-</b>

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

<b>Source of Funds available for Payments</b>	208 238 177
<b>Revenue</b>	
Yield on Commercial Mortgage Assets	24 507 877
Payments from Interest Rate Hedge Provider	381 598
Reinvestment Income - From GIC Provider	3 484 712
	28 374 187
<b>Principal</b>	
Scheduled Amortisation	22 911 394
Unscheduled Prepayments	21 059 610
Principal Recoveries from Defaulted Assets	-
	43 971 004
<b>Releases from Reserve Funds</b>	
Drawings on Liquidity Reserve Fund	75 600 000
Drawings on Arrears Reserve Fund	-
Drawings on Redraw Reserve Fund	60 292 986
Drawings on Warehouse Reserve Fund	-
Drawing on Permitted Investments	-
	135 892 986

<b>Combined Revenue &amp; Principle Ledger Application of Funds</b>	(208 238 177)
Senior Fees and Expenses	(368 794)
Liquidity Facility Interest & Fees	-
Swap Payments	(24 598)
Interest on A Notes	(19 909 726)
Interest on B, C and D Notes	(3 587 055)
Liquidity Provider / Liquidity Reserve Fund	(75 600 000)
Build Up/Replenishment of Arrears Reserve Fund	-
Build Up/Replenishment of Redraw Reserve	(78 998 063)
Further Advances	(25 265 927)
Principal on redeeming notes	-
Derivative termination Amounts	-
Additional Issuer Expenses	(663 163)
Interest and Principal on Sub Loan	(3 820 851)
Dividends on Preference shares	-
Permitted Investments	-

<b>Credit Enhancement</b>							
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		Class A1	Class A2	Class A3	Class B	Class C	Class D
	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	887 782 830
Margin	3.142%
<b>SWAP Calculation:</b>	
Interest Paid	-16 174 537
Interest Received	16 556 135
Rate Paid	-6.86%
Rate Received	7.13%

Excess Spread Calculation	Amount	% of Outstanding Notes
Interest received on Mortgages	24 507 877	2.11%
Interest received on Cash Reserves	3 484 712	0.30%
Swap	381 598	0.03%
Senior Expenses	(368 794)	-0.03%
Note Interest	(23 496 781)	-2.02%
Net excess spread after Senior Expenses	4 508 612	0.39%

Repayment Statistics	
Mortgage repayment level for the period	4.35%
Annualised repayment profile	17.25%

## ASSETS

### PORTFOLIO INFORMATION

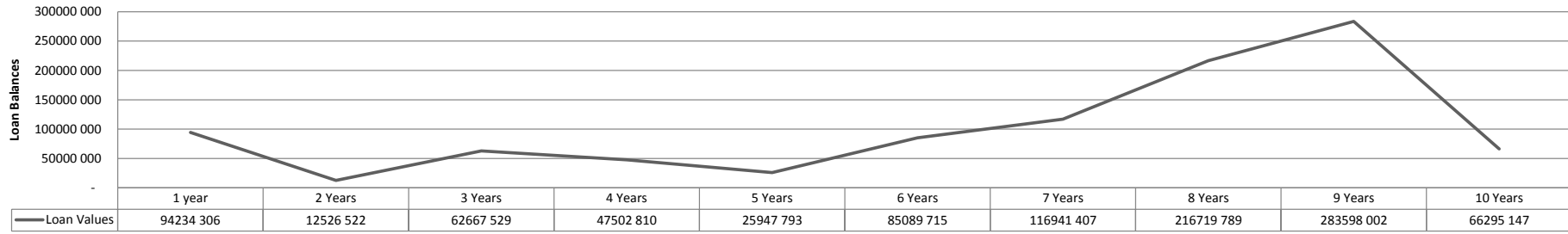
Type of underlying assets: Commercial Mortgage Loans

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	1 029 988 107							
Weighted Average			45%	44%	1.6	-0.40%	9.85%	65
Average	9 809 411	1.0%	43%	42%	1.5	-0.36%	9.89%	69
Max	22 924 036	2.23%	77%	77%	5.3	1.38%	11.63%	114
Min	(66 896)	0.0%	5%	4%	0.7	-1.75%	8.50%	2
# loans	105							
# Properties	153							
# Borrowers	86							

Balances - At Reporting Date		Concentration	OLTV	CLTV	DSCR	Margin to Prime	Current Rate	Time to maturity
Total	1 011 523 019							
Weighted Average			44%	44%	1.7	-0.34%	9.66%	65
Average	9 726 183	1.0%	42%	41%	1.7	-0.33%	9.67%	70
Max	26 445 962	2.61%	77%	77%	7.2	1.63%	11.63%	118
Min	484 170	0.0%	4%	6%	0.7	-1.75%	8.25%	2
# loans	104							
# Properties	153							
# Borrowers	86							

Maturity Analysis



Reconciliation of the movement during the period		Current	Amount	Limit	Available
<b>Total Pool at Beginning of Period</b>	Jan 2018	1 029 988 107			
<b>Payments</b>					
Scheduled repayments		(47 419 272)			
Unscheduled repayments		(29 102 929)			
Settlements		-			
Foreclosure Proceeds		-			
<b>Total Collections</b>		(76 522 201)			
<b>Disbursements</b>					
Acquisitions		-			
Redraws or Prepayments		-			
Re-advances of Repayments		-	275 000 000	25%	204 397 575
Further Advances		25 265 927			
<b>Total Disbursements</b>		25 265 927			
<b>Interest and Fees</b>					
Interest Charged		24 507 877			
Fees Charged		239 990			
Insurance Charged		-			
<b>Total Charges</b>		24 747 867			
<b>Other Non Cash Movements</b>					
Non eligible loans removed		-			
Substitutions: Loans transferred in		87 336 320			
Substitutions: Loans transferred out		(79 293 000)			
Repurchased loans/Originator buy backs		-	110 000 000	10%	110 000 000
Other movement		-			
<b>Total Other Cash Movements</b>		8 043 319			
<b>Total Pool at End of Period</b>	Apr 2018	1 011 523 019			

Accounts in Arrears:				
Arrears Status	Number of Loans	% of Loans	Outstanding Balance	% of Balance
Current	-	100.00%	1 011 523 019	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>1 011 523 019</b>	<b>100.00%</b>

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	48 569 858	4.80%	3.1	41%
2	32 883 261	3.25%	0.9	61%
3	30 971 341	3.06%	1.2	57%
4	23 577 532	2.33%	1.9	28%
5	23 416 709	2.31%	3.1	34%
6	22 386 641	2.21%	1.5	66%
7	22 219 125	2.20%	7.2	22%
8	21 451 496	2.12%	1.1	77%
9	20 432 213	2.02%	1.0	57%
10	20 248 504	2.00%	1.1	24%
11	19 830 417	1.96%	1.5	46%
12	19 775 997	1.96%	1.4	59%
13	19 270 765	1.91%	1.2	55%
14	18 310 062	1.81%	2.1	50%
15	17 971 060	1.78%	1.1	52%
16	16 404 066	1.62%	0.9	62%
17	16 232 173	1.60%	2.4	18%
18	15 641 653	1.55%	2.1	36%
19	15 112 093	1.49%	1.4	36%
20	14 799 177	1.46%	1.5	42%

Region	OMV	%
KwaZulu Natal	603 800 000	22%
Western Cape	916 600 000	33%
Gauteng	890 346 000	32%
Other	382 550 000	14%
	2 793 296 000	100%

Property Type	Name	Type	OMV	%
1	Office	A1	725 860 000	26%
2	Industrial	I1	245 306 000	9%
3	Warehouse	I2	543 340 000	19%
4	Retail	M1	734 170 000	26%
5	Other	M2	544 620 000	19%
			2 793 296 000	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	1.00	1.73	No	
WACLTV	60%	44%	No	
WA Interest Rate	1.00%	0.34%	No	
Single Loan	5.00%	4.80%	No	
Bullet Loans > 50%	50%	21%	No	
Herfindahl Index	75%	126%	No	
Property Regional Covenant				
- Gauteng	60%	32%	No	
- Western Cape	40%	33%	No	
- KZN	30%	22%	No	
- Other Regions	15%	14%	No	
Property Useage Covenant				
- Office	40%	26%	No	
- Shopping Malls and Retail	40%	26%	No	
- Warehouse	30%	9%	No	
- Industrial	30%	19%	No	
- Other Property	20%	19%	No	

Portfolio Changes	Utilisation	Limit	Available Amount
Redraws / Re-advances	70 602 425	275 000 000	204 397 575
Repurchases	-	110 000 000	110 000 000

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