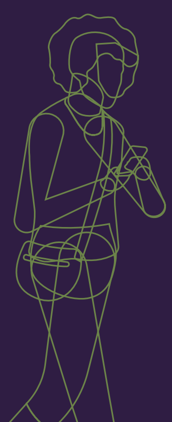
TUHF

TUHF Sustainable Bond Framework

NOVEMBER 2020



1. INTRODUCTION

1.1. COMMITMENT

This document, the "Sustainable Bond Framework" ("SBF"), contains information on interest-bearing notes based on Sustainability Criteria which may be issued by TUHF or associated special purpose vehicles (SPVs) established for the purpose of funding loans which have been originated by TUHF and meet the respective Sustainability Criteria.

The SBF addresses 4 pillars namely:

1. Definition and use of proceeds,
2. Process for selection and evaluation of projects,
3. Management of proceeds, and
4. Reporting on eligible projects which are consistent with international best practice and guidance by the International Capital Market Association ("ICMA") in respect of:
   - Green Bond Principles ("GBP");
   - Social Bond Principles ("SBP"); and
   - Sustainable Bond Guidelines.

1.2. TUHF STRATEGY

TUHF was started with the overarching objective to provide access to finance for property entrepreneurs for inner-city redevelopment projects and to contribute to urban regeneration and entrepreneurial development in South Africa. TUHF is an impact-focused lender with a track record of successfully financing inner-city residential buildings developed, owned, and operated by small to medium (SMME) property entrepreneurs (Borrowers). TUHF is a mortgage financier. Technically, TUHF is a non-bank financial services company that borrows money from the capital markets and invests it in inner-city areas, extending finance to entrepreneurs who want to grow their businesses. In particular, TUHF targets property entrepreneurs in the affordable housing market who repurpose and densify existing buildings in inner-city areas. Within these contexts, TUHF's business model is directed at ordinary South African men and women who live and/or work in urban areas.
Over the years, sustainability in all three dimensions – financial, environmental, and social has emerged as a key determinant of TUHF's long-term business success and are important measures of this success considering the long-term horizon of property finance. Green Buildings are environmentally sustainable and operate at lower lifecycle costs, deliver superior accommodation quality, and mitigate unpredictable and above inflation utility tariff hikes which substantially undermine the affordability of residential rental housing.

TUHF's key intended social impact is:

- Increased delivery of quality affordable housing stock in liveable, walkable and well-located urban areas; and
- Sustainable property-based employment, both direct and indirect due to the impact of local economic multipliers, which results in and contributes to employment creation in the areas where TUHF provides finance.

TUHF's loan investments further benefit end-users of the affordable housing projects who are then able to live in close proximity to their places of work and can easily access transport and other amenities. End-users are also able to sustainably contribute to local economic development as they consume a wide range of services close to where they live.

1.3. TUHF BUSINESS ORIGINATION & ESG RISK MANAGEMENT

TUHF enables access to finance for entrepreneurs who redevelop buildings in defined areas of urban decline with the aim of supplying high quality, affordable rental housing. Areas with great positive potential within inner cities are identified through analysis of available data sources and consultation with experts like property professionals, auctioneers and attorneys that are active in these markets. TUHF then provides financing to property entrepreneurs who wish to redevelop buildings located within these areas of opportunity.

Business origination at TUHF occurs in three ways:

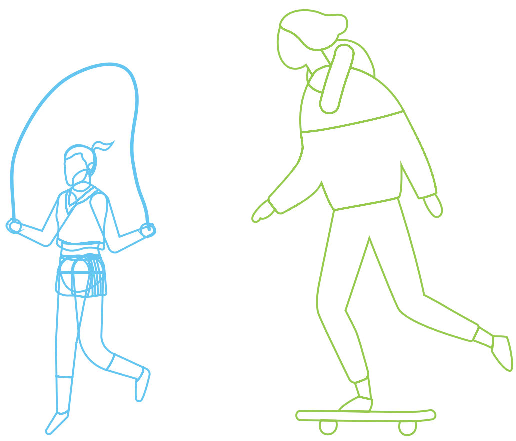
- New or existing clients come directly to TUHF with a specific building in mind requiring funding;
- TUHF holds networking events and meetings with key stakeholders (landowners, property agents and potential client); or
- Portfolio Managers "walk the streets" identifying specific buildings and informing owners/caretakers of TUHF financing.

While the bulk of TUHF's business originates from the first of these, the method of identifying entrepreneurs tends to differ across Portfolio Managers. Where TUHF has only entered a geographic area more recently and is, therefore, less well known, such as Durban and East London, there is a greater emphasis placed on networking exercises.

TUHF takes a holistic and sustainable view in its lending, integrating economic, social and governance principles as the basis of its business model. Consequently, all TUHF lending is based on economic viability and sustainability. TUHF's business model financially benefits each of our three key stakeholder groups: TUHF (the lender), borrowers (property developers, owners and investors) and tenants (end users).

TUHF is committed to development impact, achieved through scale. Therefore, impact is at the heart of TUHF's mortgage financing and credit policy. Put simply, TUHF does not approve any project that does not demonstrate a social and/or green impact.

TUHF follows a Loan Cycle Management Process which is based on commercial property finance best practice. Credit decisions take place within the context of this process. The essence of TUHF's success is its ability to balance three issues, namely: good governance in decision making; a decision-making process that is based on sound investment; and mechanisms that ensure that the speed in which decisions are made fits the business environment. All these components to some degree compete and an appropriate balance is sought. TUHF's lending promotes sustainable development as the projects TUHF finances primarily involve reusing existing building and urban infrastructure.



2. SUSTAINABLE BOND FRAMEWORK

TUHF's Sustainable Bond Framework allows TUHF and or associated special purpose vehicles to issue Sustainable, Green and Social bonds that support TUHF's lending to green projects and social projects.

2.1. USE OF PROCEEDS

The envisaged use of proceeds forms the cornerstone of classifying an instrument as green, social and/or sustainable. TUHF intends to allocate the net proceeds of the bonds issued under this framework to new and/or existing eligible assets within the categories indicated below. Loans/projects may fall into one of the respective categories and do not have to satisfy all of the categories in order to be considered eligible. The eligible loans/projects are to be funded in whole or in part by an allocation of the bond proceeds. TUHF is committed to ensuring that proper due diligence is conducted to ensure compliance with internal standards on each project before allocating funding. This section must be read in conjunction with the definitions section below. The eligibility criteria are summarized as follows:

Eligibility Criteria	Green Bond Principles	Social Bond Principles	UN SDG Addressed
Affordable Housing			
Financing or re-financing of any project that involves the construction or investment in affordable housing[1].		Affordable Housing	1 No Poverty; 10 Reduced Inequalities; 11 Sustainable Cities and Communities
Financial inclusion			
Financing and refinancing of loans to previously disadvantaged individuals[a] based on Broad-Based Black Economic Empowerment principles[2] for investment in rental properties.		Access to essential services Socioeconomic advancement and empowerment	1 No Poverty; 8 Decent Work and Economic Growth; 10 Reduced Inequalities
Improved Access to Funding for SMEs and Micro Businesses			
Financing or re-financing of any project that aims to increase access by small-scale and other enterprises, to financial services. Financing or re-financing of any project that promotes the formalisation and growth of micro, small and medium-sized enterprises. Financing or refinancing of enterprises that have less than 10 employees, assets and annual sales of less than USD100 000 each will be considered Micro enterprises, Enterprises that have less than 50 employees, assets and annual sales of less than USD3 000 000 each will be considered Small enterprise or Enterprises that have less than 300 employees, assets and annual sales of less than USD15 000 000 each will be considered Medium enterprises[b].		Employment generation including through the potential effect of SME financing and micro-finance Socioeconomic advancement and empowerment (e.g. equitable access to and control over assets, services, resources, and opportunities; equitable participation and integration into the market and society, including reduction of income inequality)	1 No Poverty; 8 Decent Work and Economic Growth; 10 Reduced Inequalities

[a] (South Africa, euphemistic) Belonging or relating to the previously disenfranchised population groups in South Africa, i.e. Blacks, Coloureds, and Indians. See further detail in glossary on TUHF financial inclusion definition.

[b] Small, micro and medium- sized enterprises are defined according to the IFC's definitions of Targeted Sectors

Eligibility Criteria	Green Bond Principles	Social Bond Principles	UN SDG Addressed
Green Buildings			
Finance or refinance of green-certified brownfield, construction, reconstruction, retrofit, renovation or operation of buildings to make them sustainable, improve resource efficiency and adopt environmentally sound technologies. In order for a building to be considered as a green-certified building, buildings must be assessed green by the TUHF Rating Tool TUHF's Rating tool assumptions and savings calculation methodology has been externally reviewed by the Council of Scientific and Industrial Research, which has concluded that these are appropriate and accurate considering the built form, building occupant profile and environments applicable to the properties. TUHF will offer two types of loans eligible under the green building criteria: Category A and Category B.[3] Other certifications that would be accepted include: a Leadership in Energy and Environmental Design "Silver" certification, Green Star 4 category, EWP Level 6 (or above) rating or should be EDGE certified by the International Finance Corporation's ("IFC") EDGE partners.	Green Buildings		9 INDUSTRY, INNOVATION AND INFRASTRUCTURE 11 SUSTAINABLE CITIES AND COMMUNITIES
Renewable Energy			
Financing or refinancing of replacement, acquisition, development, construction and/or installation of renewable energy production units. Renewable energy and storage projects can include (but are not limited to): solar panel installations, including those on rooftops of properties owned and/or managed by TUHF clients	Renewable Energy		7 AFFORDABLE AND CLEAN ENERGY 13 CLIMATE ACTION
Energy Efficiency[3]			
Financing or re-financing investments and/or projects that result in an energy saving of 25% when constructing a new building or result in a 30% energy saving when renovating or retrofitting an existing building.[5]	Renewable Energy		7 AFFORDABLE AND CLEAN ENERGY 13 CLIMATE ACTION

Exclusions:
TUHF will not pursue or maintain relationships with Borrowers who do not meet TUHF's stringent credit and ethical standards. TUHF will not enter into relationships with entities that fail to meet TUHF's credit guidelines or who derive their principal source of revenue or income from illegal sources such as illegal gambling, prostitution or drug-related activities. Neither will TUHF enter into relationships with slumlords, defined as landlords who extract abnormal profits by not complying with bylaws, allowing over-crowding, providing poor customer service and who's buildings are not up to code or are sub-standard.

2.2. REFINANCING

The proceeds from the green, social and or sustainable bond issuance/s can be used to finance new loans or refinance existing loans. New loans are those where disbursements have been made no more than one year before the issue of the respective bond or at any time from the date of the issuance. Existing are those which have reached financial close one year or more before the issuance.

3. PROCESS OF SELECTION AND EVALUATION

TUHF will identify a Eligible Assets and Projects, including loans and other investments and related expenditures, that meet the Eligibility Criteria defined in section 2.1 above.
All loans/projects financed by TUHF are screened through an internal credit approval process to ensure that finance is consistently granted to the people and businesses that have the capacity to repay them. Project financial projections must pass two financial test hurdles:
a) Deliver positive net cash flow over the life of the Eligible Loan, as demonstrated in the TUHF Project Feasibility; and
b) Adhere to the standard TUHF covenants related to serviceability (i.e. minimum Debt Service Cover Ratios) and gearing (i.e. maximum Loan to Value Ratios).

All loans/projects must demonstrate economic viability and sustainability by addressing the following:
a) Borrowers must agree to share impact data such as jobs created, utility accounts and other data what will be used to verify impact
b) Borrowers (green buildings) must agree to share billing grade meter data at building level on a monthly basis for the life of the Eligible Loan with TUHF to enable TUHF to assess the impact of the investment in equipment
c) Borrowers must agree to correctly maintain the equipment for the life of the Eligible Loan
d) Green buildings must prove compliance with SANS 10400-XA (Category A buildings only)
For green assets, the TUHF Utility Calculator assumptions and savings calculation methodology has been externally reviewed by the Council of Scientific and Industrial Research, which has concluded that these are appropriate and accurate considering the built form, building occupant profile and environments applicable to the properties.

TUHF will assess the actual energy and water consumption performance of the buildings against initial projections on an ongoing basis.

The TUHF credit committee (LOANCO[c]) is responsible for governing the framework to ensure consistency of approach and oversight. Projects financed and/or refinanced through the Green, Social and/or Sustainable Bond proceeds will be evaluated and selected based on compliance with the above investment categories and Eligibility Criteria. When identifying eligible projects and their non-financial impacts TUHF may also rely on external consultants and their data sources. TUHF may (where clarification is needed) require that clients sign a clarification letter confirming the use of proceeds and/or that TUHF may provide loan information to investors
A project may have both green and social benefits, thus qualifying for more than one type of bond. TUHF will determine whether the project uses proceeds from a green bond, a social bond, or a sustainable bond. In select cases, a project may use proceeds from more than one bond, but the proceeds' split will be determined and documented to avoid double counting. Projects may not belong to more than one bond at any given time.

[c] LOANCO is compromised by 4 members of the board of directors, one executive director and 3 non-executive directors. Current member are Paul Jackson, Robert Emslie, Cas Coovadia and Taffy Adler.

4. MANAGEMENT OF PROCEEDS

TUHF intends to allocate the proceeds from the Green, Social or Sustainable Bond issuance to Eligible Loans which will be selected in accordance with the use of proceeds criteria and the evaluation and selection process presented above.

TUHF will track the receipt and use of proceeds via TUHF's internal accounting systems, ensuring that Eligible Loans financed by TUHF's Green, Social and Sustainable Bonds are appropriately identified. TUHF will maintain records of all Eligible Loans financed by TUHF or able to be financed by TUHF's Green, Social and Sustainable bonds on the issue and their drawn value.

TUHF will strive to achieve a level of allocation for the Eligible Loans that matches or exceeds the balance of net proceeds from the outstanding Green, Social and Sustainable Bonds issued in terms of this framework. Eligible Loans will be added to or removed from TUHF's Eligible Loans to the extent required. However, should TUHF be unable to fully allocate the net proceeds, TUHF will hold and/or invest those proceeds at its own discretion temporarily in a money market or equivalent cash investment account.

4.1. REPORTING

TUHF intends to disclose the allocation and report on the impact of funding raised through this sustainability framework on an annual basis, reflecting best market practices. TUHF will prepare and disclose annually an impact report with respect to the Green, Social and Sustainable bonds issued under this framework. These reports will be made available on the investor relations page of the TUHF website. https://www.tuhf.co.za/investors/

TUHF will disclose the division of net proceeds between funds allocated to projects and funds held as cash investments annually (at least at a category level) until the funds are fully allocated.

Additionally, TUHF intends to have an external verifier reviewing the allocation report, reflecting best market practices. An external auditor appointed by TUHF will verify, on an annual basis, that the financing of eligible loans/projects and the allocation of proceeds are in accordable with TUHF's Sustainable Bond Framework.

Allocation Reporting:

The allocation report will provide:
- the total amount of proceeds allocated to Eligible Loans
- the number of Eligible Loans
- the balance of unallocated proceeds
- the amount or the percentage of new financing and refinancing and
- annual impact indicators.

A summary of the impacts of the Eligible Loans may include the metrics set out below and relevant project narratives, where the data is available from clients and subject to permitted disclosure in accordance with relevant confidentiality agreements and privacy, competition or other relevant regulation.

Impact Reporting

<table>
<tr><th colspan="5">Indicative Impact Indicators</th></tr>
<tr><td>Affordable Housing</td><td colspan="4">• Number of affordable housing units financed
• Number of buildings financed
• Number of new permanent jobs created
• Number of jobs maintained and supported
• Number of new short-term jobs created
• Total contribution to local municipalities' property rates and utilities[5]</td></tr>
<tr><td>Financial Inclusion</td><td colspan="4">• Number of previously disadvantaged individual financed.
• Number of affordable housing units financed.
• Number of previously disadvantage individuals (PDI's) trained
• Number of loans issued to previously disadvantaged individuals
• Number of loans issued to female PDIs[d]</td></tr>
<tr><td>Improved Access to Funding for SME's</td><td colspan="4">• Number of SMMEs financed
• Value of loans issued to SMME's
• Number of loans issued to female owned SMMEs[e]</td></tr>
<tr><td rowspan="7">Green Buildings[3]</td><td colspan="4">• Number of green buildings funded
• Total m^2 of green buildings funded
• Number of mortgages provided to green-certified houses/residential projects
• Number of tenants housed in green buildings
• Number of new permanent jobs created
• Number of jobs maintained and supported
• Number of new short-term jobs created</td></tr>
<tr><th>Category</th><th>Description</th><th>Indicator</th><th>Timeframe</th></tr>
<tr><td>Energy efficiency</td><td>Energy savings</td><td>kWh</td><td>Annual & lifetime</td></tr>
<tr><td>Water efficiency</td><td>Water savings</td><td></td><td>Annual & lifetime</td></tr>
<tr><td>Renewable energy</td><td>Renewable energy generation</td><td>kWh</td><td>Annual & lifetime</td></tr>
<tr><td></td><td>Installed capacity</td><td>kWp</td><td>End of the reporting year</td></tr>
<tr><td>Carbon abatement</td><td>GHG emissions avoided</td><td>$tC0_2e$</td><td>Annual & lifetime</td></tr>
<tr><td>Renewable Energy</td><td colspan="4">• Total installed capacity MW
• Annual Generated Renewable Power (MWh/year)
• Estimated annual CO_2 equivalent emission reduction (tons CO_2eq/year)
• Number of people with access to clean energy services</td></tr>
<tr><td>Energy Efficiency</td><td colspan="4">• Estimated annual CO_2 equivalent emissions reduction/avoidance (tons CO_2eq/year))
• Annual energy savings (MWh/year)</td></tr>
</table>

4.2. EXTERNAL REVIEW

TUHF will prepare and publish annual impact and allocation reporting with respect to the funding under this framework. This report will be made available on the investor relations page of TUHF's website. TUHF intends to show the allocation and impact of the Green, Social or Sustainable Bond proceeds within the eligible loan/asset portfolio at least at a category level. An appropriate external independent assurance provider will annually assure the process and that the financing of eligible assets and the allocation of proceeds are in accordance with TUHF's Sustainable Bond Framework. The TUHF Utility Calculator assumptions and savings calculation methodology has been externally reviewed by the Council of Scientific and Industrial Research, which has concluded that these are appropriate and accurate considering the built form, building occupant profile and environments applicable to the properties

[d] The entity must demonstrate majority owned by PDI females to be reported in under this indicator
[e] The SMME must demonstrate majority owned by females to be reported in under this indicator.

Second Party Opinion
TUHF's Sustainable Bond Framework will be reviewed by an independent party with experience and a track record in issuing second-party opinions. This second party opinion will be made available along with the Sustainable Bond Framework to investors on the TUHF Investor Relations website. https://www.tuhf.co.za/investors/

Verification
TUHF will request on an annual basis, starting one year after issuance and until maturity (or full allocation), a limited assurance report of the allocation of funds raised in terms of this framework to eligible assets, to be provided by its external auditor.

DEFINITIONS

[1] Affordable housing
Affordable housing is defined as a residential building together with its related commercial space where the average monthly rental for the residential units is below the affordable housing rental threshold. The affordable housing rental threshold for 2020 is R 9 000 or less. The threshold will be adjusted by CPI on a yearly basis.

Through the widening gap in housing supply versus demand for inner-city affordable rental accommodation TUHF saw an opportunity to support emerging entrepreneurs, mainly PDI's, to play a developmental and sustainable contribution to the supply of quality affordable rental housing.

[2] Financial Inclusion, Empowerment, Transformation and Inclusive Economic Growth
Broad Based Black Economic Empowerment (BBBEE) is an important societal objective in South Africa. As a mechanism for urban land and economic reform, TUHF considers the real estate sector as both an ideal arena to promote broad based and sustainable BBBEE and an important initiative to transfer land and a business opportunity into the hands of previously disadvantaged individuals (PDI's.) PDI are defined as belonging or relating to the previously disenfranchised population groups in South Africa, i.e. Blacks, Coloureds, and Indians.

[3] Green Buildings, Energy Efficiency and Renewable Resources
Eligible Green Assets refer to residential buildings located in cities in South Africa which meet the minimum energy, water and carbon emission savings hurdle rates, as per the projections of the TUHF technical eligibility tool, defined below;

Item	% Savings (Cat. A: New Buildings/ Conversion)	% Savings (Cat. B: Existing buildings/upgrades)
Energy	25%	30%
Water	30%	30%
Carbon	25%	30%

Category A *buildings* undergo building work subject to national building regulation SANS 10400. Examples are new builds and refurbishments. In these cases, developers are required to comply with Part XA which specifies minimum energy efficiency levels to be adhered to.

Category B *buildings* refer to existing buildings and building conversions which are not subject to these regulations. Examples of the latter are superficial building upgrades.
Where historical operating data is readily available for a building (for example, in the case of retrofits to existing buildings), an actual baseline is calculated through TUHF analysis of the past 12 months of utility bills, assuming there is no change in use or occupancy of the building after the intervention.
Where this data is not available, or changes in use or occupancy render historical data unsuitable for baselining, a theoretical baseline is calculated using the TUHF Utility Calculator. This tool uses key building parameters such as occupancy levels and floor space to estimate baseline electricity and water usage. In the case of Category A buildings, this baseline assumes minimum compliance with SANS 10400-XA (for example, incorporating low-efficiency heat pumps or solar water heaters to achieve the water heating requirement), whilst in the case of Category B buildings, it assumes the use of conventional least-cost technology such as electric geysers.

Eligible Projects comprise a variety of building interventions that can be undertaken to create a stock of Eligible Green Assets, including retrofitting existing buildings with energy or water-saving technologies or incorporating these technologies in new construction and building refurbishment work.

Resource efficiency technology options currently available to TUHF Borrowers comprise the following:

Energy-saving products	Water-saving products
Centralised heat pumps	Low flow showerheads
Efficient lighting including motion detection sensors	Low flow taps in kitchen sinks, washbasins
Embedded solar photovoltaic systems	Dual flush toilets
Lifts	Small-cistern toilets

An "Eligible Loan in terms of green bond criteria which qualifies for inclusion on technical eligibility, financial feasibility and TUHF credit criteria. TUHF will offer two types of Eligible Loans:

a) Green development finance:
The Eligible Loan is a new mortgage in respect of a Category A building, incorporating renewable energy wherever feasible;

b) Green retrofits:
A Category B existing building is modified in line with the resource efficiency requirements of the TUHF technical tool, incorporating renewable energy wherever feasible. The Eligible Loan can be either:

I. a new green mortgage raised on newly acquired buildings which require a superficial upgrade, or

II. an existing mortgage facility on which a re-advance is made to finance a retrofit. The original mortgage facility is replaced with a new green mortgage facility refinancing the capital outstanding on the original facility and offering an increase in capital to facilitate the retrofit. In either case, the entire mortgage is considered a green loan and thus an Eligible Loan

TUHF will assess the actual energy and water consumption performance of buildings against initial projections on an ongoing basis. The following inclusion criteria will apply for the duration of the Sustainable Bond to ensure the integrity of the programme:

1. Projects that fail to generate any electricity or water savings against either the historical or projected baseline over the first 12 months following the installation of the equipment will be excluded from the pool of Eligible Loans and replaced with substitutes. Data from billing-grade meters will be used to make this assessment.
2. In cases in which the Borrower defaults on the obligation to share meter data or maintain the equipment, meter data is known to be faulty and the Borrower or utility does not repair or replace it, or building use or occupancy changes materially, the loans will be excluded from the pool of Eligible Loans and replaced with substitutes. In all cases, the Borrower will be provided with three months to rectify the deviation prior to this provision becoming effective.

Energy and water savings
At project inception, forecasts of energy and water savings will be generated by the TUHF Utility Calculator, considering critical drivers such as building occupancy. These will form the basis for reporting at the time of inclusion in the Green Bond.
Once 12 months has passed after installation of the resource efficiency equipment, TUHF will report on historic impact using metered data from billing grade meters. Where lifetime impact has been estimated, these estimates will be updated following the results of the analysis of metered data.

Renewable energy
Reporting on installed capacity will be informed by the manufacturer specification of system size.
Energy system generation will be calculated either through TUHF Utility Calculator forecasts, or – where billing grade meter data exists (for example in cases where the TUHF client sells solar electricity to tenants) be replaced by metered data.

Carbon abatement
The Carbon Yield methodology will be applied to estimating carbon abatement associated with the Green Bond. The methodology and its application to TUHF's eligible green loans portfolio can be summarised as follows:

1. A baseline is established to describe the BAU scenario, referring to either: -
   a. The performance of buildings prior to interventions for Category B projects, as reflected in the 12-month baseline created per project, or
   b. A theoretical baseline based on minimum compliance with building regulations for Category A projects, as reflected in the TUHF Utility Calculator. The applicable regulations would include energy efficiency regulation SANS 10400-XA;
2. Potential avoided emissions (PAEs) are calculated based on the deviation from baseline, based on a full year of operation of the relevant buildings (environmental impact will generally be constant over the 15-year TUHF mortgage bond period except for changes in building regulations, emissions factors, building occupancy, etc);
3. These would be divided by allocated proceeds, to express the result as PAEs per R1 000 per annum;
4. A weighted average PAE for the whole portfolio is estimated using the amount of capital disbursed to the projects (or the amount of debt issued under the framework) giving the Carbon Yield of the portfolio.

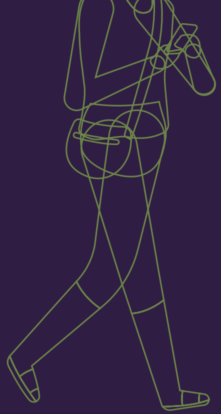
The relevant information is provided in the table below.

Required information	TUHF parameter
Project category	Energy efficiency
Project sub-category	Residential buildings
Region	South Africa
Operational lifetime	15 years
Total lifetime	15 years
Baseline scenario	Emissions associated with an existing building (pre-intervention) or theoretical newly constructed minimally compliant building
Relevant emissions factor	Scope 1 emissions (e.g. gas, renewable energy): • Gas: Fossil fuel conversion factors as per Solid Green • Renewable energy: Eskom grid emissions factor as described below Scope 2 emissions (electricity generated by Eskom): Grid emissions factor published in most recent Eskom annual report, currently 0.99tC02/MWh
Capital cost	The total development cost of underlying projects

[4] **Job Creation**
Throughout the affordable housing delivery and redevelopment process, jobs are created and/or maintained. As mentioned above, to redevelop and subsequently manage the property, the entrepreneurs will first have to employ a construction company and then various property management staff such as a caretaker, cleaners, security guards and a rental agency. Property management staff are likely to be permanent jobs created/maintained, while a construction company will likely hire construction workers on short-term temporary contracts. In addition to the subcontractors, the entrepreneur him/herself will earn a return and may perhaps develop his/her property business further which would result in direct job creation/maintenance from the entrepreneur's side

[5] **Fiscal impact- Total contribution to local municipalities' property rates and utilities**
TUHF-financed buildings will contribute to the local municipal budget through the payment of rates and taxes. This is not only a result of higher occupancy rates but also the increase in property value associated with the revitalisation of the targeted areas, which in turn, means that property rates will increase and benefit the associated municipality

[6] **TRAINING AND DEVELOPMENT**
TUHF has a comprehensive support programme to assist entrepreneurs in to grow their portfolios. TUHF Programme for Property Entrepreneurship (TPPE) is a comprehensive in-house property training programme that seeks to promote the expansion of knowledge of TUHFs clients in the property industry. Developed and delivered jointly by TUHF and the University of Cape Town (UCT), one of Africa's leading teaching and learning institution. The training programme is customised for TUHFs clients and its focus is on sharpening skills and knowledge of the industry and an interchange of ideas with fellow clients. This partnership ensures that clients are provided with a premier property education programme.



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