



PRECINCT FUNDING 2 (RF) LIMITED

Investor Report Date	31-Aug-2020	Determination Date:	31-Jul-2020	Interest Payment Date	20-Aug-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 April 2020 Friday, 31 July 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	1.56	1.56	1.56	1.56	1.56	1.56
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	210 000 000	155 889 113	-	-	-	-
Loss On Tranche	Nil	Nil	Nil	Nil	Nil	Nil
Principal Outstanding Balance End of Period	-	39 110 887	525 000 000	70 000 000	50 000 000	30 000 000
Current Tranching	0.00%	5.48%	73.52%	9.80%	7.00%	4.20%
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	4.37%	4.37%	4.37%	4.37%	4.37%	4.37%
Total Rate	5.42%	5.82%	6.17%	6.87%	6.97%	7.07%
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	-	573 445	8 160 715	1 211 602	878 033	534 381
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	1 984 177

Liquidity Reserve	Opening Balance	Build-Up	Redemption / Unwind	Closing Balance	Required Level
	52 026 299	-	(2 038 537)	49 987 762	49 987 762

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	41 780 191
Written off loans	-
Drawings on the liquidity reserve	2 038 537
Potential Redemption Amount	43 818 728

Principal Deficiency	
Total Notes Outstanding	798 110 887
Class A1	-
Class A2	39 110 887
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	705 321 833
All loan Agreements	705 321 833
Defaulted Loans Agreements	-
Total Reserves	111 263 860
Liquidity Reserve	52 026 299
Arrears Reserve	-
Redraw Reserve	3 032 704
Permitted Investments	56 204 857
Principal Deficiency	-

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

Source of Funds available for Payments	111 648 708
Revenue	
Yield on Commercial Mortgage Assets	12 922 919
Payments from Interest Rate Hedge Provider	384 848
Reinvestment Income - From GIC Provider	1 501 747
	14 809 515
Principal	
Scheduled Amortisation	8 091 840
Unscheduled Prepayments	33 688 351
Principal Recoveries from Defaulted Assets	-
	41 780 191
Releases from Reserve Funds	
Drawings on Liquidity Reserve Fund	52 026 299
Drawings on Arrears Reserve Fund	-
Drawings on Redraw Reserve Fund	3 032 704
Drawings on Warehouse Reserve Fund	-
Drawing on Permitted Investments	-
	55 059 003

Combined Revenue & Principle Ledger Application of Funds	(111 648 708)
Senior Fees and Expenses	(232 874)
Liquidity Facility Interest & Fees	-
Swap Payments	(50 191.09)
Interest on A Notes	(8 734 160)
Interest on B, C and D Notes	(2 624 016)
Liquidity Provider / Liquidity Reserve Fund	(49 987 762)
Build Up/Replenishment of Arrears Reserve Fund	-
Build Up/Replenishment of Redraw Reserve	(3 032 704)
Further Advances	-
Principal on redeeming notes	(43 818 728)
Derivative termination Amounts	-
Additional Issuer Expenses	(932 344)
Interest and Principal on Sub Loan	(2 235 929)
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	798 110 887	759 000 000	234 000 000	164 000 000	114 000 000	84 000 000
	% of notes outstanding	29%	21%	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	441 657 879
Margin	3.142%
<u>SWAP Calculation:</u>	
Interest Paid	-4 842 626
Interest Received	5 227 475
Rate Paid	-3.86%
Rate Received	4.37%

Excess Spread Calculation	Amount	% of Outstanding Notes
Interest received on Mortgages	12 922 919	1.62%
Interest received on Cash Reserves	1 501 747	0.19%
Swap	384 848	0.05%
Senior Expenses	(232 874)	-0.03%
Note Interest	(11 358 176)	-1.42%
Net excess spread after Senior Expenses	3 218 465	0.40%

Repayment Statistics	
Mortgage repayment level for the period	5.92%
Annualised repayment profile	23.50%

ASSETS

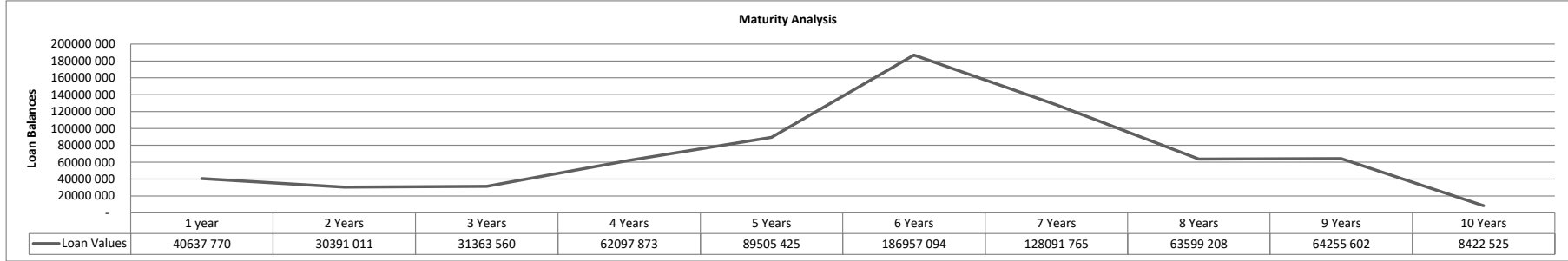
PORTFOLIO INFORMATION

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	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							

Balances - At Reporting Date		Concentration	OLTV	CLTV	DSCR	Margin to Prime	Current Rate	Time to maturity
Total	705 321 833							
Weighted Average			39%	38%	2.5	-0.25%	6.75%	61
Average	7 053 218	1.0%	34%	34%	3.2	-0.19%	6.81%	57
Max	19 860 986	2.82%	68%	68%	58.2	4.63%	11.63%	110
Min	81 341	0.0%	0%	0%	0.4	-1.00%	6.00%	0
# Loans	100							
# Properties	134							
# Borrowers	88							



Reconciliation of the movement during the period		Current	Amount	Limit	Available
Total Pool at Beginning of Period		Apr 2020	747 083 911		
Payments					
Scheduled repayments			(21 014 759)		
Unscheduled repayments			(33 688 351)		
Settlements			-		
Foreclosure Proceeds			-		
Total Collections			(54 703 110)		
Disbursements					
Acquisitions			-		
Redraws or Prepayments			-		
Re-advances of Repayments			-	275 000 000	92 362 130
Further Advances			-		
Total Disbursements			-		
Interest and Fees					
Interest Charged			12 922 919		
Fees Charged			18 113		
Insurance Charged			-		
Total Charges			12 941 032		
Other Non Cash Movements					
Non eligible loans removed			-		
Substitutions: Loans transferred in			-		
Substitutions: Loans transferred out			-		
Repurchased loans/Originator buy backs			-	110 000 000	110 000 000
Other movement			-		
Total Other Cash Movements			-		
Total Pool at End of Period		Jul 2020	705 321 833		

Accounts in Arrears:				
Arrears Status	Number of Loans	% of Loans	Outstanding Balance	% of Balance
Current	-	100.00%	705 321 833	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%	705 321 833	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	22 268 101	3.16%	4.9	42%
2	19 860 986	2.82%	2.7	53%
3	18 998 792	2.69%	1.9	25%
4	18 422 189	2.61%	1.1	65%
5	17 858 084	2.53%	1.5	43%
6	17 843 729	2.53%	2.7	34%
7	17 358 443	2.46%	1.8	50%
8	17 308 188	2.45%	1.9	45%
9	16 582 766	2.35%	1.4	40%
10	14 981 654	2.12%	1.3	45%
11	14 347 645	2.03%	1.8	55%
12	13 457 654	1.91%	3.0	38%
13	12 275 442	1.74%	1.3	42%
14	11 610 110	1.65%	1.4	68%
15	11 583 166	1.64%	0.4	27%
16	11 195 765	1.59%	1.3	33%
17	11 019 897	1.56%	1.2	61%
18	10 837 254	1.54%	2.3	24%
19	10 350 690	1.47%	1.2	23%
20	10 314 183	1.46%	1.6	49%

Region	OMV	%
KwaZulu Natal	574 100 000	24%
Western Cape	612 800 000	26%
Gauteng	921 110 000	39%
Other	250 700 000	11%
	2 358 710 000	100%

Property Type	Name	Type	OMV	%
1	Office	A1	574 110 000	24%
2	Industrial	I1	289 100 000	12%
3	Warehouse	I2	505 500 000	21%
4	Retail	M1	680 000 000	29%
5	Other	M2	310 000 000	13%
			2 358 710 000	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	2.55	No
WACLTV	60%	38%	No
WA Interest Rate	1.00%	0.25%	No
Single Loan	5.00%	3.16%	No
Bullet Loans > 50%	50%	25%	No
Herfindahl Index	75%	71%	Yes
Property Regional Covenant			
- Gauteng	60%	39%	No
- Western Cape	40%	26%	No
- KZN	30%	24%	No
- Other Regions	15%	11%	No
Property Useage Covenant			
- Office	40%	24%	No
- Shopping Malls and Retail	40%	29%	No
- Warehouse	30%	12%	No
- Industrial	30%	21%	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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