

---

## APPLICABLE PRICING SUPPLEMENT

---

### **TUHF URBAN FINANCE (RF) LIMITED**

*(Incorporated in South Africa as a public company with limited liability under registration number 2018/563485/06)*

**Issue of ZAR115,000,000 limited recourse, secured, registered, floating rate  
Class A1 Notes  
under its ZAR2,000,000,000 Mortgage Loan Backed Securitisation Programme,  
registered with the JSE Limited on 11 December 2018**

This document constitutes the Applicable Pricing Supplement relating to the issue of Notes described in this Applicable Pricing Supplement.

This Applicable Pricing Supplement must be read in conjunction with the Programme Memorandum issued by TUHF Urban Finance (RF) Limited dated 11 December 2018. To the extent that there is any conflict or inconsistency between the contents of this Applicable Pricing Supplement and the Programme Memorandum, the provisions of this Applicable Pricing Supplement shall prevail.

Any capitalised terms not defined in this Applicable Pricing Supplement shall have the meanings ascribed to them in the section of the Programme Memorandum headed "*Terms and Conditions of the Notes*". References in this Applicable Pricing Supplement to the Conditions are to the section of the Programme Memorandum headed "*Terms and Conditions of the Notes*". References to any Condition in this Applicable Pricing Supplement are to that Condition of the Conditions.

The Issuer certifies that to the best of its knowledge and belief there are no facts that have been omitted from this Applicable Pricing Supplement which would make any statement false or misleading and that all reasonable enquiries to ascertain such facts have been made and that this Applicable Pricing Supplement contains all information required by Applicable Law and the JSE Debt Listings Requirements. The Issuer accepts full responsibility for the information contained in this Applicable Pricing Supplement, the Programme Memorandum and the annual financial statements and any amendments to the annual financial statements or any supplements from time to time, except as otherwise stated therein.

The JSE assumes no responsibility or liability of whatsoever nature for the contents of this Applicable Pricing Supplement or the Programme Memorandum or the annual financial statements or any other information incorporated by reference into this Applicable Pricing Supplement (as amended or restated from time to time), and the JSE makes no representation as to the accuracy or completeness of this Applicable Pricing Supplement or the Programme Memorandum, the annual financial statements or any other information incorporated by reference into this Applicable Pricing Supplement (as amended or restated from time to time). The JSE expressly disclaims any liability for any loss arising from or in reliance upon the whole or any part of this Applicable Pricing Supplement or the Programme Memorandum or the annual financial statements or any other information incorporated by reference into this Applicable Pricing Supplement (as amended or restated from time to time). The JSE's approval of the registration of the placing document and listing of the debt securities is not to be taken in any way as an indication of the merits of the issuer or of the debt securities and that, to the extent permitted by law, the JSE will not be liable for any claim whatsoever.

1 

## DESCRIPTION OF THE NOTES

|    |   |   |
|----|---|---|
| 1  | Issuer  | TUHF Urban Finance (RF) Limited   |
| 2  | Status and Class of the Notes   | Secured Class A1 Notes  |
| 3  | Tranche number  | 2   |
| 4  | Series number   | 1   |
| 5  | Designated Class A Ranking  | N/A   |
| 6  | Aggregate Principal Amount of this Tranche  | ZAR115,000,000  |
| 7  | Issue Date  | 3 October 2019  |
| 8  | Minimum Denomination per Note   | ZAR1,000,000  |
| 9  | Issue Price   | 101.58737534%   |
| 10 | Applicable Business Day Convention  | Following Business Day Convention   |
| 11 | Mandatory Redemption in Part Applicable   | During the Pre-Enforcement Period the Issuer shall, with effect from the termination of the Revolving Period, apply all Available Funds to pay the Principal Amount Outstanding in accordance with the Pre-Enforcement Priority of Payments   |
| 12 | Final Redemption Date   | 30 April 2039, provided that if a trigger event occurs, the early redemption date of the debt security will be a minimum of 5 business days after the date on which the trigger event occurred and such early redemption date will be announced on SENS, in accordance with the timetable set out in paragraph 3 of Schedule 4, Form A4. For this purpose, "trigger event" means an event that precipitates an automatic redemption in relation to the debt security as defined in the Programme Memorandum |
| 13 | Use of Proceeds   | The net proceeds of the issue of these Notes will be used to purchase End-User Loans from time to time throughout the Revolving Period  |
| 14 | Specified Currency  | Rand  |
| 15 | Set out the relevant description of any additional Conditions relating to the Notes | N/A   |
| 16 | Interest Commencement Date  | 31 July 2019  |

2/18

|    |   |   |
|----|---|---|
| 17 | Interest Payment Date(s)  | 30 April, 31 July, 31 October and 31 January in each calendar year or, if such day is not a Business Day, the immediately succeeding Business Day   |
| 18 | First Interest Payment Date   | 31 October 2019   |
| 19 | Interest Period(s)  | Each period commencing on (and including) an Interest Payment Date and ending on (but excluding) the following Interest Payment Date; provided that the first Interest Period will commence on (and include) the interest commencement date and end on (but exclude) the First Interest Payment Date; |
| 20 | Interest Rate   | JIBAR plus <b>222</b> basis points  |
| 21 | Rate Determination Date   | in respect of each Interest Period, the day falling on the first day of that Interest Period or, if such day is not a Business Day, the immediately succeeding Business Day   |
| 22 | Coupon Step-Up  | On the Coupon Step-Up Date, being 31 January 2025, the margin will be increased by 125 basis points   |
| 23 | Any other terms relating to the particular method of calculating interest | N/A   |
|    | <b>GENERAL</b>  |   |
| 24 | Additional selling restrictions   | N/A   |
| 25 | International Securities Identification Number (ISIN)                     | ZAG000156167  |
| 26 | Stock Code  | TU1A11  |
| 27 | Financial Exchange  | Interest Rate Market, JSE Limited   |
| 28 | Exchange Control Approval   | N/A   |
| 29 | Method of distribution  | Auction   |
| 30 | Rating assigned to this Tranche of Notes (if any)                         | As at the Issue Date, this Series 1 of Secured Class A1 Notes has a national long-term credit rating of AA-(za)(sf)   |
| 31 | Rating Agency   | Global Credit Rating Co. Proprietary Limited  |
| 32 | Governing Law   | South Africa  |
| 33 | Last day to register  | 24 April, 25 July, 25 October and 25 January in each calendar year or if such day is not a  |

3 

|    |  | Business Day, the Business Day before each Books Closed Period  |
|----|--|---|
| 34 | Books closed period  | the periods 25 April to 29 April, 26 July to 30 July, 26 October to 30 October and 26 January to 30 January of each calendar year |
| 35 | Calculation Agent, if not the Servicer   | Africa Frontier Capital Proprietary Limited   |
| 36 | Specified Office of the Calculation Agent  | Ground Floor, Rosebank Corner<br>191 Jan Smuts Avenue<br>Parktown North, Johannesburg<br>2196                                     |
| 37 | Transfer Secretary   | Africa Frontier Capital Proprietary Limited   |
| 38 | Specified Office of the Transfer Secretary   | Ground Floor, Rosebank Corner<br>191 Jan Smuts Avenue<br>Parktown North, Johannesburg<br>2196                                     |
| 39 | Aggregate Principal Amount of Class A, Class B Notes, Class D and Class E Notes to be issued simultaneously with this Tranche (including this Tranche) | ZAR150,000,000  |
| 40 | Other provisions (including additional covenants, if any)  | N/A   |
| 41 | Paying Agent   | Nedbank Limited, 135 Rivonia Road, Sandown, 2196  |
| 42 | Settlement Agent   | Nedbank Limited, 135 Rivonia Road, Sandown, 2196  |

**ESTABLISHMENT OF THE PROGRAMME AS A TRADITIONAL SECURITISATION PROGRAMME UNDER THE SECURITISATION REGULATIONS PUBLISHED UNDER THE PROVISIONS OF THE BANKS ACT, 1990**

The Programme has been established as a Traditional Securitisation Scheme under the Securitisation Regulations published under the provisions of the Banks Act, 1990. As contemplated in paragraph 4 of the Securitisation Regulations:

Paragraph 4(2)(a)

The transfer of Sold End User Loan Claims to the Issuer (being a special-purpose institution) shall totally divest the Seller (being a transferring institution) and all its associated companies.

Paragraph 4(2)(b)

The Issuer shall have no right of recourse against the Seller or any other institution acting in a primary role or any of its associated companies.

Paragraph 4(2)(c)

Notwithstanding paragraph 4(2)(b) above, the Issuer has a right of recourse emanating from the warranties given by the Seller in respect of the Sold End User Loan Claims transferred to the Issuer.

Paragraph 4(2)(d)

The Servicer is responsible for collecting and administering the Sold End User Loan Claims. The Servicer is under no obligation to remit funds to the Issuer unless and until the payments are received from the End User Borrower.

Paragraph 4(2)(e)

The transfer of rights and obligations under each Sold End User Loan Claim will not result in a breach of any of the terms of the relevant underlying transaction.

Paragraph 4(2)(f)

No undrawn commitment will be transferred to the Issuer in terms of the Programme.

Paragraph 4(2)(g)

The Sale Agreement is such that, in the event of the terms of an underlying transaction being amended, the Issuer, and not the Seller, or any of the Seller's associated companies will be subject to the terms so amended.

Paragraph 4(2)(h) – 4(2)(j)

As the Seller is not a Bank, the provisions of these paragraphs do not apply.

Paragraph 4(2)(k)

The Programme does not contemplate the Seller, or any of its associated companies, entering into a swap agreement with the Issuer in terms of which it agrees to bear losses in respect of the Sold End User Loan Claims transferred to the Issuer. As such, the provisions of paragraph 6 of the Securitisation Regulations will not apply.

Paragraph 4(2)(l)

No institution acting in a primary role (including the Seller and the Servicer), by itself or together with its associated companies, (i) holds any equity share capital in the Issuer; or (ii) has the right to determine the outcome of the voting at a general meeting of the Issuer.

Paragraph 4(2)(m)

The board of directors of the Issuer shall be independent of any institution acting in a primary role (including the Seller and the Servicer), provided that the Seller may appoint one director to the Issuer's board of directors, for so long as the board of directors shall consist of not less than three members.

Paragraph 4(2)(n)

The Issuer's name does not include the name of a bank.

**Paragraph 15 – Disclosure Document**

Handwritten signature and initials in the bottom right corner of the page.

- (i) Name of the Issuer – TUHF Urban Finance (RF) Limited;
- (ii) Name of Auditors – PricewaterhouseCoopers Inc;
- (iii) Total amount of commercial paper to be issued – ZAR150,000,000;
- (iv) The Notes comprising this issue are to be **listed**;
- (v) Description of the assets transferred – A portfolio of End User Loan Claims;
- (vi) The cash flows arising from the assets transferred, that will be utilised for the payments by the Issuer in respect of the commercial paper issued – SEE **APPENDIX "A"**;
- (vii) Confirmation by the auditor of the Issuer that the issue of commercial paper pursuant to the Programme complies in all respects with the relevant provisions of the Securitisation Regulations – **APPENDIX "B"**;
- (viii) Credit-enhancement facilities: None.
- (ix) Liquidity facilities: None.
- (x) The Seller is not obliged to support any losses suffered by the Issuer.
- (xi) The board of directors of the Issuer is independent from the Seller.
- (xii) The aggregate value of Notes issued (ie. ZAR650,000,000, of which ZAR150,000,000 is in respect of this Tranche) does not exceed ZAR2,000,000,000.
- (xiii) Any other information that may reasonably be necessary to enable an investor to ascertain the nature of the financial and commercial risk of his or her investment: None.
- (xiv) Notes held by the Originator: Class E Notes to the value of ZAR65,000,000 (of which ZAR15,000,000 is in respect of this Tranche).

**ASSET DATA AND PORTFOLIO OF STRAT TABLES - APPENDIX "A"**

**AUDITOR'S CONFIRMATION – APPENDIX "B"**

Details regarding the general characteristics and descriptions of the Underlying Assets are available for inspection on the Servicer's website: <http://www.tuhf.co.za/investor-relations/>. The Servicer will, on a quarterly basis, provide an investor report as required in terms of paragraph 7.49(a)(ii) of the JSE Debt Listings Requirements, which will also be published on [www.tuhf.co.za](http://www.tuhf.co.za).

Application is hereby made to list this Tranche of the Notes on the Interest Rate Market of the JSE, as from 3 October 2019, pursuant to the TUHF Urban Finance (RF) Limited Securitisation Programme.



SIGNED at Sandton this 27 day of September 2019.

For and on behalf of  
**TUHF URBAN FINANCE (RF) LIMITED**



\_\_\_\_\_  
Name: R. Thanthony  
Capacity: Director  
who warrants his/her authority hereto



\_\_\_\_\_  
Name: Werner Néi  
Capacity: Director  
who warrants his/her authority hereto

## APPENDIX "A"

### PORTFOLIO OF STRAT TABLES

Quarterly Investor Report

Determination Date

Reporting Date

#### Programme Information

TUHF Urban Finance is a cash securitisation of mortgage loans originated by TUHF Limited

|                               |   |
|-------------------------------|---|
| Transaction type              | Mortgage backed securitisation programme      |
| Inception date                | 12 December 2018                              |
| Revolving period              | Revolving up to the 4th interest payment date |
| Revolving period end date     | 31 January 2020                               |
| Step-up Date                  | 30 April 2025                                 |
| Originator (if applicable)    | TUHF Limited                                  |
| Servicer (if applicable)      | TUHF Limited                                  |
| Administrator (if applicable) | TUHF Limited                                  |
| Calculation Agent             | Africa Frontier Capital                       |
| Back-up servicer              | Mettle Credit Services                        |
| Settlement Bank               | Nedbank                                       |
| Account Bank                  | Standard Bank                                 |
| Programme size                | R2 billion                                    |
| Rating Agency                 | Global Credit Ratings Co                      |
| Contact person details        | Ilona Roodt<br>(010) 595 9000                 |

#### Asset Data

##### Pool Summary

|                                     |                |
|-------------------------------------|----------------|
| Date of Pool cut                    | 31-Aug-19      |
| Aggregate current portfolio balance | 618 280 167    |
| Number of Loans                     | 244            |
| Type of Assets                      | Mortgage Loans |

|                                | Weighted Average | Minimum | Maximum    |
|--------------------------------|------------------|---------|------------|
| Original Facility Amount       | 735 925 735      | 159 187 | 19 457 550 |
| Current Loan Amount            | 2 533 935        | 35 697  | 19 113 008 |
| Original LTV (%)               | 65.83%           | 23.64%  | 80.00%     |
| Current LTV (%)                | 52.98%           | 0.35%   | 78.88%     |
| Interest Margin (Prime Plus %) | 3.60%            | 1.00%   | 6.00%      |
| Original Term (months)         | 180.0            | 180.0   | 180.0      |
| Remaining Term (months)        | 138.3            | 22.0    | 175.0      |
| Seasoning (months)             | 41.7             | 5.0     | 158.0      |

##### Original LTV Distribution

| LTV Range (%) | No. of Loans | % of total     | Current Balance    | % of total     |
|---------------|--------------|----------------|--------------------|----------------|
| > 0 <= 40     | 5            | 2.05%          | 9 649 854          | 1.56%          |
| > 40 <= 50    | 3            | 1.23%          | 5 897 093          | 0.95%          |
| > 50 <= 60    | 44           | 18.03%         | 174 358 423        | 28.20%         |
| > 60 <= 70    | 73           | 29.92%         | 200 802 609        | 32.48%         |
| > 70 <= 80    | 119          | 48.77%         | 227 572 187        | 36.81%         |
| <b>TOTAL</b>  | <b>244</b>   | <b>100.00%</b> | <b>618 280 167</b> | <b>100.00%</b> |



Quarterly Investor Report

Determination Date

Reporting Date

Current LTV Distribution

| LTV Range (%) | No. of Loans | % of total     | Current Balance    | % of total     |
|---------------|--------------|----------------|--------------------|----------------|
| > 0 <= 40     | 83           | 34.02%         | 101 387 609        | 16.40%         |
| > 40 <= 50    | 40           | 16.39%         | 93 006 404         | 15.04%         |
| > 50 <= 60    | 61           | 25.00%         | 233 669 507        | 37.79%         |
| > 60 <= 70    | 45           | 18.44%         | 140 992 460        | 22.80%         |
| > 70 <= 80    | 15           | 6.15%          | 49 224 187         | 7.96%          |
| <b>TOTAL</b>  | <b>244</b>   | <b>100.00%</b> | <b>618 280 167</b> | <b>100.00%</b> |

Current Loan Balance Distribution

| Loan Balance (ZAR)        | No. of Loans | % of total     | Current Balance    | % of total     |
|---------------------------|--------------|----------------|--------------------|----------------|
| > 0 <= 1 000 000          | 96           | 39.34%         | 53 780 030         | 8.70%          |
| > 1 000 000 <= 2 000 000  | 45           | 18.44%         | 63 219 271         | 10.23%         |
| > 2 000 000 <= 3 000 000  | 40           | 16.39%         | 99 163 381         | 16.04%         |
| > 3 000 000 <= 4 000 000  | 17           | 6.97%          | 60 397 409         | 9.77%          |
| > 4 000 000 <= 5 000 000  | 14           | 5.74%          | 62 211 635         | 10.06%         |
| > 5 000 000 <= 25 000 000 | 32           | 13.11%         | 279 508 442        | 45.21%         |
| <b>TOTAL</b>              | <b>244</b>   | <b>100.00%</b> | <b>618 280 167</b> | <b>100.00%</b> |

Interest Margin Distribution

| Interest Margin (%) | No. of Loans | % of total     | Current Balance    | % of total     |
|---------------------|--------------|----------------|--------------------|----------------|
| > 0.00% <= 2.00%    | 10           | 4.10%          | 13 746 250         | 2.22%          |
| > 2.00% <= 3.00%    | 25           | 10.25%         | 51 001 300         | 8.25%          |
| > 3.00% <= 4.00%    | 141          | 57.79%         | 380 722 439        | 61.58%         |
| > 4.00% <= 5.00%    | 64           | 26.23%         | 167 267 658        | 27.05%         |
| > 5.00% <= 6.00%    | 4            | 1.64%          | 5 542 520          | 0.90%          |
| <b>TOTAL</b>        | <b>244</b>   | <b>100.00%</b> | <b>618 280 167</b> | <b>100.00%</b> |

Remaining Term Distribution

| Months Remaining | No. of Loans | % of total     | Current Balance    | % of total     |
|------------------|--------------|----------------|--------------------|----------------|
| > - <= 60        | 23           | 9.43%          | 18 475 378         | 2.99%          |
| > 60 <= 84       | 35           | 14.34%         | 38 582 059         | 6.24%          |
| > 84 <= 108      | 24           | 9.84%          | 54 700 546         | 8.85%          |
| > 108 <= 132     | 39           | 15.98%         | 79 920 456         | 12.93%         |
| > 132 <= 156     | 55           | 22.54%         | 148 852 992        | 24.08%         |
| > 156 <= 180     | 68           | 27.87%         | 277 748 737        | 44.92%         |
| <b>TOTAL</b>     | <b>244</b>   | <b>100.00%</b> | <b>618 280 167</b> | <b>100.00%</b> |

Quarterly Investor Report

Determination Date

Reporting Date

Seasoning Distribution

| Seasoning (months) | No. of Loans | % of total     | Current Balance    | % of total     |        |
|--------------------|--------------|----------------|--------------------|----------------|--------|
| > - <=             | 24           | 68             | 27.87%             | 277 748 737    | 44.92% |
| > 24 <=            | 48           | 55             | 22.54%             | 148 852 992    | 24.08% |
| > 48 <=            | 72           | 39             | 15.98%             | 79 920 456     | 12.93% |
| > 72 <=            | 96           | 24             | 9.84%              | 54 700 546     | 8.85%  |
| > 96 <=            | 120          | 35             | 14.34%             | 38 582 059     | 6.24%  |
| > 120 <=           | 180          | 23             | 9.43%              | 18 475 378     | 2.99%  |
| <b>TOTAL</b>       | <b>244</b>   | <b>100.00%</b> | <b>618 280 167</b> | <b>100.00%</b> |        |

Geographic Distribution

| City           | No. of Loans | % of total     | Current Balance    | % of total     |
|----------------|--------------|----------------|--------------------|----------------|
| Johannesburg   | 180          | 73.77%         | 352 931 228        | 57.08%         |
| Durban         | 25           | 10.25%         | 133 056 329        | 21.52%         |
| Port Elizabeth | 21           | 8.61%          | 53 715 737         | 8.69%          |
| Bloemfontein   | 3            | 1.23%          | 11 600 918         | 1.88%          |
| Pretoria       | 2            | 0.82%          | 16 445 160         | 2.66%          |
| East London    | 2            | 0.82%          | 9 320 270          | 1.51%          |
| Other          | 11           | 4.51%          | 41 210 525         | 6.67%          |
| <b>TOTAL</b>   | <b>244</b>   | <b>100.00%</b> | <b>618 280 167</b> | <b>100.00%</b> |

Top 10 Warm Body Exposures

| Warm Body ID | No. of Loans | % of total    | Current Balance    | % of total    |
|--------------|--------------|---------------|--------------------|---------------|
| WB16201      | 7            | 2.87%         | 22 355 509         | 3.62%         |
| WB15953      | 6            | 2.46%         | 19 479 196         | 3.15%         |
| WB18010      | 1            | 0.41%         | 19 113 008         | 3.09%         |
| WB18423      | 1            | 0.41%         | 18 800 747         | 3.04%         |
| WB16034      | 6            | 2.46%         | 18 441 092         | 2.98%         |
| WB18950      | 2            | 0.82%         | 17 092 180         | 2.76%         |
| WB18046      | 1            | 0.41%         | 16 042 448         | 2.59%         |
| WB18903      | 1            | 0.41%         | 14 296 201         | 2.31%         |
| WB15977      | 1            | 0.41%         | 12 451 633         | 2.01%         |
| WB17278      | 4            | 1.64%         | 11 387 399         | 1.84%         |
| <b>TOTAL</b> | <b>30</b>    | <b>12.30%</b> | <b>169 459 413</b> | <b>27.41%</b> |

10/18

Quarterly Investor Report

Determination Date  
Reporting Date

Liability Data

|  |             |
|--|-------------|
| Total Nominal Amount of Notes in Issued        | 500 000 000 |
| New Notes (tranche 2) on 3 October 2019        | 150 000 000 |
| Principal paid during the reporting period     |             |
| Outstanding note balance (including Tranche 2) | 650 000 000 |

| Class of Note              | Class A                  | Class B                  | Class D                  | Class E                   |
|----------------------------|--------------------------|--------------------------|--------------------------|---------------------------|
| JSE bond code              | TU1A11                   | TU1B11                   | TU1D11                   | TU1E1U                    |
| ISIN code                  | ZAG000156167             | ZAG000156175             | ZAG000156183             | -                         |
| Currency                   | ZAR                      | ZAR                      | ZAR                      | ZAR                       |
| Type of notes              | Floating Rate            | Floating Rate            | Floating Rate            | Floating Rate             |
| Rating Agency              | GCR                      | GCR                      | GCR                      | GCR                       |
| Long term credit rating    | AA-(sf)(za)              | BBB-(sf)(za)             | Not rated                | Not rated                 |
| Nominal Amount             | 500 000 000              | 58 000 000               | 27 000 000               | 65 000 000                |
| Interest rate              | 3m Jibar plus<br>222 bps | 3m Jibar plus<br>400 bps | 3m Jibar plus<br>450 bps | 3m Jibar plus<br>1000 bps |
| Next Interest Payment Date | 2019-10-31               | 2019-10-31               | 2019-10-31               | 2019-10-31                |
| Coupon Step-up Call Date   | 2025-10-31               | 2025-10-31               | 2025-10-31               | 2025-10-31                |
| Scheduled maturity         | 2025-10-31               | 2025-10-31               | 2025-10-31               | 2025-10-31                |
| Final legal maturity       | 2039-10-31               | 2039-10-31               | 2039-10-31               | 2039-10-31                |
| Step-up margin             | 125 bps                  | 125 bps                  | 125 bps                  | 125 bps                   |
| Credit enhancement (%)     | 23.08%                   | 14.15%                   | 10.00%                   | 0.00%                     |

Triggers

Excess Spread Trigger the Excess Spread calculation is negative for two consecutive quarters;

Cumulative NPL Trigger where the aggregate outstanding balance of all End User Loan Claims that have rolled into NPL at any time during the Programme (less 50% of the value of the underlying property(ies)) exceeds 5% of the nominal value of all Notes issued under the Programme.

As at 31 August 2019, none of the Loans included in the pool are classified as NPL

Credit Enhancement

|                                    |   |
|------------------------------------|---|
| Type of Credit enhancement         | Excess Spread<br>Subordination<br>Subordinated Loan (Class E Notes) |
| Available to each noteholder       | Yes   |
| Holder of the Class E Note         | TUHF Limited  |
| Required value of the Class E Note | Not less than 10% of the total notes n issue                        |

Liquidity Facility

None

Hedge Counterparty

None

Determination Date

Reporting Date

Priority of Payments

- 1 Taxes
- 2 Senior Expenses
- 3 Servicer Fees and Administration Fees
- 4 Hedge counterparty payments
- 5 Interest due to Class A notes
- 6 Interest due to Class B notes
- 7 Interest due to Class C notes
- 8 Interest due to Class D notes
- 9 Purchase price any additional End User Loan Claims purchased by the Issue
- 10 Interest due to Class E notes (unless a Class E Payment Lock-out Event has occurred)
- 11 Pari passu payment of:
  - Principal in respect of the Class A Notes;
  - Principal in respect of the Class B Notes;
  - Principal in respect of the Class C Notes;
  - Principal in respect of the Class D Notes;
  - Principal in respect of the Class E Notes (unless a Class E Payment Lock-out Event has occurred)
- 12 Hedge Termination Amounts, if the Hedge Counterparty is the defaulting party
- 13 Fees payable by the Issuer to other third parties
- 14 Interest due to Class E notes (after an Lock-out Event has occurred)
- 15 Principal due to Class E notes (after an Lock-out Event has occurred)
- 16 Preference share dividends
- 17 Ordinary share dividends

## APPENDIX "B"

### REPORT OF THE INDEPENDENT AUDITOR OF THE ISSUER



#### Private and Confidential

The Directors  
TUHF Urban Finance (RF) Limited  
Libridge Building  
25 Ameshoff street  
Braamfontein  
Johannesburg  
2001

14 December 2018

Dear Sirs

**Independent Assurance Report to the Directors of TUHF Urban Finance (RF) Limited (the "Issuer" or "Company") on the compliance of the Company with paragraph 16 of the provisions of the securitisation scheme regulations issued pursuant to paragraph (cc) of the definition of "business of a bank" in the Banks Act, 1990, published under Government Notice 2 (Government Gazette 30628) dated 1 January 2008 (the "Notice").**

The Issuer may, from time to time, issue notes (the "Notes") under the ZAR2 000 000 000 Secured Note Programme (the "Programme"), pursuant to the Programme Memorandum, dated 11 December 2018 prepared by the Issuer in respect of the Programme (the Programme Memorandum).

Notes issued under the Programme will be issued in individual Tranches (each, an "Issue"). In terms of the Programme Memorandum, the Issuer must complete and sign a pricing supplement, based upon the *pro forma* Applicable Pricing Supplement which is set out in the section of the Programme Memorandum headed "Pro Forma Applicable Pricing Supplement", in relation to each Issue (the "Applicable Pricing Supplements").

An Issue under the Programme, pursuant to the Programme Memorandum (as read in conjunction with the Applicable Pricing Supplements) must comply with the Notice. In terms of the Programme Memorandum, the information required to be disclosed in terms of paragraph 16 of the Notice must be set out in the Applicable Pricing Supplement (except where such information is disclosed in the Programme Memorandum and/or elsewhere in the Applicable Pricing Supplement).

The Issuer proposes to issue the following under the Programme:

- ZAR385,000,000 Secured Class A Notes
- ZAR45,000,000 Secured Class B Notes
- ZAR20,000,000 Secured Class D Notes

PricewaterhouseCoopers Inc., 4 Lisbon Lane, Waterfall City, Jukastei View, 2090, Private Bag X36, Sandtonville,  
2157, South Africa  
T: +27 (0) 11 797 4000, F: +27 (0) 11 209 3800, [www.pwc.co.za](http://www.pwc.co.za)

Chief Executive Officer: T D Shango  
Management Committee: S N Madikane, J B Mokoena, P J Muthoo, C Richardson, F Tomel, C Venter  
The Company's principal place of business is at 4 Lisbon Lane, Waterfall City, Jukastei View, where a list of directors' names is available for inspection.  
Reg. no. 1998/12650/1 - VAT reg. no. 4850778862

13



- ZAR50,000,000 Secured Class E Notes

(collectively referred to as the "Issuances")

We have been engaged to report to the Directors of the Company on whether anything has come to our attention that causes us to believe that the Issuances, under the Programme, pursuant to and set out in the Programme Memorandum dated 11 December 2018 and the Pricing Supplements dated 14 December 2018 (the Programme Memorandum and Applicable Pricing Supplements are collectively referred to as the "Transaction Documents"), do not comply, in all material respects, with paragraph 16 of the provisions of the Notice.

#### ***Director's Responsibility***

The directors of the Company are responsible for the preparation of the Transaction Documents and for the issuances in compliance with the provisions of the Notice.

#### ***Our Independence and Quality Control***

We have complied with the independence and other ethical requirements of the Code of Professional Conduct for Registered Auditors issued by the Independent Regulatory Board for Auditors (IRBA Code), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour. The IRBA Code is consistent with the International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (Part A and B).

The firm applies International Standard on Quality Control 1 and, accordingly, maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

#### ***Assurance Provider's Responsibility***

Our responsibility is to report to the Directors of the Company, based on procedures performed and the evidence obtained, whether anything has come to our attention that causes us to believe that the Issuances, under the Programme, pursuant to and as set out in the Transaction Documents do not comply, in all material respects, with paragraph 16 of the provisions of the Notice.

We performed our work in accordance with the International Standard on Assurance Engagements (ISAE) 3000, *Assurance Engagements other than the Audits or Reviews of Historical Financial Information*. This Standard requires that we comply with ethical requirements and plan and perform the assurance engagement to obtain limited assurance about whether anything has come to our attention that causes us to believe that the Issuances, under the Programme, pursuant to and as set out in the Transaction Documents do not comply, in all material respects, with paragraph 16 of the provisions of the Notice.

Our engagement does not constitute an audit or review performed in accordance with International Standards on Auditing or International Standards on Review Engagements and consequently an audit or review opinion is not expressed.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent for a reasonable assurance engagement, and consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. The procedures selected depend on the assurance providers' judgement, including the assessment of the risks of material non-compliance with paragraph 16 of the provisions of the Notice.





### **Summary of Work Performed**

Set out below is a summary of the procedures performed in order to obtain sufficient appropriate evidence regarding compliance of the Issuances, under the Programme, pursuant to and as set out in the Transaction Documents, with paragraph 16 of the provisions of the Notice:

- We inspected the Transaction Documents;
- We obtained written representation from the directors regarding compliance of the Issues with the provisions of the Notice; and
- We compared the Transaction Documents with the disclosure requirements of paragraph 16 of the Notice.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

### **Conclusion**

Based on the procedures performed and the evidence obtained, nothing has come to our attention that causes us to believe the Issuances, under the Programme, pursuant to and as set out in the Transaction Documents do not comply, in all material respects, with the paragraph 16 of the provisions of the Notice.

### **Other Matters**

The Transaction Documents are, in terms of the Notice, required to include all information that may be reasonably necessary to enable an investor to ascertain the nature of the financial and commercial risk associated with the Issuances. The Notice does not require us to perform procedures on the sufficiency of this information for its intended purpose, other than inspecting that this information is contained in the Transaction Documents. Accordingly, we do not express any assurance on this information other than the conclusion above.

### **Restriction on Use and Distribution**

The provisions of the Notice are designed to provide investors with certain minimum information in respect of the Issuances, and as a result, the Transaction Documents may not be suitable for another purpose.

Our report is intended solely for the information of the directors of the Issuer and should not be distributed to, or used by, any other parties without our prior written permission. Our report is intended for the purposes as set out in the first paragraph of this report and may not be suitable for another purpose.

*PricewaterhouseCoopers Inc.*

PricewaterhouseCoopers Inc.  
Director: Gino Fraser  
Registered Auditor  
Waterfall  
14 December 2018

