



PRECINCT FUNDING 1 (RF) LIMITED

Investor Report Date 31-Jan-2017

Determination Date: 31-Dec-2016

Interest Payment Date 27-Jan-2017

Asset Class: Commercial Mortgage Backed Securitisation

LIABILITIES

Note Class	Class A1	Class A2	Class A3	Class B	Class C	Class D
ISIN Code	ZAG000104191	ZAG000104209	ZAG000104217	ZAG000104225	ZAG000104233	ZAG000104241
Initial Tranching	24.72%	24.72%	26.97%	13.48%	4.49%	5.62%
Legal Final Maturity	2028/01/27	2028/01/27	2028/01/27	2028/01/27	2028/01/27	2028/01/27
Step Up call Date	2018/01/27	2018/01/27	2018/01/27	2018/01/27	2018/01/27	2018/01/27
Rating [Original // Current]	A1/Aaa.za // A1/Aaa.za	A1/Aaa.za // A1/Aaa.za	A1/Aaa.za // A1/Aaa.za	A3/Aa2.za // A3/Aa2.za	Baa3/A2.za // Baa3/A2.za	Ba3/Baa2.za // Ba3/Baa2.za
Credit Enhancement %	32.00%	32.00%	32.00%	20.00%	16.00%	11.00%
Initial Notes Aggregate Principal Outstanding Balance	550 000 000	550 000 000	600 000 000	300 000 000	100 000 000	125 000 000
Redemptions per Note	550 000 000	550 000 000	94 381 044	30 211 764	10 070 588	12 588 235
Loss On Tranche	Nil	Nil	Nil	Nil	Nil	Nil
Principal Outstanding Balance End of Period	-	-	505 618 956	269 788 236	89 929 412	112 411 765
Current Tranching	0.00%	0.00%	22.72%	12.13%	4.04%	5.05%
Reference Rate	3m Jibar	3m Jibar	3m Jibar	3m Jibar	3m Jibar	3m Jibar
Interest Margin (BPS)	1.05%	1.25%	1.34%	1.54%	2.40%	2.60%
Current 3m Jibar Rate	7.36%	7.36%	7.36%	7.36%	7.36%	7.36%
Total Rate	8.41%	8.61%	8.70%	8.90%	9.76%	9.96%
Step up rate (BPS)	1.420%	1.690%	1.810%	2.080%	3.240%	3.510%
Interest Days	92	92	92	92	92	92
Interest Payment	-	-	11 085 051	6 050 766	2 211 859	2 821 492
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	275 000 000
Redemptions this period	-
Loss taken against the Sub Loans	-
Principal Outstanding Balance End of Period	275 000 000
Unpaid Interest	10 431 120

Liquidity Reserve	Opening Balance	Redemption / Unwind	Closing Balance	Required Level
	76 106 787	(7 664 401)	68 442 386	68 442 386

Redraw Reserve	Opening Balance	Redemption / Unwind	Closing Balance	Target Level
	141 862 956	3 466 689	138 396 267	625 000 000
			-	
			138 396 267	

Arrears Reserve	Arrears Reserve Required Amount	Current amount	Unprovided due to Shortage of Funds	Annualised Default Rate	Breach
	-	-	-		N

Principal Redemption Calculation	
Principal Collections	65 700 728
Written off loans	-
Balance on PDL Ledger	-
Potential Redemption Amount	65 700 728

Principal Deficiency	
Total Notes Outstanding	1 252 748 369
Class A1	-
Class A2	-
Class A3	505 618 956
Class B	269 788 236
Class C	89 929 412
Class D	112 411 765
Subloans	275 000 000
Redemption of Notes	73 365 129
Performing Loan Agreements	981 935 425
All loan Agreements	981 935 425
Defaulted Loans Agreements	-
Total Reserves	312 777 108
Liquidity Reserve	68 442 386
Arrears Reserve	-
Redraw Reserve	138 396 267
Permitted Investments	105 938 456
Principal Deficiency	-

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

Source of Funds available for Payments	
Revenue	316 996 910
Yield on Commercial Mortgage Assets	25 433 215
Payments from Interest Rate Hedge Provider	753 113
Reinvestment Income - From GIC Provider	7 140 111
	33 326 439
Principal	
Scheduled Amortisation	29 596 730
Unscheduled Prepayments	36 103 998
Principal Recoveries from Defaulted Assets	-
	65 700 728
Releases from Reserve Funds	
Drawings on Liquidity Reserve Fund	76 106 787
Drawings on Arrears Reserve Fund	-
Drawings on Redraw Reserve Fund	141 862 956
Drawings on Warehouse Reserve Fund	-
Drawing on Permitted Investments	-
	217 969 743

Combined Revenue & Principle Ledger Application of Funds	
Senior Fees and Expenses	(316 996 909)
Liquidity Facility Interest & Fees	(312 793)
Swap Payments	-
Interest on A Notes	(11 085 051)
Interest on B, C and D Notes	(11 084 118)
Liquidity Provider / Liquidity Reserve Fund	(68 442 386)
Build Up/Replenishment of Arrears Reserve Fund	-
Build Up/Replenishment of Redraw Reserve	(138 396 267)
Further Advances	(3 466 689)
Principal on redeeming notes	(73 365 129)
Derivative termination Amounts	-
Additional Issuer Expenses	(130 998)
Interest and Principal on Sub Loan	(10 713 478)
Dividends on Preference shares	-
Permitted Investments	-

SWAP Information

SWAP Provider	Nedbank
Moody's Rating of Provider	A3/P2
Counterparty Rating Trigger	A3/P2
Type of Swap	Basis (Prime for Jibar)
Notional Balance	1 282 357 204
Margin	3.375%
<u>SWAP Calculation:</u>	
Interest Paid	-24 554 964
Interest Received	25 330 384
Rate Paid	7.13%
Rate Received	7.35%

Excess Spread Calculation

	Amount	% of Outstanding Notes
Interest received on Mortgages	25 433 215	2.03%
Interest received on Cash Reserves	7 140 111	0.57%
Swap	753 113	0.06%
Senior Expenses	(312 793)	-0.02%
Note Interest	(22 169 169)	-1.77%
Net excess spread after Senior Expenses	10 844 477	0.87%

Repayment Statistics

Mortgage repayment level for the period	6.69%
Annualised repayment profile	26.55%

ASSETS

PORTFOLIO INFORMATION

Balances - At Closing		Concentration	OLTV	CLTV	DSCR	Margin to Prime	Current Rate
Total	2 503 647 330						
Weighted Average			62.3%	53.1%	2.0	-0.65%	7.85%
Average	14 902 663	0.7%	58.2%	49.1%	1.8	-0.56%	7.94%
Max	85 093 731	3.4%	103.8%	83.8%	7.3	0.50%	9.00%
Min	3 833 890	0.2%	12.2%	11.3%	1.0	-1.85%	6.65%
# loans	168						
# Properties	218						
# Borrowers	152						

Balances - At Reporting Date		Concentration	OLTV	CLTV	DSCR	Margin to Prime	Current Rate
Total	981 935 425						
Weighted Average			53.1%	39.8%	1.7	-0.51%	9.99%
Average	9 263 543	0.9%	49.1%	29.0%	1.8	-0.55%	9.95%
Max	37 252 290	3.79%	83.8%	73.1%	9.8	0.50%	11.00%
Min	-	0.0%	11.3%	0.0%	0.0	-1.75%	8.75%
# loans	129						
# Properties	140						
# Borrowers	106						

Reconciliation of the movement during the period	Current	Amount	Limit	Available
Total Pool at Beginning of Period	Sep 2016	1 043 777 535		
Payments				
Scheduled repayments	(55 029 945)			
Unscheduled repayments	(36 103 998)			
Settlements	-			
Foreclosure Proceeds	-			
Total Collections	(91 133 943)			
Disbursements				
Acquisitions	-			
Redraws or Prepayments	-			
Re-advances of Repayments	-			
Further Advances	3 466 689	625 000 000	25%	138 396 267
Total Disbursements	3 466 689			
Interest and Fees				
Interest Charged	25 433 215			
Fees Charged	391 929			
Insurance Charged	-			
Total Charges	25 825 144			
Other Non Cash Movements				
Non eligible loans removed	-			
Substitutions: Loans transferred in	-	500 000 000	20%	51 349 754
Substitutions: Loans transferred out	-			
Repurchased loans/Originator buy backs	-	250 000 000	10%	250 000 000
Other movement	-			
Total Other Cash Movements	-			
Total Pool at End of Period	Dec 2016	981 935 425		

Accounts in Arrears:				
Arrears Status	Number of Loans	% of Loans	Outstanding Balance	% of Balance
Current	-	100.00%	981 935 425	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%	981 935 425	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		Concentration	DSCR	CLTV
1	37 252 290	3.79%	1.5	52.77%
2	34 646 362	3.53%	1.0	52.10%
3	29 239 399	2.98%	1.6	73.10%
4	24 274 151	2.47%	1.3	40.39%
5	23 832 578	2.43%	2.5	56.88%
6	23 789 550	2.42%	1.5	26.29%
7	23 778 978	2.42%	0.9	67.75%
8	23 161 488	2.36%	0.9	53.74%
9	22 695 736	2.31%	1.6	29.06%
10	22 018 082	2.24%	1.3	61.04%
11	21 367 857	2.18%	0.9	63.98%
12	20 486 813	2.09%	1.2	45.53%
13	19 478 028	1.98%	7.8	21.40%
14	18 304 034	1.86%	1.2	58.11%
15	18 154 669	1.85%	1.2	33.85%
16	17 758 244	1.81%	1.5	44.40%
17	17 276 756	1.76%	1.4	39.00%
18	16 079 145	1.64%	1.2	30.45%
19	15 095 310	1.54%	5.0	21.65%
20	14 915 595	1.52%	0.8	30.82%

Region	OMV	%
KwaZulu Natal	512 895 281	15%
Western Cape	902 846 000	27%
Gauteng	1 681 280 000	50%
Other	251 000 000	7%
	3 348 021 281	100%

Property Town	OMV	%
Durban	358 688 713	10.7%
Cape Town	659 856 000	19.7%
Johannesburg	1 478 390 000	44.2%
Worcester	48 300 000	1.4%
Port Elizabeth	134 400 000	4.0%
George	11 350 000	0.3%
Pretoria	192 400 000	5.7%
Dolphin Coast	42 300 000	1.3%
Pietermaritzburg	9 706 568	0.3%
Richards Bay	38 200 000	1.1%
Bloemfontein	38 500 000	1.1%
Ethekwini	64 000 000	1.9%
Paarl	45 840 000	1.4%
Middelburg	78 100 000	2.3%
Vredenburg	52 800 000	1.6%
Stellenbosch	84 700 000	2.5%
Vaal Triangle	10 490 000	0.3%
	3 348 021 281	100.0%

Property Type	Name	Type	OMV	%
1	Office	A1	1 009 908 713	30%
2	Industrial	I1	608 556 568	18%
3	Warehouse	I2	662 990 000	20%
4	Retail	M1	651 426 000	19%
5	Other	M2	415 140 000	12%
			3 348 021 281	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		No
Portfolio Covenants	Required level	Current Level
WDSCR	1.50	1.69
WACLTV	55.00%	39.8%
WA Interest Rate	1.00%	0.51%
Single Loan	3.75%	3.79%
Principal Balances > 75%	15.00%	0.00%
Gauteng	55%	50%
Western Cape	35%	27%
KZN	20%	15%
Other Regions	15%	7%
Office CBD	35%	30%
Industrial	20%	18%
Shopping Malls and Retail	25%	19%
Warehouse	25%	20%
Other Property	15%	12%

Portfolio Changes

	Utilisation	Limit	Available Amount
Redraws / Re-advances	486 603 733	625 000 000	138 396 267
Substitutions	448 650 246	500 000 000	51 349 754
Repurchases	0	250 000 000	250 000 000

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