



PRECINCT FUNDING 2 (RF) LIMITED

Investor Report Date	31-Aug-2019	Determination Date:	31-Jul-2019	Interest Payment Date	20-Aug-2019
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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
Servicer:	Nedbank CIB Property Finance
Administrator:	Nedbank CIB Specialised Funding Support
Maximum programme size:	R 3 000 000 000
Reporting period:	Tuesday, 30 April 2019 Wednesday, 31 July 2019
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	2.56	2.56	2.56	2.56	2.56	2.56
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	173 649 574	-	-	-	-	-
Loss On Tranche	Nil	Nil	Nil	Nil	Nil	Nil
Principal Outstanding Balance End of Period	36 350 426	195 000 000	525 000 000	70 000 000	50 000 000	30 000 000
Current Tranching	4.01%	21.51%	57.92%	7.72%	5.52%	3.31%
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	7.16%	7.16%	7.16%	7.16%	7.16%	7.16%
Total Rate	8.21%	8.61%	8.96%	9.66%	9.76%	9.86%
Step up rate (BPS)	1.420%	1.960%	2.430%	3.380%	3.510%	3.650%
Interest Days	92	92	92	92	92	92
Interest Payment	752 042	4 230 891	11 854 011	1 704 042	1 229 775	745 427
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	1 934 166

Liquidity Reserve	Opening Balance	Build-Up	Redemption / Unwind	Closing Balance	Required Level
	67 927 602	-	(4 483 072)	63 444 530	63 444 530

Redraw Reserve	Opening Balance	Further Advances	Deposit	Closing Balance	Target Level
	17 550 546	(410 000)	-	17 140 546	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	56 154 467
Written off loans	-
Balance on PDL Ledger	-
Potential Redemption Amount	56 154 467

Principal Deficiency	
Total Notes Outstanding	990 350 426
Class A1	36 350 426
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
Redemption of Notes	-
Performing Loan Agreements	852 807 258
All loan Agreements	852 807 258
Defaulted Loans Agreements	-
Total Reserves	166 297 112
Liquidity Reserve	67 927 602
Arrears Reserve	-
Redraw Reserve	17 140 546
Permitted Investments	81 228 964
Principal Deficiency	-

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

Source of Funds available for Payments	166 931 156
Revenue	
Yield on Commercial Mortgage Assets	21 874 783
Payments from Interest Rate Hedge Provider	224 044
Reinvestment Income - From GIC Provider	3 199 714
	25 298 542
Principal	
Scheduled Amortisation	34 315 012
Unscheduled Prepayments	21 839 454
Principal Recoveries from Defaulted Assets	-
	56 154 467
Releases from Reserve Funds	
Drawings on Liquidity Reserve Fund	67 927 602
Drawings on Arrears Reserve Fund	-
Drawings on Redraw Reserve Fund	17 550 546
Drawings on Warehouse Reserve Fund	-
Drawing on Permitted Investments	-
	85 478 148

Combined Revenue & Principle Ledger Application of Funds	(166 931 156)
Senior Fees and Expenses	(296 647)
Liquidity Facility Interest & Fees	-
Swap Payments	(15 036.69)
Interest on A Notes	(16 836 943)
Interest on B, C and D Notes	(3 679 244)
Liquidity Provider / Liquidity Reserve Fund	(63 444 530)
Build Up/Replenishment of Arrears Reserve Fund	-
Build Up/Replenishment of Redraw Reserve	(17 140 546)
Further Advances	(410 000)
Principal on redeeming notes	(60 637 539)
Derivative termination Amounts	-
Additional Issuer Expenses	(107 886)
Interest and Principal on Sub Loan	(4 362 784)
Dividends on Preference shares	-
Permitted Investments	-

Credit Enhancement							
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	24%	17%	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	618 292 792
Margin	3.142%
SWAP Calculation:	
Interest Paid	-11 485 567
Interest Received	11 709 611
Rate Paid	-6.86%
Rate Received	7.16%

Excess Spread Calculation	Amount	% of Outstanding Notes
Interest received on Mortgages	21 874 783	2.21%
Interest received on Cash Reserves	3 199 714	0.32%
Swap	224 044	0.02%
Senior Expenses	(296 647)	-0.03%
Note Interest	(20 516 187)	-2.07%
Net excess spread after Senior Expenses	4 485 707	0.45%

Repayment Statistics	
Mortgage repayment level for the period	6.58%
Annualised repayment profile	26.12%

ASSETS

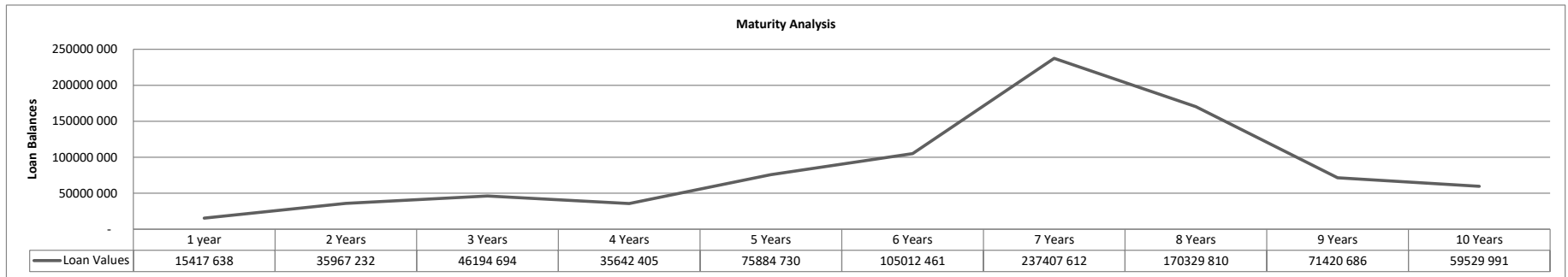
PORTFOLIO INFORMATION

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	908 319 673							
Weighted Average			43%	41%	1.6	-0.32%	9.93%	74
Average	7 381 623	0.8%	39%	38%	1.8	-0.28%	9.97%	68
Max	21 189 969	2.33%	77%	70%	22.5	1.38%	11.63%	101
Min	39 194	0.0%	-4%	4%	0.9	-1.50%	8.75%	0
# loans	101							
# Properties	143							
# Borrowers	88							

Balances - At Reporting Date		Concentration	OLTV	CLTV	DSCR	Margin to Prime	Current Rate	Time to maturity
Total	852 807 258							
Weighted Average			41%	40%	1.7	-0.32%	9.68%	71
Average	7 361 642	0.9%	38%	36%	2.1	-0.28%	9.72%	65
Max	20 982 523	2.46%	70%	69%	40.2	1.63%	11.63%	103
Min	196 874	0.0%	4%	0%	0.2	-1.50%	8.50%	3
# loans	101							
# Properties	140							
# Borrowers	88							



Reconciliation of the movement during the period		Current	Amount	Limit	Available
Total Pool at Beginning of Period		Apr 2019	908 319 673		
Payments					
Scheduled repayments		(56 189 796)			
Unscheduled repayments		(21 839 454)			
Settlements		-			
Foreclosure Proceeds		-			
Total Collections		(78 029 250)			
Disbursements					
Acquisitions		-			
Redraws or Prepayments		-			
Re-advances of Repayments		-	275 000 000	25%	106 469 972
Further Advances		410 000			
Total Disbursements		410 000			
Interest and Fees					
Interest Charged		21 874 783			
Fees Charged		232 052			
Insurance Charged		-			
Total Charges		22 106 835			
Other Non Cash Movements					
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		-			
Total Other Cash Movements		-			
Total Pool at End of Period		Jul 2019	852 807 258		

Accounts in Arrears:				
Arrears Status	Number of Loans	% of Loans	Outstanding Balance	% of Balance
Current	-	100.00%	852 807 258	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%	852 807 258	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	27 632 603	3.24%	1.2	48%
2	22 291 216	2.61%	2.1	46%
3	21 312 138	2.50%	1.7	27%
4	20 982 523	2.46%	1.8	59%
5	20 116 975	2.36%	1.9	23%
6	19 289 084	2.26%	2.1	40%
7	19 009 213	2.23%	0.9	69%
8	18 656 589	2.19%	1.0	52%
9	18 567 639	2.18%	1.5	40%
10	16 322 981	1.91%	1.1	38%
11	15 562 804	1.82%	1.2	46%
12	14 354 290	1.68%	1.6	55%
13	13 475 917	1.58%	1.4	47%
14	13 475 430	1.58%	2.0	38%
15	12 628 972	1.48%	1.5	28%
16	12 510 482	1.47%	1.1	36%
17	12 020 775	1.41%	0.2	29%
18	11 690 431	1.37%	1.0	69%
19	11 535 009	1.35%	1.4	55%
20	11 490 936	1.35%	1.2	42%

Region	OMV	%
KwaZulu Natal	574 200 000	21%
Western Cape	815 050 000	30%
Gauteng	993 066 000	36%
Other	348 550 000	13%
	2 730 866 000	100%

Property Type	Name	Type	OMV	%
1	Office	A1	673 830 000	25%
2	Industrial	I1	350 906 000	13%
3	Warehouse	I2	491 830 000	18%
4	Retail	M1	809 500 000	30%
5	Other	M2	404 800 000	15%
			2 730 866 000	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	1.67		No
WACLTV	60%	40%		No
WA Interest Rate	1.00%	0.32%		No
Single Loan	5.00%	3.24%		No
Bullet Loans > 50%	50%	20%		No
Herfindahl Index	75%	79%		No
Property Regional Covenant				
- Gauteng	60%	36%		No
- Western Cape	40%	30%		No
- KZN	30%	21%		No
- Other Regions	15%	13%		No
Property Useage Covenant				
- Office	40%	25%		No
- Shopping Malls and Retail	40%	30%		No
- Warehouse	30%	13%		No
- Industrial	30%	18%		No
- Other Property	20%	15%		No

Portfolio Changes			
	Utilisation	Limit	Available Amount
Redraws / Re-advances	168 530 028	275 000 000	106 469 972
Repurchases	-	110 000 000	110 000 000

Contact Details:**Servicer**

Richard Sang
Manager Operations (Finance)
Head: Capital and Liquidity
Tel: (031) 364 2598
[E-mail: RichardSa@Nedbank.co.za](mailto:RichardSa@Nedbank.co.za)

Arranger

Denzil Bagley
Principal
Nedbank CIB: DCM Origination
Tel: (010) 234 8711
[E-mail: DenzilB@Nedbankcapital.co.za](mailto:DenzilB@Nedbankcapital.co.za)

Rating Agency

Andrea Daniels
Commercial Mortgage-Backed Securities
Moody's Investors Service
Tel: +44 (0)207 772 1471
[E-mail: andrea.daniels@moodys.com](mailto:andrea.daniels@moodys.com)

Administrator

Boipuso Sepotokele
Deal Manager
Nedbank CIB: Specialised Funding Support
Tel: (011) 234 8621
[E-mail: BoipusoS@Nedbank.co.za](mailto:BoipusoS@Nedbank.co.za)

Securitisation Issuer Owner Trust

Rishendrie Thanthony
Chairman
TMF Corporate Services
Tel: (011) 666 0670
[E-mail: Rishendrie.Thanthony@tmf-group.com](mailto:Rishendrie.Thanthony@tmf-group.com)

Securitisation Security SPV Owner Trust

Louis Venter
Director
Maitland Group
Tel: (011) 530 8418
[E-mail: louis.venter@maitlandgroup.com](mailto:louis.venter@maitlandgroup.com)