

Fox Street 6 (RF) Limited

Class	Rating Class	Rating Scale	Rating	Outlook / Watch	Stock Code	Amount	Legal Maturity
Class A1	Issue Long Term	National	AAA _{(ZA)(sf)}	Stable Outlook	FS6A51	R100,285,014	May 2047
Class A2	Issue Long Term	National	AAA _{(ZA)(sf)}	Stable Outlook	FS6A2	R400,000,000	May 2047
Class A3	Issue Long Term	National	AAA _{(ZA)(sf)}	Stable Outlook	FS6A3	R400,000,000	May 2047
Class B1	Issue Long Term	National	AA _{(ZA)(sf)}	Stable Outlook	FS6B1	R150,000,000	May 2047
Class C1	Issue Long Term	National	A+ _{(ZA)(sf)}	Stable Outlook	FS6C1U	R50,000,000	May 2047
Class D1	Issue Long Term	National	BBB _{(ZA)(sf)}	Stable Outlook	FS6D1U	R35,000,000	May 2047
Class E1	Issue Long Term	National		Unrated	FS6E1U	R100,000,000	May 2047

Summary

Fox Street 6 (RF) Ltd is a Residential Mortgage Backed Securities ("RMBS") Securitisation of home loans originated by Investec Bank Ltd ("Investec") to its private banking clients. The Issuer issued Notes on 8 August 2018. This is Investec's sixth Fox Street RMBS transaction.

On 30 May 2019, GCR Ratings ("GCR") affirmed the public long-term credit ratings of the following Notes issued by Fox Street 6:

- Class A1 Notes; stock code FS6A1; AAA_{(ZA)(sf)}; Stable Outlook.
- Class A2 Notes; stock code FS6A2; AAA_{(ZA)(sf)}; Stable Outlook.
- Class A3 Notes; stock code FS6A3; AAA_{(ZA)(sf)}; Stable Outlook.
- Class B1 Notes; stock code FS6B1; AA_{(ZA)(sf)}; Stable Outlook.
- Class C1 Notes; stock code FS6C1U; A+_{(ZA)(sf)}; Stable Outlook.
- Class D1 Notes; stock code FS6D1U; BBB_{(ZA)(sf)}; Stable Outlook.

The Transaction has R100m of Class E1 Notes, as well as a Subordinated Loan of R20,039,716, which are both unrated.

The credit ratings accorded to the Class A Notes relate to timely payment of interest and ultimate payment of principal, whilst the ratings on all other securities relate to ultimate payment of interest and ultimate payment of principal. The ratings exclude an assessment of the ability of the Issuer to pay either any (early repayment) penalties or any default interest rate penalties.

Rating Rationale

For this first surveillance of Fox Street 6 since initial issuance, GCR modelled the Transaction using its updated Global Master Structured Finance Rating Criteria - September 2018, and Global Residential Mortgage Backed Securities Rating Criteria - November 2018. As was the case for its initial rating, GCR modelled the Transaction in a pre-enforcement (and not post-enforcement) scenario. However, this is the first time that GCR assessed the Transaction

under the updated Global Master Structured Finance Rating Criteria, including the embedded counterparty risk criteria.

The affirmation of the ratings of all of the rated Notes are a product of GCR's cash flow modelling process, whereby cash flows of the Transaction are simulated in a variety of scenario combinations to approximate differing types and degrees of stressful conditions, as described in more detail in the Rating Analysis section below.

Rating Analysis

Cash Flow Model

GCR modelled the Transaction in a pre-enforcement scenario. Therefore, the two pre-enforcement cash waterfalls - the Interest Pre-Enforcement Priority of Payments and the Principal Pre-Enforcement Priority of Payments. Thus, cash inflows from interest on the home loans and cash inflows from principal payments on the home loans were modelled separately and allocated to differing sets of items as per these two Priorities of Payments.

The Transaction capital structure, including reserves, was modelled as at 20 May 2019.

Various combinations of scenarios were modelled, including three different default distribution vectors (front-loaded, back-loaded and evenly distributed), three prepayment scenarios (high, low and medium) and three interest rate scenarios (rising, falling and stable).

Defaults and Recoveries

Cumulative defaults were calculated according to the WADF output of the default model, and standard 'hits', including stresses for geographical concentration, and assumptions were used. The asset pool was not modelled to the pool covenants, but was rather modelled to its existing composition, as compliance with covenants is only necessary when new assets are acquired. Fox Street 6 does not acquire new assets since the end of the Pre-Funding Period and does not need to comply with such covenants. GCR used its default model based on the portfolio as at January 2019 (the last pool cut received by GCR from Investec) to derive the following WADF and Weighted Average Recovery Rates ("WARR"):

Table 1: Modelled WADF, WARR, Net Loss

Rating band:	B _{(ZA)(sf)}	BB _{(ZA)(sf)}	BBB _{(ZA)(sf)}	A _{(ZA)(sf)}	AA _{(ZA)(sf)}	AAA _{(ZA)(sf)}
WADF	5.69%	8.66%	11.63%	14.60%	17.56%	20.53%
WARR	85.62%	83.42%	81.42%	80.19%	76.64%	72.94%
Net loss	0.82%	1.44%	2.16%	2.89%	4.10%	5.56%

Source: GCR model

Modelled defaults were distributed in three different default distribution scenarios – front-loaded (seven years), back-loaded (6.5 years) and evenly distributed (seven years).

The WARR for each ratings band was then applied to the expected defaulted amounts for each ratings band. The recoveries are assumed to be collected 30 months after default occurs.

No defaults have actually yet occurred on the portfolio.

Arrears

Arrears, which are rehabilitated at three months in the cash flow model, were modelled as a multiple of defaults according to rating scenario, as follows:

Table 2: Modelled Arrears

Rating band	Multiple of defaults
AAA _{(ZA)(sf)}	1.10x
AA _{(ZA)(sf)}	0.89x
A _{(ZA)(sf)}	0.65x
BBB _{(ZA)(sf)}	0.47x
BB _{(ZA)(sf)}	0.35x
B _{(ZA)(sf)}	0.25x

Source: GCR model

Prepayments

Noting that the Transaction's active period is too short to obtain a stable prepayments metric, the annualised prepayment rate thus far - over the three quarters since Transaction close - is 14.6%. However, the annualised net repayment rate on the home loans (referencing the indicative pool dated 31 May 2018) is only 4.8% due to the effect of redraws, re-advances and further advances. While redraws, re-advances and further advances counteract the effect of prepayments on the portfolio to a significant degree, GCR prefers to consider prepayments as a standalone risk. This is in consideration of the fact that the Issuer can cancel a borrower's right to such advances at its discretion and is obliged to do so in the event of a Servicer Event of Default.

GCR therefore used the annual prepayment rate on the total Investec home loan book from January 2009 to September 2018 of 23.08% as the base case prepayment rate for the cash flow model. GCR modelled three prepayment rate scenarios, whereby the base case prepayment rate is stressed according to a rating band scenario. The upward and downward stresses applied as a percentage of the base prepayment rate of 23.08% are shown in the table below:

Table 3: Modelled Prepayments Stresses

Rating band	Prepayments stress, upward and downward
AAA _{(ZA)(sf)}	35%
AA _{(ZA)(sf)}	27%
A _{(ZA)(sf)}	18%
BBB _{(ZA)(sf)}	12%
BB _{(ZA)(sf)}	6%
B _{(ZA)(sf)}	0%

Source: GCR model

Interest Rates

The current 3M-JIBAR rate was stressed over time to simulate rising, falling and stable interest rate environments. These stresses were derived based on historical 3M-JIBAR data and are applied in differing degrees of severity relative to ratings band scenario.

Asset Margin Compression

The home loans margins were divided into six margin buckets. Defaults and prepayments were allocated sequentially from the highest-margin bucket to the lowest-margin bucket to model margin compression on the asset pool.

Guaranteed Investment Contract

The Guaranteed Investment Contract ("GIC") provider (Investec) has guaranteed a return equal to 3M-JIBAR on cash in the Transaction Account. GCR noted that while the Transaction documentation has the GIC's required credit rating and provision for its replacement on the event of downgrade below such credit rating in line with GCR's criteria, there is no provision that would guarantee the same return as previously received or for collateral to be

posted by the existing GIC provider on such downgrade. Therefore, GCR modelled a market-level return on cash of 3M-JIBAR less 0.50% and did not take into account the GIC rate for the Transaction.

Senior Expenses

Senior expenses were modelled as per those reported in the quarterly reports and corroborated with applicable Transaction documentation. They were then stressed upwards by 10% to cater for unexpected expenses. An annual escalation of 6% was applied to these expenses to account for inflation.

Counterparty Risk

As mentioned, GCR performed its surveillance of the Transaction in light of the updated Global Master Structured Finance Rating Criteria - Sep '18. This contains GCR's updated counterparty criteria. Aside from the GIC replacement provision discussed above, Fox Street 6 was found to satisfy all relevant counterparty criteria, and no further modelling or other adjustments were made for counterparty risk.

Rating Outcome

The output of the cash flow model leads directly to the ratings assigned to each Class of Notes. The modelling outcome is consistent with the level of Credit Enhancement of each respective Class and can be reasonably compared with the rating outcomes of the other Fox Street transactions rated by GCR, while taking cognisance of any specific attributes of the Fox Street 6 home loan portfolio and Transaction structure.

Surveillance

The Transaction is amortising from its closing date and thus far, three Payment Dates after closing, has repaid R99.7m of Class A Notes, or 7.5% of the total initial issuance amount of all classes of Notes, of which R41.8m of the Class A1 Notes was repaid on the most recent Payment Date of 20 May 2019. The sequential paydown of Notes by Class leads to incremental increases in Credit Enhancement for each Class.

None of the Transaction's Stop Purchase or Servicer Default Events occurred over the past 12 months and all of the Liquidity Reserve, Mortgage Bond Registration Costs Reserve and Redraw Reserve were maintained at their required amounts.

The Issuer reported only one account of R295,395 in early arrears (< 3 months) at 30 April 2019. Zero loans have defaulted (≥ 3 months in arrears).

An annualised prepayment rate of 14.6% over the three quarters since Transaction close to April 2019 was calculated. However, the annualised net repayment rate on the home loans is only 8.1% (referencing the May 2018 indicative portfolio) due to the effect of redraws, re-advances and further advances. The annualised repayment rate on the Notes is 9.5%.

GCR observed a negative excess spread of -1.11% for the first quarter (ending November 2018). This is due to the home loan portfolio being built up as assets were acquired by the Issuer over the Pre-Funding Period that ended on 8 November 2018, and does not reflect expected performance. As expected, the excess spread normalised to 1.02% (not annualised) for the second quarter. For the third quarter, an excess spread of 0.51% (not annualised) was calculated.

The weighted average margin to 3M-JIBAR on the Notes increased by 5bps since Transaction close to 133bps at 20 May 2019 due to the paydown of the lowest interest Class A1 Notes first, while the weighted average margin to Prime on the assets increased by 1bps from -0.78% to -0.77%. Step-Up Interest Rates will begin to apply to any outstanding Class A1 Notes in August 2021, and to Class A2, A3 and B1 Notes in August 2023.

As at 30 April 2019, the home loan portfolio reported a weighted average Current Loan to Value ratio of 69.5% (May '18 indicative portfolio: 70.6%), a weighted average Original Loan to Value ratio of 76.0% (May '18: 75.2%) and a weighted average Debt to Income ratio of 23.2% (May '18: 20.4%).

The reported average current property value has increased slightly as a result of Lightstone indexed valuations being used regularly to revalue the portfolio.

Table 4: Portfolio Property Value

	Property Portfolio (Indicative Pool – 31 May 2018)	Property Portfolio Jan 2019**
Number of Properties*:	832	833
Average Latest Property Value:	R2,547,536	R2,531,113
Total Latest Property Value:	R2,119,549,812	R2,108,417,516
Total Latest Property Value/Outstanding Notes at following Payment Date:	1.59	1.65

Source: Investec, GCR calculation

*The home loan portfolio is amortising and, therefore, the number of loans has decreased over the year.

**January 2019 is the date of the last portfolio pool cut received by GCR.

86% of latest property values for May 2018 and 88% for January 2019 were current Lightstone indexed valuations ("IPV"). The remainder may be physical, automated or desktop valuations and may not be current.

Disclaimer

Note that GCR is not a legal, tax or financial adviser, and only provides a credit opinion of the rated securities. For example, a rating does not cover a potential change in laws nor can it be regarded as an audit. Moreover, GCR is not a party to the Transaction documents. Users of our credit ratings should familiarise themselves with all aspects of the Transaction (including the Programme legal opinion), and should form their own views in this respect. They should not rely on GCR for legal, tax or financial advice, and are encouraged to contact the relevant advisers.

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Related Criteria and Research

Global Master Structured Finance Rating Criteria – Sep '18
 Global Residential Mortgage Backed Securities Rating Criteria - Nov '18
 Fox Street 6 (RF) Ltd New Ratings Report - Aug '18
 Investec Bank Limited Financial Institution Ratings Report - Nov '18

Ratings History

Fox Street 5 (RF) Limited

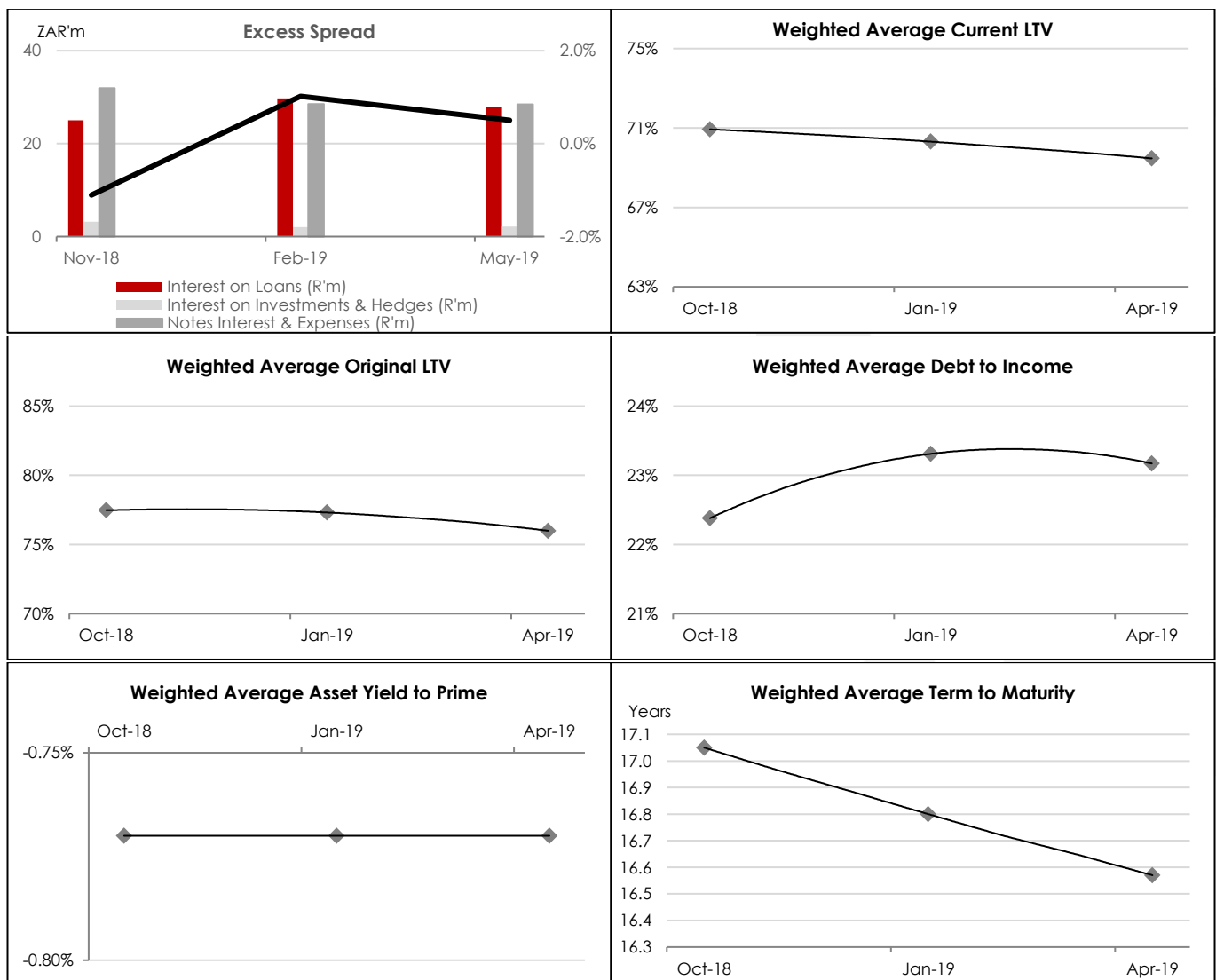
Security class	Review	Rating class	Rating	Outlook	Date
Class A1	Initial & Last	Issue Long Term	AAA _{(ZA)(sf)}	Stable	8 Aug 2018
Class A2	Initial & Last	Issue Long Term	AAA _{(ZA)(sf)}	Stable	8 Aug 2018
Class A3	Initial & Last	Issue Long Term	AAA _{(ZA)(sf)}	Stable	8 Aug 2018
Class B1	Initial & Last	Issue Long Term	AA _{(ZA)(sf)}	Stable	8 Aug 2018
Class C1	Initial & Last	Issue Long Term	A+ _{(ZA)(sf)}	Stable	8 Aug 2018
Class D1	Initial & Last	Issue Long Term	BBB _{(ZA)(sf)}	Stable	8 Aug 2018

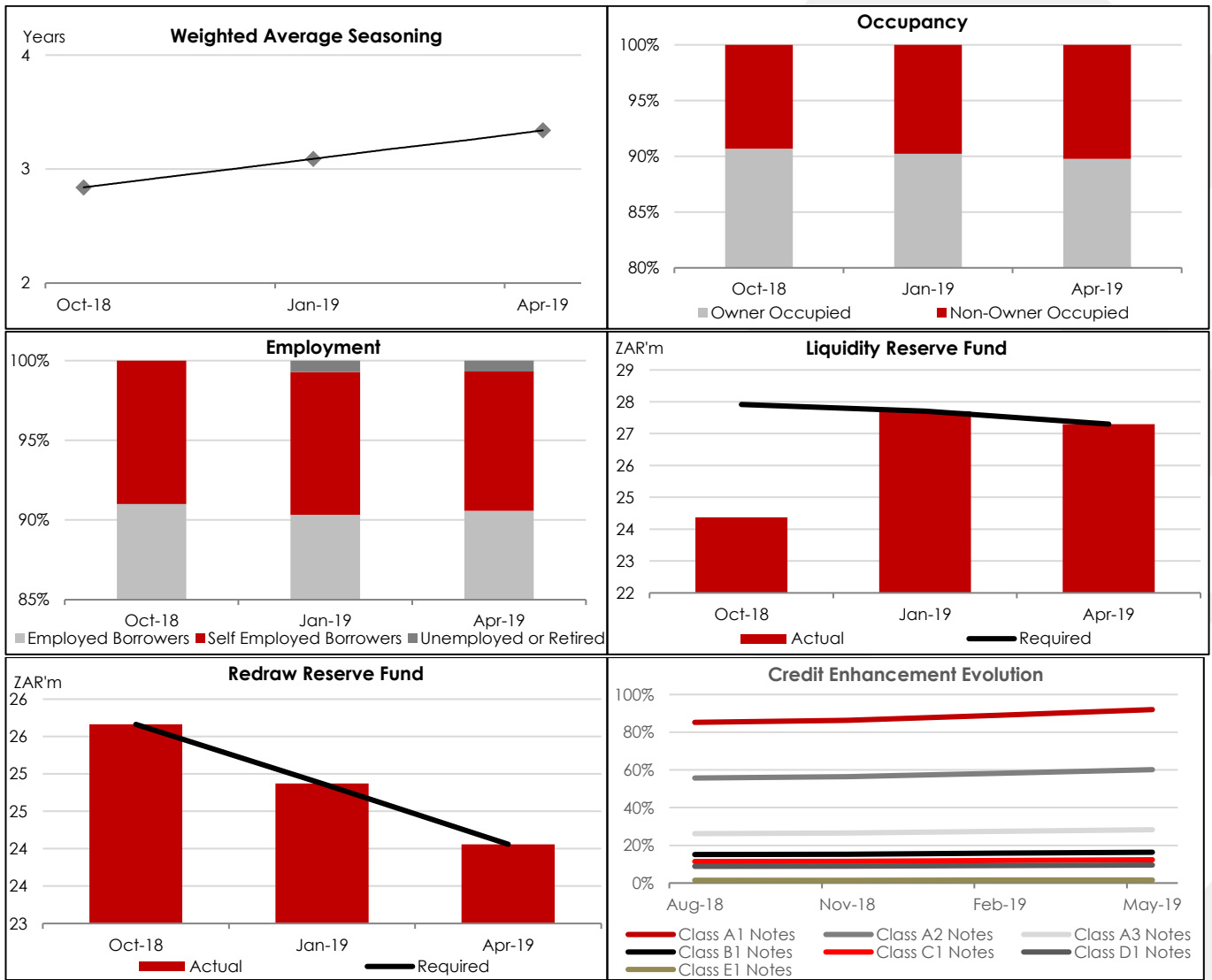
Key Counterparties

Counterparty	Role(s)	Rating Class	Rating	Outlook / Watch
Investec Bank Limited	Administrator/Arranger/Calculation Agent/Dealer/ Debt Sponsor/Account Bank/GIC Provider/Hedge Provider/Lead Manager/Originator/Paying Agent/Redraw Facility/Service/Transfer Agent/Subordinated Loan Provider/Preference Shareholder	Issuer	AA _(ZA)	Stable Outlook
Fox Street 6 Owner Trust	Issuer owner trust	N.A.	N.A.	N.A.
Quadridge Trust Services (Pty) Ltd	Issuer owner trustee	N.A.	N.A.	N.A.
Fox Street 5 Security SPV (RF) Pty Ltd	Security SPV	N.A.	N.A.	N.A.
Fox Street 5 Security SPV Owner Trust	Security SPV Owner Trust	N.A.	N.A.	N.A.
Quadridge Trust Services (Pty) Ltd	Security SPV Owner Trustee	N.A.	N.A.	N.A.

APPENDIX A – Surveillance Data

Key Portfolio Characteristics	Original (31 May 2018 indicative portfolio)	31 January 2019 (date of pool cut used for default modelling)	30 April 2019
Weighted Average Current LTV	70.60%	70.31%	69.47%
Weighted Average Original LTV	75.19%	77.30%	75.99%
Weighted Average Debt to Income	20.40%	23.31%	23.17%
Weighted Average Asset Margin to Prime	-0.78%	-0.77%	-0.77%
Weighted Average Seasoning	2.37	3.09	3.34
Weighted Average Term to Maturity	17.52	16.81	16.57
Number of Loans	832	833	817
Total Outstanding Loan Balance	R1,300,129,238	R1,243,527,365	R1,202,973,627
Average Outstanding Loan Balance	R1,562,655	R1,494,624	R1,474,232
Geographic Concentration – Gauteng	46.20%	49.97%	49.61%
Geographic Concentration – Western Cape	38.68%	36.37%	37.03%
Non-Owner Occupied %	9.14%	9.76%	10.23%
Self-employed Borrowers %	8.85%	8.96%	8.74%





Source: Investor Reports

APPENDIX B – Capital Structure

Security class	Long term rating	Outlook	Issued amount (8 Aug '18)	Outstanding amount (20 May '19)	Tranche size (% of Notes + Sub Loan, May '19)	CE* (% of Notes + Sub Loan, May '19)	CE (Aug '18)	Coupon	Step-up coupon	Maturity date
Class A1 Notes	AAA _{(ZA)(sf)}	Stable	R200m	R100.3m	7.99%	92.01%	85.24%	3M-JIBAR + 0.69%	3M JIBAR + 0.89%	May '47
Class A2 Notes	AAA _{(ZA)(sf)}	Stable	R400m	R400m	31.86%	60.15%	55.72%	3M-JIBAR + 1.05%	3M JIBAR + 1.25%	May '47
Class A3 Notes	AAA _{(ZA)(sf)}	Stable	R400m	R400m	31.86%	28.28%	26.20%	3M-JIBAR + 1.24%	3M JIBAR + 1.44%	May '47
Class B1 Notes	AA _{(ZA)(sf)}	Stable	R150m	R150m	11.95%	16.33%	15.13%	3M-JIBAR + 1.38%	3M JIBAR + 1.58%	May '47
Class C1 Notes	A+ _{(ZA)(sf)}	Stable	R50m	R50m	3.98%	12.35%	11.44%	3M-JIBAR + 1.85%	N.A.	May '47
Class D1 Notes	BBB _{(ZA)(sf)}	Stable	R35m	R35m	2.79%	9.56%	8.86%	3M-JIBAR + 2.25%	N.A.	May '47
Class E1 Notes	Unrated		R100m	R100m	7.97%	1.60%	1.48%	3M-JIBAR + 2.80%	N.A.	May '47
Total Notes			R1,335m	R1,235.3m	98.40%					
Subordinated Loan	Unrated		R20.04m	R20.04m	1.60%		-	3M-JIBAR + 3.20%		N.A.
Total Notes & Sub Loan			R1,355.04m	R1,255.3m						

Source: Investec

*CE: Credit Enhancement as a percentage of Notes plus Subordinated Loan.

APPENDIX C – Portfolio Stratification (as at January 2019)

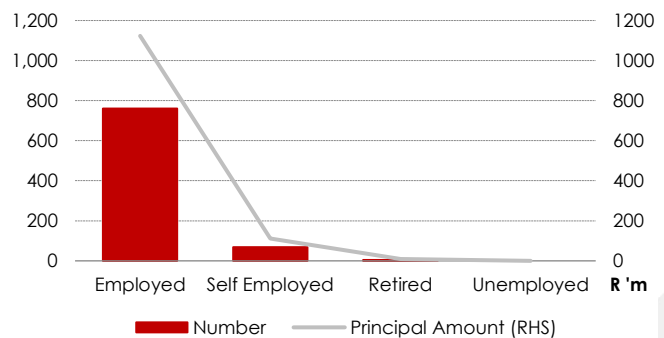
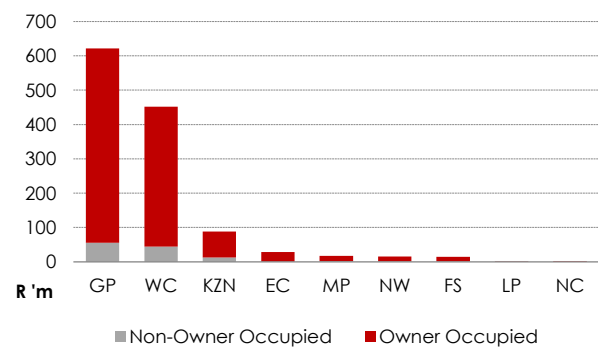
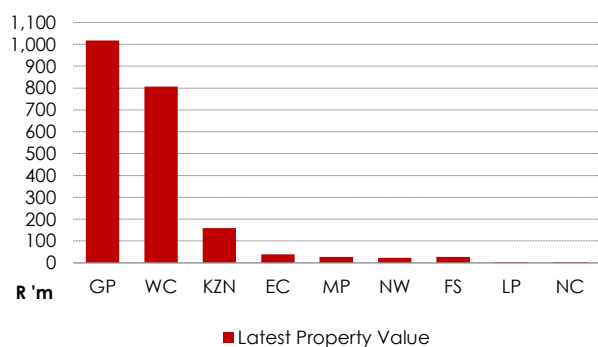
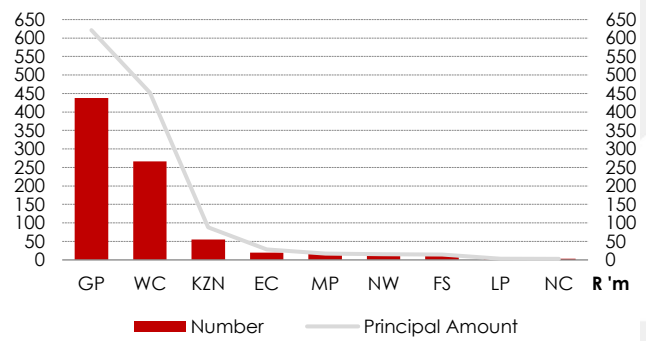
Province	Number	Principal Amount (ZAR) [a]	[a]%	[a]% Jun '18*
GP	438	621,407,736	50.0%	45.9%
WC	266	452,302,722	36.4%	38.9%
KZN	55	88,403,469	7.1%	9.4%
EC	20	28,583,628	2.3%	3.1%
MP	17	17,225,671	1.4%	1.0%
NW	15	15,410,785	1.2%	0.7%
FS	13	14,410,043	1.2%	0.7%
LP	6	2,951,655	0.2%	0.2%
NC	3	2,831,656	0.2%	0.2%
Total	833	1,243,527,365	100.0%	100.0%

*30 June 2018 indicative portfolio.

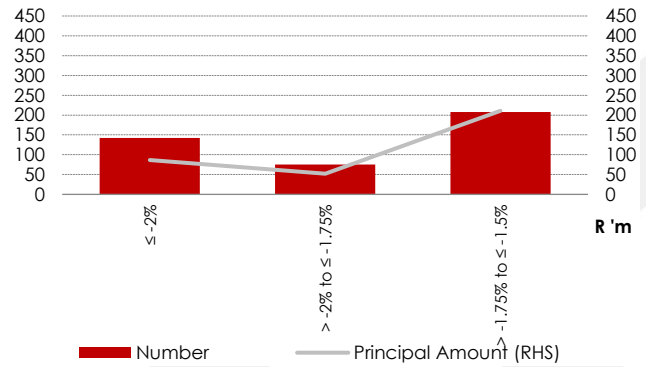
Province	Principal Amount (ZAR) [a]	Latest Property Value (ZAR) [b]	[a]/[b] %	[a]/[b] % Jun '18
GP	621,407,736	1,018,273,915	61.0%	68.9%
WC	452,302,722	807,172,230	56.0%	60.2%
KZN	88,403,469	159,132,067	55.6%	62.8%
EC	28,583,628	38,695,388	73.9%	73.0%
MP	17,225,671	26,789,311	64.3%	74.9%
NW	15,410,785	22,858,574	67.4%	76.2%
FS	14,410,043	27,092,295	53.2%	74.9%
LP	2,951,655	3,993,716	73.9%	78.6%
NC	2,831,656	4,410,021	64.2%	67.5%
Total	1,243,527,365	2,108,417,516	59.0%	64.9%

Province	Non-Owner Occupied (ZAR) [a]	Owner Occupied (ZAR) [b]	[b]/[a+b] %	[b]/[a+b] % Jun '18
GP	55,691,375	565,716,360	91.0%	90.4%
WC	44,758,435	407,544,287	90.1%	91.9%
KZN	12,622,862	75,780,607	85.7%	88.0%
EC	281,184	28,302,443	99.0%	93.9%
MP	2,138,490	15,087,181	87.6%	87.2%
NW	1,890,545	13,520,240	87.7%	93.3%
FS	1,873,978	12,536,065	87.0%	88.4%
LP	1,264,275	1,687,379	57.2%	61.4%
NC	831,115	2,000,540	70.6%	85.2%
Total	121,352,260	1,122,175,105	90.2%	90.8%

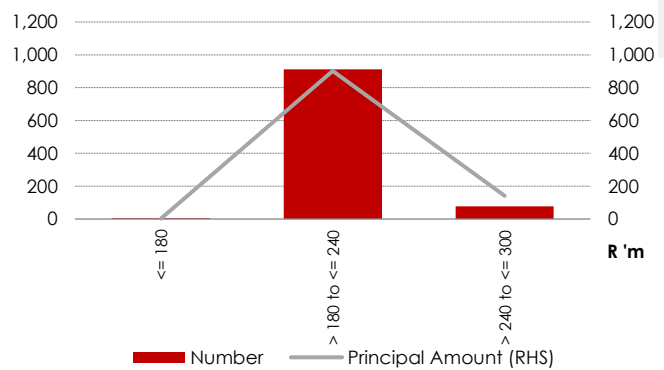
Employment	Number	Principal Amount (ZAR) [a]	[a]%	[a]% Jun '18
Employed	760	1,123,248,699	90.3%	91.6%
Self Employed	68	111,394,935	9.0%	8.4%
Retired	5	8,883,731	0.7%	0.0%
Unemployed	0	0	0.0%	0.0%
Total	833	1,243,527,365	100.0%	100.0%



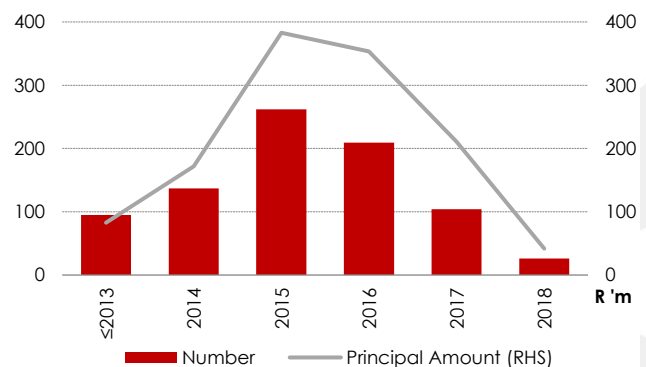
Margin to Prime	Number	Principal Amount (ZAR) [a]	[a]%	[a]% Jun '18
> -1.25% to ≤ -1%	239	437,374,018	35.2%	38.0%
> -1% to ≤ -0.75%	248	415,412,192	33.4%	32.7%
> -0.75%	346	390,741,155	31.4%	29.2%
Total	833	1,243,527,365	100.0%	100.0%



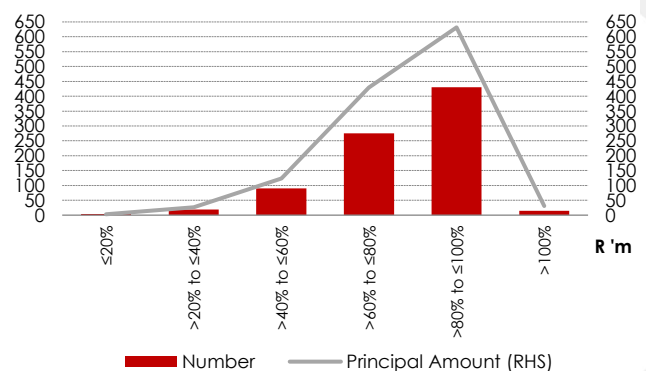
Original Term	Number	Principal Amount (ZAR) [a]	[a]%	[a]% Jun '18
≤ 180	12	21,705,737	1.7%	1.2%
> 180 to ≤ 240	790	1,161,932,118	93.4%	96.2%
> 240	31	59,889,509	4.8%	2.6%
Total	833	1,243,527,365	100.0%	100.0%



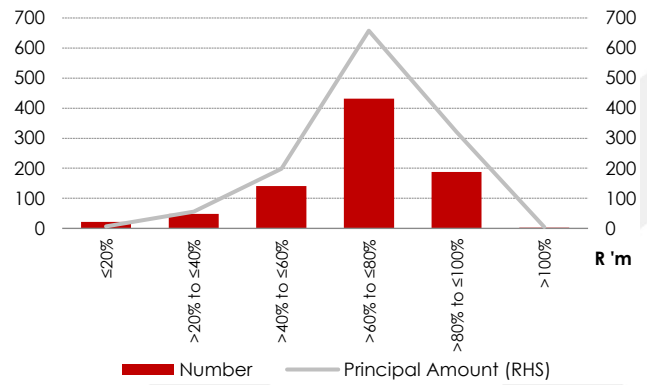
Origination Year	Number	Principal Amount (ZAR) [a]	[a]%	[a]% Jun '18
≤ 2013	95	82,639,903	6.6%	7.2%
2014	137	171,702,365	13.8%	11.3%
2015	262	382,863,981	30.8%	30.4%
2016	209	353,688,814	28.4%	27.4%
2017	104	210,843,791	17.0%	19.9%
2018	26	41,788,513	3.4%	3.9%
Total	833	1,243,527,365	100.0%	100.0%



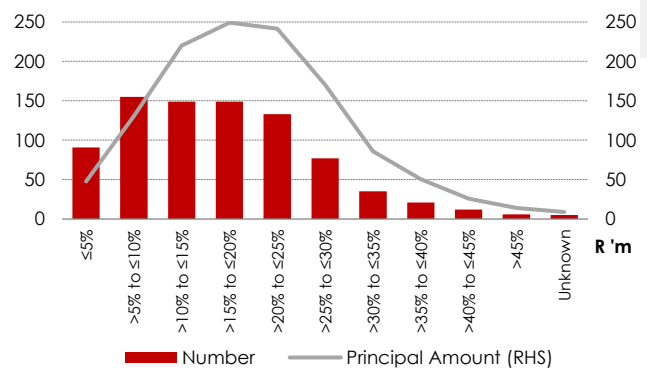
OLTV	Number	Principal Amount (ZAR) [a]	[a]%	[a]% Jun '18
≤ 20%	4	2,949,725	0.2%	0.4%
> 20% to ≤ 40%	19	26,182,885	2.1%	2.8%
> 40% to ≤ 60%	90	123,060,540	9.9%	11.6%
> 60% to ≤ 80%	275	429,332,056	34.5%	36.1%
> 80% to ≤ 100%	430	631,611,664	50.8%	48.0%
> 100%	15	30,390,495	2.4%	1.0%
Total	833	1,243,527,365	100.0%	100.0%



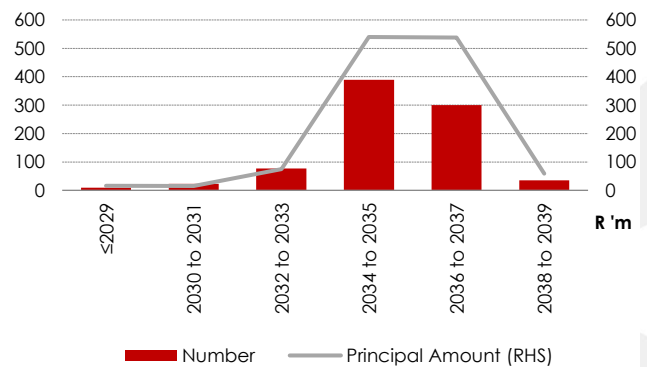
CLTV	Number	Principal Amount (ZAR) [a]	[a]%	[a]% Jun '18
≤20%	22	6,420,875	3.2%	0.7%
>20% to ≤40%	48	55,520,350	11.7%	4.8%
>40% to ≤60%	141	198,277,344	19.3%	15.0%
>60% to ≤80%	432	657,598,649	36.6%	52.2%
>80% to ≤100%	188	321,030,627	28.7%	27.2%
>100%	2	4,679,520	0.5%	0.1%
Total	833	1,243,527,365	100.0%	100.0%



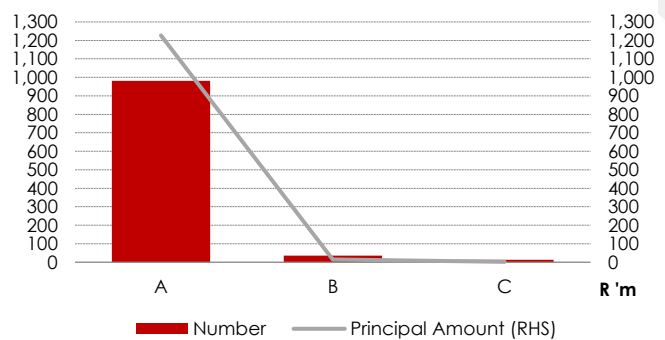
PTI (Annual Income / 12)	Number	Principal Amount (ZAR) [a]	[a]%	[a]% Jun '18
≤5%	91	47,623,082	3.8%	4.5%
>5% to ≤10%	155	130,415,101	10.5%	10.6%
>10% to ≤15%	149	219,780,264	17.7%	15.7%
>15% to ≤20%	149	249,139,001	20.0%	19.8%
>20% to ≤25%	133	241,289,409	19.4%	17.5%
>25% to ≤30%	77	169,893,102	13.7%	16.7%
>30% to ≤35%	35	86,063,241	6.9%	7.8%
>35% to ≤40%	21	50,527,186	4.1%	4.4%
>40% to ≤45%	12	25,703,695	2.1%	2.4%
>45%	6	14,209,552	1.1%	0.6%
Unknown	5	8,883,731	0.7%	0.0%
Total	833	1,243,527,365	100.0%	100.0%



Maturity Year	Number	Principal Amount (ZAR) [a]	[a]%	[a]% Jun '18
≤2029	9	16,366,827	1.3%	0.93%
2030 to 2031	23	15,340,707	1.2%	1.80%
2032 to 2033	77	74,640,102	6.0%	5.79%
2034 to 2035	389	539,958,563	43.4%	41.33%
2036 to 2037	300	537,917,366	43.3%	46.13%
2038 to 2039	35	59,303,799	4.8%	4.02%
Total	833	1,243,527,365	100.0%	100.0%



Borrower Credit Code	Number	Principal Amount (ZAR) [a]	[a]%	[a]% Jun '18
A	823	1,226,918,721	98.7%	100.0%
B	8	14,407,292	1.2%	0.0%
C	2	2,201,353	0.2%	0.0%
Total	833	1,243,527,365	100.0%	100.0%



Source: Investec

APPENDIX D – Rating Sensitivities

Security class	Rating	15% Increase of WADF	30% Increase of WADF	15% Decrease of WARR	30% Decrease of WARR	15% Increase of WADF and 15% Decrease of WARR	30% Increase of WADF and 30% Decrease of WARR
Class A1	AAA _(ZA) (sf)	AAA _(ZA) (sf)	AA _(ZA) (sf)	AAA _(ZA) (sf)	AAA _(ZA) (sf)	AAA _(ZA) (sf)	AA _(ZA) (sf)
Class A2	AAA _(ZA) (sf)	AAA _(ZA) (sf)	AA _(ZA) (sf)	AAA _(ZA) (sf)	AAA _(ZA) (sf)	AAA _(ZA) (sf)	AA _(ZA) (sf)
Class A3	AAA _(ZA) (sf)	AAA _(ZA) (sf)	AA _(ZA) (sf)	AAA _(ZA) (sf)	AAA _(ZA) (sf)	AAA _(ZA) (sf)	AA _(ZA) (sf)
Class B1	AA _(ZA) (sf)	AA _(ZA) (sf)	A+ _(ZA) (sf)	AA _(ZA) (sf)	AA _(ZA) (sf)	AA _(ZA) (sf)	A _(ZA) (sf)
Class C1	A+ _(ZA) (sf)	A _(ZA) (sf)	BBB+ _(ZA) (sf)	A _(ZA) (sf)	BBB+ _(ZA) (sf)	BBB+ _(ZA) (sf)	BBB _(ZA) (sf)
Class D1	BBB _(ZA) (sf)	BB+ _(ZA) (sf)	BB _(ZA) (sf)	BB+ _(ZA) (sf)	BB _(ZA) (sf)	BB _(ZA) (sf)	B+ _(ZA) (sf)

GLOSSARY OF TERMS/ACRONYMS

Administrator	A transaction appointed agent responsible for the managing of a Conduit or a Special Purpose Vehicle. The responsibilities may include maintaining the bank accounts, making payments and monitoring the transaction performance.
Advance	A lending term, to transfer funds from the creditor to the debtor.
Agent	An agreement where one party (agent) concludes a juristic act on behalf of the other (principal). The agent undertakes to perform a task or mandate on behalf of the principal.
Amortisation	From a liability perspective, the paying off of debt in a series of instalments over a period of time. From an asset perspective, the spreading of capital expenses for intangible assets over a specific period of time (usually over the asset's useful life).
Arrears	General term for non-performing obligations, i.e. obligations that are overdue.
Asset	An item with economic value that an entity owns or controls.
Bond	A long term debt instrument issued by either: a company, institution or the government to raise funds.
Borrower	The party indebted or the person making repayments for its borrowings.
Call Option	A provision that allows an Issuer the right, not the obligation, to repurchase a security before its maturity at an agreed price. The seller has the obligation to sell the security if the call option holder exercises the option.
Capital	The sum of money that is used to generate proceeds.
Cash Flow	A financial term for monetary changes in operations, investing and financing activities.
Collateral	An asset pledged as security in event of default.
Commingling	The mixing of various transaction parties' funds in an account.
Coupon	Interest payment on a security.
Covenant	A provision that is indicative of performance. Covenants are either positive or negative. Positive covenants are activities that the borrower commits to, typically in its normal course of business. Negative covenants are certain limits and restrictions on the borrowers' activities.
Credit	A contractual agreement in which a borrower receives something of value now, and agrees to repay the lender at some date in the future, generally with interest. The term also refers to the borrowing capacity of an individual or company
Credit Enhancement	Limited protection to a transaction against losses arising from the assets. The credit enhancement can be either internal or external. Internal credit enhancement may include: Subordination; over-collateralisation; excess spread; security package; arrears reserve; reserve fund and hedging. External credit enhancement may include: Guarantees; Letters of Credit and hedging.
Credit Rating	An opinion regarding the creditworthiness of an entity, a security or financial instrument, or an issuer of securities or financial instruments, using an established and defined ranking system of rating categories.
Credit Risk	The probability or likelihood that a borrower or issuer will not meet its debt obligations. Credit Risk can further be separated between current credit risk (immediate) and potential credit risk (deferred).
Debt	An obligation to repay a sum of money.
Debt Sponsor	Usually as Investment bank that brings a transaction to the capital markets, similar to an Arranger.
Default	A default occurs when: 1.) The Borrower is unable to repay its debt obligations in full; 2.) A credit-loss event such as charge-off, specific provision or distressed restructuring involving the forgiveness or postponement of obligations; 3.) The borrower is past due more than X days on any debt obligations as defined in the transaction documents; 4.) The obligor has filed for bankruptcy or similar protection from creditors.
Desktop	An assessment of the property value, with the value being compared to similar properties in the area.
Downgrade	The assignment of a lower credit rating to a corporate, sovereign or debt instrument by a credit rating agency. Opposite of upgrade.
Enforcement	To make sure people do what is required by a law or rule et cetera.
Environment	The surroundings or conditions in which an entity operates (Economic, Financial, Natural).
Excess Spread	The net weighted average interest rate receivable on a pool of assets being greater than the weighted average interest rate payable for the debt securities.
Guarantee	An undertaking for performance of another's obligations in event of default.
Guaranteed Investment Contract	A contract that guarantees the principal and interest repayment over a period of time. Typically GIC are used in relation to a bank account.
Income	Money received, especially on a regular basis, for work or through investments.
Index	An assessment of the property value, with the value being compared to similar properties in the area.
Issuer	The party indebted or the person making repayments for its borrowings.
Junior	A security that has a lower repayment priority than senior securities.
Liability	All financial claims, debts or potential losses incurred by an individual or an organisation.
Liquidity	The ability to repay short-term obligations or short-term availability of liquid assets to a market or entity.
Liquidity Risk	The risk that a company may not be able to meet its financial obligations or other operational cash requirements due to an inability to timeously realise cash from its assets. Regarding securities, the risk that a financial instrument cannot be traded at its market price due to the size, structure or efficiency of the market.
Loan	A sum of money borrowed by a debtor that is expected to be paid back with interest to the creditor. A debt instrument where immovable property is the collateral for the loan. A mortgage gives the lender a right to take possession of the property if the borrower fails to repay the loan. Registration is a prerequisite for the existence of any mortgage loan. A mortgage can be registered over either a corporeal or incorporeal property, even if it does not belong to the mortgagee. Also called a Mortgage bond.
Loss	A tangible or intangible, financial or non-financial loss of economic value.
Market	An assessment of the property value, with the value being compared to similar properties in the area.
Obligation	The title given to the legal relationship that exists between parties to an agreement when they acquire personal rights against each other for entitlement to perform.
Option	Either a call or a put option. A call option gives the holder the right to buy assets at an agreed price on or before a particular date. A put option gives the holder the right to sell assets at an agreed price on or before a particular date.
Origination	A process of creating assets.

Originator	An entity that created assets and hold on balance sheet for securitisation purposes.
Owner Trust	Owner of a securitisation vehicle that acts in the best interest of the Noteholders.
Payment Date	The date on which the payment of a coupon is made.
Prepayment	Early or excess repayment of an obligation. Partial or full prepayment of the outstanding loan amount.
Prepayment Rate	The rate of prepayment in relation to the pool of obligations. Also called prepayment speed.
Principal	The total amount borrowed or lent, e.g. the face value of a bond, excluding interest.
Private	An issuance of securities without market participation, however, with a select few investors. Placed on a private basis and not in the open market.
Property	Movable or immovable asset.
Provision	An amount set aside for expected losses to be incurred by a creditor.
Rating Outlook	A Rating outlook indicates the potential direction of a rated entity's rating over the medium term, typically one to two years. An outlook may be defined as: 'Stable' (nothing to suggest that the rating will change), 'Positive' (the rating symbol may be raised), 'Negative' (the rating symbol may be lowered) or 'Evolving' (the rating symbol may be raised or lowered).
Recovery	The action or process of regaining possession or control of something lost. To recoup losses.
Repayment	Payment made to honour obligations in regards to a credit agreement in the following credited order: 3.) Satisfy the due or unpaid interest charges; 4.) Satisfy the due or unpaid fees or charges; and 5.) To reduce the amount of the principal debt.
Reserves	A portion of funds allocated for an eventuality.
Seasoning	The age of an asset, the time period passed since origination.
Securities	Various instruments used in the capital market to raise funds.
Securitisation	Is a process of repackaging portfolios of cash-flow producing financial instruments into securities for sale to third parties.
Security	An asset deposited or pledged as a guarantee of the fulfilment of an undertaking or the repayment of a loan, to be forfeited in case of default.
Senior	A security that has a higher repayment priority than junior securities.
Servicer	A transaction appointed agent that performs the servicing of mortgage loans, loan or obligations.
Shareholder	An individual, entity or financial institution that holds shares or stock in an organisation or company.
Spread	The interest rate that is paid in addition to the reference rate for debt securities.
Stock Code	A unique code allocated to a publicly listed security.
Structured Finance	A method of raising funds in the capital markets. A Structured Finance transaction is established to accomplish certain funding objectives whilst reducing risk.
Subordinated Loan	A loan typically given by the Issuer to the securitisation vehicle that is more junior than a junior tranche.
Surveillance	Process of monitoring a transaction according to triggers, covenants and key performance indicators.
Timely Payment	The principal debt, interest, fees and expenses being repaid promptly in accordance with the contractual obligation.
Tranche	In a structured finance, a slice or portion of debt securities offered that is structured or grouped to resemble the same degree of risk associated with the underlying asset or with a similar degree of risk. A junior tranche has a higher degree of default risk than a senior tranche.
Transaction	A transaction that enables an Issuer to issue debt securities in the capital markets. A debt issuance programme that allows an Issuer the continued and flexible issuance of several types of securities in accordance with the programme terms and conditions.
Trust	A third party that acts in the best interest of another party, according to the trust deed, usually the investors. Owner of a securitisation vehicle that acts in the best interest of the Noteholders.
Trustee	A third party that acts in the best interest of another party, according to the trust deed, usually the investors. Owner of a securitisation vehicle that acts in the best interest of the Noteholders.
Ultimate Payment	A measure of the principal debt, interest, fees and expenses being repaid over a period of time determined by recoveries.
Valuation	An assessment of the property value, with the value being compared to similar properties in the area.
Waterfall	In securitisation, the order in which the cash flows are allocated to the transaction parties.
Weighted	The weight that a single obligation has in relation to the aggregated pool of obligations. For example, a single mortgage principal balance divided by the aggregated mortgage pool principal balance.
Weighted Average	An average resulting from the multiplication of each component by a factor reflecting its importance or relative size to a pool of assets or liabilities.

SALIENT POINTS OF ACCORDED RATINGS

GCR affirms that a.) no part of the rating was influenced by any other business activities of the credit rating agency; b.) the rating was based solely on the merits of the rated entity, security or financial instrument being rated; c.) such rating was an independent evaluation of the risks and merits of the rated entity, security or financial instrument; and d.) the validity of the rating is for a maximum of 12 months, or earlier as indicated by the applicable credit rating document.

The credit rating has been disclosed to Investec Bank Limited. The rating above was solicited by, or on behalf of, the rated entity, and therefore, GCR has been compensated for the provision of the rating.

Investec Limited participated in the rating process via face-to-face management meetings, teleconferences and other written correspondence. Furthermore, the quality of information received was considered adequate and has been independently verified where possible. The information received from Investec Limited and other reliable third parties to accord the credit rating included:

- A portfolio pool cut dated January 2019
- The quarterly Investor Reports until 20 May 2019 (current)

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