Public Credit Rating Report | South African Structured Finance | August 2023

Grayston Drive Autos (RF) Limited

Class	Amount (ZAR)	Rating Class	Rating Scale	Rating	Outlook	Legal Final Maturity
Class A1	600,000,000	Long Term Issue	National	AAA(ZA)(SF)	Stable	20 July 2038
Class B1	150,000,000	Long Term Issue	National	AAA(ZA)(SF)	Stable	20 July 2038

Rating Action

Johannesburg, 31 July 2023 – GCR Ratings (GCR) accorded the following credit ratings to the various Classes of Notes issued by Grayston Drive Autos (RF) Limited (the Issuer or Grayston Drive):

- Class A Notes AAA(ZA)(SF), Stable Outlook
- Class B Notes AAA(ZA)(SF), Stable Outlook

The credit ratings accorded to the Class A1 Notes relate to timely payment of interest and ultimate payment of principal by Final Maturity Date. The ratings accorded to the Class B1 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.

GCR received a satisfactory Agreed-Upon Procedures Report regarding the pool data audit. In addition, GCR received executed transaction documentation as well as executed legal and tax opinions. The ratings are based on an analysis of historical quantitative information and the transaction structure presented in Transaction Documentation.

Transaction Summary

On 31 July 2023, the Issuer issued ZAR750M of Notes. Proceeds of the issuance and the Subordinated Loan were used to acquire a portfolio of Auto Instalment Sale Agreements (ISAs) originated by Investec Bank Limited (Investec) and their Related Security which includes right to payment in respect of insurance policies.

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, *inter alia*, Notes interest payments that are sequential by Class. The Pre-Enforcement Priority of Payments provides for acquisition of additional Participating Assets from time to time 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 the Notes after senior expenses and Notes' interest are paid.

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

Redraws which may be granted to the underlying borrowers 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 and Redraw 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, when their balances will be released for application in accordance with the Priority of Payments.

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 will execute a Guarantee in favour of Noteholders and other Secured Creditors. The Issuer will indemnify 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 will be secured in terms of the Security Agreements.

Transaction Strengths

- The borrowers are high earning/High Net Worth individuals or qualified or degreed professionals that are direct clients of Investec.
- Historical defaults for Investec's auto loans are low, with a 5-year average annual default rate of 0.52%.
- Credit enhancement is available to the Notes through overcollateralisation, subordination and a Principal Deficiency mechanism (that governs Interest Deferral and application of excess spread towards acquiring Additional Assets).
- According to historical performance data, most of the defaults rehabilitate instead of leading to restructuring or liquidation.

Transaction Weaknesses

- The trigger for replacement of the Servicer with a back-up servicer is only upon Servicer Default, which may imply that interruption or weakening in the servicing of the portfolio is possible.
- Balloon payments due at maturity of the auto loans imply some refinancing/market liquidity risk, although the aggregate principal balance of loans with balloon payments is capped at 20% of the pool and the balloon payments themselves are capped at 5% of the pool.
- The GIC provider is not required to make up any possible difference in return on cash should a replacement be needed.

Rating Rationale

The ratings assigned are an outcome of GCR's cash flow model which simulates the cash flows of the transaction as provided for in Transaction Documentation in multiple combinations of scenarios that become successively more stressful for each rating level.

The transaction benefits from a Principal Deficiency mechanism that allows for the prioritisation of redemption of senior-ranking Classes of Notes over interest payments on junior-ranking Classes.

The rating outcomes for each respective Class of Notes indicate the highest rating level at which such Class's interest and principal is paid in full in all corresponding model scenarios.

Transaction Structure

Notes

The Notes constitute direct, limited recourse, secured obligations of the Issuer. The Notes were issued in two Classes: Class A and Class B. The claims of the Noteholders (whether in respect of principal, interest or otherwise) are subordinated to the claims of higher-ranking creditors in accordance with the relevant Priority of Payments.

Subordinated Loan

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. The Issuer may utilise the proceeds of further Subordinated Loans under the Subordinated Loan Agreement to fund the acquisition of Additional Participating Assets.

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 both interest and principal collections on the Participating Assets, and the Reserves. Following the payment of senior expenses and interest on the facilities, interest on the Notes is to be paid sequentially by Class. During the Revolving Period, Available Funds may be used to purchase Additional Participating Assets up to the Quarterly Purchase Target Amount plus the amount allocated to clear the Principal Deficiency as reflected in the Principal Deficiency Ledger (PDL). 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 after senior expenses and Notes interest are paid.

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 D. The two itemised Priorities of Payments are outlined in Appendix F.

Principal Deficiency

The Principal Deficiency Ledger records the Principal Deficiency, defined as 100% of the defaults that occur in the pool of Participating Assets. The PDL is 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 B Principal Deficiency Sub-Ledger will begin to record a positive balance and interest on the Class B Notes will be deferred.

Additionally, during the Revolving Period, Available Funds are directed towards acquisition of Additional Assets as the PDL is cleared.

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.

GCR adjusted the weighted average margin on the Participating Assets to covenant-level (Prime less 1%) in order to simulate the margin as at the time of a breach.

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 ensuring that any cash in excess of 25% is used for Notes redemption, even prior to the end of the Revolving Period.

Reserves

The transaction makes provision for two reserves which were funded on the Initial Issue Date:

- The Liquidity Reserve was funded up to ZAR25.41m. On each Quarterly Payment Date, the amount allocated to the Liquidity Reserve and recorded in the Liquidity Reserve Ledger is released (and transferred from the Reserve Account to the Transaction Account) to form part of Available Funds for application towards items 1 to 10 in the Pre-Enforcement Priority of Payments.
- The Redraw Reserve has a Redraw Reserve Required Amount Percentage of 2.00% of the asset pool. To the extent required, the Redraw Reserve is available to fund Redraws. To fund Redraws, the Issuer is required to first use Principal Collections in respect of Participating Assets and only if these do not suffice, funds available in the Redraw Reserve. On each Quarterly Payment Date during the Revolving Period, the amount allocated to the Redraw Reserve and recorded in the Redraw Reserve Ledger is released and forms part of Available Funds (and transferred from the Reserve Account to the Transaction Account), available for application in accordance with the Pre-

Enforcement Priority of Payments. On each Quarterly Payment Date, the Issuer is required to replenish the Redraw Reserve, in accordance with the Pre-Enforcement Priority of Payments, up to the Redraw Reserve Required Amount.

After the earlier of the Actual Redemption Date of the last Tranche of Notes in issue or the Revolving Period End Date, the balances of the Liquidity Reserve, and Redraw Reserve will be released and will form part of Available Funds to be applied in accordance with the applicable Priority of Payments. As such, the reserves will not be funded after the Revolving Period ends.

Redraw Facility

The Redraw Facility Agreement is a loan facility available to the Issuer to fund Redraws to the extent needed (should funds from Principal Collections and the Redraw Reserve be insufficient for this purpose). The Redraw Facility Provider is Investec. The Redraw Facility Limit of ZAR10M is the maximum aggregate amount that can be drawn at any time. Payments of interest on the amount drawn are senior to payments of interest on the Notes. Principal repayments are subordinated to the acquisition of Additional Assets during the Revolving Period but senior to the redemption of Notes after the Revolving Period End Date. See Rating Analysis section below for the modelling implications of the Redraw Facility.

Warehouse Facility

The Issuer entered into Warehouse Facility agreement (with Investec as Warehouse Facility Provider) which may be used by the Issuer for the purposes of funding the Purchase Price of the Participating Assets from time to time and/or to fund the redemption of all (but not some of) the Notes in each relevant Tranche of Notes on their respective Scheduled Maturity Dates or on the Originator Call Option Date or thereafter. Payments of interest on the amount drawn are senior to payments of interest on the Notes. Principal repayments on any drawn amount are subordinated to the application of cash towards the acquisition of Additional Assets during the Revolving Period but senior to the redemption of Notes after the Revolving Period End Date. See Rating Analysis section below for the modelling implications of the Warehouse 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 to the secured creditors after an Enforcement Notice is delivered. In turn, the Issuer has indemnified the Security SPV against claims made by Secured Creditors arising under the Guarantee. The liability of the Security SPV pursuant to the Guarantee is limited to the net amount recovered by the Security SPV from the Issuer through the Indemnity.

The Issuer's obligations in terms of the Indemnity are secured by:

(1) The Owner Trust Suretyship granted by the Owner Trust in favour of the Security SPV in respect of the obligations of the Issuer under the Indemnity, limited to the realised value of the shares held by the

Owner Trust in the share capital of the Issuer. As security for the suretyship, the Owner Trust has granted to the Security SPV a Pledge of all the Owner Trust's shares in the share capital of the Issuer.

(2) The Security Cession in terms of which the Issuer has ceded and pledged its right, title and interest in and to: the ISAs, the Insurance Policies, Insurance Proceeds and other Related Security in respect of the portfolio of Participating Assets owned by the Issuer, and the Bank Accounts and Account Monies, the Permitted Investments, the Business Proceeds and the Transaction Documents.

While each Class of Notes shares the same security, if the security is enforced by the Security SPV, subordination provisions are 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 are 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 will be held in a Reserve Account in the name of the Issuer.

If 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.

The Security SPV

The Security SPV, Grayston Drive Autos 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

The auto ISAs constituting the portfolio of Participating Assets are originated by Investec, which is also the Seller of the Participating Assets to the Issuer.

The Servicer

Investec has been appointed as Servicer in terms of the Servicing Agreement. The Servicer is required to administer the ISA portfolio as the agent of the Issuer under and in accordance with the terms of the Servicing Agreement. The duties of the Servicer include to: i) manage the relationship between the Issuer and Borrowers; ii) administer and manage the Participating Assets; iii) implement collections, recovery, cancellations, and arrears procedures in respect of Participating Assets and, on enforcement, implement enforcement and foreclosure procedures; iv) implement credit approval services in relation to Borrowers; v) manage the advance of Redraws and the acquisition of Additional Participating Assets by the Issuer; vi) provide computer and information systems management services to the Issuer; and, vii) 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 liquidation procedures.

Upon the Servicer ceasing to hold the Standby Servicer Facilitator Rating (BBB-(ZA)), the Administrator shall appoint a third party to facilitate the search for a Standby Servicer which will be appointed upon the occurrence of a Servicer Event of Default.

The Servicer is entitled to resign with no less than 12 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.

GCR conducted an operational review with Investec on the 31 May 2023.

Investec has an established platform for securitisation of ISAs backed by motor vehicles. Two prior auto securitisations have taken place.

The target market constitutes qualified professionals including chartered accountants, medical specialists, actuaries, engineers, degreed individuals working at preferred employers and earning at least ZAR800,000 per annum, young professionals under the age of 30 earning at least ZAR600,000 per annum and High Net Worth individuals with a net asset value greater than ZAR25M.

The credit vetting process covers the applicant's credit history, character, cash flow, collateral, capital and additional factors. Investec has an existing banking relationship with clients before an auto ISA is extended, leading to low rejection rates.

Investec's auto ISA portfolio has grown from around ZAR2Bn as at 2014 to around ZAR5.5Bn.

Collections are managed based on the code assigned to the borrower, from A to F (with A meaning 'never missed a payment' and F meaning 'four or more payments missed'). Before a legal recovery process is begun on non-performance, there will be an attempt to rehabilitate and, if unsuccessful, to restructure the deal. The teams that deal with auto ISA collections are the same as those that deal with collections in other areas of the private bank.

Backups of production data take place daily on tape and there is dedicated hardware for a disaster recovery site.

Future plans for the securitisation include the possibility several tap issuances.

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 acting 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 in Permitted Investments, which are subject to Required Credit Ratings and replacement provisions that satisfy GCR's Criteria.

Hedge Counterparty

The Issuer will enter 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) differing from the reference rate of the Notes (3-month JIBAR).

Swap documentation is expected to provide 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, a counterparty that has these minimum ratings will guarantee the obligations of the Hedge Counterparty or a replacement Hedge 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 Hedge Counterparty are consistent with GCR's Criteria for Rating Structured Finance Transactions.

Participating Assets

Information on Grayston Drive's pool of 1,577 ISAs of aggregate outstanding balance of ZAR824,110,225 has been provided by Investec to GCR.

On the Initial Issue Date, the issuer utilised the proceeds of the Notes to acquire the portfolio of Participating Assets, complying with the Eligibility Criteria, from the Seller. During the Revolving Period, the Issuer may purchase Additional Participating Assets provided that: they are Eligible Assets, immediately following the acquisition the Portfolio Covenants will be satisfied and an un-remedied Stop-Purchase Event has not occurred. To do so, the Issuer may use funds available for that purpose in line with the Pre-Enforcement Priority of Payments, proceeds from a further advance under the Subordinated Loan, proceeds of a tap issuance of Notes or an advance under the Warehouse Facility.

The Seller has the right but not the obligation to replace one or more Participating Assets with other Participating Assets (each, a Replacement Asset) in accordance with the Sale Agreement. Each Replacement Asset must be of similar or better credit quality compared to the Predecessor Asset as determined in accordance with the Seller's applicable underwriting policies, the Principal Balance of the Replacement Asset must not be higher than the Principal Balance of the Predecessor Asset, and the interest rate margin of the Replacement Asset must be at least equal to the interest rate margin of the Predecessor Asset.

The Seller will have the right to repurchase Participating Assets from the Issuer. Such repurchase will only be permitted to the extent that the aggregate Principal Balances of the Participating Assets repurchased do not exceed 10% of the aggregate Principal Balances of all the Participating Assets purchased by the Issuer.

Where the Participating Assets to be repurchased are Fully Performing, the Seller may only repurchase each such Participating Asset under certain conditions, such as when the ISA no longer complies with the Eligibility Criteria or the Borrower requests a Redraw which the Issuer may not advance under the Transaction Documentation. The Seller may repurchase Non-Performing Assets only if the external auditors of the Seller have certified in writing that such Non- Performing Assets are being acquired at fair market value, which value should reflect the non-performing status of such Participating Assets.

As mentioned, Redraws may be funded first from Principal Collections, then from funds available in the Redraw Reserve and thereafter by utilising the Redraw Facility.

Portfolio

The table below exhibits the main characteristics of the asset portfolio.

Table 1: Participating Asset Pool and Portfolio Covenants

	Actual	Covenant
	Portfolio	
Cut-off Date	31 May 2023	[redacted]
Number of Instalment Sale Agreements	1,577	[redacted]
Portfolio Balance	ZAR 824,110,225	[redacted]
Current Credit Limit of Portfolio	ZAR 851,824,375	[redacted]
Average Principal Balance	ZAR 522,581	[redacted]
Median Principal Balance	ZAR 487,688.60	[redacted]
Maximum Principal Balance	ZAR 886,473	[redacted]
Maximum Current Credit Limit	ZAR 1,886,473	[redacted]
	Ratios for Covenant Comparison	
WA Discount to Prime Rate	-0.79%	-1.00%
WA Remaining Maturity (in months)	46.16	50.00
WA Seasoning (in months)	16.18	9.00
Residual Amounts Ratio	7.90%	20.00%
Residual Amount Payments Ratio	2.89%	5.00%
Used Cars Ratio	48.97%	55.00%
	Borrower Concentrations	
Concentration Limits	**Actual**	**Maximum Covenant Threshold**
Borrower Concentration Limit No 1	0.21%	0.30%
Borrower Concentration Limit No 2	0.41%	0.58%
Borrower Concentration Limit No 3	0.61%	0.84%
Borrower Concentration Limit No 4	0.76%	1.08%
Borrower Concentration Limit No 5	0.92%	1.30%

Source: Investec Pool of Assets

Table 2: Participating Assets Eligibility Criteria

Criteria Description	Criteria
Maximum remaining term	72 months
Residual amount remaining at the legal maturity date of the Instalment Sale Agreement	Not greater than 50% of the original principal debt of the Instalment Sale Agreement
Maximum Original LTV ratio	103%

Source: Investec Transaction Documents

Rating Analysis

GCR modelled the transaction post the Revolving Period End Date, at the point of breach of a Stop Purchase trigger when the Notes would start to amortise.

For the purposes of its model inputs, GCR adjusted the existing pool of assets (as at 31 May 2023) to reflect the Weighted Average Margin at the covenanted Required Weighted Average Discount to Prime of 1%.

Cumulative Defaults

Default inputs to GCR's cash flow model were derived based on extrapolations of observed historical default rates times a multiple that increases by rating level. These were used as they are higher than the Borrower Concentration Portfolio Covenant levels that correspond to various rating levels.

GCR received historical performance data relating to Investec's auto ISA portfolio covering 2011 to 2022. GCR analysed cumulative defaults, extrapolated the default curves and calculated a weighted average extrapolated cumulative default rate of 2.17% after seven years. The standard deviation of extrapolated cumulative defaults of yearly originations is 0.37%. 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 2.35%. The Required Weighted Average Seasoning Ratio has been set at nine months. However, no credit for seasoning was given for this covenant as only a small percentage (3.04%) of defaults occur in the first year after origination.

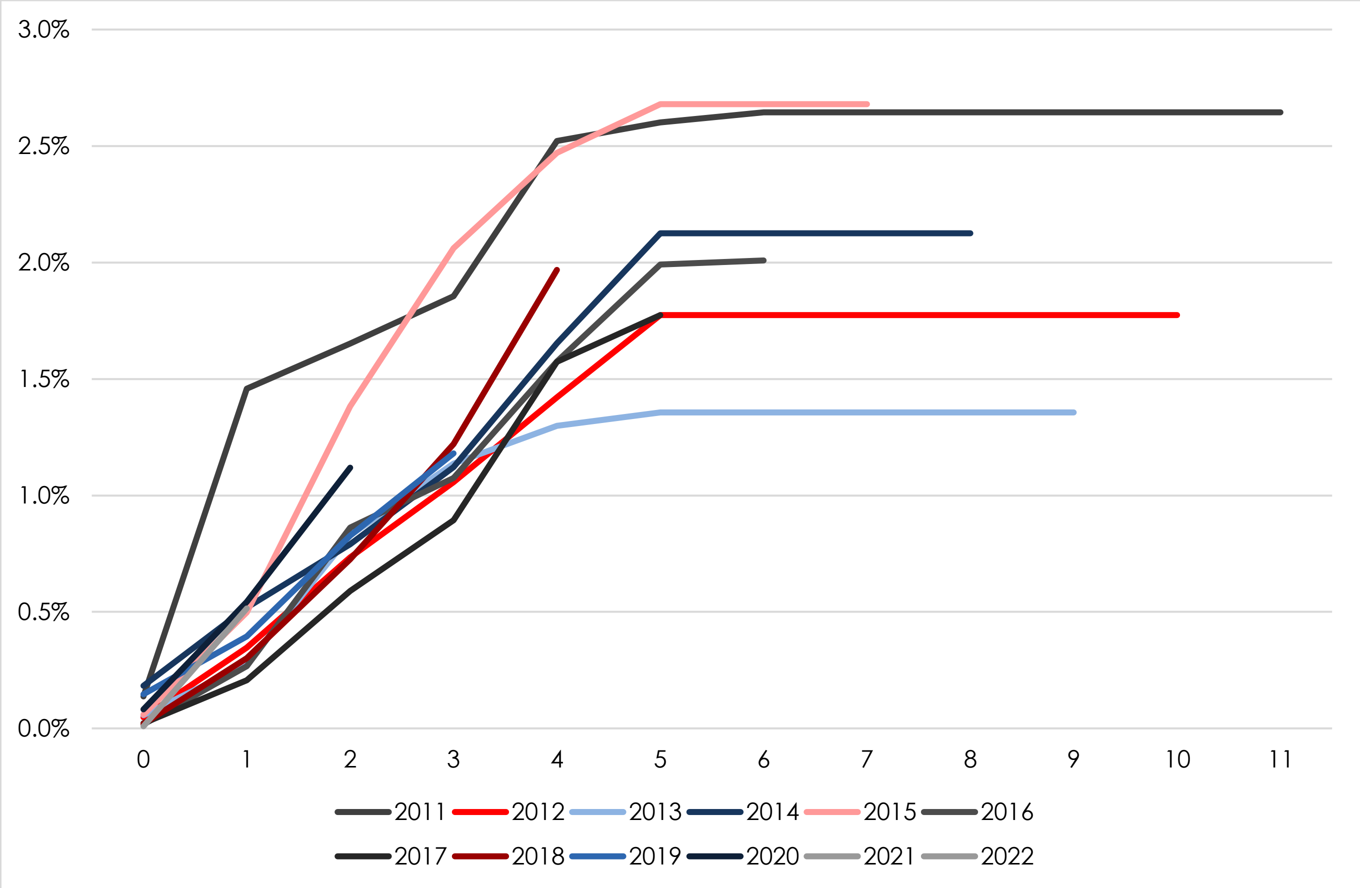
GCR observed only an insignificant difference between default behaviour of new vs used vehicle ISAs. As such a single default rate (unlike for recoveries, see below) was utilised.

Table 3: Default Base Case

Extrapolated 7-year cumulative default rate (% of origination amount) [A]	2.17%
Std deviation of yearly extrapolated cumulative default end points [B]	0.37%
Base case ($B_{(ZA)(sf)}$) cumulative default rate based on extrapolated historical data [A + 0.5xB]	2.35%

Source: Investec data, GCR calculations

Graph 1: Investec Auto ISA Cumulative Default Vintages Un-Extrapolated



Source: Investec Data, GCR Calculations

Borrower Concentration Limits

Modelled Defaults per Rating Level vs Borrower Concentration Covenants

The cumulative defaults modelled by GCR differ by rating level and are equal to the base case times a rating stress multiple. However, in order to cater for possible Borrower concentration in the asset portfolio, GCR tests the higher of the defaults implied by this (base case times rating stress multiple) approach and the maximum portion of the portfolio that Portfolio Covenants allow to be owed by a specified number of largest borrowers, which number increases by rating level. As shown in the table below, the transaction's Borrower concentration covenants are lower than the default rate inputs derived using the base case times multiple approach. Therefore, the default rates derived from the base case times multiple approach were used as the modelled cumulative default rate inputs in the cash flow model.

Table 4: Defaults per Rating Scenario: (Base Case x Multiple) vs Borrower Concentration						
Rating Scenario	**Stress Multiple**	**Base Case x Stress Multiple [A]**	**Number of Largest Obligors Assumed to Default***	**Existing Borrower Concentration in Portfolio**	**Borrower Concentration as per Portfolio Covenant [B]**	**Final Modelled Cumulative Default Rate (MAX of [A] and [B])**
AAA$_{(ZA)(sf)}$	3.4x	8.00%	7	1.22%	1.68%	**8.00%**
AA$_{(ZA)(SF)}$	2.85x	6.70%	6	1.07%	1.50%	**6.71%**
A$_{(ZA)(SF)}$	2.3x	5.41%	5	0.92%	1.30%	**5.41%**
BBB$_{(ZA)(SF)}$	1.85x	4.35%	4	0.76%	1.08%	**4.35%**
BB$_{(ZA)(SF)}$	1.3x	3.06%	3	0.61%	0.84%	**3.06%**
B$_{(ZA)(sf)}$ (base case)	1x	2.35%	2	0.41%	0.58%	**2.35%**

Source: GCR calculations

Default Vectors

The modelled default vectors were compressed to allow for allocation of defaults.

Table 5: Default Distribution Vectors				
Half-Year	**Extrapolated historically observed distribution vector**	**Modelled front-loaded vector**	**Modelled stable vector**	**Modelled back-loaded vector**
1	1.5%	4.6%	4.1%	3.8%
2	1.5%	4.6%	4.1%	3.8%
3	8.7%	13.0%	13.0%	13.0%
4	8.7%	13.0%	13.0%	13.0%
5	11.5%	17.2%	17.2%	17.2%
6	11.5%	17.2%	17.2%	17.2%
7	9.0%	12.1%	12.4%	12.6%
8	9.0%	12.1%	12.4%	12.6%
9	12.7%	3.0%	3.2%	3.4%
10	12.7%	3.0%	3.2%	3.4%
11	6.4%			
12	6.4%			
13	0.2%			
14	0.2%			

Source: GCR calculations

Cumulative Recoveries

Modelled recovery rates were derived from Loss Given Default (LGD) rates supplied to GCR covering 2011 to 2022. The LGD rates had been calculated as one minus (the present value of recoveries minus the present value of direct costs) divided by the exposure at default. To arrive at the final LGD rate, indirect costs are added. The recovery rate is calculated as one minus the LGD. As such, GCR took one minus the LGD rates to be equivalent to the terminal values of extrapolated cumulative recovery curves. The results were average recovery rates of 86.99% for new vehicles and 78.52% for used vehicles, which were adjusted downward by half the standard deviation of the terminal values from 2011 to 2022, being 4.75% for new vehicles and 7.03% for used vehicles, resulting in adjusted recovery rates of 84.61% for new vehicles and 75.00% for used vehicles. The adjusted rates were combined in accordance with the new/used covenant of 45%/55% resulting in a (weighted average) base case recovery rate of 79.33% at a $B_{(ZA)(sf)}$ rating level. The base case recovery rate is stressed as the rating level increases. At a $AAA_{(ZA)(sf)}$ rating level, a haircut of 35% is applied, resulting in a modelled $AAA_{(ZA)(sf)}$ recovery rate of 51.56%.

Table 6: Recovery Rate Base Case Derived from LGD Data

	New Vehicles	Used Vehicles
12 -year simple average of (1 – LGD) [A]	86.99%	78.52%
Std deviation of LGD over 12 years [B]	4.75%	7.03%
[A - 0.5xB]	84.61%	75.00%
Covenant percentage for new/used vehicles	45%	55%
Base Case Recovery Rate Adjusted for covenant (84.61%x45%) + (75.00%x55%)	79.32%*	

Source: GCR calculations
**The Recovery Rate Base Case is used for a $B_{(ZA)(SF)}$ rating Scenario and is haircut for higher ratings.*

Recovery Vectors

GCR utilised a proxy for the recovery vector which was based on recovery distribution data from past auto loan backed securitisation transactions rated by GCR. The proxy vector is comparable to recovery timing information provided by Investec.

Table 7: Recovery Distribution Vector

Half-Year	Proxy recovery vector	Modelled front-loaded vector	Modelled stable vector	Modelled back-loaded vector
1	42.5%	53.2%	42.5%	33.7%
2	17.5%	21.8%	17.5%	14.9%
3	12.0%	15.0%	12.0%	10.8%
4	7.9%	9.8%	7.9%	7.7%
5	5.7%	0.1%	5.7%	6.0%
6	4.1%		4.1%	4.8%
7	3.1%		3.1%	4.1%
8	2.3%		2.3%	3.5%
9	1.5%		1.5%	2.9%
10	1.3%		1.3%	2.7%
11	1.2%		1.2%	2.7%
12	0.3%		0.3%	2.0%
13	0.3%		0.3%	2.0%
14	0.2%		0.2%	1.9%

Source: GCR calculations

Prepayments

GCR modelled prepayments as average annualised monthly historical gross prepayments less 75% of average Redraws over the period from January 2011 to January 2023 (as provided to GCR) plus a volatility factor of 0.5x standard deviation. The reduction by 75% of Redraws is to recognise the correlation between Redraws and gross prepayments. This resulted in a base case prepayment rate of 6.03%.

Table 8: Prepayment Rates from 2011 to 2023 GCR Base Case

Average annualised monthly gross prepayments (% of opening balance) [A]	14.90%
Average Redraws (% of opening balance) [B]	13.94%
[C = A – 75%xB]	4.44%
Std deviation of C [D]	3.19%
Base case prepayments [C + 0.25xD]	6.03%

Source: 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%	8.1%	3.9%
$AA_{(ZA)(sf)}$	27%	7.7%	4.4%
$A_{(ZA)(sf)}$	18%	7.1%	4.9%
$BBB_{(ZA)(sf)}$	12%	6.8%	5.3%
$BB_{(ZA)(sf)}$	6%	6.4%	5.7%
$B_{(ZA)(sf)}$ (base case)	0%	6.0%	6.0%

Source: GCR calculations

Arrears

Arrears are modelled as a multiple of defaults and as rehabilitating in full after three months as is GCR's standard arrears modelling practice for all transactions.

Table 10: Arrears 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
$B_{(ZA)(sf)}$ (base case)	0.25x

Source: GCR model

Modelled Capital Structure

GCR modelled the capital structure as presented in Table 11. As seen below, GCR modelled the Redraw Facility as fully drawn to its limit of ZAR10m in order to account for the fact that interest and principal payments on the Redraw Facility are senior 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 extended using the full amount modelled as drawn under the Redraw Facility.

GCR modelled the Transaction as at the Scheduled Maturity Date (20 July 2028) to account for the shortening period over which the Notes can be paid down as time progresses.

Table 11: Modelled Capital Structure

	Outstanding Balance (ZAR)	Step-Up Date (Months from Scheduled Maturity Date)	Final Maturity Date (Months from Scheduled Maturity Date)
Redraw Facility	10,000,000	0	120
Class A Notes	600,000,000	0	120
Class B Notes	150,000,000	0	120
Subordinated Loan	116,000,000		

Source: Investec Data and GCR Modelling Adjustments

The Reserves were modelled as follows.

Table 12: Modelled Assets vs Liabilities

ASSETS		LIABILITIES	
	Amount (ZAR)		Amount (ZAR)
Participating Assets	835,100,000	Redraw Facility	10,000,000
Reserves	40,900,000	Class A Notes	600,000,000
		Class B Notes	150,000,000
		Subordinated Loan	116,000,000
Total Assets	**876,000,000**	**Total Liabilities**	**876,000,000**

Source: GCR Capital Structure Adjustments for Modelling purposes. Redraw Facility assumed to be utilised to purchase additional assets.

See Appendix I for the capital structure on Initial Issue Date.

Asset Margin Compression

The Participating Assets' margin over 3-month JIBAR was adjusted by a constant factor for each loan to reduce aggregate asset margin to the portfolio 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 Compression

Weighted Average Margin to 3-month JIBAR	% of pool balance
-0.6%	31.6%
-0.8%	2.3%
-1.0%	12.7%
-1.1%	2.3%
-1.1%	0.2%
-1.3%	51.0%
-1.0%	**100.0%**

Source: GCR calculations

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 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 fixed expenses.

Swaps

GCR incorporated the swap agreement in its model. GCR understands that the swap agreement will contain minimum required ratings, replacement provisions and/or posting of collateral to satisfy its Criteria. The swap was modelled as the Issuer paying Prime minus 3.30% to the Hedge Counterparty and receiving 3-month JIBAR in return.

Return on Cash

Despite the fact that a GIC (Guaranteed Investment Contract) 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 at modelled rating levels above the existing rating of the GIC Provider. 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%.

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 such event 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. Nighty percent of these cash flows are then reinjected into the model over 3 months, starting 6 months after the modelled servicing disruption.

Cash Flow Model Results

The modelled defaults rates are relatively low and recoveries high with the majority of recoveries occurring relatively soon after default.

The injection of available cash through the immediate release of the Reserves that coincides with the end of the Revolving Period is beneficial to the model outcome. Also, the PDL ensures that available cash is not expended on junior Notes' interest at the expense of Notes amortisation. Finally, the fact that 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 after the Revolving Period has ended ensures relatively faster 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 relating to the Transaction from Werksmans.

The opinion confirms that all legal provisions necessary are complied with, including, *inter alia*:

- The Issuer and Security SPV are insolvency remote.
- The Issuer, Security SPV, Owner Trust, Security SPV Owner Trust have been duly incorporated and have the power, capacity and authority to enter into and perform their obligations under the transaction documents to which they are party.
- The transaction documents constitute legal, valid, binding and enforceable obligations against the relevant parties.
- The sale of the underlying assets constitutes a true sale.
- The Issuer has obtained all necessary valid licenses, consents, authorisations etc.
- Non-petition, limited recourse, subordination/priority of payments provisions are legal, valid, binding and enforceable obligations against all relevant parties and any insolvency official.

Taxation Opinion

GCR received a non-executed Taxation opinion dated 29 July 2023 from Werksmans.

GCR understands *inter alia*:

- Tax regulations are not expected to interfere with the day-to-day operations of the securitisation.
- The Issuer may be regarded as "carrying on a trade" and therefore the interest payable by the Issuer on the Notes, Subordinated Loan and Redraw Facility should be deductible for tax purposes.
- The Notes will not be subject to securities transfer tax.

Pool Audit Opinion

GCR received a satisfactory Agreed-Upon Procedures Report regarding the pool data audit.

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 2023
Criteria for Rating Structured Finance Transactions, Sep 2018
Criteria for Rating Consumer Asset Backed Securities, Sep 2018
Criteria for Rating Financial Institutions, May 2019
Criteria for GCR Ratings Framework, Jan 2022

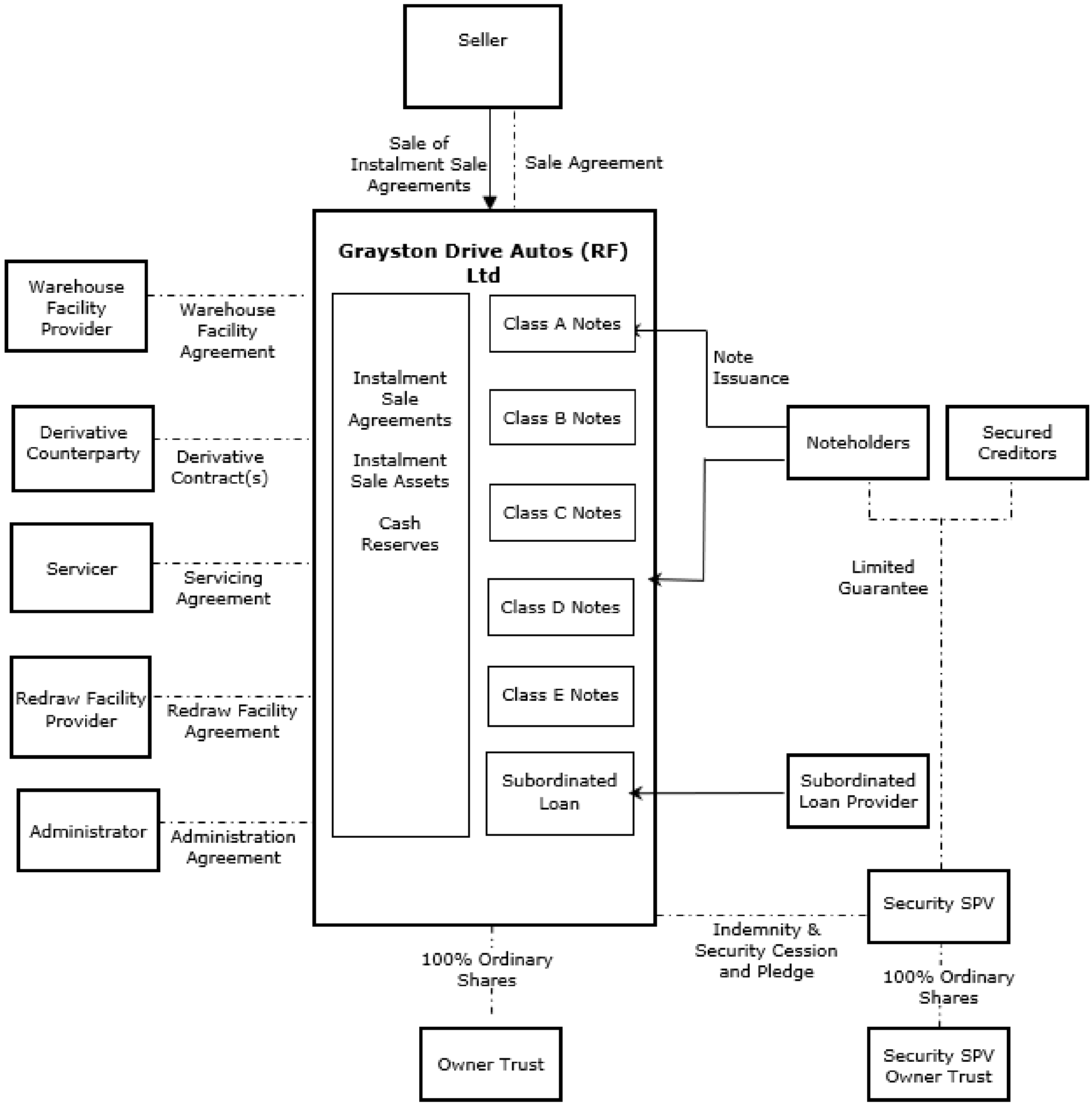
Ratings History

Grayston Drive Autos (RF) Limited

Rating class	Review	Rating scale	Rating	Outlook/Watch	Date
Class A	Initial/Last	National	$AAA_{(ZA)(sf)}$	Stable	July 2023
Class B	Initial/Last	National	$AAA_{(ZA)(sf)}$		

No Class C, D and E Notes were issued as part of the inaugural issuance of Notes

Appendix A: Transaction Diagram



Appendix B: Portfolio Covenants

i. Required Weighted Average Discount to Prime at least – 1.00% (deducted from the Prime Rate)
ii. Required Weighted Average Remaining Maturity not greater than – 50 Months
iii. Required Weighted Average Seasoning Ratio at least – 9 Months
iv. Required Residual Amounts Ratio not greater than – 20%
v. Required Residual Amount Payments Ratio not greater than – 5%
vi. Required Used Cars Ratio – not greater than 55%
vii. Borrower concentration Limit No 1 - 0.30% (Largest exposure)
viii. Borrower Concentration Limit No 2 - 0.58% (2 largest exposures)
ix. Borrower Concentration Limit No 3 – 0.84% (3 largest exposures)
x. Borrower Concentration Limit No 4 – 1.08% (4 largest exposures)
xi. Borrower Concentration Limit No 5 – 1.30% (5 largest exposures)
xii. Borrower Concentration Limit No 6 – 1.50% (6 largest exposures)
xiii. Borrower Concentration Limit No 7 – 1.68% (7 largest exposures)
xiv. Borrower Concentration Limit No 8 – 4.50% (25 largest exposures)
xv. Borrower Concentration Limit No 9 – 8.00% (50 largest exposures)
xvi. Borrower Concentration Limit No 10 – 13.50% (100 largest exposures)
xvii. Borrower Concentration Limit No 11 – 0.10% (Limit on any exposure other than the largest 100 exposures)

Appendix C: Stop Purchase Events

i. A Servicer Event of Default occurs
ii. An Issuer Trigger Event Occurs (an Insolvency Event or an Event of Default under the Notes)
iii. A Tranche of Notes is not redeemed on its Scheduled Maturity Date
iv. An Enforcement Nice is delivered
v. An unremedied Portfolio Delinquency Trigger Event occurs or a Portfolio Default Trigger Event occurs
vi. 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 as specified in the most recent Applicable Pricing Supplement, provided that such event is not remedied within a period of 30 (thirty) calendar days
vii. A Cash Trigger Event occurs*

*In the event that the balance standing to the credit of the Transaction Account on any Determination Date preceding a Quarterly Payment Date is equal to or greater than the Cash Trigger Event Amount, the Issuer shall utilise all funds in the Transaction Account in excess of the Cash Trigger Event Amount to redeem the Notes in each Class of Notes pro rata in descending order of rank in accordance with the Pre-Enforcement Priority of Payments on the relevant Quarterly Payment Date.

Appendix D: Events of Default

i. 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.
ii. 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.
iii. 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.
iv. The Issuer cease to be wholly owned by the Owner Trust without the prior written consent of the Security SPV.
v. An Issuer Insolvency Event occurs.
vi. Other General Events of Default.

If an Event of Default occurs:

i. General notifications of default will occur.

ii. If the Controlling Class of Noteholders decide that the Notes shall become immediately due and payable, the Controlling Class of Noteholders will notify the Issuer and the Security SPV accordingly.

iii. If the Controlling Class of Noteholders decide that the Notes will become immediately due and payable or if the Security SPV decides that the Notes will become immediately due and payable, the Security SPV will, by written notice to the Issuer (an "Enforcement Notice"), declare the Notes and any amounts owing under any other Transaction Document, to be immediately due and payable, and require the Outstanding Principal Amount of the Notes, together with any accrued interest thereon, and the amounts owing under any other Transaction Document, to be forthwith paid or repaid, to the extent permitted by and in accordance with the Post-Enforcement Priority of Payments.

iv. If the Notes become immediately due and payable following delivery of an Enforcement Notice, they will be redeemed and paid strictly in accordance with the Post-Enforcement Priority of Payments. If the Issuer has insufficient available funds to redeem all the Notes in full, the Notes will be redeemed, in reducing order of rank in the Post-Enforcement Priority of Payments, in each case pro rata to their Outstanding Principal Amount.

Appendix E: 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 maximum remaining term of the Instalment Sale Agreement - 72 Calendar Months;
2. the residual amount remaining at the legal maturity date of the Instalment Sale Agreement - Not greater than 50% of the original principal debt of the Instalment Sale Agreement;
3. the maximum Original LTV Ratio must not be greater than – 103%;
4. the Instalment Sale Agreement was originated in the Originator's ordinary course of business and in accordance with the Originator's prevailing credit processes;
5. the purchase price of the Instalment Sale Asset in respect of such Instalment Sale Agreement has been paid in full to the relevant supplier/vendor;
6. the Instalment Sale Agreement bears interest at a variable rate linked to the Prime Rate;
7. the Principal Balance and payment obligations under the Instalment Sale Agreement are denominated and payable in Rand;
8. the principal debt under the Instalment Sale Agreement amortises either to zero or to a residual amount at the legal maturity date;
9. the Borrower has an obligation to repay the principal debt outstanding under the Instalment Sale Agreement in full at the legal maturity date;
10. at least one (1) instalment has been paid by the Borrower in respect of the Instalment Sale Agreement;
11. prior to concluding the Instalment Sale Agreement with the Borrower, the Originator applied all of its Credit Criteria relevant to the granting of credit to the Borrower in an amount equal to the principal debt under the Instalment Sale Agreement;
12. the Instalment Sale Agreement is not subject to any dispute, counterclaim, enforcement or set off;
13. the Instalment Sale Asset is immediately prior to the purchase by the Issuer on the relevant Transfer Date, legally and beneficially owned by the Originator;
14. the Instalment Sale Agreement constitutes legal, valid, binding and enforceable obligations of the relevant Borrower and the Originator (including its successors-in-title or assigns);
15. the Borrower's payment obligations under the Instalment Sale Agreement is not in arrears;
16. the Instalment Sale Agreement imposes an obligation on the Borrower to ensure that the relevant Instalment Sale Asset 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 Instalment Sale Agreement Lender;
17. the Instalment Sale Agreement is capable of assignment to the Issuer without the further consent of, or notice to, the relevant Borrower;
18. the Instalment Sale Agreement is governed by the laws of South Africa;
19. the Borrower is obliged to pay monthly instalments in respect of the Instalment Sale Agreement;
20. the Instalment Sale Agreement allows the Originator to accelerate payments in the event of default by the Borrower;
21. the Borrower is not an employee of the Originator;

22. the Borrower is a resident of South Africa; and
23. any other eligibility criterion that will apply, will be specified in the most recent Applicable Pricing Supplement.

Appendix F: Priorities of Payments

Pre-Enforcement Priority of Payments (Simplified)

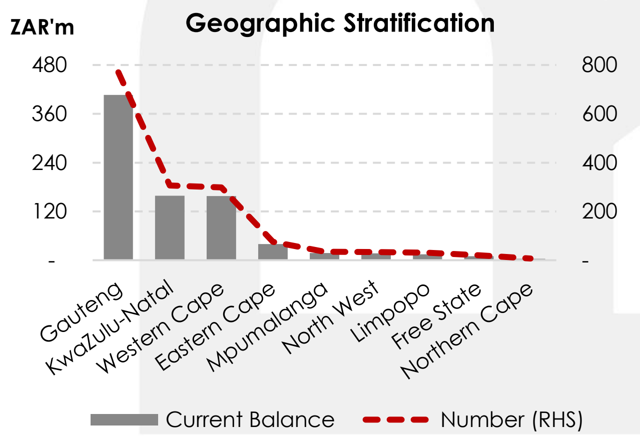
1	Tax and statutory expenses
2	Trustees, directors and third-party service provider fees
3	Servicer fee and Administrator fee
4	Derivative Net settlements and Derivative Termination Amounts if the Derivative Counterparty is not in default
5	Warehouse Facility Provider and Redraw Facility Provider interest 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 (not applicable in respect of initial issuance) interest, unless a Class C Interest Deferral Event is applicable
9	Class D Notes (not applicable in respect of initial issuance) interest, unless a Class D Interest Deferral Event is applicable
10	Class E Notes (not applicable in respect of initial issuance) 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	Allocation to and clearing of the Principal Deficiency, subject to an unremedied Stop-Purchase Event not having occurred
14	Acquisition of additional Participating Assets 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
15	Principal due and payable to Warehouse Facility Provider and Redraw Facility Provider
16	Class A Notes principal, subject to an unremedied Stop-Purchase Event occurring
17	Class B Notes principal, subject to an unremedied Stop-Purchase Event occurring
18	Class C Notes (not applicable in respect of initial issuance) principal, subject to an unremedied Stop-Purchase Event occurring (Not applicable in respect of initial Issuance)
19	Class D Notes (not applicable in respect of initial issuance) principal, subject to an unremedied Stop-Purchase Event occurring
20	Class E Notes (not applicable in respect of initial issuance) principal, subject to an unremedied Stop-Purchase Event occurring
21	Derivate Termination Amounts when Derivative Counterparty is in default
22	Interest and fees on the Subordinated Loan, subject to a Subordinated Loan Interest Deferral Event not occurring
23	Principal on the Subordinated Loan, provided that all Notes have been repaid in full
24	Dividends payable to the Preference Shareholders

Post-Enforcement Priority of Payments (Simplified)

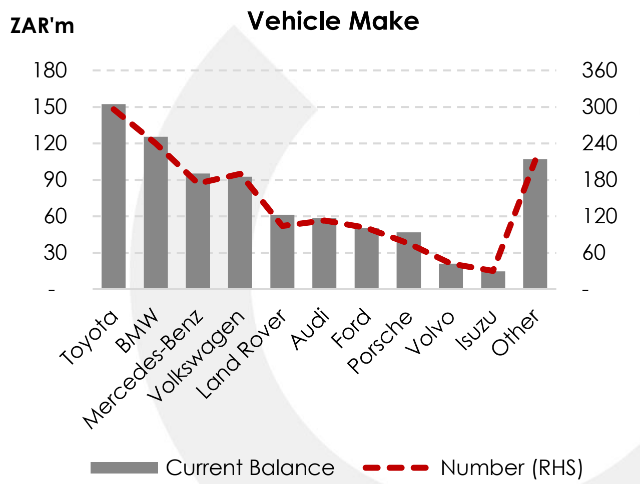
1	Tax and statutory expenses
2	Trustees, directors and third-party service provider fees
3	Servicer fee and Administrator fee
4	Derivative Net settlement Amounts and Derivative Termination Amounts if the Derivative Counterparty is not in default
5	Interest, fees and principal payable to the Warehouse Facility Provider and 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 (not applicable in respect of initial issuance)
9	Interest, fees and principal payable on the Class D Notes (not applicable in respect of initial issuance)
10	Interest, fees and principal payable on the Class E notes (not applicable in respect of initial issuance)
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 G: Portfolio Stratification at 31 May 2023

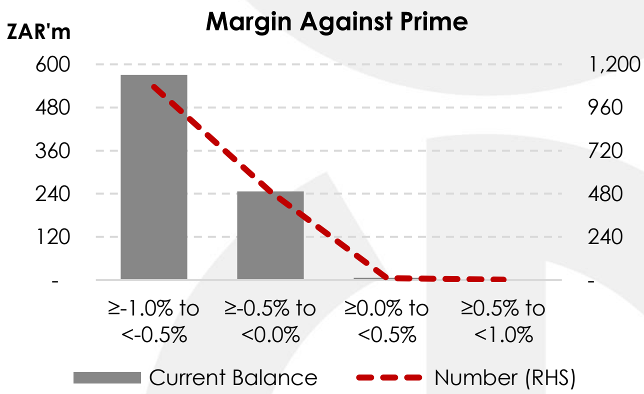
Province	Number of deals	Current Bal. (ZAR)	%
Gauteng	770	406,032,995	49.3%
KwaZulu-Natal	306	158,382,638	19.2%
Western Cape	299	157,500,470	19.1%
Eastern Cape	76	39,538,359	4.8%
Mpumalanga	35	17,529,332	2.1%
North West	33	17,031,852	2.1%
Limpopo	31	14,735,593	1.8%
Free State	20	9,591,839	1.2%
Northern Cape	7	3,767,147	0.5%
Total	**1,577**	**824,110,225**	**100.0%**



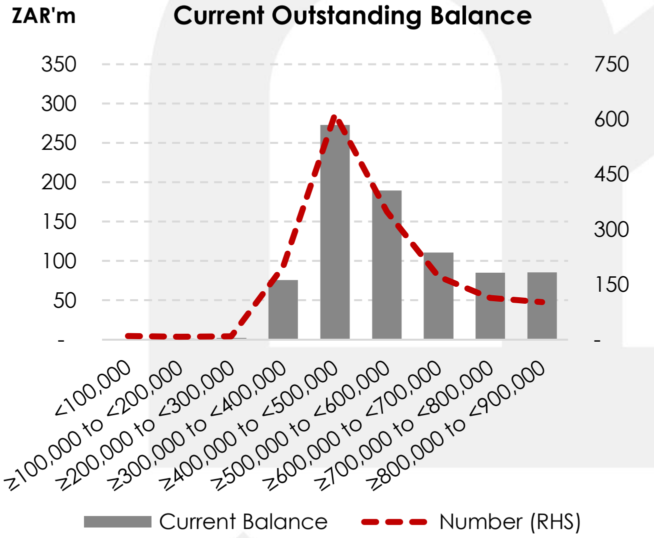
Vehicle Make	Number of deals	Current Bal. (ZAR)	%
Toyota	296	152,169,383	18.5%
BMW	240	125,369,129	15.2%
Mercedes-Benz	174	95,048,348	11.5%
Volkswagen	190	92,438,930	11.2%
Land Rover	104	61,190,130	7.4%
Audi	113	58,216,013	7.1%
Ford	101	50,424,415	6.1%
Porsche	75	46,637,749	5.7%
Volvo	42	20,864,379	2.5%
Isuzu	30	14,718,754	1.8%
Other	212	107,032,994	13.0%
Total	**1,577**	**824,110,225**	**100.0%**



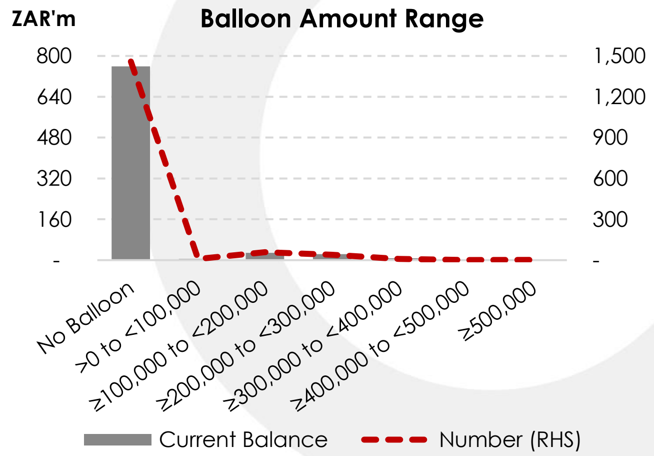
Margin Against Prime	Number of deals	Current Bal. (ZAR)	%
≥-1.0% to <-0.5%	1,074	570,274,571	69.2%
≥-0.5% to <0.0%	491	246,774,485	29.9%
≥0.0% to <0.5%	10	6,154,299	0.7%
≥0.5% to <1.0%	2	906,870	0.1%
Total	**1,577**	**824,110,225**	**100.0%**



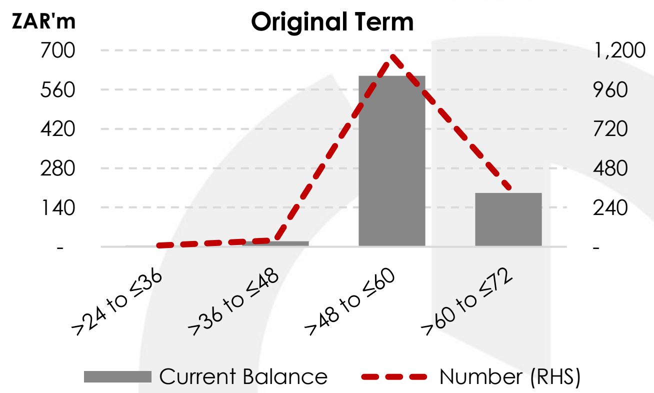
Current Outstanding Balance (ZAR)	Number of deals	Current Bal. (ZAR)	%
<100,000	10	310,717	0.0%
≥100,000 to <200,000	8	1,342,841	0.2%
≥200,000 to <300,000	9	2,364,946	0.3%
≥300,000 to <400,000	199	75,980,437	9.2%
≥400,000 to <500,000	614	273,071,217	33.1%
≥500,000 to <600,000	349	189,719,981	23.0%
≥600,000 to <700,000	172	110,771,426	13.4%
≥700,000 to <800,000	114	85,040,975	10.3%
≥800,000 to <900,000	102	85,507,686	10.4%
Total	**1,577**	**824,110,225**	**100.0%**



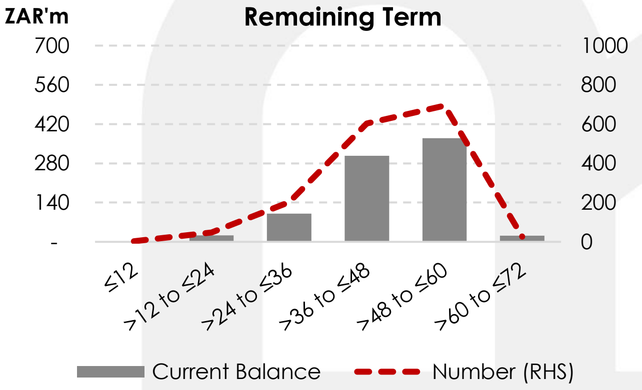
Balloon Amount Range (ZAR)	Number of deals	Current Bal. (ZAR)	%
No Balloon	1,459	758,994,205	92.1%
>0 to <100,000	8	4,243,972	0.5%
≥100,000 to <200,000	58	28,044,232	3.4%
≥200,000 to <300,000	39	23,774,755	2.9%
≥300,000 to <400,000	10	6,720,798	0.8%
≥400,000 to <500,000	1	880,044	0.1%
≥500,000	2	1,452,219	0.2%
Total	**1,577**	**824,110,225**	**100.0%**



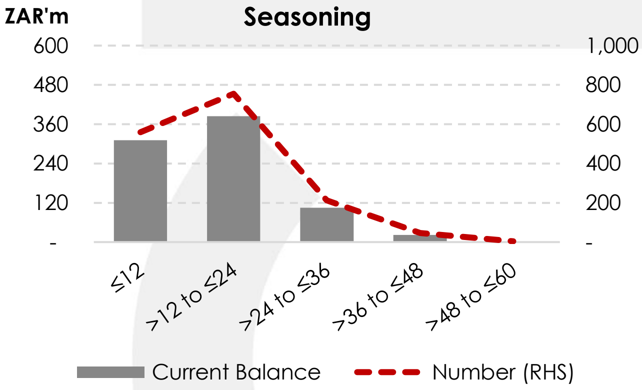
Original Term (months)	Number of deals	Current Bal. (ZAR)	%
>24 to ≤36	8	3,451,072	0.5%
>36 to ≤48	40	19,431,664	2.5%
>48 to ≤60	1,166	609,697,617	73.9%
>60 to ≤72	363	191,529,871	23.0%
Total	**1,577**	**824,110,225**	**100.0%**



Remaining Term (months)	Number of deals	Current Bal. (ZAR)	%
≤12	3	1,320,587	0.2%
>12 to ≤24	48	22,658,336	2.7%
>24 to ≤36	202	100,687,616	12.2%
>36 to ≤48	603	307,474,267	37.3%
>48 to ≤60	694	369,637,767	44.9%
>60 to ≤72	27	22,331,652	2.7%
Total	**1,577**	**824,110,225**	**100.0%**



Seasoning (months)	Number of deals	Current Bal. (ZAR)	%
≤12	560	311,196,991	37.8%
>12 to ≤24	755	384,710,635	46.7%
>24 to ≤36	212	105,133,358	12.8%
>36 to ≤48	46	21,347,972	2.6%
>48 to ≤60	4	1,721,269	0.2%
Total	**1,577**	**824,110,225**	**100.0%**



Source: Grayston Drive pool cut

Appendix H: Ratings Sensitivities

Security Class	Rating	15% Increase of Default Rate	15% Decrease of Recovery Rate	15% Increase of Default Rate and 15% Decrease of Recovery Rate	30% Increase of Default Rate	30% Decrease of Recovery Rate	30% Increase of Default Rate and 30% Decrease of Recovery Rate
Class A	AAA(ZA)(SF)	AAA(ZA)(SF)	AAA(ZA)(SF)	AAA(ZA)(SF)	AAA(ZA)(SF)	AAA(ZA)(SF)	AAA(ZA)(SF)
Class B	AAA(ZA)(SF)	AAA(ZA)(SF)	AAA(ZA)(SF)	AAA(ZA)(SF)	AAA(ZA)(SF)	AAA(ZA)(SF)	AAA(ZA)(SF)

Appendix I: Capital Structure

ASSETS		**LIABILITIES**	
	Amount (ZAR)		Amount (ZAR)
Participating Assets	824,110,225	Class A Notes	600,000,000
Liquidity Reserve	25,407,570	Class B Notes	150,000,000
Redraw Reserve	16,482,205	Subordinated Loan	116,000,000
Total Assets	866,000,000	Total Liabilities	866,000,000

Glossary

Account Bank	A bank where the transaction account is held.
Accounting	A process of recording, summarising, and allocating all items of income and expense of the company and analysing, verifying and reporting the results.
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).
Balloon Loan	A loan which does not fully amortise over the term of the loan agreement.
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.
Call Option	A security that gives the holder or buyer the right but not the obligation to buy an underlying instrument at an agreed price (the strike price) within a specified time. The seller or writer has the obligation to sell the underlying instrument if the holder exercises the option.
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.
Claim	1. A request for payment of a loss, which may come under the terms of an insurance contract (insurance). 2. A formal request or demand (corporate finance).
Collateral	Asset provided to a creditor as security for a loan or performance.
Concentrations	A high degree of positive correlation between factors or excessive exposure to a single factor that share similar demographics or financial instrument or specific sector or specific industry or specific markets.
Conditions	Provisions inserted in an insurance contract that qualify or place limitations on the insurer's promise to perform.
Contract	An agreement by which an insurer agrees, for a consideration, to provide benefits, reimburse losses or provide services for an insured. A 'policy' is the written statement of the terms of the contract.

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.
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.
Creditor	A credit provider that is owed debt obligations by a debtor.
Debt	An obligation to repay a sum of money. More specifically, it is funds passed from a creditor to a debtor in exchange for interest and a commitment to repay the principal in full on a specified date or over a specified period.
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 typically 90 days on any debt obligations as defined in the transaction documents; 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.
Dividend	The portion of a company's after-tax earnings that is distributed to shareholders.
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.
Enforceable	To make sure people do what is required by a law or rule et cetera.
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.
Exposure	Exposure is the amount of risk the holder of an asset or security is faced with as a consequence of holding the security or asset. For a company, its exposure may relate to a particular product class or customer grouping. Exposure may also arise from an overreliance on one source of funding. In insurance, it refers to an indivdual or company's vulnerability to various risks
Facility	The grant of availability of money at some future date in return for a fee.
Financial Institution	An entity that focuses on dealing with financial transactions, such as investments, loans and deposits.
Fix	The setting of a currency or commodity price for trade at a future date.
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.
Indemnity	A security or protection against a loss or other financial burden.
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.
Instalment	Payment made to honour obligations in regards to a credit agreement in the following credited order: 1.) Satisfy the due or unpaid interest charges; 2.) Satisfy the due or unpaid fees or charges; and To reduce the amount of the principal debt.
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.
Legal Opinion	An opinion regarding the validity and enforceable of a transaction's legal documents.
Lender	A credit provider that is owed debt obligations by a debtor.
Liabilities	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 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.
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.
Loss Given Default	This is an estimate of the amount of the exposure at default that will not be recovered. It also includes other costs such as legal costs.
Margin	A term whose meaning depends on the context. In the widest sense, it means the difference between two values.
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.
Obligor	The party indebted or the person making repayments for its borrowings.
Option	An option gives the buyer or holder the right, but not the obligation, to buy or sell an underlying financial asset at a pre-determined price.
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.

Pledge	An asset or right delivered as security for the payment of a debt or fulfilment of a promise, and subject to forfeiture on failure to pay or fulfil the promise.
Policy	The legal document issued by the company to the policyholder, which outlines the conditions and terms of the insurance.
Pool	An organisation of insurers or reinsurers through which particular types of risk are underwritten and premiums, losses and expenses are shared in agreed-upon amounts.
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 mortgage/loan.
Pricing	A process of determining the price of a debt security.
Prime Rate	The benchmark interest rate that banks charge their customers.
Principal Repayments	Scheduled payments and prepayments.
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.
Pro Rata	(1) Distribution of the amount of insurance under one policy among several objects or places covered in proportion to their value or the amounts shown. (2) Distribution of liability among several insurers having policies on a risk, usually in the proportion that the amount of coverage in each policy bears to the total amount of coverage in all policies.
Proceeds	Funds from issuance of debt securities or sale of assets.
Provision	The amount set aside or deducted from operating income to cover expected or identified loan losses.
Ranking	A priority applied to obligations in order of seniority.
Rated Securities	Debt securities that have been accorded a credit rating.
Recovery	The action or process of regaining possession or control of something lost. To recoup losses.
Redemption	The repurchase of a bond at maturity by the issuer.
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.
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.
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.
Reserves	A portion of funds allocated for an eventuality.
Risk	The chance of future uncertainty (i.e. deviation from expected earnings or an expected outcome) that will have an impact on objectives.

Seasoning	The age of an asset, the time period passed since origination.
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.
Servicing	The calculation of interest and repayments, collection of repayments, advancing of loans, foreclose procedures, maintaining records and seeing that the proceeds of each loan are passed on to the respective party.
Settlement	Full repayment of an obligation.
Shareholder	An individual, entity or financial institution that holds shares or stock in an organisation or company.
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.
Statutory	Required by or having to do with law or statute.
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.
Taxation	A source of government revenue levied on income and accruals.
Timely Payment	The principal debt, interest, fees and expenses being repaid promptly in accordance with the contractual obligation.
Tranche	A portion of an obligation, each of which has different terms.
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.
Trigger Event	An event caused by transactional performance or environmental changes that would impact a transaction.
True Sale	An asset's right, title and obligations are transferred to a securitisation vehicle by means of pledge, mortgage or cession.

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	An individual or firm that holds or administers property or assets for the benefit of a third party.
Ultimate Payment	A measure of the principal debt, interest, fees and expenses being repaid over a period of time determined by recoveries.
Underwriting	The process of selecting risks and classifying them according to their degrees of insurability so that the appropriate rates may be assigned. The process also includes rejection of those risks that do not qualify.
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.
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.
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 process 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, security or financial instrument being rated; and c.) such ratings were an independent evaluation of the risks and merits of the rated entity, security or financial instrument.

The ratings above were solicited by, or on behalf of, the rated entity, and therefore, GCR has been compensated for the provision of the ratings.

Grayston Drive Autos (RF) Limited participated in the rating process via face-to-face management meetings, tele-conferences and other written correspondence. Furthermore, the quality of information received was considered adequate and has been independently verified where possible.

- Pool cut, 31 May 2023
- Capital structure
- Historical default data, 2011 to 2022
- Historical LGD data, 2011 to 2022
- Historical Prepayment date from January 2011 to January 2023
- Other miscellaneous data and presentations
- Executed Legal and Taxation Opinions, July 2023
- Executed Transaction documentation
- AUP report, July 2023

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