GCR RATINGS

Credit Rating Report | Public Ratings | March 2022

Richefond Circle (RF) Limited

Class	Rating Class	Rating Scale	Rating	Outlook / Watch	Issuance Amount (ZAR)	Scheduled Maturity (Interest Step-Up Date)	Final Redemption Date
Class A	Long Term Issue	National	$AAA_{(ZA)(sf)}$	Stable	825,000,000	Dec 2026	Mar 2034
Class B	Long Term Issue	National	$AA\text{-}_{(ZA)(sf)}$	Stable	125,000,000	Dec 2026	Mar 2034
Class C	Long Term Issue	National	$A\text{-}_{(ZA)(sf)}$	Stable	57,000,000	Dec 2026	Mar 2034
Class D	Long Term Issue	National	Unrated	N.A.	50,000,000	Dec 2026	Mar 2034

Rating Action

GCR Ratings ("GCR") has accorded the following national scale, long term issue credit ratings to the following Notes issued by Richefond Circle (RF) Limited ("Richefond Circle" or the "Issuer") on 9 March 2022:

- Class A Notes; $AAA_{(ZA)(sf)}$ Stable Outlook
- Class B Notes; $AA\text{-}_{(ZA)(sf)}$ Stable Outlook
- Class C Notes; $A\text{-}_{(ZA)(sf)}$ Stable Outlook

In addition, the Issuer issued R50m of unrated Class D Notes and obtained an unrated Subordinated Loan advance of R57m.

The credit ratings accorded to the Class A Notes relate to timely payment of interest and ultimate payment of principal by Final Maturity Date. The ratings accorded to the Class B and Class C Notes relate to ultimate payment of both interest and principal by Final Maturity Date. The ratings exclude an assessment of the ability of the Issuer to pay either any (early repayment) penalties or any default interest rate penalties, which are anyway not applicable to this Transaction.

Rating Rationale

GCR modelled the Transaction's cash flows according to its capital structure and Priorities of Payments, applying its Criteria for Rating Structured Finance Transactions, September 2018, Criteria for Rating Residential Mortgage Backed Securities ("RMBS"), November 2018 and Criteria for Rating Consumer Asset Backed Securities, September 2018. Richefond Circle's asset portfolio was modelled based on the final (31 January 2022) pool provided to GCR, with defaults, recoveries, prepayments and arrears, *inter alia*, modelled as described later in this report. The rating outcome is a direct result of the modelling of the Transaction's cash flows in successively more stressful rating scenarios.

Transaction Strengths

- Borrowers are entrepreneurs in good financial standing that satisfy Investec Bank Limited's ("Investec's") credit criteria. Clients align with Investec's target market of High-Net-Worth individuals with real estate experience.
- Assets are already income-producing, underpinned by tenant rentals.
- Assets are secured by Mortgage Bonds, cession of leases, guarantees, sureties and insurance cover.

- Historical defaults are low. Recoveries on defaults, driven by low loan-to-value ratios, are high.
- Credit enhancement will be available to the Notes through subordination of the Subordinated Loan and junior classes of Notes as per the Priority of Payments, and possible excess spread to be earned.
- A Stop Purchase Event will lead to early redemption of Notes should certain characteristics of the Transaction reach pre-defined levels.
- The Principal Deficiency mechanism allows for interest deferral and deployment of excess spread towards acquisition of Additional Assets (during the Revolving Period) or redemption of Notes (after the end of the Revolving Period).
- The asset pool's short weighted average remaining term covenant of 3.5 years, Maximum Term of five years and Final Loan Maturity Date of seven years from Initial Issue Date, along with the long Notes maturity of twelve years and high modelled recovery rates implies that substantial recoveries on defaults are deemed likely to be realised in time.

Transaction Weaknesses

- The replacement of the primary Servicer with a Standby Servicer is provided for only on termination of the appointment of the primary Servicer or a Servicer Event of Default, and not by a prior rating- or performance-based trigger. GCR deems this to entail some risk of cash flow disruption.
- The asset pool is concentrated, with only 47 loans
- Loans are relatively short-term (up to five years) with residual payments due at maturity that may be large. Refinancing risk may be associated with these residuals.
- Time to realisation of recoveries on defaulted loans may be long as a result of protracted legal processes. Average time to recovery on property liquidations as reflected in Investec data and as modelled for this Transaction is 45 months.

Transaction Structure

Summary

Richefond Circle has issued Notes under its newly established R7bn Commercial Property Loan Mortgage-Backed Securitisation Programme.

Using the proceeds of the Notes issuance, the Issuer will acquire an initial portfolio of Participating Assets, incorporating income-producing Commercial Property Loan Agreements originated by Investec and their Related Security, which includes Mortgage Bonds. The date of acquisition of each asset is to be the date of registration of its related Mortgage Bond in the name of the Issuer. The entire proceeds of the Notes issuance, R1.057m, are therefore held in the Capital Reserve as the Asset Acquisition Pre-Funding Amount, to be deployed towards the Purchase Price of Participating Assets as and when Mortgage Bonds register. The Asset Acquisition Pre-Funding Period ends on 9 September 2022. Any surplus of the Asset Acquisition Pre-Funding Amount on this date will be released from the Capital Reserve and will form part of Available Funds to be applied in accordance with the Priority of Payments.

While the Transaction makes provision for a Warehouse Facility provided by Investec, which would be repaid in full using the proceeds of the issuance, to be used to fund acquisition of assets by the Issuer prior to the Initial Issue Date, this has not been utilised for the initial issuance.

The Issuer will make payments in terms of the Pre-Enforcement Priority of Payments until an Enforcement Notice is delivered following an Event of Default under the Notes, after which the Post-Enforcement Priority of Payments will apply. Both Priorities of Payments provide for Notes interest payments that are sequential by Class, *inter alia*. The Pre-Enforcement Priority of Payments provides for acquisition of additional Participating Assets during the Revolving Period using cash collections of a principal nature. Such acquisition is subject to Eligibility Criteria and Portfolio Covenants. The Revolving Period will end on the occurrence of a Stop Purchase Event. After such event, all funds available at the relevant stage of the Priority of Payments will be used to redeem Notes.

Investec has been appointed as Servicer and Administrator of the Transaction. Investec is also the Redraw Facility Provider, Hedge Counterparty, Account Bank and Guaranteed Investment Contract ("GIC") counterparty.

Redraws and Further Advances which may be granted on the Participating Assets may be funded using funds available in terms of the Priority of Payments that are derived from collections of a principal nature, the Redraw Reserve and/or the Redraw Facility.

Reserves include the Liquidity Reserve, Redraw Reserve, Capital Reserve and Mortgage Bonds Registration Costs Reserve. The Liquidity Reserve and Redraw Reserve will be funded, subject to funds being available in terms of the Priority of Payments, up to their Required Amounts on each Quarterly Payment Date during the Revolving Period. They will no longer be funded after the end of the Revolving Period. The Capital Reserve holds the Asset Acquisition Pre-Funding Amount.

The Security SPV has been incorporated for the purposes of holding and, after delivery of an Enforcement Notice, realising Security for the benefit of the Secured Creditors (including Noteholders). The Security SPV has executed a Guarantee in favour of Noteholders and other Secured Creditors. The Issuer has indemnified the Security SPV in respect of claims that may be made against it arising out of the Guarantee. The Issuer's obligations under the Indemnity are secured in terms of the Security Agreements.

Notes

The Notes constitute direct, limited recourse, secured obligations of the Issuer. The Notes were issued in four Classes: Class A, Class B, Class C and Class D.

The claims of the Noteholders (whether in respect of principal, interest or otherwise) shall be subordinated to the claims of higher-ranking creditors in accordance with the relevant Priority of Payments.

Subordinated Loan

In addition to the proceeds of the Notes issuance, the Issuer received an advance under the Subordinated Loan, which has been used to fund the Reserves. The Subordinated Loan Provider is Investec. Interest and principal payments on the Subordinated Loan are subordinated to those on the Notes in terms of the Priority of Payments.

Priorities of Payments

Pre-Enforcement Priority of Payments

The Pre-Enforcement Priority of Payments directs the use of all Available Funds in the Transaction Account, including collections of both interest and principal on the Participating Assets, and the Reserves. Following the payment of senior expenses, interest on the Notes is to be paid sequentially by Class. During the Revolving Period, Available Funds that come from collections on the Participating Assets that are of a principal nature are to be applied towards the acquisition of Additional Assets. The Revolving Period will continue indefinitely until the occurrence of a Stop Purchase

Event, after which all Available Funds at the relevant point in the Pre-Enforcement Priority of Payments are to be used to redeem Notes sequentially by Class.

Post-Enforcement Priority of Payments

Should an Event of Default occur, the Controlling Class of Noteholders would decide whether the Notes shall become immediately due and payable and an Enforcement Notice would then be delivered to the Issuer and the Security SPV. In such event, the Issuer may sell the Participating Assets in order to realise security and perform in terms of the Indemnity. After the delivery of an Enforcement Notice, all payments will be administered in accordance with the Post-Enforcement Priority of Payments. The Events of Default are outlined in Appendix F. The two itemised Priorities of Payments are outlined in Appendix G.

Principal Deficiency

The Principal Deficiency Ledger ("PDL") will record the Principal Deficiency, defined as 100% of the defaults that occur in the pool of Participating Assets. The PDL will be divided into sub-ledgers. First, a Principal Deficiency will be recorded in the Subordinated Loan Principal Deficiency Sub-Ledger. Should the balance of the Subordinated Loan Principal Deficiency Sub-Ledger be greater than zero, interest on the Subordinated Loan will be deferred and will not be paid during the period under consideration. When the Principal Deficiency exceeds the outstanding balance of the Subordinated Loan, the Class D Principal Deficiency Sub-Ledger will begin to record a positive balance and interest on the Class D Notes will be deferred. The same will follow for the Class C and Class B Notes.

Additionally, during the Revolving Period, excess spread is directed towards acquisition of Additional Assets as the PDL is cleared as per the Priority of Payments.

Stop Purchase Events

On the occurrence of a Stop Purchase Event that is unremedied, the Revolving Period will end. Stop Purchase Events thereby facilitate the beginning of the amortisation of Notes as soon as the Transaction exhibits certain characteristics. See Appendix C for a list of the Stop Purchase Events.

In addition to the Stop Purchase Events, a Cash Trigger Event will ensure that the cash in the Transaction Account is not greater than 25% of the Participating Assets outstanding balance by providing for any cash in excess of 25% to be applied towards Notes redemption, even prior to the end of the Revolving Period.

GCR estimated the return on the Participating Assets and cash held by the Issuer in relation to the cost of funding of the Transaction in a scenario that mimics a simultaneous occurrence of all Stop Purchase Events as well as a Cash Trigger Event. GCR found that the Stop Purchase Events effectively ensure that the Revolving Period ends at a point before the Transaction might begin to earn negative excess spread.

Reserves

The Transaction makes provision for four Reserves. The Mortgage Bonds Registration Costs Reserve, Liquidity Reserve and Redraw Reserve are funded using the proceeds of the Subordinated Loan advance.

- The **Mortgage Bonds Registration Costs Reserve**, funded to an amount of R50,000, will be available to fund the registration fees and costs in the event of the cession of the Mortgage Bonds in favour of the Security SPV being perfected upon the occurrence of an Issuer Insolvency Event or an Event of Default under the Notes.
- The **Liquidity Reserve** is funded to an amount of R36,950,000, approximately R4.8m in excess of its Required Amount (equivalent to two quarters of expected senior expenses and Notes interest plus R1m) and will be

refunded each Quarterly Payment Date during the Revolving Period subject to Available Funds in terms of the Priority of Payments. Funds in the Liquidity Reserve will be available to pay senior expenses and Notes interest, in terms of the Priority of Payments, to the extent that Available Funds (excluding the funds in the Liquidity Reserve) are insufficient.

- The **Redraw Reserve** is funded to its Required Amount of 1.892% of Fully Performing Assets, or R20m, and will be refunded quarterly during the Revolving Period subject to Available Funds. The Redraw Reserve will be available to fund Redraws and Further Advances to the extent this may be required.
- The **Capital Reserve** holds the Asset Acquisition Pre-Funding Amount which is equal to the entire R1.057m proceeds of the Notes issuance. The Issuer will be entitled to use the Asset Acquisition Pre-Funding Amount on any day during the Asset Acquisition Pre-Funding Period to pay the Purchase Price of Participating Assets. A final earmarked pool of assets, of principal value R1,044,913,727 as at 31 January 2022, is expected to be acquired as and when their Mortgage Bonds are successfully registered in the name of the Issuer. The excess of the Notes issuance proceeds over the Purchase Price of the earmarked pool, approximately R12.1m, may be used to acquire additional assets during the Asset Acquisition Pre-Funding Period. At the end of the Asset Acquisition Pre-Funding Period, the surplus, if any, of the Asset Acquisition Pre-Funding Amount, will be released from the Capital Reserve and will form part of Available Funds to be applied in accordance with the Pre-Enforcement Priority of Payments.

After the Revolving Period ends, the balances of the Liquidity Reserve, Redraw Reserve and Capital Reserve will be released and will similarly form part of Available Funds to be applied to meet any item in accordance with the applicable Priority of Payments.

Redraw Facility

A loan facility is provided to the Issuer in terms of the Redraw Facility Agreement to fund Redraws and Further Advances from time to time to the extent needed. The Redraw Facility Provider is Investec. The Redraw Facility Limit of R175m is the maximum aggregate amount that can be drawn at any time under the Redraw Facility. Payments of interest on the amount drawn under the Redraw Facility are senior to payments of interest on the Notes and principal repayments on such amount are senior to the application of cash towards the acquisition of Additional Assets during the Revolving Period and the redemption of Notes after the Revolving Period End Date respectively. See Cash Flow Model section below for the modelling implications of the Redraw Facility.

Security Structure

The Security Special Purpose Vehicle ("Security SPV") has issued a limited recourse Guarantee to each of the Secured Creditors, whereby it undertakes to pay any amounts owing by the Issuer after an Enforcement Notice is delivered. In turn, the Issuer has indemnified the Security SPV against claims made by Secured Creditors arising out of the Guarantee. The Issuer's obligations in terms of the Indemnity are secured by the Security Cession in terms of which the Issuer cedes the Participating Assets, the Mortgage Bonds, Insurance Policies, Insurance Proceeds and other Related Security, as well as the Bank Accounts, Account Monies, the Permitted Investments, the Business Proceeds and the Transaction Documents to the Security SPV. In addition, a Suretyship has been granted to the Security SPV by the Issuer Owner Trust, secured by a pledge of all the shares held by the Issuer Owner Trust in the Issuer. The Security SPV's liability in terms of the Guarantee is limited to the amounts recovered pursuant to the Indemnity.

While each Class of Notes will share in the same security, if the security is enforced by the Security SPV, subordination provisions will be in place as per the Post-Enforcement Priority of Payments.

Cash Management

Amounts paid by or on behalf of Borrowers in respect of the Participating Assets will be paid into the Collections Account(s) of the Servicer and transferred to the Transaction Account on a daily basis.

Prior to the delivery of an Enforcement Notice, the Administrator has signing authority in respect of the Transaction Account. After the delivery of an Enforcement Notice, the Security SPV will have sole signing authority in respect of the Transaction Account.

Upon the occurrence of a Borrower Notification Trigger, defined as when the Servicer is downgraded below its Required Credit Rating of BBB-$_{(ZA)}$, the Servicer shall notify Borrowers in writing of the sale and transfer of the Participating Assets to the Issuer and to make payments directly to the Transaction Account.

The Reserves are held in a Reserve Account in the name of the Issuer.

In the event that the Account Bank ceases to hold its Required (short term) Credit Rating of A1$_{(ZA)}$, a replacement Account Bank is to be appointed within 30 calendar days.

The above provisions comply with GCR's Criteria for Rating Structured Finance Transactions in respect of cash management.

Key Transaction Parties

Key counterparty roles in the Transaction, many of which are played by Investec, are described below. Note that this list is not exhaustive.

The Issuer

The Issuer has been incorporated and registered as a public company with limited liability and has been structured as an insolvency remote, ring-fenced Special Purpose Vehicle in accordance with Securitisation Regulations. The ordinary shares of the Issuer are held by the Issuer Owner Trust and the single preference share is held by Investec.

Security SPV

The Security SPV, Richefond Circle Security SPV (RF) Proprietary Limited, has been incorporated and registered as a private company with limited liability. The Security SPV has been structured as a ring-fenced, insolvency remote Special Purpose Vehicle with the main purpose of issuing the Guarantee and exercising its rights under the Transaction Documents, enforcing security on behalf of the Noteholders and other Secured Creditors should an Enforcement Notice be delivered. The ordinary shares of the Security SPV are held by the Security SPV Owner Trust.

The Originator and Seller

The Commercial Property Loans constituting the portfolio of Participating Assets are originated by Investec, which is also the Seller of the Participating Assets to the Issuer.

GCR held an operational review with Investec and its Income Producing Real Estate ("IPRE") team on 14 December 2021.

Investec targets a niche market of customers with its private banking offering. The target market that forms part of Investec's private banking, and, more specifically, its IPRE client base includes high-net worth employed individuals and very high-net worth entrepreneurs with commercial property experience. The Participating Assets are originated and managed as part of Investec Structured Property Finance's IPRE portfolio, which finances commercial property in office, retail, industrial and residential sectors. Private client relationships and engagement are emphasised.

Investec views the following trends to be important in its IPRE business:

- While the macro-economic environment is improving, Investec is cautious in its credit vetting process due to general market uncertainty emanating from the Covid-19 pandemic.
- Covid-induced payment relief grants no longer exist on book.
- Clients continue to preserve liquidity, with some taking advantage of the current interest rate environment by acquiring properties at an attractive yield.
- While most sectors have seen a recovery in rentals post 2020, with decline in property valuations slowing across most sectors, net rental income remains under pressure. Office and large nodal retail sectors remain under stress.

Credit vetting occurs between geographical branches, Private Bank and Investec group level depending on the size and complexity of the transaction. The client's character and financial position, the cash flow generation of the property and the collateral are assessed, *inter alia*. Internal credit scores are produced by Investec's Probability of Default model, which predict default within 12 months (but are converted to through-the-cycle probabilities) and are used for regulatory capital requirements and as one input to the credit approval process.

Operations units include the Property Risk Team, Credit Team, Legal Risk Team and Recoveries Team.

Property valuations are performed internally by regional property risk teams, with outsourced valuations being performed if needed. Valuations are performed at origination and at discretion thereafter. A review of all property valuations takes place yearly, which may lead to new valuations being undertaken.

Credit monitoring is continuous and includes monitoring of portfolio mix and concentration, qualitative and quantitative trends and early warning signals.

Loans are characterised by short tenors (generally up to five years), with extension or refinancing subject to a new credit approval process by Investec. Residual amounts due at maturity are large.

Various committees and forums constitute a governance structure. Systems and processes conform with various policies and frameworks.

Collections and recoveries are conducted regionally, with arrears management/rehabilitation attempts migrating if unsuccessful to legal/workout processes. Recovery approaches are client-centric. Any possible restructuring is subject to credit approval. Legal proceedings and liquidation are pursued should no other resolution be viable.

The Servicer

The Issuer has appointed Investec as its agent, in accordance with the Servicing Agreement to: (a) manage the Issuer and Borrowers relationships; (b) implement collections, cancellations and arrears procedures in respect of the Participating Assets and, where applicable, enforce and implement foreclosure procedures; (c) manage and advance Redraws and Further Advances and the acquisition of additional Participating Assets by the Issuer; and (d) comply with all obligations imposed on the Servicer in terms of the Transaction Documents.

GCR has assessed Investec's operational capability, including its operational continuity and data and systems back-up in a disaster event, as well as its arrears management and recovery and foreclosure procedures.

The Servicer may delegate its functions subject to certain conditions. The appointment of Investec as the Servicer may be terminated on certain Servicer Events of Default or Insolvency Events. The Servicer is entitled to resign with no less than twelve months prior written notice to both the Issuer and Security SPV, or a shorter mutually agreed period, subject to a replacement Servicer being found.

Investec is currently rated $AA_{(ZA)}$ and $A1+_{(ZA)}$ by GCR on the long-term and short-term issuer national scale respectively.

See Cash Flow Model section below for the Servicer's influence on the ratings of the Notes as a key counterparty to the Transaction.

The Administrator

The Issuer has appointed Investec as the Administrator, which will be responsible for managing day-to-day operations of the Issuer, including secretarial, reporting and accounting duties, administering the Priority of Payments, acting as the Calculation Agent and ensuring all-round compliance and reporting on the Transaction.

The Bank Accounts

The Transaction Account and Reserve Account have been established in the name of the Issuer with Investec in its capacity as the Account Bank. The Account Bank is required to have a (short term) credit rating of at least $A1_{(ZA)}$ and is to be replaced within 30 days of ceasing to hold such minimum rating. The Issuer will earn interest on cash at the rate of the GIC, with Investec as GIC Provider. Additionally, the Issuer will be entitled to invest cash standing to the credit of the Bank Accounts from time to time in Permitted Investments, which are subject to Required Credit Ratings and replacement provisions that satisfy GCR's Criteria.

Derivative Counterparty

The Issuer has entered into a derivative contract, with Investec as Hedge Counterparty, to mitigate the interest rate risk arising from Participating Assets that bear a reference rate (Prime) other than the reference rate of the Notes (3-month JIBAR).

Swap documentation provides for the posting of collateral, calculated according to defined formula, in the event that the rating of the derivative counterparty is downgraded below $A1_{(ZA)}$ or $A_{(ZA)}$. On downgrade below $A3_{(ZA)}$ or $BBB-_{(ZA)}$ and as soon as reasonably practicable, documentation requires that a counterparty that has these minimum ratings will guarantee the obligations of the Hedge Counterparty or a replacement derivative counterparty with such ratings will be procured.

Counterparty Required Credit Ratings

As mentioned, Transaction documentation makes provision for counterparties to the Transaction to have minimum Required Credit Ratings, and for their replacement within defined time periods should their ratings fall below such thresholds. Such provisions for the Account Bank, Permitted Investments and Derivative Counterparty are consistent with GCR's Criteria for Rating Structured Finance Transactions. See below Cash Flow Model section for further detail, particularly with respect to the Servicer and GIC Provider.

Participating Assets

Richefond Circle's final pool of 47 loans of aggregate outstanding balance R1.045bn as at 31 January 2022 has been provided by Investec to GCR.

A Participating Asset is defined as all right, title and interest in and to a Commercial Property Loans, a Commercial Property Loan Agreement and the Related Security in respect of such Commercial Property Loan. Characteristic of the Participating Assets is their short tenors along with their high residual payments due at maturity. Many loans are refinanced by Investec or another provider at maturity.

From time to time, a Borrower may request a Redraw or a Further Advance in accordance with the terms of their Commercial Property Loan Agreement. However, the Issuer shall be entitled, on prior written notice to a Borrower, to suspend any Redraw and Further Advance facility.

The Seller shall be obligated to repurchase Participating Assets from the Issuer in the event of a breach of a Seller Warranty or a breach of the Weighted Average Discount to Prime Ratio, a Legal Maturity Breach or a Credit Limit Breach, as defined in the Applicable Pricing Supplements.

The Originator shall have the right to repurchase up to 10% of the aggregate Principal Balances of the Participating Assets when certain conditions are met that apply to Performing and Non-Performing Assets respectively.

The Originator shall have the right to substitute Participating Assets by purchasing and replacing them subject to satisfaction of the Portfolio Covenants and provisions that ensure that the Replacement Asset is comparable to and of similar or better credit quality than the Predecessor Asset.

Eligibility Criteria and Portfolio Covenants which apply on acquisition of Additional Assets constrain the makeup of the Participating Asset portfolio.

Asset Portfolio

The table below exhibits the main characteristics of the Participating Asset portfolio as provided by Investec to GCR.

Table 1: Indicative Participating Assets

	Actual	Covenant
PORTFOLIO		
Cut-off Date	31 January 2022	N.A.
Number of Loans	47	N.A.
Aggregate Principal Balance	R1,044,913,727	N.A.
Aggregate Current Credit Limit	R1,277,190,180	N.A.
Aggregate Residual at Maturity (as per Loan Agreements)	R995,809,213 (or 95.3% of Aggregate Principal Balance)	N.A.
BORROWER GROUP CONCENTRATION (% of Current Credit Limit)*		
Largest 7	31.29%	32.50%
Largest 6	27.53%	28.50%
Largest 5	23.67%	24.50%
Largest 4	19.78%	20.50%
Largest 3	15.87%	16.50%
Largest 2	11.36%	12.00%
SECTOR CONCENTRATION (% of Principal Balance)		
Industrial Sector	31.07%	35.00%
Office Sector	16.02%	20.00%
Retail Sector	21.40%	40.00%
Residential Sector	8.51%	15.00%
Student Accommodation Sector	4.75%	10.00%
Other Sectors	18.26%	20.00%
LOANS		
Average Principal Balance	R22,232,207	N.A.
Median Principal Balance	R15,907,761	N.A.
Maximum Principal Balance	R75,876,148	N.A.
Minimum Principal Balance	R2,077,960	N.A.
RATIOS		
WA Current Loan-to-Value	52.83%	57%
WA IB Risk Grade Score	11.88	15
WA Margin against Benchmark	-0.45%	-0.50%
WA Remaining Maturity (in years)	3.28	3.5

*Borrower concentration covenants apply to groups of Borrowers. Any Borrowers which are considered by Investec to be related (group) entities will be grouped together as one for the purposes of this covenant.
Source: *Investec*

Table 2: Participating Assets Eligibility Criteria

Minimum Principal Balance (ZAR)	1,000,000
Maximum Principal Balance (% of current principal balance)	7.30%
Maximum Remaining Term (years)	5.00
Final Loan Maturity Date	28 February 2029
Maximum Current LTV	100%
Maximum Investec Risk Grade Score	18

Source: *Investec*

Cash Flow Model

GCR modelled the Transaction post the Revolving Period End Date. While this implies that the Transaction is modelled at the point of breach of one of the Stop Purchase triggers, zero default, delinquency or cash levels were modelled at model start as the model behaves in a more conservative fashion when defaults, delinquencies and cash are simulated as accumulating going forward.

Pool of Participating Assets

For the purposes of its model inputs, GCR adjusted the existing (31 January 2022) pool of assets to reflect covenant levels, in order to cater for the possible change in its composition over the Revolving Period. The Weighted Average Current Loan to Value Ratio of the pool was increased to covenant level by increasing outstanding loan balances by a constant factor, impacting modelled recoveries. The Weighted Average Asset Margin was decreased in a similar fashion. The Weighted Average Remaining Term to Maturity was increased by extending the remaining terms of several of the loans in the pool and estimating their adjusted amortisation profiles and residual payment amounts due at maturity. GCR notes in this regard that refinancing by the Issuer will not be allowed post the end of the Revolving Period, hence the covenanted Weighted Average Remaining Term to Maturity is the maximum possible at the Revolving Period End Date, barring slight deviation that may arise through exercise of the Originator's Replacement Option.

Defaults

Default inputs to GCR's cash flow model were derived based on the maximum of (1) extrapolations of observed historical default rates times a multiple that increases by rating level, and (2) Borrower concentration Portfolio Covenant levels; with (3) an adjustment to cater for refinancing risk.

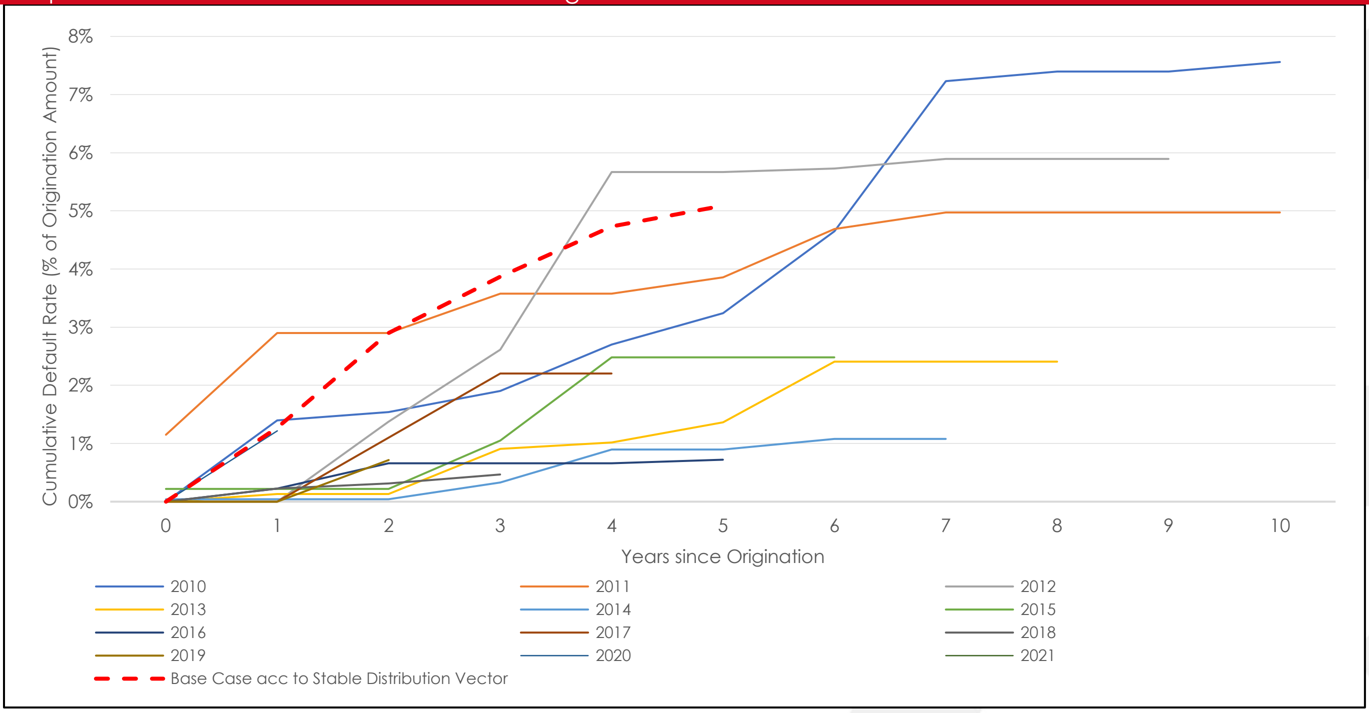
(1) Extrapolated Cumulative Defaults ("Base Case x Multiple Approach")

GCR received historical performance data relating to Investec's Income Producing Real Estate portfolio covering eleven years from origination. Although loan terms do not exceed five years, loans are often refinanced by Investec at maturity, hence the extended performance period of eleven years. GCR analysed cumulative defaults, extrapolated default curves and calculated a weighted average extrapolated cumulative default rate of 3.78%. The standard deviation of extrapolated cumulative defaults of yearly originations is 2.62%. GCR used the extrapolated cumulative default rate plus a volatility adjustment of 0.5x standard deviation to reach a model base case (i.e., $B_{(ZA)(sf)}$) cumulative default rate of 5.09%. Note that GCR elected to use this 5.09% despite the fact that it represents defaults that occur over eleven years in scenarios where term extensions of loans at maturity are taking place, which extensions will not be possible post the Revolving Period End Date as modelled.

Table 3: Default Base Case: (1) Extrapolated Historical Data	
Extrapolated 11-year cumulative default rate (% of origination amount) [A]	3.78%
Std deviation of yearly extrapolated cumulative default end points [B]	2.62%
Base Case cumulative default rate based on (1) extrapolated historical data [A + 0.5xB]	5.09%

Source: Investec data, GCR calculations

Graph 1: Investec IPRE Cumulative Default Vintages



Source: Investec data, GCR calculations

(2) Defaults Based on Borrower Concentration ("Borrower Concentration Approach")

To address portfolio concentration, GCR simulates a higher number of largest Borrowers defaulting at each successively higher rating level. GCR used the Borrower Group Concentration Covenant levels to resemble concentrations at their highest possible level, seeing as the Transaction is of a revolving nature. It is worth noting that the Borrower Group Concentration Covenants are based on Credit Limit, not principal balance. It is possible that actual Borrower concentrations (based on principal balance) are slightly higher than Credit Limit-based covenants. Nevertheless, GCR used the Credit Limit concentrations for its modelling. Borrower concentration covenant limits lead to higher modelled defaults at every rating level than what would result from the base case-times-multiple approach described above. The Borrower concentration covenants are therefore the ultimate basis of modelled default rates (with the adjustment for refinancing risk as described below).

(3) Adjustment for Refinancing Risk

The assets are of high credit quality and are not expected to experience difficulty refinancing at maturity, when substantial residual payments are due, even in scenarios where market liquidity is somewhat strained. Nevertheless, some differentiation between this Transaction, which depends on some level of refinancing of the assets at their maturities, and others which do not have this reliance, is in order. GCR added a stress to modelled default levels to account for this refinancing risk. This stress implies an additional quantum of default that is deemed equivalent to a single extra Borrower defaulting, as a differentiating factor. In $AAA_{(ZA)(sf)}$ scenarios, an additional 4.64% of the portfolio (the eighth-largest Borrower's maximum possible portion, calculated as 32.5% divided by 7) is modelled as defaulting, leading to a final $AAA_{(ZA)(sf)}$ default rate of 37.14% (32.5% + 4.64%). The same concept was applied at all rating levels, where an extra Borrower is assumed to default as a stress to recognise the inherent dependence of this Transaction on some refinancing of assets at maturity.

Table 4: Modelled Cumulative Default Rates

Rating Level	(1) Base Case x Multiple Approach		(2) Borrower Concentration Approach		(3) Post Adjustment for Refinancing Risk (Final Modelled Default Rates)	
	Multiple	Base Case x Multiple (implied default rates)	No. of largest Borrowers to default	Borrower Concentration Covenant (implied default rates)	No. of largest Borrowers to default	Post adj. for refinancing risk (final modelled default rates)
AAA(ZA)(sf)	3.40x	17.3%	7	32.5%	8	37.1%
AA+(ZA)(sf)	3.00x	15.3%	6.5*	30.5%*	7.5*	34.8%*
AA(ZA)(sf)	2.85x	14.5%	6	28.5%	7	32.5%
AA-(ZA)(sf)	2.70x	13.7%	5.67*	27.2%*	6.67*	31.2%*
A+(ZA)(sf)	2.40x	12.2%	5.33*	25.8%*	6.33*	29.8%*
A(ZA)(sf)	2.30x	11.7%	5	24.5%	6	28.5%
A-(ZA)(sf)	2.15x	10.9%	4.67*	23.2%*	5.67*	27.2%*
BBB+(ZA)(sf)	2.00x	10.2%	4.33*	21.8%*	5.33*	25.8%*
BBB(ZA)(sf)	1.85x	9.4%	4	20.5%	5	24.5%
BBB-(ZA)(sf)	1.70x	8.7%	3.67*	19.2%*	4.67*	23.2%*
BB+(ZA)(sf)	1.40x	7.1%	3.33*	17.8%*	4.33*	21.8%*
BB(ZA)(sf)	1.30x	6.6%	3	16.5%	4	20.5%
BB-(ZA)(sf)	1.20x	6.1%	2.67*	15.0%*	3.67*	19.2%*
B+(ZA)(sf)	1.10x	5.6%	2.33*	13.5%*	3.33*	17.8%*
B(ZA)(sf)	1.00x	5.1%	2	12.0%	3	16.5%

*Interpolated

Source: *GCR model*

Defaults were distributed over time in the Cash Flow Model according to a semi-annual distribution vector that is based on the extrapolated historically observed vector but compressed heavily to allow for allocation of defaults while assets are still extant. Front-loaded and back-loaded distributions were also modelled.

Table 5: Default Distribution Vectors

Half-year	Extrapolated historically observed distribution vector*	Modelled stable vector	Modelled front-loaded vector	Modelled back-loaded vector
1	0.8%	7.0%	8.0%	6.0%
2	0.8%	18.0%	19.0%	16.0%
3	5.0%	15.0%	16.0%	14.0%
4	5.0%	17.0%	18.0%	16.0%
5	7.3%	10.0%	11.0%	10.0%
6	7.3%	9.0%	8.0%	11.0%
7	9.0%	9.0%	7.0%	10.5%
8	9.0%	8.0%	7.0%	9.5%
9	11.0%	5.0%	5.0%	5.0%
10	11.0%	2.0%	1.0%	2.0%
11	2.0%	0.0%	0.0%	0.0%
12	2.0%	0.0%	0.0%	0.0%
13	6.8%	0.0%	0.0%	0.0%
14	6.8%	0.0%	0.0%	0.0%
15	6.5%	0.0%	0.0%	0.0%
16	6.5%	0.0%	0.0%	0.0%
17	0.4%	0.0%	0.0%	0.0%
18	0.4%	0.0%	0.0%	0.0%
19	0.0%	0.0%	0.0%	0.0%
20	0.0%	0.0%	0.0%	0.0%
21	1.3%	0.0%	0.0%	0.0%
22	1.3%	0.0%	0.0%	0.0%

*Yearly default information was provided and is shown here as split equally between each year's two halves.

Source: *Investec, GCR model*

Recoveries

Recoveries were modelled based on GCR's approach towards modelling recoveries for Residential Mortgage Backed transactions, whereby indexed latest property values are "haircut" according to stresses that may differ by rating level.

Table 6: Recovery Haircuts

Applied Indexation:	100% of decrease from Latest Property Value; 75% of increase			
Stress 1: **Market Value Decline ("MVD") by rating level, adjusted for portfolio provincial concentration*** **(% of GCR-adjusted indexed Latest Property Value)**	**MVD Gauteng**	**MVD Western Cape**	**MVD Kwazulu-Natal**	**MVD Other Provinces**
AAA(ZA)(sf)	36.4%	36.9%	36.4%	35.1%
AA+(ZA)(sf)	33.7%	34.1%	33.7%	32.5%
AA(ZA)(sf)	31.0%	31.4%	31.0%	29.9%
AA-(ZA)(sf)	29.2%	29.6%	29.2%	28.2%
A+(ZA)(sf)	27.4%	27.8%	27.4%	26.4%
A(ZA)(sf)	25.6%	25.9%	25.6%	24.7%
A-(ZA)(sf)	24.7%	25.0%	24.7%	23.8%
BBB+(ZA)(sf)	23.8%	24.1%	23.8%	23.0%
BBB(ZA)(sf)	22.9%	23.2%	22.9%	22.1%
BBB-(ZA)(sf)	22.0%	22.3%	22.0%	21.2%
BB+(ZA)(sf)	21.1%	21.4%	21.1%	20.4%
BB(ZA)(sf)	20.2%	20.5%	20.2%	19.5%
BB-(ZA)(sf)	18.9%	19.1%	18.9%	18.2%
B+(ZA)(sf)	17.5%	17.7%	17.5%	16.9%
B(ZA)(sf)	16.2%	16.4%	16.2%	15.6%
Stress 2: **Illiquidity Stress, varying by GCR-adj. indexed Latest Property Value**				
< R25,000,000	25.0%			
≥ R25,000,000; < R50,000,000	27.5%			
≥ R50,000,000; < R75,000,000	30.0%			
≥ R75,000,000; < R100,000,000	32.5%			
≥ R100,000,000; < R125,000,000	35.0%			
≥ R125,000,000; < R150,000,000	37.5%			
≥ 150,000,000	40.0%			
Stress 3: **Foreclosure Cost**	5.5%			

*The MVD provincial concentration adjustment is based on percentage of outstanding loan balance in province that exceeds provincial share of GDP times a stress multiple of 15%.
Source: GCR model

The value remaining after the application of all the above property value haircut stresses for a given loan as a percentage of the outstanding loan balance adjusted for the Portfolio Covenant Weighted Average Current Loan to Value Ratio (as a proxy for loan balance at default) is the modelled recovery rate of that loan. Recoveries were capped at 120% of loan balance as 20% is the accrued interest that is feasible in the time between default and realisation of recovery in GCR's most conservative modelled interest rate scenario.

The base case recovery rate was corroborated by analysis of Investec IPRE liquidation-type recovery data.

Loan-by-loan recovery rates were aggregated to a portfolio recovery rate.

Table 7: Modelled Portfolio Recovery Rates, by Rating Level	
AAA(ZA)(sf)	78.70%
AA+(ZA)(sf)	81.18%
AA(ZA)(sf)	83.57%
AA-(ZA)(sf)	85.15%
A+(ZA)(sf)	86.74%
A(ZA)(sf)	88.33%
A-(ZA)(sf)	89.12%
BBB+(ZA)(sf)	89.87%
BBB(ZA)(sf)	90.55%
BBB-(ZA)(sf)	91.22%
BB+(ZA)(sf)	91.90%
BB(ZA)(sf)	92.57%
BB-(ZA)(sf)	93.55%
B+(ZA)(sf)	94.49%
B(ZA)(sf)	95.43%

Source: GCR model

Recoveries are realised in the Cash Flow Model after a uniform 45 months, which is the average period to recovery according to Investec IPRE data.

Prepayments

GCR received prepayments data of Investec's IPRE portfolio over the years 2017 to 2021. Gross prepayments are high, but offset by Redraws and Further Advances. GCR elected to allow for much of this offsetting effect in its Cash Flow Model by reducing average gross prepayments by 75% of average Redraws and Further Advances. This approach is necessary for full allocation of defaults in the model. A volatility factor of 0.25 times standard deviation was then added to obtain a base case prepayment rate.

Table 8: Prepayment Rates, Investec IPRE, 2017 to 2021 Q3; GCR Base Case	
Average annualised quarterly prepayments (% of opening balance) [A]	23.73%
Average Redraws plus Further Advances (% of opening balance) [B]	16.19%
[C = A – 75%xB]	11.58%
Std deviation of C [D]	5.90%
Base case prepayments [C + 0.25xD]	13.06%

Source: Investec, GCR calculations

Base case prepayments are stressed up and down by a factor that increases by rating level in the Cash Flow Model.

Table 9: Modelled Prepayment Rates

Rating Level	Stress (increase or decrease from Base Case)	Modelled High Prepayments	Modelled Low Prepayments
AAA(ZA)(sf)	35%	17.6%	8.5%
AA+(ZA)(sf)	30%	17.0%	9.1%
AA(ZA)(sf)	27%	16.6%	9.5%
AA-(ZA)(sf)	24%	16.2%	9.9%
A+(ZA)(sf)	20%	15.7%	10.4%
A(ZA)(sf)	18%	15.4%	10.7%
A-(ZA)(sf)	16%	15.1%	11.0%
BBB+(ZA)(sf)	14%	14.9%	11.2%
BBB(ZA)(sf)	12%	14.6%	11.5%
BBB-(ZA)(sf)	10%	14.4%	11.8%
BB+(ZA)(sf)	7%	14.0%	12.1%
BB(ZA)(sf)	6%	13.8%	12.3%
BB-(ZA)(sf)	5%	13.7%	12.4%
B+(ZA)(sf)	3%	13.4%	12.7%
B(ZA)(sf)	0%	13.1%	13.1%

Source: GCR model

Arrears

Arrears are modelled as a multiple of modelled defaults and as rehabilitating in full after three months.

Table 10: Arrears Multiple of Defaults

AAA(ZA)(sf)	1.10x
AA+(ZA)(sf)	0.99x
AA(ZA)(sf)	0.89x
AA-(ZA)(sf)	0.80x
A+(ZA)(sf)	0.72x
A(ZA)(sf)	0.65x
A-(ZA)(sf)	0.58x
BBB+(ZA)(sf)	0.53x
BBB(ZA)(sf)	0.47x
BBB-(ZA)(sf)	0.43x
BB+(ZA)(sf)	0.38x
BB(ZA)(sf)	0.35x
BB-(ZA)(sf)	0.31x
B+(ZA)(sf)	0.28x
B(ZA)(sf)	0.25x

Source: GCR model

Modelled Capital Structure

GCR modelled the final capital structure with the Asset Acquisition Pre-Funding Amount having been utilised in full. Additionally, GCR modelled the Redraw Facility as fully drawn to its limit of R175m in order to account for the fact that the credit enhancement though subordination available to each Class of Notes may be compromised through the seniority of both interest and principal payments on the Redraw Facility's drawn amount to those on the Notes. GCR understands that the interest rate on the Redraw Facility will not be higher than that on the Class A Notes and thus modelled these to be identical. GCR added a commensurate amount of Participating Assets to represent the Redraws and Further Advances extended using the full amount modelled as drawn under the Redraw Facility.

Table 11: Modelled Capital Structure

	Outstanding Balance (ZAR)	Step-Up Date (months from issuance)	Final Maturity Date (months from issuance)
Redraw Facility	175,000,000	57	144
Class A Notes	825,000,000	57	144
Class B Notes	125,000,000	57	144
Class C Notes	57,000,000	57	144
Class D Notes	50,000,000	57	144
Subordinated Loan	57,000,000	N.A.	144

Source: *GCR model*

The Reserves were modelled at their Required Amounts.

Table 12: Modelled Assets vs Liabilities

ASSETS			**LIABILITIES**	
	Amount (ZAR)	**Calculation**		**Amount (ZAR)**
Participating Assets	1,232,000,000	R1,057,000,000 current balance + R175,000,000 Redraws	**Redraw Facility (drawn amount)**	175,000,000
			Total Notes	1,057,000,000
Redraw Reserve	23,309,440	1.892% x Participating Assets		
Mortgage Bonds Registration Costs Reserve	50,000	Fixed	**Subordinated Loan**	57,000,000
Liquidity Reserve	33,640,560	Balancing figure, deemed equivalent to Required Amount		
Total	**R1,289,000,000**		**Total**	**R1,289,000,000**

Source: *GCR model*

See Appendix A and Appendix B for the actual capital structure and assets vs liabilities on Initial Issue Date.

Asset Margin

As mentioned, the Participating Assets' margin over 3-month JIBAR was adjusted by a constant factor for each loan to reduce aggregate asset margin to covenant level. The resulting adjusted portfolio was then divided into margin buckets to allow for margin compression in the Cash Flow Model. Margin compression simulates the allocation of 100% of defaults and 50% of prepayments to buckets of assets by descending order of margin.

Table 13: Asset Margin Buckets for Margin Compression

Weighted Average Margin to 3-month JIBAR	% of pool balance
-0.3%	32.5%
-0.4%	7.8%
-0.5%	1.3%
-0.6%	35.6%
-0.7%	15.6%
-0.8%	7.2%
-0.5%	**100.0%**

Source: *GCR model*

Priority of Payments

All the relevant items of the Priority of Payments, including interest deferral as directed by the PDL, were modelled in the sequence provided for in draft Transaction documentation according to the Pre-Enforcement Priority of Payments applicable post the Revolving Period End Date.

Senior Expenses

Expected senior expenses, which are to be paid prior to Notes interest, were modelled in their fixed and variable components separately. A buffer of 10% for unexpected costs was added to the aggregate amount of expected fixed expenses. Annual inflation of 6% was imposed on both fixed and variable expenses.

Swap

GCR incorporated the swap agreement in it model. GCR understands that the swap agreement will contain minimum required ratings, replacement provisions and/or posting of collateral to satisfy its Criteria. The result of the covenanted asset yield (Prime less 0.50%) and the swap gives the Issuer an effective yield of 3-month JIBAR plus 2.70% when asset margin is at its minimum covenanted level.

Return on Cash

Despite the fact that a GIC will be in place, with Investec, as GIC Provider, agreeing to pay a guaranteed return on cash in the Transaction Account and the Reserve Account, GCR did not model such return on the cash on hand in its Cash Flow Model. This is due to the lack of a provision in the GIC that would ensure that, in the event of Investec's ceasing to provide the GIC, a replacement GIC Provider would provide at least the same GIC rate, or, were it to offer a lower GIC rate, Investec, as current GIC Provider, would post collateral equal to the present value of the difference between the original GIC rate and the new one. Rather, GCR modelled an overnight rate of 3-month JIBAR less 0.50% as the return on cash earned in its Cash Flow Model.

Servicing Interruption

Transaction documentation provides for replacement of the Servicer with a Standby Servicer that has the Required Credit Rating (at least BBB-$_{(ZA)}$) upon the occurrence of a Servicer Event of Default. The search for a Standby Servicer to be in place to take over on a Servicer Event of Default is to begin upon the Servicer ceasing to hold the Standby Servicer Facilitator Rating, also BBB-$_{(ZA)}$. (Investec is currently rated AA$_{(ZA)}$.) According to GCR's Criteria for Rating Structured Finance Transactions, in order to avoid servicing interruption, replacement should take place immediately upon the Servicer's downgrade to a rating below BBB-$_{(ZA)}$, and not only upon an actual Servicer Event of Default. Therefore, GCR modelled an event of servicing disruption by removing the first month of cash receipts from its Cash Flow Model.

Cash Flow Model Results

While modelled default rates are relatively high, these are counteracted to some degree by relatively high modelled recoveries and ample time to realise recoveries, with the weighted average remaining term to maturity of the asset portfolio at its covenant level of 3.5 years and the Notes' final maturity at twelve years. Additionally, the injection of available cash into the model through the immediate release of the Reserves that coincides with the end of the Revolving Period is beneficial. Also, the aggressive PDL Percentage provides for interest deferral that ensures that available cash is not expended on junior Notes' interest at the expense of Notes amortisation. Finally, the fact that, after the Revolving Period has ended, all cash - from sources that are both principal and interest in nature - is allocated towards Notes redemption at the relevant point in the Priority of Payments ensures relatively fast redemption of outstanding Notes.

The output of the cash flow model leads directly to the ratings assigned to each Class of Notes. The rating of each respective Class of Notes indicates the highest rating level at which the various Classes of Notes' interest and principal is paid in full in all modelled scenarios that relate to such rating.

Legal Opinion

GCR received a legal opinion that relates to the Transaction. The Opinion confirms that all legal provisions necessary are complied with, including, *inter alia*:

- The Issuer, Security SPV, Owner Trust and Security SPV Owner Trust are duly incorporated and have legal capacity and power to execute the Transaction documents, which constitute legal, valid and binding obligations of the abovementioned parties.
- The Transaction Documents constitute legal valid and binding obligations to, amongst others, the Issuer, Security SPV and Investec.
- The Issuer and Security SPV are "insolvency remote".
- The provisions of the Sale Agreement and the Pre-Issue Sale Agreement will be effective to transfer legal and beneficial ownership of the Participating Assets to the Issuer and comply with requirements of the Securitisation regulations for divestiture.
- The Cession of the mortgage bonds by the Issuer to the Security SPV is only perfected on registration thereof at the Deeds Office. The Transaction documents provide for such registration upon the occurrence of any of the Issuer Trigger Events.
- The underlying Commercial Property Loan Agreements constitute legal, valid, binding and enforceable obligations of the Borrower.

Tax Opinion

The Tax Opinion states, *inter alia*:

- The interest payable by the Issuer on the Notes and Subordinated Loan should be deductible for tax purposes, seeing as: the Issuer is carrying on a trade, the interest is incurred in the production of income from that trade and hybrid debt and hybrid interest rules are not applicable. Lost accrued interest should also be deductible.
- The Notes will attract no additional taxes, such as Securities Transfer Tax or Withholding Tax.

Pool Audit

KPMG Inc. is the auditor of the Issuer and has performed a pool audit on a representative number of the loans in the earmarked asset pool. The pool audit showed no significant findings.

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 GCR's credit ratings should familiarise themselves with all aspects of the transaction (including the legal opinion(s)), and should form their own views in this respect. Users should not rely on GCR for legal, tax or financial advice and are encouraged to contact relevant advisers.

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Related Criteria and Research

Criteria for the GCR Ratings Framework Rating Scales, Symbols & Definitions, May 2019
Criteria for Rating Structured Finance Transactions, Sep 2018
Criteria for Rating Residential Mortgage Backed Transactions, Sep 2018
Criteria for Rating Consumer Asset Backed Securities, Sep 2018
Criteria for Rating Financial Institutions, May 2019
Rating Announcement – Investec Bank Limited, July 2021
Asset-Backed Securities Cash Flow Model, Sep 2018

APPENDIX A: Final Capital Structure

Security Class	Rating	Outlook / Watch	Amount (ZAR)	Credit Enhancement*	% of Total	Legal Maturity (Years)
Class A	AAA(ZA)(sf)	Stable	825m	25.9%	74.1%	12
Class B	AA-(ZA)(sf)	Stable	125m	14.7%	11.2%	12
Class C	A-(ZA)(sf)	Stable	57m	9.6%	5.1%	12
Class D	Unrated	N.A.	50m	5.1%	4.5%	12
Subordinated Loan	Unrated	N.A.	57m	0%	5.1%	12

* Credit Enhancement calculated as subordinated liabilities as a percentage of the Notes plus the Subordinated Loan.

APPENDIX B: Assets vs Liabilities on Issuance

ASSETS	ZAR	LIABILITIES	ZAR
Earmarked Participating Asset Pool	1,044,913,727	Total Notes	1,057,000,000
Asset Acquisition Pre-Funding Amount excess over Earmarked Participating Asset Pool	12,086,273		
Redraw Reserve	20,000,000	Subordinated Loan	57,000,000
Mortgage Bonds Registration Costs Reserve	50,000		
Liquidity Reserve	36,950,000		
Total	**1,114,000,000**	**Total**	**1,114,000,000**

APPENDIX C: Stop Purchase Events

(1) A Servicer Event of Default occurs; or

(2) an Issuer Trigger Event* occurs; or

(3) a Tranche of Notes is not redeemed on its Scheduled Maturity Date; or

(4) an Enforcement Notice is delivered; or

(5) an unremedied Portfolio Delinquency Trigger Event (at least 10% of the Participating Asset portfolio is in arrears of less than three months) occurs and is continuing; or

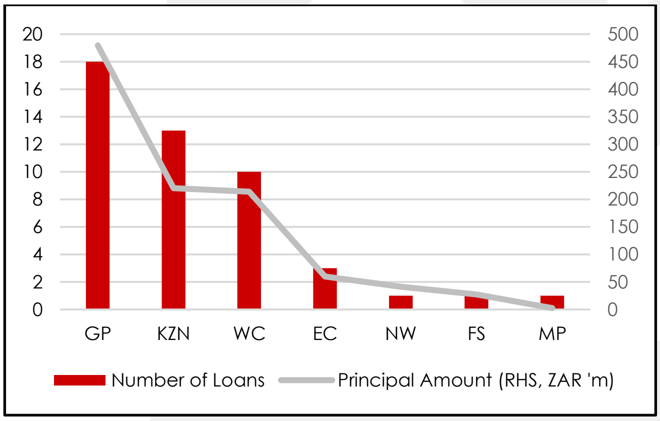
(6) an unremedied Portfolio Default Trigger Event (at least 10% of the Participating Asset portfolio is in arrears of more than three months) occurs and is continuing; or

(7) the interest rate payable in respect of amounts standing to the credit of the Bank Accounts is less than the Required Weighted Average Discount to Prime Rate Ratio.

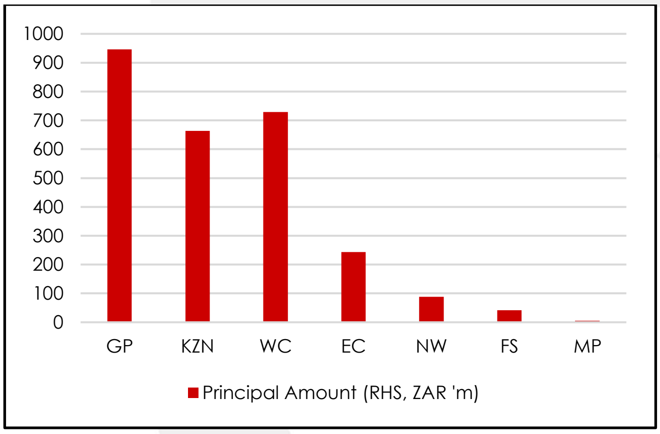
*****An Issuer Trigger Event is defined as an Issuer Insolvency Event or an Event of Default under the Notes.

APPENDIX D – Portfolio Stratification (as at 31 January 2022)

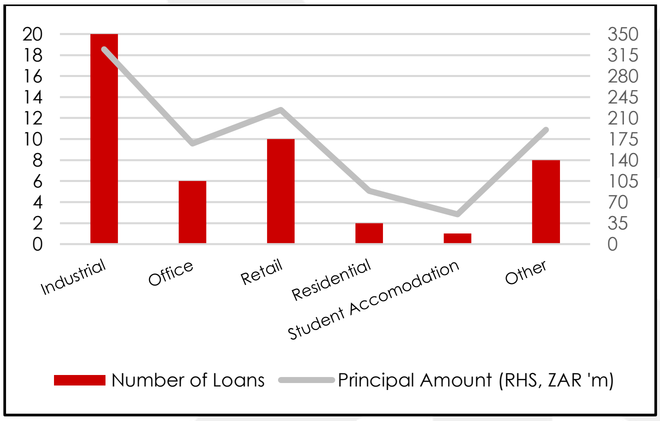
Province	Number	Principal Amount (ZAR) [a]	[a]%
GP	18	479,648,363	45.9%
KZN	13	220,183,755	21.1%
WC	10	213,701,126	20.5%
EC	3	60,169,888	5.8%
NW	1	41,333,182	4.0%
FS	1	27,365,644	2.6%
MP	1	2,511,770	0.2%
Total	**47**	**1,044,913,727**	**100%**



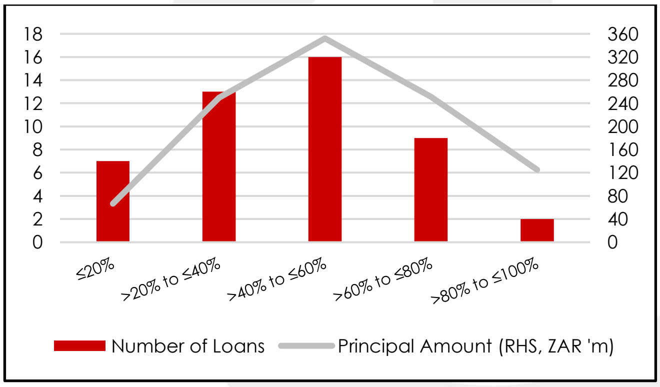
Province	Principal Amount (ZAR) [a]	Latest Property Value (ZAR) [b]	[b]/[a]%
GP	479,648,363	946,094,000	197.2%
KZN	220,183,755	663,140,000	301.2%
WC	213,701,126	729,267,500	341.3%
EC	60,169,888	243,100,000	404.0%
NW	41,333,182	88,500,000	214.1%
FS	27,365,644	42,000,000	153.5%
MP	2,511,770	4,600,000	183.1%
Total	**1,044,913,727**	**2,716,701,500**	**260.0%**



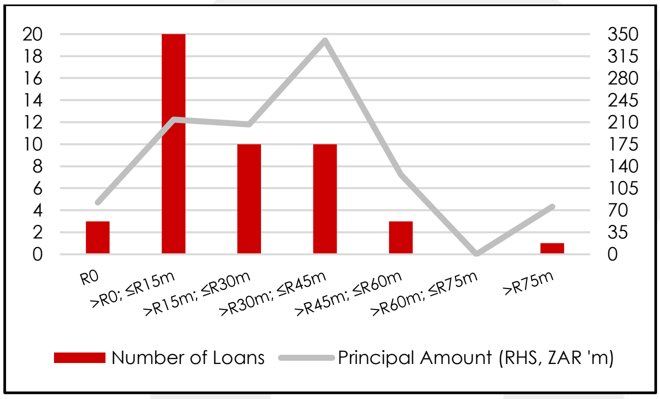
Sector	Number	Principal Amount (ZAR) [a]	[a]%
Industrial	20	324,612,409	31.1%
Office	6	167,415,711	16.0%
Retail	10	223,593,826	21.4%
Residential	2	88,898,871	8.5%
Student Accom.	1	49,642,426	4.8%
Other	8	190,750,483	18.3%
Total	**47**	**1,044,913,727**	**100.0%**



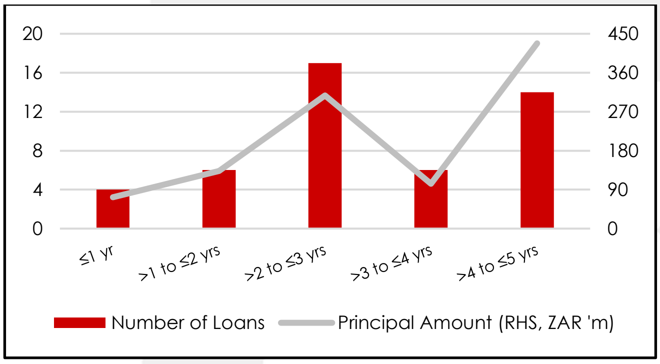
CLTV	Number	Principal Amount (ZAR) [a]	[a]%
≤20%	7	66,607,895	6.4%
>20% to ≤40%	13	249,549,176	23.9%
>40% to ≤60%	16	352,065,127	33.7%
>60% to ≤80%	9	251,435,203	24.1%
>80% to ≤100%	2	125,256,326	12.0%
Total	**47**	**1,044,913,727**	**100.0%**



Residual Amount	Number	Principal Amount (ZAR) [a]	[a]%
R0	3	82,264,400	7.9%
>R0; ≤R15m	20	214,185,521	20.5%
>R15m; ≤R30m	10	206,411,969	19.8%
>R30m; ≤R45m	10	339,819,050	32.5%
>R45m; ≤R60m	3	126,356,638	12.1%
>R60m; ≤R75m	0-	0	0.0%
>R75m	1	75,876,148	7.3%
Total	**47**	**1,044,913,727**	**100%**



Remaining Term	Number	Principal Amount (ZAR) [a]	[a]%
≤1 yr	4	72,444,431	6.9%
>1 to ≤2 yrs	6	133,420,485	12.8%
>2 to ≤3 yrs	17	307,491,504	29.4%
>3 to ≤4 yrs	6	103,668,214	9.9%
>4 to ≤5 yrs	14	427,889,093	40.9%
Total	**47**	**1,044,913,727**	**100%**



APPENDIX E: Portfolio Covenants

	Covenant	Actual (Jan 2022)
Weighted Average Current LTV Ratio	57.00%	52.83%
Weighted Average Investec Risk Grade Score	15.00	11.88
Weighted Average Discount to Prime Rate Ratio	-0.50%	-0.45%
Weighted Average Remaining Maturity	3.5 Years	3.28 Years

APPENDIX F: Events of Default

An Event of Default will occur should -

1 the Issuer fail to pay an amount of interest due and payable to the Class A Noteholders within 3 (three) Business Days of the Quarterly Payment Date, to the extent permitted by available funds for that purpose in terms of the applicable Priority of Payments or principal due and payable to the Class A Noteholders within 3 (three) Business Days of the Final Redemption Date, irrespective of whether or not there are available funds for that purpose in terms of the applicable Priority of Payments; or

2 the Issuer fail to pay any amount whether in respect of interest, principal or otherwise, due and payable in respect of any other Class of Notes within 10 (ten) Business Days of the due date for the payment in question, to the extent permitted by available funds for that purpose in terms of the applicable Priority of Payments; or

3 the Issuer fail duly to perform or observe any other obligation binding on it under the Notes, these Terms and Conditions or any of the other Transaction Documents (irrespective of the materiality of such breach or obligation), which breach is not remedied within 30 (thirty) days after receiving written notice from either the Security SPV or the counterparty to the relevant agreement requiring such breach to be remedied and the Security SPV has certified to the Issuer that such event is, in its opinion, materially prejudicial to the interests of the Noteholders; or

4 the Issuer cease to be wholly owned by the Owner Trust without the prior written consent of the Security SPV; or

5 an Issuer Insolvency Event occur; or

6 any procedural step be taken by the Issuer (including application, proposal or convening a meeting) with a view to a compromise or arrangement with any creditors generally or any significant class of creditors; or

7 the Security Interests in favour of the Security SPV pursuant to any of the Security Agreements become unenforceable for any reason whatsoever (or be reasonably claimed by the Security SPV not to be in full force or effect) or should the grant to the Security SPV of a first priority Security Interest in respect of the assets cease or should the Guarantee be or become unenforceable; or

8 it be or become unlawful for the Issuer to perform any of its obligations under the Transaction Documents and the Security SPV has certified to the Issuer that such event is, in its opinion, materially prejudicial to the interests of the Noteholders; or

9 any consent, license, permit or authorisation required by the Issuer for the conduct of its business be revoked, withdrawn, materially altered or not renewed and such situation not be remedied within 14 (fourteen) days after the Issuer and/or Administrator have been given written notice requiring the applicable consent, licence, permit or authorisation to be obtained; or

10 the Issuer alienate or Encumber any of its assets (other than as provided for in the Transaction Documents) without the prior written consent of the Security SPV; or

11 the Issuer cease to carry on its business in a normal and regular manner or materially change the nature of its business, or through an official act of the board of directors of the Issuer, threaten to cease to carry on business.

APPENDIX G: Priorities of Payments

Pre-Enforcement Priority of Payments (Simplified)

1	Tax and statutory expenses
2	Trustees, directors and third-party service provider fees
3	Servicer fee and Administrator fee
4	Derivative settlements and Derivative Termination Amounts if the Derivative Counterparty is not in default
5	Redraw Facility Provider interest and fees
6	Class A Notes interest
7	Class B Notes interest, unless a Class B Interest Deferral Event is applicable
8	Class C Notes interest, unless a Class C Interest Deferral Event is applicable
9	Class D Notes interest, unless a Class D Interest Deferral Event is applicable
10	Class E Notes interest, unless a Class E Interest Deferral Event is applicable
11	Replenishment of the Liquidity Reserve up to its Required Amount, subject to an unremedied Stop-Purchase Event not having occurred
12	Replenishment of the Redraw Reserve up to its Required Amount, subject to an unremedied Stop-Purchase Event not having occurred
13	Replenishment of the Capital Reserve up to its Required Amount, subject to an unremedied Stop-Purchase Event not having occurred
14	Allocation to and clearing of the Principal Deficiency, subject to an unremedied Stop-Purchase Event not having occurred
15	Acquisition of additional commercial property loans up to the aggregate sum of the Quarterly Purchase target amount plus the amount allocated under item 14, subject to an unremedied Stop-Purchase event not occurring
16	Principal due and payable to Redraw Facility Provider
17	Class A notes principal, subject to an unremedied Stop-Purchase Event occurring
18	Class B notes principal, subject to an unremedied Stop-Purchase Event occurring
19	Class C notes principal, subject to an unremedied Stop-Purchase Event occurring
20	Class D notes principal, subject to an unremedied Stop-Purchase Event occurring
21	Class E notes principal, subject to an unremedied Stop-Purchase Event occurring
22	Derivate Termination Amounts when Derivative Counterparty is in default
23	Interest and Fees on the Subordinated Loan, subject to a Subordinated Loan Interest Deferral Event not occurring
24	Principal on the Subordinated Loan, provided that all Notes have been repaid in full.
25	Dividends payable to the Preference Shareholders

Post-Enforcement Priority of Payments

1	Tax and statutory expenses
2	Trustees, directors and third-party service provider fees
3	Servicer fee and Administrator fee
4	Derivative settlements and Derivative Termination Amounts if the Derivative Counterparty is not in default
5	Interest, fees and principal payable to the Redraw Facility Provider
6	Interest, fees and principal payable on the Class A notes
7	Interest, fees and principal payable on the Class B notes
8	Interest, fees and principal payable on the Class C notes
9	Interest, fees and principal payable Payable on the Class D notes
10	Interest, fees and principal payable on the Class E notes
11	Derivative Termination Amounts due and payable to the Derivative Counterparty where the Derivative Counterparty is in default
12	Interest, fees and principal payable to the Subordinated Loan Provider
13	Dividends payable to the Preference Shareholders

APPENDIX H: Eligibility Criteria

The criteria that each Participating Asset must satisfy in order to qualify for acquisition by the Issuer include the following, at the relevant Transfer Date -

1 the Property in respect of such Commercial Property Loan Agreement is a fixed, immovable property (including sectional title property and properties in respect of which there is consent for business use) situated in South Africa and excluding without limitation, vacant plots, incomplete buildings, farms, small holdings and time-share properties;

2 the Commercial Property Loan Agreement bears interest at a variable rate linked to the Prime Rate;

3 the Principal Balance of the Commercial Property Loan is denominated in Rand;

4 the minimum Principal Balance of the Commercial Property Loan at the date of sale is equal to or greater than the amount specified in the most recent Applicable Pricing Supplement;

5 the maximum Principal Balance of the Commercial Property Loan at the date of sale is equal to or less than the amount specified in the most recent Applicable Pricing Supplement;

6 the maximum Investec Risk Grade Score in respect of the Borrower at the date of sale does not exceed a score equal to the number specified in the most recent Applicable Pricing Supplement;

7 the maximum remaining term of the Commercial Property Loan Agreement is equal to or less than the number of months specified in the most recent Applicable Pricing Supplement from the date of the first advance of funds to a Borrower in terms of the relevant Commercial Property Loan Agreement;

8 the Commercial Property Loan Agreement, or in case of Cross Collateralised Commercial Property Loan Agreements (if applicable) the loan agreements that share the same security combined, has/have a Current LTV Ratio of less than or equal to the percentage specified in the most recent Applicable Pricing Supplement, based on the latest Property valuation (as determined in accordance with the Servicer's customary procedures);

9 prior to making an advance to a Borrower, Investec applied all of its Credit Criteria relevant to the granting of the Commercial Property Loan (i.e. regardless of the Seller, the loan was initially originated by Investec, applying Investec's Credit Criteria);

10 prior to advancing the Commercial Property Loan, a valuation of the relevant Property was undertaken in accordance with Investec's customary procedures from time to time;

11 to the best of the Originator's knowledge and belief, the Commercial Property Loan Agreement is not subject to any dispute, counterclaim, enforcement or set off;

12 as determined in accordance with the Originator's customary processes, the Commercial Property Loan Agreement constitutes legal, valid, binding and enforceable obligations of the relevant Borrower and Commercial Property Loan Lender;

13 the Commercial Property Loan Agreement is Fully Performing;

14 the Commercial Property Loan Agreement imposes an obligation on the Borrower to ensure that the relevant Property is insured under an Insurance Policy in the name of the Borrower or alternatively in the name of a third party with the Borrower's interest noted, the interests in respect of which are ceded to the Commercial Property Loan Lender and its assigns as holders of the Mortgage Bond, or, in the case of sectional title property, the Commercial Property Loan Agreement imposes an obligation on the Borrower to ensure that the relevant Property is insured under an Insurance Policy in the name of the body corporate, with the interests of Commercial Property Loan Lender as holder of the Mortgage Bond and its assigns endorsed thereon, in each case with an accredited insurer approved by the Commercial Property Loan Lender against all risks usually covered by commercial property loan lenders in South Africa advancing money on the security of commercial property of the same nature to an amount not less than the full reinstatement value;

15 the Commercial Property Loan Agreement is capable of assignment to the Issuer without the further consent of, or notice to, the relevant Borrower;

16 the Commercial Property Loan Agreement is secured by a first-ranking Mortgage Bond and, if applicable, by additional Mortgage Bonds in reducing order of rank, for at least the committed capital amount under the Commercial Property Loan Agreement and, as determined in accordance with the Originator's standard processes, the Mortgage Bond constitutes legal, valid, enforceable and continuing security in respect of the Commercial Property Loan Agreement; or

17 the Borrower is obliged to pay periodic (interest) instalments in respect of a Commercial Property Loan Agreement;

18 the Commercial Property Loan Agreement allows the Commercial Property Loan Lender to accelerate payments in the event of default by the Borrower;

19 the Borrower is a company, close corporation, trust, partnership, firm, association, corporation or other juristic person established under the laws of South Africa (excluding, for the avoidance of doubt, any natural person); and

20 any other eligibility criterion that will apply, will be specified in the most recent Applicable Pricing Supplement.

APPENDIX I: Ratings Sensitivities*

Security Class	Rating	15% Increase of Default Rate	30% Increase of Default Rate	15% Decrease of Recovery Rate	30% Decrease of Recovery Rate	15% Increase of Default Rate and 15% Decrease of Recovery Rate	30% Increase of Default Rate and 30% Decrease of Recovery Rate
Class A	AAA (ZA)(sf)	AA(ZA)(sf)	A(ZA)(sf)	AA+(ZA)(sf)	AA (ZA)(sf)	AA(ZA)(sf)	BBB+(ZA)(sf)
Class B	AA- (ZA)(sf)	A(ZA)(sf)	BBB+(ZA)(sf)	A(ZA)(sf)	BBB(ZA)(sf)	BBB+(ZA)(sf)	BB-(ZA)(sf)
Class C	A- (ZA)(sf)	BBB(ZA)(sf)	BB+(ZA)(sf)	BBB-(ZA)(sf)	B+(ZA)(sf)	BB(ZA)(sf)	Unrated

*Further compression of the default distribution vectors in the Cash Flow Model was necessary to test rating sensitivities.

GLOSSARY OF TERMS/ACRONYMS USED IN THIS DOCUMENT AS PER GCR'S GLOSSARY

Account Bank	A bank where the transaction account is held.
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.
Agreement	A negotiated and usually legally enforceable understanding between two or more legally competent parties.
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).
Applicable Pricing Supplement	A transaction document that describes the particulars of notes issued.
Arrears	An overdue debt, liability or obligation. An account is said to be 'in arrears' if one or more payments have been missed in transactions where regular payments are contractually required.
Asset Backed Securities	Securitisation: debt securities issued that are backed or covered by a pool of assets or receivables (Auto loans and leases, consumer loans, commercial assets, credit cards, mortgage loans).
Asset	A resource with economic value that a company owns or controls with the expectation that it will provide future benefit.
Audit Report	A written opinion of an auditor (attesting to the financial statements' fairness and compliance with generally accepted accounting principles).
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.
Calculation Agent	An agent appointed by the Issuer to calculate the: 1.) Coupon in accordance with the Applicable Pricing Supplement; 2.) Other related fees and expenses and Priority of Payments; and 3.) Transaction covenants.
Capital	The sum of money that is invested to generate proceeds.
Cash Flow	The inflow and outflow of cash and cash equivalents. Such flows arise from operating, investing and financing activities.
Cash	Funds that can be readily spent or used to meet current obligations.
Collateral	Asset provided to a creditor as security for a loan or performance.
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 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.
Creditor	A credit provider that is owed debt obligations by a debtor.
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 occurs; 3.) The Borrower is past due more than 90 days on any debt obligations as defined in the transaction documents; or 4.) The obligor has filed for bankruptcy or similar protection from creditors.
Delinquency	When a receivable is overdue and not paid on its payment due date.
Derivative	A financial instrument that offers a return based on the return of another underlying asset.
Downgrade	The rating has been lowered on its specific scale.
Eligibility Criteria	Limitations imposed on the type and quality of assets that can be sold by the Originator / Servicer into the Securitisation vehicle which ensure the transaction will track the performance of historical data analysed as closely as possible.
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.
Facility	The grant of availability of money at some future date in return for a fee.
Foreclosure	Legal proceedings initiated by a creditor to repossess the collateral for obligations that have defaulted.
Guarantee	An undertaking in writing by one person (the guarantor) given to another, usually a bank (the creditor) to be answerable for the debt of a third person (the debtor) to the creditor, upon default of the debtor.
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.
Haircut	The percentage by which the market value of an asset is reduced. The size of the haircut reflects the expected ease of selling the asset and the likely reduction necessary to realised value relative to the fair value.
Hedge	A form of risk management aimed at mitigating financial loss or other adverse circumstances. May include taking an offsetting position in addition to an existing position. The correlation between the existing and offsetting position is negative.
Illiquid	Markets or financial instruments are described as being illiquid if there are few buyers and sellers. Assets may also be considered illiquid. It may be difficult, or even impossible, to find a reliable price for an illiquid security.
Income	Money received, especially on a regular basis, for work or through investments.
Indemnity	A security or protection against a loss or other financial burden.
Index	An assessment of the property value, with the value being compared to similar properties in the area.
Insolvency Remote	A feature, through real security and guarantees that reduces the enforceability of a creditor against a Special Purpose Vehicle. Typically, a Security Special Purpose Vehicle should be bankruptcy remote.

Insolvency	When an entity's liabilities exceed its assets.
Insurance	Provides protection against a possible eventuality.
Interest Rate Risk	The potential for losses or reduced income arising from adverse movements in interest rates.
Interest Rate	The charge or the return on an asset or debt expressed as a percentage of the price or size of the asset or debt. It is usually expressed on an annual basis.
Interest	Scheduled payments made to a creditor in return for the use of borrowed money. The size of the payments will be determined by the interest rate, the amount borrowed or principal and the duration of the loan.
Issue Date	The date of issue of a new security. Often used as the date from which interest begins to accrue.
Issuer	The party indebted or the person making repayments for its borrowings.
Junior	A security that has a lower repayment priority than senior securities.
Lease	Conveyance of land, buildings, equipment or other assets from one person (lessor) to another (lessee) for a specific period of time for monetary or other consideration, usually in the form of rent.
Legal Opinion	An opinion regarding the validity and enforceable of a transaction's legal documents.
Legal Risk	Legal risk arises from the necessity that the bank or group conducts its activities in conformity with the business and contractual legal principles applicable in each of the jurisdictions where it conducts its business. It is the possibility that a failure to meet these legal requirements may result in unenforceable contracts, litigation, fines, penalties or claims for damages or other adverse consequences.
Liability	All financial claims, debts or potential losses incurred by an individual or an organisation.
Liquidation	Liquidation is the process by which a company is wound up and its assets distributed. It can be either compulsory or voluntary. It can also refer to the selling of securities or the closing out of a long or short market position.
Liquidity	The speed at which assets can be converted to cash. It can also refer to the ability of a company to service its debt obligations due to the presence of liquid assets such as cash and its equivalents. Market liquidity refers to the ease with which a security can be bought or sold quickly and in large volumes without substantially affecting the market price.
Loan To Value	Principal balance of a loan divided by the value of the property that it funds. LTVs can be computed as the loan balance to most recent property market value, or relative to the original property market value.
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.
Margin	A term whose meaning depends on the context. In the widest sense, it means the difference between two values.
Market Value Decline	A decline in the market value of properties.
Maturity	The length of time between the issue of a bond or other security and the date on which it becomes payable in full.
Noteholder	Investor of capital market securities.
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.
Origination	A process of creating assets.
Originator	An entity that created assets and hold on balance sheet for securitisation purposes.
Overnight Rate	The overnight rate is the interest rate at which money due to be returned the next day is lent by one bank to another.
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 or dividend is made.
Performing	An obligation that performs according to its contractual obligations.
Portfolio	A collection of investments held by an individual investor or financial institution. They may include stocks, bonds, futures contracts, options, real estate investments or any item that the holder believes will retain its value.
Preference Share	Preference or preferred shares entitle a holder to a first claim on any dividend paid by the company before payment is made on ordinary shares. Such dividends are normally linked to an interest rate and not determined by company profits. Preference shares are normally repayable at par value in the event of liquidation. They do not usually carry voting or pre-emptive rights. Preference shares can be redeemable or perpetual.
Prepayment Rate	The rate of prepayment in relation to the pool of obligations. Also called prepayment speed.
Prepayment	Any unscheduled or early repayment of the principal of a loan.
Pricing	A process of determining the price of a debt security.
Principal	The total amount borrowed or lent, e.g. the face value of a bond, excluding interest.
Proceeds	Funds from issuance of debt securities or sale of assets.
Property	Movable or immovable asset.
Public Ratings	See GCR Rating Scales, Symbols and Definitions.
Ranking	A priority applied to obligations in order of seniority.
Rated Securities	Debt securities that have been accorded a credit rating.
Rating Outlook	See GCR Rating Scales, Symbols and Definitions.
Real Estate	Property that consists of land and / or buildings.
Recovery	The action or process of regaining possession or control of something lost. To recoup losses.
Reference Rate	A rate that is the basis of the calculation such as JIBAR.
Refinancing	The issue of new debt to replace maturing debt. New debt may be provided by existing or new lenders, with a new set of terms in place.
Release	An agreement between the creditor and debtor, in terms of which the creditor release the debtor from its obligations.
Replacement Servicer	A Servicer that would replace the existing Servicer in event of default or non-performance. An entity that is retained to stand ready to assume servicing responsibilities upon the termination of the initial servicer. A backup servicer is generally required to maintain a complete set of servicing records and systems for the related financial assets permitting it to assume servicing within a short period after termination of the servicer.

Risk	The chance of future uncertainty (i.e. deviation from expected earnings or an expected outcome) that will have an impact on objectives.
Secured Creditor	A creditor that has specific assets pledged as collateral that will receive the proceeds in the event of default.
Securities	Various instruments used in the capital market to raise funds.
Securitisation	A process of repackaging portfolios of cash-flow producing financial instruments into securities for sale to third parties.
Security Agreement	A negotiated and usually legally enforceable understanding between two or more legally competent parties that specifies the collateral held as security.
Security Special Purpose Vehicle	A Special Purpose Vehicle that has been created to realise and hold the security of the performance of the obligations of the Issuer that sold its assets to the Security SPV.
Security	One of various instruments used in the capital market to raise funds.
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.
Short Term	Current; ordinarily less than one year.
Special Purpose Vehicle	An entity that is created to fulfil specific objectives. An SPV is normally bankruptcy/insolvency remote and created to isolate financial risk.
Spread	The interest rate that is paid in addition to the reference rate for debt securities.
Standard Deviation	An indication of risk amongst the dispersion of values. Higher value indicates greater risk.
Stop Purchase Event	An event caused by deteriorating performance of a transaction or environmental changes that would stop the purchasing of new assets into the transaction.
Structured Finance	A method of raising funds in the capital markets. A Structured Finance transaction is established to accomplish certain funding objectives whist reducing risk.
Subordinated Loan	A loan typically given by the Issuer to the securitisation vehicle that is more junior than a junior tranche.
Subordination	The prioritising of the payment of interest and principal payments to tranches (senior, junior etc. Senior tranches are paid before junior tranches.
Swap	An exchange of payment streams between two parties for their mutual benefit. Swaps can involve an exchange of debt obligations, interest payments or currencies, with a commitment to re-exchange them at a specified time.
Tenor	The time from the value date until the expiry date of an instrument, typically a loan or option.
Timely Payment	The principal debt, interest, fees and expenses being repaid promptly in accordance with the contractual obligation.
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.
Valuation	An assessment of the property value, with the value being compared to similar properties in the area.
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.
Yield	Percentage return on an investment or security, usually calculated at an annual rate.

SALIENT POINTS OF ACCORDED RATINGS

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

The credit ratings have been disclosed to the Arranger. The ratings above were solicited by, or on behalf of, the Issuer and therefore, GCR is compensated for the provision of the ratings.

Investec 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 and other reliable third parties to accord the credit rating included:

- Final pool cut dated 31 Jan 2022
- Final capital structure
- Historical performance data – Investec IPRE
- Payment data – Investec IPRE
- Final Transaction documentation