



## PRECINCT FUNDING 2 (RF) LIMITED

Investor Report Date	30-Nov-2020	Determination Date:	31-Oct-2020	Interest Payment Date	20-Nov-2020
----------------------	-------------	---------------------	-------------	-----------------------	-------------

**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>	Friday, 31 July 2020      Saturday, 31 October 2020
<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	2037/02/20	2037/02/20	2037/02/20	2037/02/20	2037/02/20	2037/02/20
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	1.31	1.31	1.31	1.31	1.31	1.31
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	210 000 000	195 000 000	4 707 841	-	-	-
Redemptions per Note	Nil	Nil	Nil	Nil	Nil	Nil
Loss On Tranche	-	-	520 292 159	70 000 000	50 000 000	30 000 000
Principal Outstanding Balance End of Period	0.00%	0.00%	77.62%	10.44%	7.46%	4.48%
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)	3.44%	3.44%	3.44%	3.44%	3.44%	3.44%
Current 3m Jibar Rate	4.49%	4.89%	5.24%	5.94%	6.04%	6.14%
Total Rate	1.420%	1.960%	2.430%	3.380%	3.510%	3.650%
Step up rate (BPS)	92	92	92	92	92	92
Interest Days	-	-	6 874 471	1 048 397	761 458	464 436
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	1 898 373

Liquidity Reserve	Opening Balance	Build-Up	Redemption / Unwind	Closing Balance	Required Level
	49 987 762	-	(3 067 311)	46 920 451	46 920 451

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	47 051 427
Written off loans	-
Drawings on the liquidity reserve	3 067 311
Potential Redemption Amount	50 118 738

Principal Deficiency	
<b>Total Notes Outstanding</b>	754 292 159
Class A1	-
Class A2	-
Class A3	520 292 159
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>	658 353 143
All loan Agreements	658 353 143
Defaulted Loans Agreements	-
<b>Total Reserves</b>	113 109 760
Liquidity Reserve	49 987 762
Arrears Reserve	-
Redraw Reserve	3 032 704
Permitted Investments	60 089 294
<b>Principal Deficiency</b>	-

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

<b>Source of Funds available for Payments</b>	113 109 759
<b>Revenue</b>	
Yield on Commercial Mortgage Assets	11 541 553
Payments from Interest Rate Hedge Provider	-
Reinvestment Income - From GIC Provider	1 496 313
	13 037 867
<b>Principal</b>	
Scheduled Amortisation	15 088 837
Unscheduled Prepayments	31 962 590
Principal Recoveries from Defaulted Assets	-
	47 051 427
<b>Releases from Reserve Funds</b>	
Drawings on Liquidity Reserve Fund	49 987 762
Drawings on Arrears Reserve Fund	-
Drawings on Redraw Reserve Fund	3 032 704
Drawings on Warehouse Reserve Fund	-
Drawing on Permitted Investments	-
	53 020 466

<b>Combined Revenue &amp; Principle Ledger Application of Funds</b>	(113 109 759)
Senior Fees and Expenses	(227 970)
Liquidity Facility Interest & Fees	-
Swap Payments	(564 013.27)
Interest on A Notes	(6 874 471)
Interest on B, C and D Notes	(2 274 290)
Liquidity Provider / Liquidity Reserve Fund	(46 920 451)
Build Up/Replenishment of Arrears Reserve Fund	-
Build Up/Replenishment of Redraw Reserve	(3 032 704)
Further Advances	-
Principal on redeeming notes	(50 118 738)
Derivative termination Amounts	-
Additional Issuer Expenses	(165 297)
Interest and Principal on Sub Loan	(2 931 825)
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	754 292 159	754 292 159	234 000 000	164 000 000	114 000 000	84 000 000
	% of notes outstanding	31%	22%	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	415 058 729
Margin	3.142%
SWAP Calculation:	
Interest Paid	-4 294 802
Interest Received	3 831 703
Rate Paid	-3.86%
Rate Received	3.44%

Excess Spread Calculation	Amount	% of Outstanding Notes
Interest received on Mortgages	11 541 553	1.53%
Interest received on Cash Reserves	1 496 313	0.20%
Swap	-	0.00%
Senior Expenses	(227 970)	-0.03%
Note Interest	(9 148 761)	-1.21%
Net excess spread after Senior Expenses	3 661 135	0.49%

Repayment Statistics	
Mortgage repayment level for the period	7.15%
Annualised repayment profile	28.35%

## ASSETS

### PORTFOLIO INFORMATION

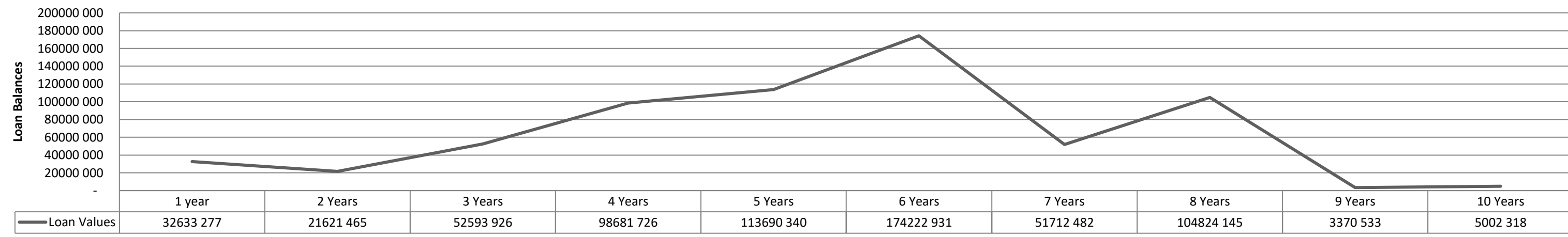
Type of underlying assets: Commercial Mortgage Loans

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	705 321 833							
Weighted Average			39%	38%	2.5	-0.25%	6.75%	58
Average	7 053 218	1.0%	34%	34%	3.2	-0.19%	6.81%	54
Max	19 860 986	2.82%	68%	68%	58.2	4.63%	11.63%	107
Min	81 341	0.0%	0%	0%	0.4	-1.00%	6.00%	-3
# loans	100							
# Properties	134							
# Borrowers	88							

Balances - At Reporting Date		Concentration	OLTV	CLTV	DSCR	Margin to Prime	Current Rate	Time to maturity
Total	658 353 143							
Weighted Average			38%	38%	3.1	-0.26%	6.74%	58
Average	6 857 845	1.0%	34%	33%	7.1	-0.20%	6.80%	54
Max	19 557 287	2.97%	68%	68%	400.0	4.63%	11.63%	107
Min	(50 000)	0.0%	0%	0%	0.0	-1.00%	6.00%	-2
# loans	96							
# Properties	134							
# Borrowers	88							

**Maturity Analysis**



Reconciliation of the movement during the period		Current	Amount	Limit	Available
<b>Total Pool at Beginning of Period</b>	Jul 2020	705 321 833			
<b>Payments</b>					
Scheduled repayments		(26 630 390)			
Unscheduled repayments		(33 832 774)			
Settlements		-			
Foreclosure Proceeds		-			
<b>Total Collections</b>		(60 463 164)			
<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		11 541 553			
Fees Charged		82 738			
Insurance Charged		-			
<b>Total Charges</b>		11 624 291			
<b>Other Non Cash Movements</b>					
Non eligible loans removed		-			
Substitutions: Loans transferred in		26 614 109			
Substitutions: Loans transferred out		(24 743 926)			
Repurchased loans/Originator buy backs		-	110 000 000	10%	110 000 000
Other movement		-			
<b>Total Other Cash Movements</b>		1 870 184			
<b>Total Pool at End of Period</b>	Oct 2020	658 353 143			

Accounts in Arrears:				
Arrears Status	Number of Loans	% of Loans	Outstanding Balance	% of Balance
Current	-	100.00%	658 353 143	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>658 353 143</b>	<b>100.00%</b>

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

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

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	22 266 603	3.38%	6.9	43%
2	19 557 287	2.97%	40.6	52%
3	18 260 431	2.77%	1.0	64%
4	17 428 568	2.65%	1.5	41%
5	17 358 443	2.64%	1.8	50%
6	17 357 183	2.64%	2.7	33%
7	17 309 132	2.63%	1.6	45%
8	16 166 182	2.46%	1.3	39%
9	14 637 343	2.22%	1.3	44%
10	14 361 755	2.18%	2.7	50%
11	13 457 854	2.04%	3.0	38%
12	12 194 611	1.85%	1.8	42%
13	11 937 714	1.81%	1.5	38%
14	11 532 898	1.75%	1.4	68%
15	11 477 136	1.74%	0.4	27%
16	10 832 569	1.65%	1.2	60%
17	10 767 154	1.64%	1.3	31%
18	10 546 281	1.60%	2.3	23%
19	10 139 309	1.54%	4.5	28%
20	9 972 411	1.51%	1.6	47%

Region	OMV	%
KwaZulu Natal	404 500 000	19%
Western Cape	598 100 000	28%
Gauteng	930 310 000	44%
Other	204 900 000	10%
	2 137 810 000	100%

Property Type	Name	Type	OMV	%
1	Office	A1	600 610 000	28%
2	Industrial	I1	316 000 000	15%
3	Warehouse	I2	410 800 000	19%
4	Retail	M1	522 200 000	24%
5	Other	M2	288 200 000	13%
			2 137 810 000	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	Breached
WDSCR		1.00	3.08	No
WACLTV		60%	38%	No
WA Interest Rate		1.00%	0.26%	No
Single Loan		5.00%	3.38%	No
Bullet Loans > 50%		50%	28%	No
Herfindahl Index		75%	67%	Yes
Property Regional Covenant				
- Gauteng		60%	44%	No
- Western Cape		40%	28%	No
- KZN		30%	19%	No
- Other Regions		15%	10%	No
Property Usage Covenant				
- Office		40%	28%	No
- Shopping Malls and Retail		40%	24%	No
- Warehouse		30%	15%	No
- Industrial		30%	19%	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

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

Richard Sang  
Manager Operations (Finance)  
Head: Capital and Liquidity  
Tel: +27 102232651  
[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**

David Towers  
Chairman  
Quadridge Trust Services  
Tel: (011) 268 6434  
[E-mail: david@quadridge.co.za](mailto:david@quadridge.co.za)

**Securitisation Security SPV Owner Trust**

Neerie Naidoo  
Director  
Maitland Group  
Tel: (011) 530 8413  
[E-mail: louis.venter@maitlandgroup.com](mailto:louis.venter@maitlandgroup.com)