



## PRECINCT FUNDING 2 (RF) LIMITED

Investor Report Date	31-May-2020	Determination Date:	30-Apr-2020	Interest Payment Date	20-May-2020
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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:	2017/03/31	
Originator:	Nedbank CIB Property Finance	
Service:	Nedbank CIB Property Finance	
Administrator:	Nedbank CIB Specialised Funding Support	
Maximum programme size:	R 3 000 000 000	
Reporting period:	Thursday, 30 January 2020	Thursday, 30 April 2020
Rating agency:	Moody's	

### LIABILITIES

Note Class	Class A1	Class A2	Class A3	Class B	Class C	Class D
Bond code	PRE2A1	PRE2A2	PRE2A3	PRE2B1	PRE2C1	PRE2D1
ISIN Code	ZAG000143157	ZAG000143140	ZAG000143165	ZAG000143173	ZAG000143181	ZAG000143199
Currency	ZAR	ZAR	ZAR	ZAR	ZAR	ZAR
Initial Tranching	19.44%	18.06%	48.61%	6.48%	4.63%	2.78%
Legal Final Maturity	2037/02/20	2037/02/20	2037/02/20	2037/02/20	2037/02/20	2037/02/20
Scheduled Maturity / Step Up call Date	2022/02/20	2022/02/20	2022/02/20	2022/02/20	2022/02/20	2022/02/20
Original term	4.90	4.90	4.90	4.90	4.90	4.90
Years to maturity	1.81	1.81	1.81	1.81	1.81	1.81
Step Up call Date	2022/02/20	2022/02/20	2022/02/20	2022/02/20	2022/02/20	2022/02/20
Rating [Original // Current]	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
Credit Enhancement %	20.10%	20.10%	20.10%	14.09%	9.79%	7.22%
Initial Notes Aggregate Principal Outstanding Balance	210 000 000	195 000 000	525 000 000	70 000 000	50 000 000	30 000 000
Redemptions per Note	210 000 000	126 767 152	-	-	-	-
Loss On Tranche	Nil	Nil	Nil	Nil	Nil	Nil
Principal Outstanding Balance End of Period	-	68 232 848	525 000 000	70 000 000	50 000 000	30 000 000
Current Tranching	0.00%	9.18%	70.64%	9.42%	6.73%	4.04%
Type of notes	Floating Rate	Floating Rate	Floating Rate	Floating Rate	Floating Rate	Floating Rate
Reference Rate	3m Jibar	3m Jibar	3m Jibar	3m Jibar	3m Jibar	3m Jibar
Interest Margin (BPS)	1.05%	1.45%	1.80%	2.50%	2.60%	2.70%
Current 3m Jibar Rate	6.55%	6.55%	6.55%	6.55%	6.55%	6.55%
Total Rate	7.60%	8.00%	8.35%	9.05%	9.15%	9.25%
Step up rate (BPS)	1.420%	1.960%	2.430%	3.380%	3.510%	3.650%
Interest Days	90	90	90	90	90	90
Interest Payment	-	1 345 963	10 809 247	1 562 055	1 128 082	684 247
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	1 178 239

Liquidity Reserve	Opening Balance	Build-Up	Redemption / Unwind	Closing Balance	Required Level
	54 447 723	-	(2 421 424)	52 026 299	52 026 299

Redraw Reserve	Opening Balance	Further Advances	Deposit	Closing Balance	Target Level
	3 032 704	-	-	3 032 704	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	26 700 537
Liquidity reserve	2 421 424
Balance on PDL Ledger	-
Potential Redemption Amount	29 121 961

Principal Deficiency	
Total Notes Outstanding	827 232 848
Class A1	-
Class A2	68 232 848
Class A3	525 000 000
Class B	70 000 000
Class C	50 000 000
Class D	30 000 000
Subloans	84 000 000
Redemption of Notes	29 121 961
Performing Loan Agreements	747 083 911
All loan Agreements	747 083 911
Defaulted Loans Agreements	-
Total Reserves	102 490 306
Liquidity Reserve	54 447 723
Arrears Reserve	-
Redraw Reserve	3 032 704
Permitted Investments	45 009 879
Principal Deficiency	-

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

<b>Source of Funds available for Payments</b>	103 773 094
<b>Revenue</b>	
Yield on Commercial Mortgage Assets	16 491 166
Payments from Interest Rate Hedge Provider	1 282 788
Reinvestment Income - From GIC Provider	1 818 175
	19 592 129
<b>Principal</b>	
Scheduled Amortisation	18 700 082
Unscheduled Prepayments	8 000 455
Principal Recoveries from Defaulted Assets	-
	26 700 537
<b>Releases from Reserve Funds</b>	
Drawings on Liquidity Reserve Fund	54 447 723
Drawings on Arrears Reserve Fund	-
Drawings on Redraw Reserve Fund	3 032 704
Drawings on Warehouse Reserve Fund	-
Drawing on Permitted Investments	-
	57 480 427

<b>Combined Revenue &amp; Principle Ledger Application of Funds</b>	(103 773 094)
Senior Fees and Expenses	224 461
Liquidity Facility Interest & Fees	-
Swap Payments	(29 094.85)
Interest on A Notes	(12 155 210)
Interest on B, C and D Notes	(3 374 384)
Liquidity Provider / Liquidity Reserve Fund	(52 026 299)
Build Up/Replenishment of Arrears Reserve Fund	-
Build Up/Replenishment of Redraw Reserve	(3 032 704)
Further Advances	-
Principal on redeeming notes	(29 121 961)
Derivative termination Amounts	-
Additional Issuer Expenses	(185 963)
Interest and Principal on Sub Loan	(4 071 940)
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	827 232 848	759 000 000	234 000 000	164 000 000	114 000 000	84 000 000
	% of notes outstanding	28%	20%	15%	49%	70%	100%
Credit enhancement committed and not drawn	None						

SWAP Information	
SWAP Provider	Nedbank
Moody's Rating of Provider	Baa3/P3
Counterparty Rating Trigger	Ba3/P3
Type of Swap	Basis (Prime for Jibar)
Notional Balance	474 912 684
Margin	3.142%
SWAP Calculation:	
Interest Paid	-7 047 282
Interest Received	8 330 070
Rate Paid	-4.61%
Rate Received	6.55%

Excess Spread Calculation	Amount	% of Outstanding Notes
Interest received on Mortgages	16 491 166	1.99%
Interest received on Cash Reserves	1 818 175	0.22%
Swap	1 282 788	0.16%
Senior Expenses	224 461	0.03%
Note Interest	(15 529 593)	-1.88%
Net excess spread after Senior Expenses	4 286 998	0.52%

Repayment Statistics	
Mortgage repayment level for the period	3.57%
Annualised repayment profile	14.18%

## ASSETS

### PORTFOLIO INFORMATION

Type of underlying assets:	Commercial Mortgage Loans
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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	773 773 667							
Weighted Average			39%	38%	1.7	-0.31%	9.44%	63
Average	7 315 173	0.9%	35%	33%	1.9	-0.27%	9.48%	56
Max	20 501 235	2.65%	68%	68%	15.1	1.88%	11.63%	99
Min	38 744	0.0%	0%	0%	0.0	-1.50%	8.25%	-2
# loans	101							
# Properties	134							
# Borrowers	88							

Balances - At Reporting Date		Concentration	OLTV	CLTV	DSCR	Margin to Prime	Current Rate	Time to maturity
Total	747 083 911							
Weighted Average			38%	39%	2.1	-0.27%	7.48%	64
Average	7 202 316	1.0%	33%	34%	2.5	-0.23%	7.52%	59
Max	20 170 637	2.70%	68%	68%	30.2	3.88%	11.63%	107
Min	68 542	0.0%	0%	0%	0.9	-1.50%	6.25%	0
# loans	101							
# Properties	134							
# Borrowers	88							



Reconciliation of the movement during the period	Current	Amount	Limit	Available
<b>Total Pool at Beginning of Period</b>	Jan 2020	773 773 667		
<b>Payments</b>				
Scheduled repayments	(35 191 249)			
Unscheduled repayments	(13 128 862)			
Settlements	-			
Foreclosure Proceeds	-			
<b>Total Collections</b>	(48 320 111)			
<b>Disbursements</b>				
Acquisitions	-			
Redraws or Prepayments	-			
Re-advances of Repayments	-	275 000 000	25%	92 362 130
Further Advances	-			
<b>Total Disbursements</b>	-			
<b>Interest and Fees</b>				
Interest Charged	16 491 166			
Fees Charged	10 782			
Insurance Charged	-			
<b>Total Charges</b>	16 501 948			
<b>Other Non Cash Movements</b>				
Non eligible loans removed	-			
Substitutions: Loans transferred in	56 307 310			
Substitutions: Loans transferred out	(51 178 903)			
Repurchased loans/Originator buy backs	-	110 000 000	10%	110 000 000
Other movement	-			
<b>Total Other Cash Movements</b>	5 128 407			
<b>Total Pool at End of Period</b>	Apr 2020	747 083 911		

Accounts in Arrears:				
Arrears Status	Number of Loans	% of Loans	Outstanding Balance	% of Balance
Current	-	100.00%	747 083 911	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>747 083 911</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	25 561 348	3.42%	1.4	43%
2	22 272 647	2.98%	3.3	46%
3	20 170 637	2.70%	2.6	54%
4	19 628 203	2.63%	1.8	25%
5	18 225 295	2.44%	2.6	35%
6	18 208 561	2.44%	1.3	66%
7	17 775 569	2.38%	1.7	38%
8	17 456 762	2.34%	1.2	46%
9	17 355 971	2.32%	2.1	50%
10	14 726 224	1.97%	1.4	44%
11	14 346 554	1.92%	1.8	55%
12	13 458 981	1.80%	2.7	38%
13	12 598 694	1.69%	1.3	43%
14	11 689 528	1.56%	1.0	29%
15	11 493 836	1.54%	1.3	68%
16	11 204 203	1.50%	1.1	62%
17	11 196 835	1.50%	1.5	33%
18	10 959 942	1.47%	1.1	24%
19	10 871 730	1.46%	2.8	24%
20	10 647 246	1.43%	1.5	51%

Region	OMV	%
KwaZulu Natal	573 500 000	25%
Western Cape	602 550 000	26%
Gauteng	982 840 000	42%
Other	155 100 000	7%
	2 313 990 000	100%

Property Type	Name	Type	OMV	%
1	Office	A1	574 410 000	24%
2	Industrial	I1	293 100 000	12%
3	Warehouse	I2	562 230 000	23%
4	Retail	M1	696 750 000	29%
5	Other	M2	307 800 000	13%
			2 434 290 000	100%

TRIGGERS AND PORTFOLIO COVENANTS				
<b>Interest Deferral Triggers</b>				<b>Breached</b>
Class B Interest Deferral Event				No
Class D Interest Deferral Event				No
Class C Interest Deferral Event				No
<b>Counterparty Required Rating</b>				
Swap Provider				No
Account Bank				No
Servicer				No
Liquidity Provider				No
Permitted Investments				No
GIC Provider				
<b>Portfolio Covenants</b>	<b>Required level</b>	<b>Current Level</b>		
WDSCR	1.00	2.13		No
WACLTV	60%	39%		No
WA Interest Rate	1.00%	0.27%		No
Single Loan	5.00%	3.42%		No
Bullet Loans > 50%	50%	24%		No
Herfindahl Index	75%	76%		No
Property Regional Covenant				
- Gauteng	60%	42%		No
- Western Cape	40%	26%		No
- KZN	30%	25%		No
- Other Regions	15%	7%		No
Property Useage Covenant				
- Office	40%	24%		No
- Shopping Malls and Retail	40%	29%		No
- Warehouse	30%	12%		No
- Industrial	30%	23%		No
- Other Property	20%	13%		No

Portfolio Changes			
	Utilisation	Limit	Available Amount
Redraws / Re-advances	182 637 870	275 000 000	92 362 130
Repurchases	-	110 000 000	110 000 000



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