

Urban Ubomi 2 (RF) Ltd

On 5 September 2025, GCR Ratings (GCR) assigned the following credit ratings to the various Classes of Notes issued by Urban Ubomi 2 (RF) Limited (the Issuer or Urban Ubomi 2) on the same day.

Security Class	Stock Code	Amount (ZAR)	Rating Class	Rating Scale	Rating	Outlook/ Rating Watch	Rating Action
Class A1	UU2A07	150,000,000	Long-Term Issue	National	AAA _(ZA) (sf)	Stable	Assigned
Class A2	UU2A08	250,000,000	Long-Term Issue	National	AA+ _(ZA) (sf)	Stable	Assigned
Class B	UU2B03	109,000,000	Long-Term Issue	National	A _(ZA) (sf)	Stable	Assigned
Class C	UU2C03	60,000,000	Long-Term Issue	National	BBB- _(ZA) (sf)	Stable	Assigned
Class D	UU2D03	31,000,000	Long-Term Issue	National	Unrated	N.A.	N.A.

In addition, the Issuer's Subordinated Loan was increased by ZAR47M to ZAR151.5M on the new issuance.

Simultaneously, GCR affirmed the credit ratings of the pre-existing Series of Notes issued by the Issuer in September 2024 and January 2025.

Security Class	Stock Code	Amount (ZAR)	Rating Class	Rating Scale	Rating	Outlook/ Rating Watch	Rating Action
Class A1	UU2A01	164,699,801	Long-Term	National	AAA _(ZA) (sf)	Stable	Affirmed
Class A1	UU2A04	129,566,898	Long-Term	National	AAA _(ZA) (sf)	Stable	Affirmed
Class A2	UU2A02	193,000,000	Long-Term	National	AA+ _(ZA) (sf)	Stable	Affirmed
Class A2	UU2A05	279,000,000	Long-Term	National	AA+ _(ZA) (sf)	Stable	Affirmed
Class B	UU2B01	80,000,000	Long-Term	National	A _(ZA) (sf)	Stable	Affirmed
Class B	UU2B02	159,000,000	Long-Term	National	A _(ZA) (sf)	Stable	Affirmed
Class C	UU2C01	63,000,000	Long-Term	National	BBB- _(ZA) (sf)	Stable	Affirmed
Class C	UU2C02	84,000,000	Long-Term	National	BBB- _(ZA) (sf)	Stable	Affirmed
Class D	UU2D01	56,000,000	Long-Term	National	Unrated	N.A.	N.A.
Class D	UU2D02	50,000,000	Long-Term	National	Unrated	N.A.	N.A.

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

Transaction Summary

On 13 September 2024, Urban Ubomi 2 issued ZAR573M of Notes under its newly established ZAR5.0Bn (USD287.8M) Mortgage Loan Backed Securitisation Programme, its initial issuance.

Proceeds of the issuance and the Subordinated Loan funded the Issuer's acquisition of a pool of Loan Agreements together with their Related Security (the Participating Assets). These Loan Agreements, which were originated by TUHF

Limited (TUHF), are provided to small and medium sized companies and entrepreneurs for predominantly residential property investments in the inner cities and sub-urban areas of large metros of South Africa.

In addition, a portion of the issuance proceeds funded an Arrears Reserve that serves as additional credit enhancement for the Notes.

Urban Ubomi 2 is structurally similar to Urban Ubomi 1 (RF) Ltd, a pre-existing TUHF securitisation vehicle.

On 31 January 2025, in its first tap issuance, the Issuer issued an additional ZAR712M of Notes and increased the Subordinated Loan by ZAR43M.

The Issuer has now issued an additional ZAR600M of new Notes and has increased its Subordinated Loan by ZAR47M. This has resulted in a total transaction size of ZAR2,009.8M post issuance.

Each Class of Notes has been expanded by the issuance of a new Series thereof. Each new Series ranks *pari passu* and *pro rata* with and has the same Step-Up Date and Final Redemption Date as the existing corresponding Series. Credit enhancement available to each Class of Notes through subordination of junior debt has been maintained at levels that satisfy the conditions precedent per the Programme Memorandum.

The transaction is amortising from the start and Notes principal is repaid along with interest on each Interest Payment Date. New issuances of Notes may take place, subject to their Terms and Conditions, during the Issue Period which ends on the earlier of 15 November 2027 and the occurrence of a Stop Purchase Trigger. The structure includes Interest Deferral Events for the Class B Notes, Class C and Class D Notes which are calculated with reference to the Principal Deficiency, as defined in transaction documentation. Principal Lock-Outs, whereby the principal repayments on the various Classes of Notes are made sequentially rather than *pari passu* and *pro rata*, may apply. All payments are made in accordance with the Priority of Payments.

TUHF Services (Pty) Ltd (a wholly owned subsidiary of TUHF Holdings) acts as Servicer and Administrator for the transaction. The Standard Bank of South Africa Limited (SBSA) is the Account Bank and Hedge Counterparty. Both of SBSA's appointments are subject to it maintaining the Required Credit Rating.

Rating Rationale

GCR updated its analysis of the performance of TUHF's portfolio to renew the base case inputs to its cash flow model. The data now covers the period June 2005 to May 2025 (previously, for the first tap issuance: June 2005 to September 2024). GCR's updated analysis shows improvement in the extrapolated cumulative default rates.

GCR also reviewed the post-new issuance pool of Participating Assets. GCR notes that the weighted average seasoning of the portfolio is now lower than it was previously given the addition of more recently originated assets (pre-existing pool: 34.5 months; post-new issuance pool: 26.5 months). GCR accounted for the seasoning of assets by reducing its default base case for the defaults already expected to have occurred by this stage in the aggregate life of the portfolio.

After adjusting for seasoning and for other factors, GCR derived a default base case for its cash flow model of 18.05% (previously: 19.13%).

The base case recovery rate was revised up to 80% from 75%, driven by a change in the distribution of cumulative recoveries on loan defaults. Updated analysis showed an increase in the proportion of loans that achieved 80% recoveries (to May 2025: 75.37%, vs. 69.49% up to September 2024).

The base case prepayment rate, updated based on data up to June 2025, is 11.47% (previously, for the first tap issuance: 9.24%).

The Prime-JIBAR swap rate was maintained. All other model inputs remain the same, including senior expenses (which, due to their fixed component, are proportionately lower).

The credit enhancement available to each Class of Notes through subordination has decreased slightly on the new issuance. Nevertheless, GCR's cash flow model shows that each Class of Notes (existing and new Series combined) can sustain its existing ratings. GCR notes that the Class B and Class C Series are able to pass the cash flow model at rating levels one notch higher than those assigned. However, the ratings of these Classes were not upgraded, given the model's sensitivity to input assumptions (e.g., extrapolated historical defaults) and taking into account the potential for future tap issuances, which could affect the capital structure (although these would in any case be subject to new rating reviews). As such, the assigned and affirmed ratings reflect the outcome of GCR's cash flow model (excluding those of Class B and Class C, which currently pass one notch higher in the model), in which the cash flows of the transaction as per all the provisions of the transaction documentation are modelled in multiple stress scenarios. Each scenario embodies differing default and recovery rates and distributions, prepayment rates and interest rate parameters. Each successively more stressful group of scenarios relates to a commensurately higher rating level. (See GCR's Structured Finance Research, Asset Backed Securities Cash Flow Model, published September 2018.)

Transaction Strengths

- The transaction makes use of a combined cash waterfall structure, whereby all cash collections, both interest and principal in nature, are applied towards payments made in the sequence prescribed by the Priority of Payments.
- An interest deferral mechanism allowing the subordination of interest on the subordinated Notes upon the breach of certain triggers mitigates the risk of insufficient cash being available for redemption of senior Notes in stressful scenarios.
- A cash reserve (the Arrears Reserve) provides credit enhancement and a liquidity buffer.
- A basis swap mitigates the Prime-JIBAR basis risk arising from the combination of a portion of Prime-linked Participating Assets and JIBAR-linked Notes.
- Historical recoveries of TUHF's defaulted loans are high, due to a high level of rehabilitations as well as many defaulting Borrowers' co-operation in the event of property disposals.
- Portfolio Covenants, Eligibility Criteria and Substitution Tests ensure that the pool will retain characteristics within certain bounds.
- A Collection SPV, Vuselela Collection SPV (RF) Limited receives payments on the transaction's Participating Assets into its Collection Accounts, mitigating commingling risk.

Transaction Weaknesses

- The asset pool, which has been enlarged to contain 285 loans on the new issuance, remains somewhat concentrated. The largest five Borrowers make up 20.1% of the outstanding balance (prior to the new issuance: 18.4%).
- The ultimate obligors (tenants) are low to middle income earners and include a portion who are informally employed. This economic segment is viewed as vulnerable.

- Historical defaults on the assets are high in comparison to many other transactions backed by pools of secured loans.
- Transaction documentation provides for replacement of the Servicer with the Back-Up Servicer only on a Servicer Event of Default. This might present the risk of interruption in servicing functions on possible deterioration in operations of the Servicer.

Transaction Structure

Table 1: Capital Structure at Initial Issuance (September 2024)

Liabilities				Assets	
	ZAR	% of Total	Credit Enhancement*		ZAR
Class A1 Notes	181M	28.5%	71.5%	Participating Assets	623,093,000
Class A2 Notes	193M	30.4%	41.1%		
Class B Notes	80M	12.6%	28.4%		
Class C Notes	63M	9.9%	18.5%		
Class D Notes	56M	8.8%	9.7%		
Subordinated Loan	61.5M	9.7%	0%	Arrears Reserve	11,407,000
Total	634.5M			Total	634.5M

*Credit enhancement through subordination, calculated as subordinated liabilities as a percentage of total Notes and Subordinated Loan

Source: SBSA, TUHF, GCR calculations

Table 2: Capital Structure after 1st tap issuance (January 2025)

Liabilities				Assets	
	ZAR	% of Total	Credit Enhancement*		ZAR
Class A1 & A4**	321M	23.1%	76.9%	Participating Assets + Pre-Funding Amount	1,365,313,500
Class A2 & A5**	472M	34.0%	42.9%		
Class B	239M	17.2%	25.7%		
Class C	147M	10.6%	15.1%		
Class D	106M	7.6%	7.5%		
Subordinated Loan	104.5M	7.5%	0%	Arrears Reserve	24,186,500
Total	1,389.5M			Total	1,389.5M

*Credit enhancement through subordination, calculated as subordinated liabilities as a percentage of total Notes and Subordinated Loan

**These Classes are *pari passu* and *pro rata*.

Source: SBSA, TUHF, GCR calculation

Table 3: Capital Structure prior to New Issuance (15 August 2025)

Liabilities				Assets	
	ZAR	% of Total	Credit Enhancement*		ZAR
Class A1 & A4	294,266,699	21.6%	78.4%	Participating Assets + Pre-Funding Amount	1,338,580,199**
Class A2 & A5	472M	34.6%	43.8%		
Class B	239M	17.5%	26.2%		
Class C	147M	10.8%	15.4%		
Class D	106M	7.8%	7.7%		
Subordinated Loan	104.5M	7.7%	0%	Arrears Reserve	24,186,500
Total	1,362.8M			Total	1,362.8M

*Credit enhancement through subordination, calculated as subordinated liabilities as a percentage of total Notes and Subordinated Loan

**Balancing figure

Source: SBSA, TUHF, GCR calculations

The new Notes were issued as new Series of the existing Classes. The new Series have the same terms and conditions as the corresponding pre-existing Series.

According to the Pre-Enforcement Priority of Payments, interest is to be paid *pari passu* and *pro rata* on all Class A Notes, and then sequentially on the Class B, Class C and Class D Notes. Interest on all classes is to be paid quarterly.

Table 4: New Issuance

	ZAR	% of Total
New Class A7 Notes	150M	23.2%
New Class A8 Notes	250M	38.6%
New Class B Notes	109M	16.8%
New Class C Notes	60M	9.3%
New Class D Notes	31M	4.8%
Subordinated Loan Increase	47M	7.3%
Total	647M	100%

Source: SBSA, TUHF

While principal on the Class A1, Class A4 Notes and Class A7 is always paid prior to principal on the other Classes, Class A2, Class A5, Class A8 and Class B principal may be paid on a *pro rata* basis in certain limited scenarios. Principal Lock-Out provisions, however, ensure that each subordinated Class constitutes credit enhancement for Classes senior to it by providing for sequential principal redemption in most scenarios, including stressful ones. Class C and Class D principal is always to be paid sequentially. See Priority of Payments section below for more detail.

The interest payable on all Classes of Notes is variable, referencing three-month JIBAR.

The capital structure post the new issuance implies levels of credit enhancement through subordination that are slightly lower than those at initial issuance, and which satisfy the conditions precedent per the Programme Memorandum.

Table 5: Capital Structure post New Issuance (Current)

Liabilities				Assets		
	ZAR	% of Total	Credit Enhancement*		ZAR	% of Total
'Class A1' Notes	444,266,699	22.1%	77.9%	Participating Assets + Pre-Funding Amount	1,974,195,565	98.2%
'Class A2' Notes	722M	35.9%	42.0%	Arrears Reserve	35,571,134	1.8%
Class B Notes	348M	17.3%	24.7%			
Class C Notes	207M	10.3%	14.4%			
Class D Notes	137M	6.8%	7.5%			
Subordinated Loan	151M	7.5%	0%	Total	2,009.8M	
Total	2,009.8M					

*Credit enhancement through subordination, calculated as subordinated liabilities as a percentage of total Notes and Subordinated Loan

**Balancing figure

Source: SBSA, TUHF

Participating Assets

The Participating Assets consist of Loan Agreements originated by TUHF and their Related Security, which includes, *inter alia*, Mortgage Bonds, Guarantee SPV Guarantees and Insurance Policies and Proceeds. GCR has received pool data that outlines the characteristics of each Loan Agreement in the post-issuance portfolio. Thirty new loans of an aggregate ZAR560.9M were acquired by the Issuer on the new issuance.

Pre-Funding

The portion of the issuance proceeds not applied towards acquiring new Participating Assets or funding the Arrears Reserve to its Required Amount is held by the Issuer as the Pre-Funding Amount over the Pre-Funding Period, which will end six months after Issue Date on 5 March 2025. The Pre-Funding Amount of ZAR73.9M will be used to acquire Participating Assets as they become available over this Period. Any Pre-Funding unutilised at the end of the Pre-Funding Period will become available to the Priority of Payments.

GCR has considered the possibility of negative carry during the Pre-Funding Period, while the quantum of Participating Assets (plus the Arrears Reserve) is lower than that of the Notes, with the balancing Pre-Funding Amount held in low-yielding cash. While this negative carry may lead (and, over part of the Pre-Funding Periods following the previous issuances, has indeed led) to costs plus Notes interest exceeding income earned, GCR's assessment shows that the transaction can withstand such expected negative excess spread over a six-month period.

Arrears Reserve

The Arrears Reserve has been funded up to its (now higher) Required Amount of 3.05% of Class A Notes outstanding on most recent issuance.

Security Arrangements

The security arrangements are typical of those of a South African securitisation transaction.

Urban Ubomi 2 Security SPV (RF) Proprietary Limited guarantees payment of the claims of the Secured Creditors, including Noteholders, of Urban Ubomi 2 on delivery of an Enforcement Notice. The Issuer has in turn indemnified the Security SPV against any claims made pursuant to such Guarantee. The Loan Agreements and their Related Security are ceded to the Security SPV by the Issuer as security for the obligations of the Issuer pursuant to this Indemnity.

Collection SPV

Vuselela Collection SPV (RF) Proprietary Limited is a ring-fenced and bankruptcy remote corporate entity that is sub-contracted by the Servicer, through a Collection Agency Agreement, to receive cash payments from Borrowers under the Participating Assets into its Collection Accounts. The Collection SPV also receives payments that relate to Loan Agreements originated by TUHF that are not Participating Assets. In order to mitigate commingling risk, the Servicing Agreement obligates TUHF to ensure that collections that relate to the Participating Assets are transferred from the Collection Account to the Issuer's Transaction Account within two Business Days of their identification as such.

Indemnity Bond Structure

A portion of the Participating Assets are Guaranteed Loan Agreements. In respect of these, Urban Finance Indemnity Bond SPV (RF) Ltd (the Guarantee SPV) has issued each relevant Lender with a guarantee against the obligations of the Borrowers. In return, each relevant Borrower has signed an Indemnity in favour of the Guarantee SPV indemnifying it against all losses incurred if such Guarantee is ever called on by the Lender. As security for the Borrower's obligations under the Indemnity, an Indemnity Bond is registered over the Borrower's property in favour of the Guarantee SPV.

The Indemnity Bond Structure is intended to obviate the necessity of reregistration of a portion of the Mortgage Bonds in the name of the Issuer on transfer of the Participating Assets thereto.

Priority of Payments

There are two Priorities of Payments: The Pre-Enforcement Priority of Payments, which applies until a Notice of Enforcement is served on an Event of Default of the Issuer, and the Post-Enforcement Priority of Payments, which will apply thereafter, when the Notes become due and payable. The Priority of Payments applies to all payments made by the Issuer, excluding any Excluded Items. Interest and principal collections, as well as any other possible source of cash receipts, are combined as cash available to be paid sequentially towards its various items. Important features relating to the Pre-Enforcement Priority of Payments include:

Potential Redemption Amount and Principal Deficiency

On each Interest Payment Date, an amount up to the Potential Redemption Amount will be allocated towards redemption of Notes as per the Priority of Payments, depending on cash available. The Potential Redemption Amount is defined as: (1) Principal Collections on the Participating Assets less Redraws, Re-Advances and Further Advances advanced *plus* (2) 50% of the outstanding balance of Participating Assets that became Non-Performing for the first time, all over the past quarter, *plus* (3) the outstanding Principal Deficiency. The Principal Deficiency is the amount, if any, by which the Potential Redemption Amount exceeds the remaining cash in the Pre-Enforcement Priority of Payments. Thus, excess spread is directed towards principal redemption to cover for 50% of the defaults occurring, adding a layer of credit protection. GCR notes that principal collections related to post-default recoveries are also included in the Potential Redemption Amount.

Interest Deferral

Payment of Class D interest will be deferred to after Class A, B and C principal payments and funding of the Arrears Reserve should the Principal Deficiency be greater than zero.

Class C interest deferral, to after Class B principal payments and funding of the Arrears Reserve, will take place when the Principal Deficiency is greater than the outstanding balance of Class D Notes. Class B interest deferral will take place when there are Class A Notes outstanding and the Principal Deficiency is greater than the outstanding balance of Class C and D Notes.

Interest deferral allows the diversion of cash away from interest payment on the subordinated Notes towards principal payment on senior Notes, providing for faster redemption of the latter in stressful scenarios.

Principal Lock-Out

Principal Lock-Out conditions ensure that the principal repayment of the various Classes of Notes will take place sequentially in most scenarios. *Pro rata* amortisation is only allowed in scenarios where the structure has built up credit enhancement through subordination to a defined level, there is no Principal Deficiency, Non-Performing Assets are below a defined threshold, Borrower concentration in the pool is below a defined level and the Arrears Reserve is fully funded.

Arrears Reserve

According to the Priority of Payments, the Arrears Reserve is funded to its Required Amount before Class B principal is paid when Class A Notes are still outstanding. When there are no longer Class A Notes outstanding, the Arrears Reserve is funded after Class B Notes principal is paid. The Arrears Reserve Required Amount is equal to 3.05% of the Class A Notes as at the most recent Issue Date if there are Class A Notes outstanding. If there are no Class A Notes outstanding and there are Class B Notes outstanding, then the Required Amount will be 3.05% of the Class B Notes as at the most recent Issue Date. If there are no Class A or Class B Notes outstanding, the Required Amount will be zero. The Arrears Reserve will be available to meet expenses of the Issuer in terms of several items of the Pre-Enforcement Priority of Payments.

Changes to the Transaction Structure

Two amendments were made to transaction documentation on the new issuance:

Eligibility Criteria

The maximum Principal Balance of a Loan that is a Participating Asset has been increased from the current ZAR60M to ZAR70M.

Portfolio Covenant

The Portfolio Covenant, which applies on acquisition of Additional Assets, requires that the weighted average margin of the Asset Portfolio not be less than 250 bps over the Prime Rate and/or the equivalent bps over 3m JIBAR. Previously the requirement was higher at 300bps.

Both changes are incorporated into GCR's rating analysis. The change to the Eligibility Criteria is catered for in the cash flow model via the Portfolio Covenants that relate to Borrower concentration (which have not changed). The lower yield of the asset portfolio is also modelled. See further in Cash Flow Model section below.

Transaction Counterparties

Table 6: Transaction Counterparties and Criteria

Counterparty	Role	Documentary Provisions (where relevant)
Urban Ubomi 2 (RF) Ltd	Issuer	Bankruptcy-remote, ring-fenced
The Urban Ubomi 2 Owner Trust	Issuer Owner Trust	N.A.
Urban Ubomi 2 Security SPV (RF) Pty Ltd	Security SPV	Bankruptcy-remote, ring-fenced
The Urban Ubomi 2 Security SPV Owner Trust	Security SPV Owner Trust	N.A.
Quadridge Trust Services Pty Ltd	Owner Trust Trustee	N.A.
TUHF Limited	Originator	N.A.
TUHF and Vuselela Warehouse SPV	Sellers	N.A.
TUHF Services Pty Ltd	Servicer	Termination of appointment on Servicer Event of Default
Mettle Credit Services Pty Ltd	Back-Up Servicer	Appointed as Servicer forthwith upon termination of original Servicer's appointment
TUHF Services Pty Ltd	Administrator	Termination of appointment on Administrator Event of Default
SBSA	Derivative Counterparty	Replacement to be appointed or Guarantee to be procured on downgrade of Derivative Counterparty below A1 _(ZA) . Original Derivative Counterparty to post present value of difference between old swap rate and new swap rate as collateral should new swap rate be less favourable to Issuer.
Not specified	Permitted Investment Counterparty	Required Credit Rating of A1 _(ZA) and AA _{-(ZA)} . Replacement within 30 days.
SBSA	Arranger, Dealer, Debt Sponsor <i>inter alia</i>	N.A.
SBSA	Account Bank	Required Credit Rating of A1 _(ZA) and AA _{-(ZA)} . Replacement within 30 days.
TUHF Holdings	Subordinated Lender	N.A.
TUHF Holdings	Preference Shareholder	N.A.
Vuselela Collection SPV	Collection SPV	Cash is to be transferred from the Collection SPV's bank account to the Transaction Account within two Business Days of identification.

N.A. = Not Applicable

Source: GCR, Urban Ubomi 2 transaction documentation

The various counterparties to the transaction and the documentary provisions that relate to each of them were considered by GCR in light of its Criteria for Rating Structured Finance Transactions. The above table shows the roles of the primary counterparties and the documentary provisions relating to them.

The only provision that is deemed not to be in line with the Criteria relates to Servicer replacement. GCR expects a Servicer rated BBB_{-(ZA)} or above to be in place at all times to mitigate risk of servicing interruption and consequent loss of cash. Documentation provides for replacement of the Servicer only on a Servicer Event of Default. In order to model for the abovementioned risk, GCR incorporated a cash flow disruption as described below under Cash Flow Model.

Operations of TUHF

TUHF Limited was incorporated in 2007 as a Non-Bank Financial Services company specialising in providing commercial property finance to rental housing entrepreneurs focusing on inner city areas in South Africa's major cities. The business activities commenced earlier in 2003 through TUHF21 NPC.

TUHF's long-term strategy has not changed and it continues to focus on impact through scale, aiming to increase its lending activity in a sustainable way. To achieve this objective, TUHF has invested in its business, funding and IT capabilities to support its operations. Demand in its niche market remains strong, with TUHF's securitisation activity continuing to support funding for growth.

TUHF operates five regional branches and two regional satellite offices with its Head Office located in Johannesburg. Loan origination and servicing (through the TUHF Services entity) is conducted regionally. Deals below ZAR15m are assessed and approved by the Head of Credit. Deals between ZAR15M and ZAR25M are approved by the Management Committee. Larger loan applications go to the Loan Committee, a sub-committee of the Board.

A typical loan offered by TUHF is a 15-year facility for the purpose of the acquisition and development of property, carries a Prime or JIBAR linked interest rate and a once-off raising fee and may have a grace period to allow for the building's development stage. Security arrangements include cession of rental cash flows, sureties and insurance policies and proceeds, as well as cession of the underlying property through Mortgage Bonds or via an Indemnity Bond Structure.

TUHF assesses potential Borrowers on their financial and operational strength and entrepreneurial merit. Credit is only granted when a projection of a project's cash inflows covers its debt repayments by 1.3x. In response to the Covid-19 crisis, TUHF designed further stresses to model extreme scenarios, including interest rate fluctuation. Debt Service Coverage of 1.15x in such stress scenarios is a minimum for approval.

Property valuation and property feasibility studies are undertaken in the credit granting process. TUHF believes that its internal valuations are conservative. Valuation methodologies use a cap rate of 13% in most cases, as well as comparative transactions where appropriate. The lower of an internal and external valuation (when performed) is used for Loan to Value (LTV) ratio purposes. External valuers are sought when the building or the loan size is large, the building has unusual characteristics or is in a new area. Each property related to TUHF's loan portfolio is revalued either internally or externally once every three years. Property inspections by TUHF occur at least annually.

Arrears management is an individualised process. On occurrence of arrears, forbearance or loan modification may be approved after a new comprehensive review of the project. Should such modification not provide a remedy, a workout procedure might be pursued, whereby a manager appointed by TUHF might take over operations of the property with TUHF acting on the cession of rentals and receiving cash flows. In such instances, the Borrower is often encouraged to agree to a pre-foreclosure sale. While foreclosure is viewed as a last resort, contingency foreclosure proceedings and court applications are started early in the arrears management process, in tandem with the other abovementioned routes.

For FY 2025, TUHF is expecting an operating loss of approximately ZAR 32M. This would be its second since inception - its first was for FY 2023. The expected loss is attributable to some delayed Borrower drawdowns and relatively high non-performing loans on book, some of which still relate to the Covid-era. These non-performing loans are being dealt with through sheriff's auctions, with considerable recoveries now being realised as significant purchases have already taken place.

Collections on TUHF's portfolio are c.93%, having shown slow but steady improvement over the year to June 2025.

Geographical diversification away from Gauteng continues and expansion into nodal but not inner-city as well as township developments is occurring.

TUHF has recently implemented a more flexible pricing model which might enable retention of lower risk Borrowers.

TUHF has a robust IT infrastructure, which includes sophisticated authentication measures for data protection and firewalls. Its backup and disaster recovery policies and procedures entail frequent replication practices that include a remote server and testing, *inter alia*.

To mitigate risk of fraud, measures such as segregation of duties relating to release of funds and requisition of two signatories to authorise payments are in place.

The Back-Up Servicer

Mettle Credit Services Proprietary Limited (Mettle) is the transaction's Back-Up Servicer and will take over servicing functions on the termination of the appointment of the Servicer for any reason, including the occurrence of a Servicer Event of Default.

Mettle is judged to have capability and experience in managing loan books in various stages of their lives, as well as in arrears management.

Participating Assets

Eligibility Criteria are applicable to the Participating Assets on their acquisition, when the pool of Participating Assets as a whole will also have to comply with Portfolio Covenants.

As mentioned, the transaction has no Revolving Period. This implies that the makeup of the pool is not expected to change significantly over time, as Principal Collections are applied towards Notes redemption and not acquisition of new assets. Application of the Pre-Funding Amount, new issuances, natural amortisation and prepayments, possible substitution and repurchase of assets by TUHF and Re-advances and Further Advances on loans, are therefore the only factors that would influence the pool's composition.

Participating Asset Pool

GCR analysed the combined pool of pre-existing and newly acquired Participating Assets.

Table 7: Participating Asset Pool following New Issuance		
	Pre-Existing Pool	Combined Post-Issuance Existing Pool
Number of Loans	255	285
Total Disbursements	ZAR1,487,969,961	ZAR2,077,840,758
Total Current Loan Balance	ZAR1,352,008,985	ZAR1,912,944,289
Average Current Loan Balance	ZAR5,301,996	ZAR6,712,085
Max Current Loan Balance	ZAR57,381,720	ZAR67,338,434
Weighted Average Current Interest Rate	13.89%	13.59%
Weighted Average Current Loan-to-Value	59.04%	61.83%
Weighted Average Seasoning*	34.5 months	26.5 months

Source: TUHF data, GCR

*Seasoning is calculated to the end of July 2025.

Cash Flow Model

GCR's analysis of the historical performance of loans originated by TUHF, the post new issuance asset pool and capital structure and transaction documentation direct its cash flow modelling. GCR analysed updated data to revise its base cases. The main elements of the cash flow model and derivation of the various inputs are described below.

Senior Expenses

The Issuer has both variable and fixed expenses that are senior to other items in the Priority of Payments.

Fixed costs were estimated and modelled. A 10% buffer was added. 6% annual inflation was modelled on these fixed costs.

The variable expenses include the Servicing Fee and Administration Fee. In modelling their payment, GCR added VAT and a 10% buffer for unexpected increases. Inflation was not imposed on the variable costs, seeing as they are contractually fixed for the life of the transaction.

Cumulative Defaults

Base Case

GCR received updated performance data from July 2005 to May 2025 (previously used at the last tap issuance: to September 2024) covering the entire portfolio of loans originated by TUHF, where a loan is classified as defaulted when an amount equal to three of the most recent six months of instalments is in arrears. This definition corresponds to that of transaction documentation. Actual cumulative defaults were extrapolated according to GCR's methodology (see GCR's Criteria for Rating Consumer Asset-Backed Securities, September 2018). The rand-weighted extrapolated cumulative default rate peaked at 14.47%, 175 months after Loan Start Date. GCR measured the standard deviation of extrapolated cumulative defaults by aggregating Loan Start Dates into semi-annual periods and weighting these by origination amount. Semi-annual weighted standard deviation was found to be 9.76%. GCR added 0.5x semi-annual standard deviation to the cumulative default rate as a volatility adjustment. The raw base case is lower than that previously derived from data to September 2024.

	to Sep 2024	to May 2025
Extrapolated cumulative default rate [A]	15.24%	14.47%
Std deviation [B]	10.41%	9.76%
Raw Base Case: Defaults [= A + 0.5xB]	<u>20.44%</u>	<u>19.35%</u>

Source: TUHF data, GCR

GCR recognised the expected seasoning of assets (to August 2025) in the pool by reducing the base case cumulative default rate by the percentage of defaults that are expected to already have occurred - early in the life of loans. The loans were first divided into semi-annual seasoning brackets and then the portfolio aggregate credit for seasoning was applied to reduce the base case default rate as shown in the below table. Credit for seasoning was capped at 50%.

Table 8: Credit for Seasoning (up to 31 January 2025)

Seasoning	% of Pool (Current Loan Balance)	Credit for Seasoning*
0 – 6 months	37.4%	0.0%
7 – 12 months	16.7%	5.5%
13 – 18 months	6.5%	13.2%
19 – 24 months	9.8%	25.2%
25 – 30 months	3.2%	37.1%
30 – 36 months	2.3%	44.5%
36+ months	24.1%	50.0%**
Weighted Average (= Credit for Seasoning Applied)		18.5%

*Credit for seasoning is based on the observed default vector shown in Table 12 below. For example, the portion of the pool with Loan Start Date at least six months but less than twelve months ago, is given credit by assuming that 5.5% of its defaults have already occurred, seeing as 5.5% of total historical defaults were observed to have occurred in the six months since Loan Start.

**Cap

Source: TUHF data, GCR

The resulting post credit for seasoning default rate was then rebased to account for the approximate aggregate reduction in Loan Balance since Loan Start Date:

Table 9: Rebasing Calculation

Total Disbursements since Loan Start [A]	2,077,840,758
Current Loan Balance [B]	1,912,944,289
Rebasing Multiple [A/B]	108.6%

Source: TUHF data, GCR

Additionally, an upward adjustment to the base case default rate was made for geographic concentration risk. GCR notes the portfolio's concentration to Gauteng and Eastern Cape.

Table 10: Geographic Concentration Adjustment

Province	% of Aggregate Current Loan Balance [A]	GDP per Province [B]	% > GDP [C]	Adjustment [(B/A) + (C/A)x1.15]
Gauteng	64.0%	33.1%	30.9%	107.2%
Kwa-Zulu Natal	12.2%	15.9%	0.0%	100.0%
Western Cape	9.6%	13.9%	0.0%	100.0%
Free State	1.7%	4.9%	0.0%	100.0%
Eastern Cape	12.5%	7.6%	4.9%	105.9%
Weighted Average (= Geographic Concentration Multiple Applied)				105.4%

Source: TUHF data, GCR, Stats SA Provincial gross domestic product: experimental estimates, 2013–2022

The below table shows a summary of the calculation of the final base case.

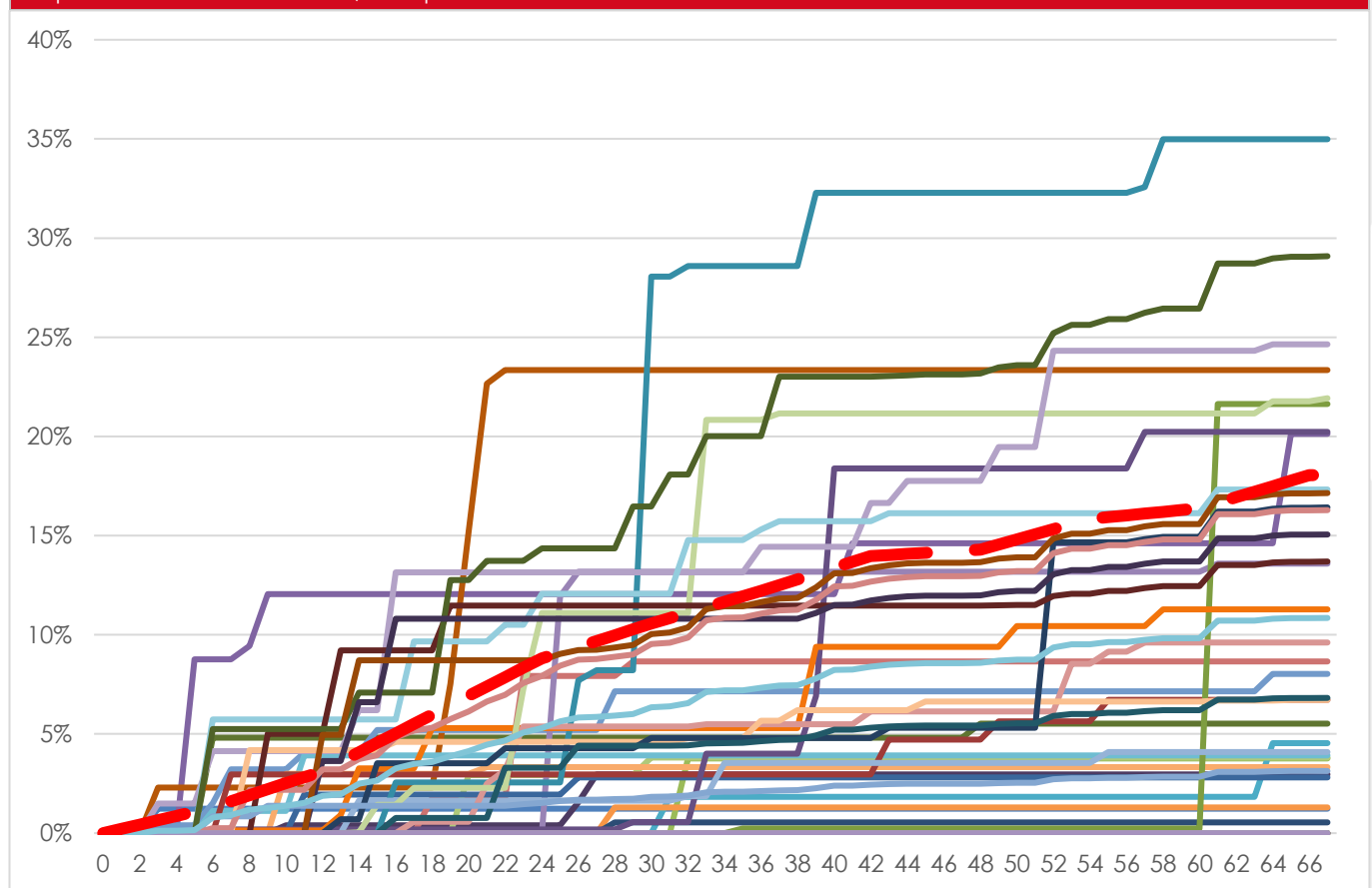
Table 11: Summary, Calculation of Base Case Cumulative Default Rate	
Weighted Average Extrapolated Default Rate [A]	14.47%
Semi-Annual Standard Deviation [B]	9.76%
Raw Base Case [C = A + 0.5xB]	19.35%
Post Credit for Seasoning [D = C x (1 - 18.5%)] (See Table 8 above)	15.77%
Post-Rebasing [E = D x 108.6%] (See Table 9 above)	17.13%
Post Geo Concentration Adjustment (FINAL) [F = E x 105.7%] (See Table 10 above)	<u>18.05%</u>

Source: GCR

The final base case used at the last issuance of January 2025, based on performance data to September 2024, was higher at 19.13%. The 1.08% decrease is chiefly a factor of improved recent performance.

The below graph compares the final base cumulative default rate with the extrapolated cumulative default rates.

Graph 1: Cumulative Defaults, Extrapolated Actual vs Base Case



- The red dotted line represents defaults accumulating to the final base case according to the modelled stable default vector.
- The other coloured lines represent the extrapolated actual default rates of semi-annual loan originations up to the point of maximum modelled defaults (at Month 66).

Source: TUHF data, GCR

Obligor Concentration

As per GCR's methodology (see Criteria for Rating Consumer Asset-Backed Securities, September 2018), for each rating scenario, GCR models the maximum of: 1. The base case default rate times a stress multiple that increases by rating level; and, 2. A level of Borrower concentration in the portfolio that increases by rating level. While the actual concentration of the portfolio is significantly lower than Portfolio Covenants allow, covenant levels are conservatively modelled as the pool may reach such levels through prepayment, substitution or repurchase activity, albeit unlikely. In any case, the base case times multiple (not the Borrower concentration level) is the maximum and therefore modelled at all rating levels.

Table 12: Defaults per Rating Scenario: (Base Case x Multiple) vs Obligor Concentration

Rating Scenario	Stress Multiple	Base Case x Stress Multiple [A]	Number of Top Obligor Assumed to Default	Obligor Concentration (actual pool)	Obligor Concentration (Covenant) [B]	Final Modelled Cumulative Default Rate (= MAX of [A] and [B])
AAA _(ZA) (sf)	3.4x	61.37%	7	25.24%	47.00%	61.37%
AA+ _(ZA) (sf)	3x	54.15%	6.5*	24.01%*	41.50%*	54.15%
A _(ZA) (sf)	2.3x	41.51%	5	20.06%	32.00%	41.51%
BBB- _(ZA) (sf)	1.7x	30.68%	3.67*	16.25%*	25.33%*	30.68%

*interpolated

Source: TUHF data, GCR

Default Vectors

Default vectors were applied to distribute defaults occurring in the model. These were based on observed historical extrapolated data but were compressed (front-loaded) to allow for allocation. Three default distribution scenarios were modelled: Stable, front-loaded and back-loaded.

Table 13: Default Vectors

Half-Year from Loan Start	Observed Historical (% of Total Defaults Occurring)	Modelled Vectors		
		Stable Vector	Front-Loaded Vector	Back-Loaded Vector
1	5.5%	7.6%	9.2%	5.7%
2	7.7%	10.6%	12.9%	8.0%
3	12.0%	16.6%	20.2%	12.5%
4	11.9%	16.5%	20.1%	18.7%
5	7.4%	10.2%	12.4%	11.6%
6	6.9%	9.6%	11.6%	10.8%
7	7.4%	10.3%	4.8%	11.6%
8	1.4%	1.9%	0.9%	2.1%
9	6.5%	9.0%	4.2%	10.2%
10	2.2%	3.1%	1.4%	3.5%
11	7.1%	4.6%	2.2%	5.2%
12+	24.0%	0.0%	0.0%	0.0%

Source: TUHF data, GCR

Arrears

Arrears were modelled as a multiple of defaults occurring in the model and as rehabilitating in full after three months:

Rating Scenario	Arrears Multiple of Defaults	Arrears %
AAA _(ZA) (sf)	1.10x	67.50%
AA+ _(ZA) (sf)	0.99x	53.61%
A _(ZA) (sf)	0.65x	26.96%
BBB- _(ZA) (sf)	0.43x	13.08%

Source: GCR

Cumulative Recoveries

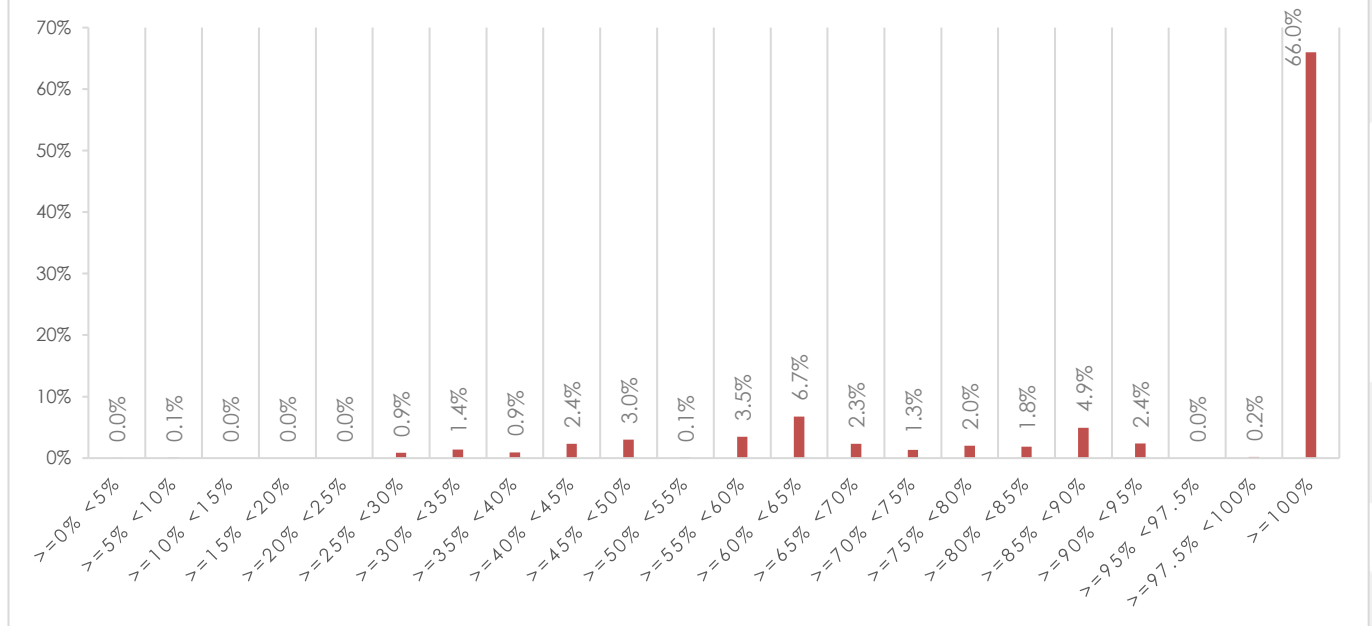
Base Case

Historical recoveries of defaulted loans were analysed. GCR noted that several possible paths to recovery exist, including forbearance, workout, loan modification and, in rare cases, foreclosure; each leading to different recovery patterns. Indeed, many defaults as defined saw a resumption of payment of scheduled instalments soon after occurrence. Recoveries in many cases were found to be above 100% of the loan balance at default. This is a result of some capitalisation of interest post default as well as disbursements (and hence increases in loan balances) post default for, e.g., property refurbishment and coverage of the Borrowers' third-party costs by TUHF.

The steps towards the derivation of the recoveries base case are:

- The updated TUHF data set as at May 2025 of "Complete" (i.e., closed, no longer "Active") defaulted loans was used, incorporating 116 loans (previously, as at September 2024, 106 loans).
- No extrapolation was performed seeing as the loans analysed are no longer active and have been closed.
- All cash collected post default was counted towards recoveries.
- Conservatively, recoveries on each loan were capped to the loan's maximum balance post default.
- The distribution of the set of cumulative recovery end points on each loan, expressed as a percentage of maximum loan balance post default with none exceeding 100% due to the cap imposed, was analysed.
- The findings showed: 65.99% (previously: 64.58%) of aggregate loan balance at default was recovered in full. 66.20% (previously: 64.80%) recovered more than 97.5% of default balance. 75.37% (previously: 69.49%) recovered more than 80% and 77.40% (previously: 71.69%) recovered more than 75%.
- GCR increased the recovery base case from 75% to 80%. This is justified by reference to the fact that recoveries above 80% occurred in a portion of cases (75.37%) that is higher than the portion that would present above the mean less one-half standard deviation in the case of a normal distribution. This mean less one-half standard deviation is the base case marker GCR would use were the set of cumulative recovery end points to be more normally distributed. While the "Complete" defaulted loans data set is small and the aggregate recovery rate derived from it is therefore subject to volatility arising from the influence of recovery rates of the large defaults, GCR notes the sustained and significant increase in recent realised recoveries, justifying the improved base case.

Graph 2: Distribution of Cumulative Recoveries on "Complete" Loan Defaults (by Default Balance) to May 2025



Source: TUHF, GCR

Recoveries Haircuts

Cumulative recoveries were reduced successively by rating scenario in the cash flow model as follows:

Rating Scenario	Recoveries Haircut	Modelled Cumulative Recovery Rate
AAA _(ZA) (sf)	35%	52.00%
AA+ _(ZA) (sf)	30%	56.00%
A _(ZA) (sf)	18%	65.60%
BBB- _(ZA) (sf)	10%	72.00%

Source: GCR

Recoveries Vectors

Recoveries were distributed in the cash flow model, similarly to defaults, in three vectors: Stable, front-loaded and back-loaded. The modelled recovery distribution is guided by observed extrapolated collections post default data.

Half-Year from Default Date	Stable Vector	Front-Loaded Vector (% of Total Recoveries)	Back-Loaded Vector (% of Total Recoveries)
1	12.1%	21.3%	5.5%
2	26.5%	46.4%	7.0%
3	15.1%	22.6%	12.2%
4	5.9%	8.8%	12.5%
5	0.2%	0.2%	7.4%
6	0.0%	0.0%	8.0%
7	0.0%	0.0%	16.1%
8	0.0%	0.0%	3.0%
9	2.5%	0.7%	8.5%
10	26.1%	0%	4.9%
11	11.6%	0%	11.1%
12	0%	0%	3.8%

Source: TUHF data, GCR

Prepayments

Prepayments were modelled based on TUHF historical data. The average annual prepayment percentage of opening balance from April 2016 to June 2025, plus 0.5x the standard deviation thereof, was modelled as the base case prepayment rate. This was then stressed upwards and downwards successively by rating scenario (see Table 17 below).

GCR notes the increased base case prepayment rate, using data to June 2025, which is a result of elevated prepayments in recent months.

Average Annualised Prepayments (% of Opening Loan Balance) Apr 2016 – June 2025 [A]		9.06% (previously, to Sep 2024: 8.05%)
Standard Deviation [B]		4.83% (previously: 2.39%)
Base Case [C = A + 0.5xB]		11.47% (previously: 9.24%)

Source: TUHF data, GCR

Rating Scenario	Prepayments Stress	Modelled High Prepayments	Modelled Low Prepayments
AAA _{(ZA)(sf)}	35%	15.5%	7.5%
AA+ _{(ZA)(sf)}	30%	14.9%	8.0%
A _{(ZA)(sf)}	18%	13.5%	9.4%
BBB- _{(ZA)(sf)}	10%	12.6%	10.3%

Source: TUHF data, GCR

Interest Rates

3-month JIBAR was modelled according to GCR's methodology in increasing, decreasing and stable scenarios. These paths become increasingly extreme for each successive rating scenario. Modelled 3-month JIBAR reaches a high of 16.8% after 25 months in an increasing AAA_{(ZA)(sf)(IR)} scenario.

Swaps

The transaction has a swap agreement, which complied with GCR's Criteria, to exchange the Prime-linked interest earned on the Participating Assets for a 3-month JIBAR-linked return. GCR incorporated the indicated swap rate into its model.

Asset Margin Compression

GCR modelled compression of the interest rate margin yield of the Participating Asset portfolio by dividing the pool into six margin buckets. Margin compression controls for defaults and prepayments potentially impacting the higher-yielding assets first by allocating these to the margin buckets in descending order.

Asset Amortisation Profile

Instalments received in the cash flow model are modelled according to the amortisation profile of the post-new issuance pool. Each loan's interest rate, outstanding balance and remaining term directs its scheduled instalments. These are then aggregated to obtain a portfolio amortisation profile.

There are 29 loans in the post-issuance pool whose interest-only periods, which may be granted by TUHF during the early stage of the life of a loan, had not yet ended. These were taken into consideration in modelling the asset pool amortisation.

Return on Cash

The cash flow model allows for excess cash to be held by the Issuer inter-quarter. Return on such cash was modelled at a market-related overnight rate.

Priority of Payments

Cash was allocated in the cash flow model in accordance with the Priority of Payments and its structural provisions including those relating to Principal Lock-Out, Interest Deferral, Principal Deficiency, the Potential Redemption Amount and the Arrears Reserve *inter alia* (see Transaction Structure section above).

Cash Flow Interruption

As mentioned above, GCR deems Servicer replacement as provisioned for in the transaction documentation to be insufficient to fully mitigate risk of cash flow interruption. To account for this risk, GCR removed the first (and largest) month of cash inflows in the cash flow model. 90% of this first month's cash was then modelled as being recouped over Months 7, 8 and 9. 10% of the cash was modelled as being lost.

Discretionary Reserve

The Discretionary Reserve, which may be funded from proceeds of drawings in terms of the Subordinated Loan Agreement, has no modelling impact as payments to be made on the Subordinated Loan are subordinated to all payments on the Notes. Any increase in the size of the Subordinated Loan therefore does not affect the availability of cash for the Notes.

Changes to the Transaction Structure

The change to the Eligibility Criteria has no modelling effect. Portfolio Covenants relating to Borrower concentration are taken into account when modelling default rates (see above). GCR notes that the higher maximum loan size would not lead to higher concentration as the pool grows with new issuances.

The actual weighted average margin of the portfolio is lower than it was pre-issuance at an equivalent of 2.71%. GCR models the actual weighted average asset margin, rather than the covenanted one.

Model Results

The model outcome shows the rating scenarios at which interest and principal is paid in full for each respective Class of Notes in all of the various stress scenarios, including defaults, recoveries, their respective vectors, prepayments and interest rates. GCR notes that all subordinate Classes of Notes pass one notch higher than their assigned ratings. The model result leads directly to the ratings accorded. Nevertheless, potential future rating volatility that arises from the sensitivity of the model outcome to base case inputs leads to the ratings assigned to these Classes.

Rating Sensitivities

GCR tested rating sensitivities by increasing base case defaults and decreasing base case recoveries in the cash flow model, each by 25% separately and combined and by 50% separately and combined as described in the below table, which shows the model's rating outcome per Class for each sensitivity stress.

Table 18: Rating Sensitivities*

Security Class	Assigned Ratings	Stress: 1.25xDefaults	Stress: 0.75xRecoveries	Stress: 0.75xRecoveries and 1.25xDefaults	Stress: 1.5xDefaults	Stress: 0.5xRecoveries	Stress: 0.5xRecoveries and 1.5xDefaults
Class A1	AAA (ZA)(sf)	AAA(ZA)(sf)	AAA(ZA)(sf)	AAA(ZA)(sf)	AA+(ZA)(sf)	AAA(ZA)(sf)	AA-(ZA)(sf)
Class A2	AA+ (ZA)(sf)	AA(ZA)(sf)	AA(ZA)(sf)	A+(ZA)(sf)	A+(ZA)(sf)	A+(ZA)(sf)	BBB(ZA)(sf)
Class B	A (ZA)(sf)	A-(ZA)(sf)	A-(ZA)(sf)	BBB(ZA)(sf)	BBB(ZA)(sf)	BBB(ZA)(sf)	BB(ZA)(sf)
Class C	BBB- (ZA)(sf)	BB+(ZA)(sf)	BB+(ZA)(sf)	BB(ZA)(sf)	BB(ZA)(sf)	BB-(ZA)(sf)	Unrated

*A minority of defaults remain unallocated in some stress scenarios.

Source: GCR

Disclaimer

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

Analytical Contacts

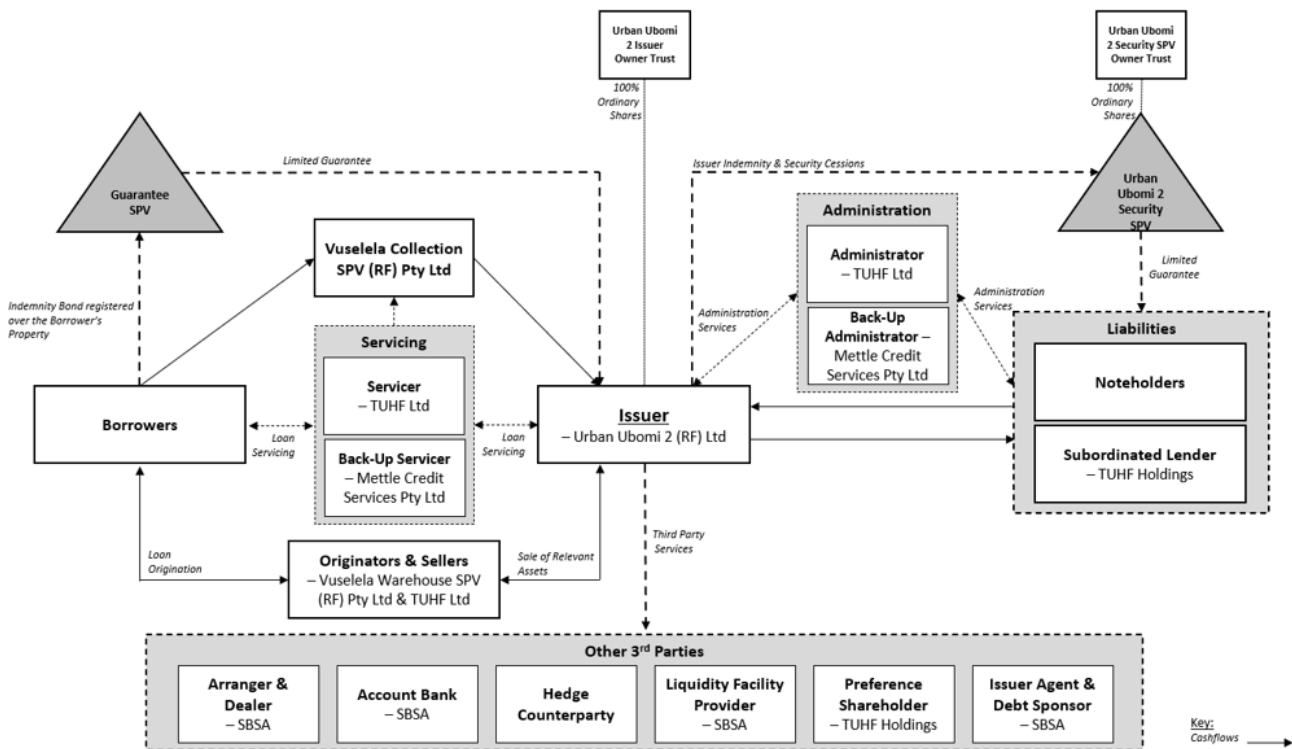
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Related Criteria and Research

Criteria for Rating Structured Finance Transactions, Sep 2018
Criteria for Rating Consumer Asset Backed Securities, Sep 2018
Criteria for Rating Financial Institutions, May 2024
Criteria for the GCR Ratings Framework, May 2024
GCR Ratings Scale, Symbols & Definitions, May 2023
Rating Announcement - TUHF Limited and TUHF Holdings, Apr 2024
Asset-Backed Securities Cash Flow Model, Sep 2018

APPENDIX A – Transaction Diagram

In the below diagram, TUHF Ltd should be replaced with TUHF Services Pty Ltd as the **Servicer** and the **Administrator**.



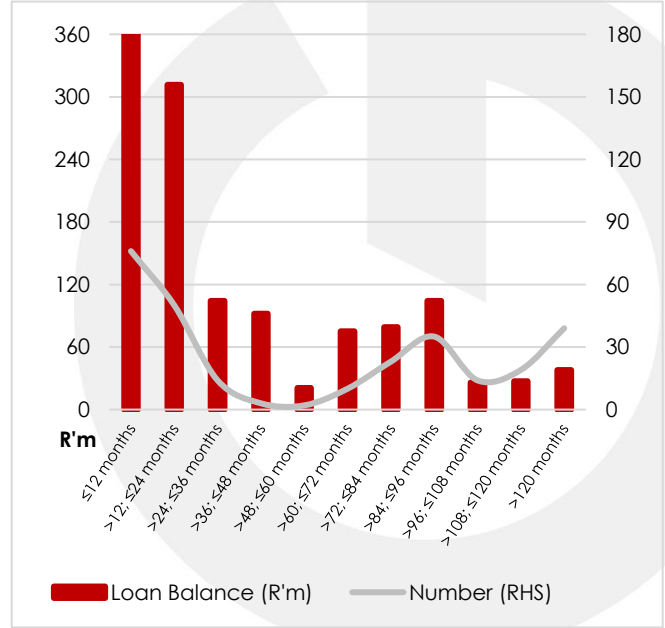
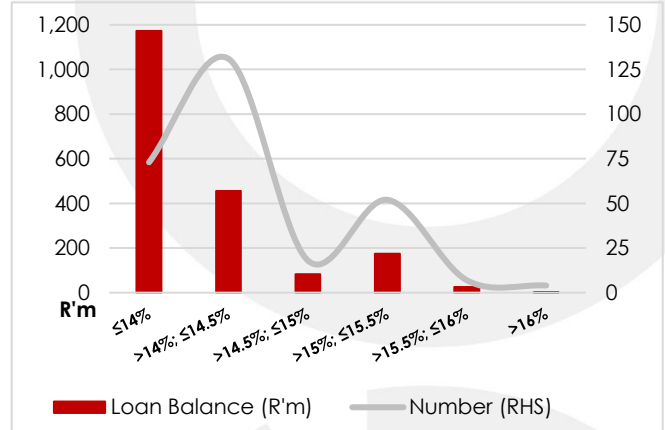
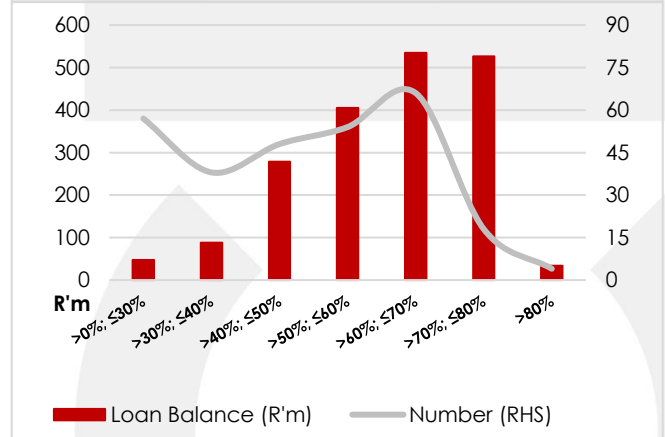
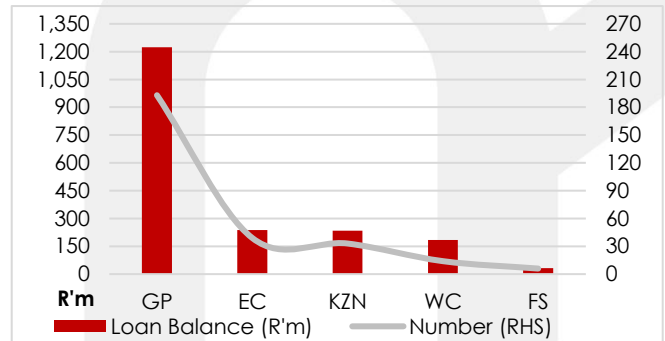
Province	Number	Loan Balance (ZAR) [a]	[a]%
GP	193	1,224,347,950	64.0%
EC	39	238,394,216	12.5%
KZN	33	234,225,808	12.2%
WC	14	183,405,824	9.6%
FS	6	32,570,492	1.7%
Total	285	1,912,944,289	100%

Current Loan to Value	Number	Loan Balance (ZAR) [a]	[a]%
>0%; ≤30%	57	47,048,572	2.5%
>30%; ≤40%	38	87,639,550	4.6%
>40%; ≤50%	48	278,927,067	14.6%
>50%; ≤60%	54	405,210,414	21.2%
>60%; ≤70%	66	534,438,026	27.9%
>70%; ≤80%	18	526,072,188	27.5%
>80%	4	33,608,471	1.8%
Total	285	1,912,944,289	100%

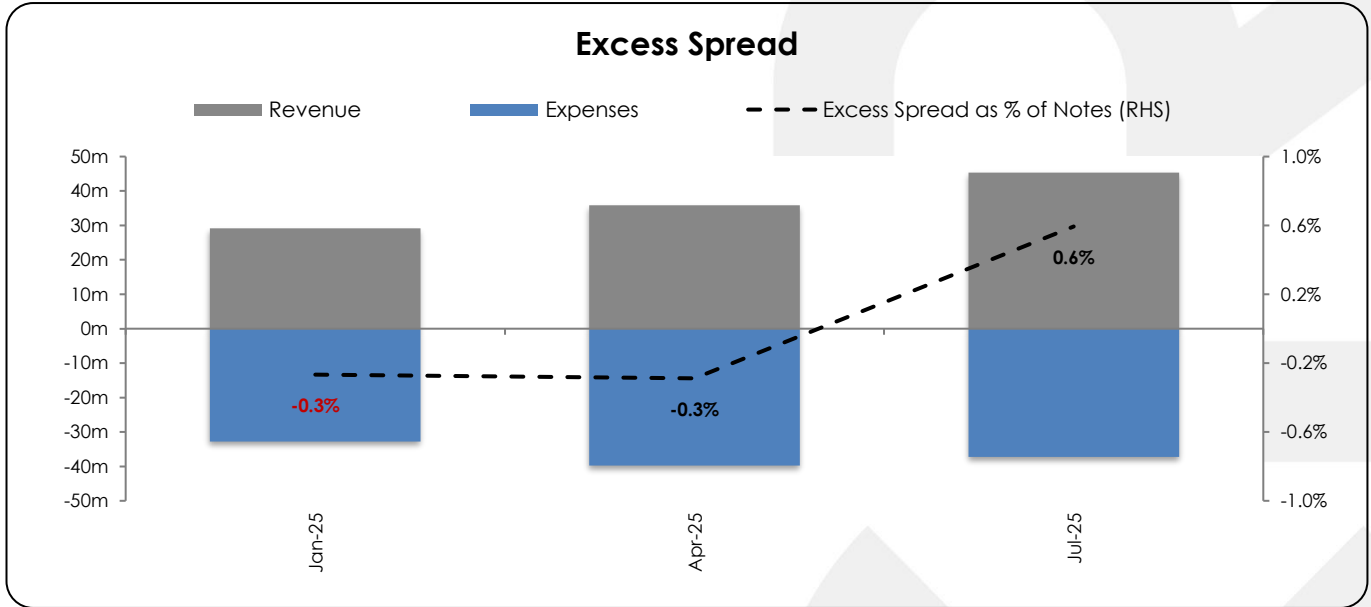
Current Interest Rate	Number	Loan Balance (ZAR) [a]	[a]%
≤14%	73	1,172,721,591	61.3%
>14%; ≤14.5%	131	455,716,112	23.8%
>14.5%; ≤15%	18	82,673,081	4.3%
>15%; ≤15.5%	52	174,858,243	9.1%
>15.5%; ≤16%	7	24,718,850	1.3%
>16%	4	2,256,413	0.1%
Total	285	1,912,944,289	100%

Seasoning from Loan Start Date*	Number	Loan Balance (ZAR) [a]	[a]%
≤12 months	76	1,035,481,828	54.1%
>12; ≤24 months	50	311,456,625	16.3%
>24; ≤36 months	14	104,268,298	5.5%
>36; ≤48 months	3	92,029,769	4.8%
>48; ≤60 months	2	20,555,306	1.1%
>60; ≤72 months	10	75,081,390	3.9%
>72; ≤84 months	23	78,943,735	4.1%
>84; ≤96 months	35	104,349,174	5.5%
>96; ≤108 months	14	25,824,563	1.3%
>108; ≤120 months	19	27,088,916	1.4%
>120 months	39	37,864,684	2.0%
Total	285	1,912,944,289	100%

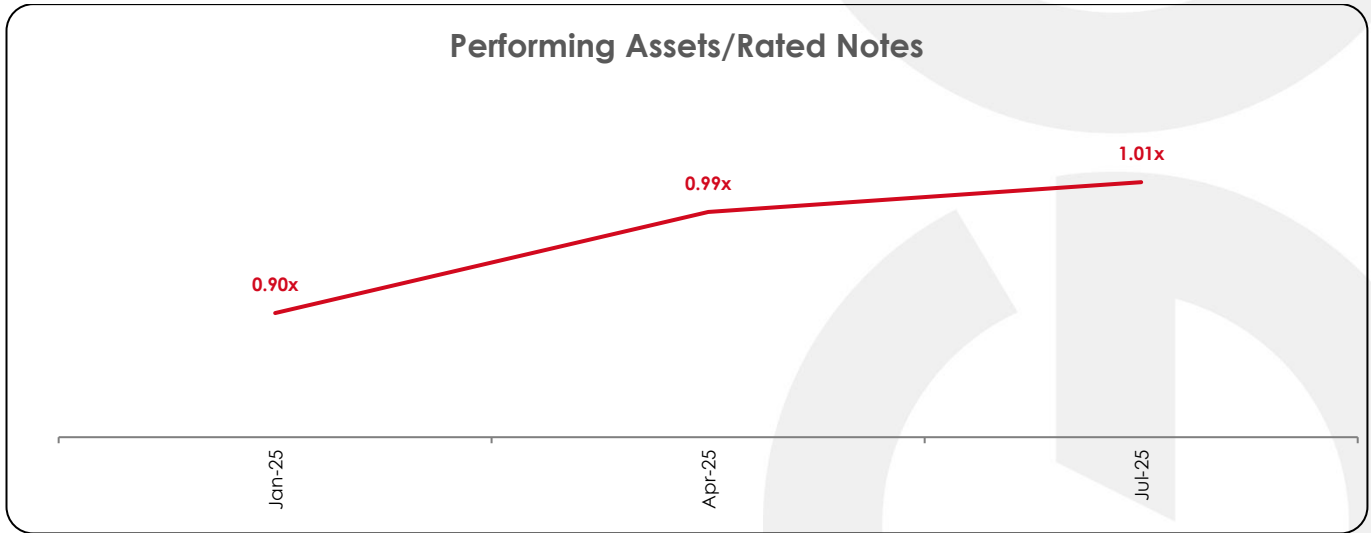
*to July 2025



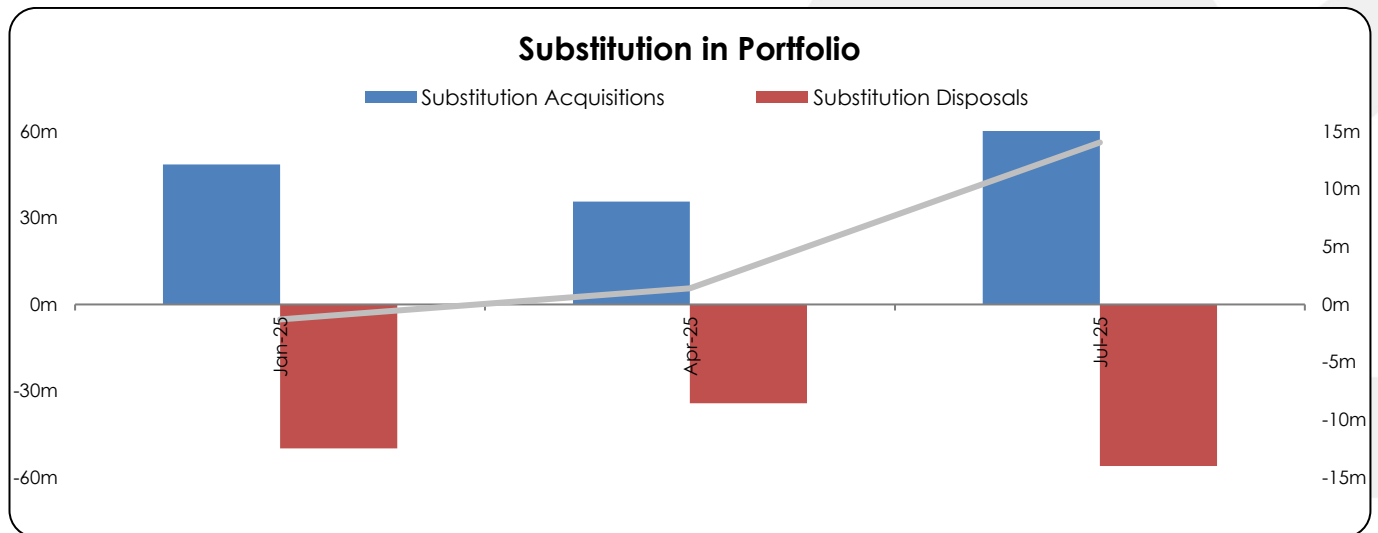
APPENDIX C – Surveillance



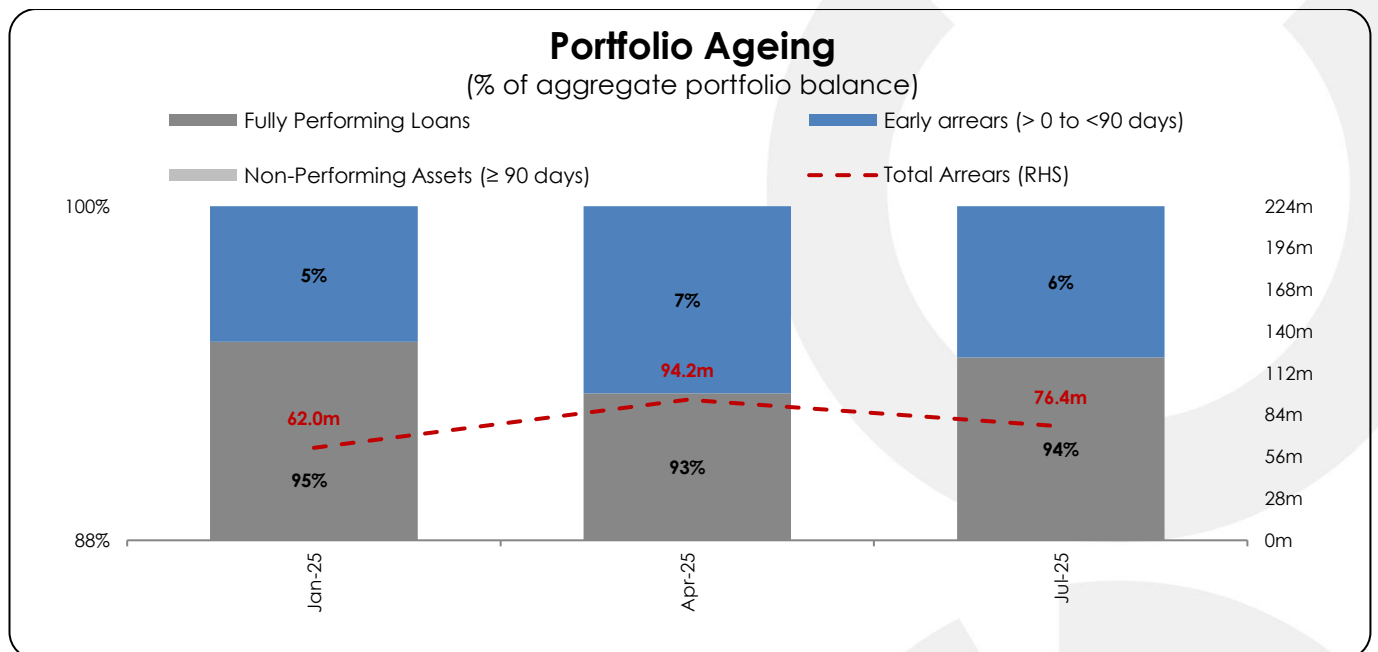
The transaction earned negative excess spread in its first two quarters. In the first period (initial Issue Date to January 2025), this was a result of the timing of the Issue Date (13 September 2024), such that principal collections on the assets covered only four months, while senior expenses and Notes interest accrued over five months. In the second quarter (to April 2025), negative excess spread resulted from the high Pre-Funding Amount relating to the first tap issuance of January 2025 (ZAR142.2M), which led to negative carry. The ramp-up of the portfolio as Pre-Funding has since been applied towards acquisition of assets has led to positive excess spread, as well as a positive performing assets to rated Notes ratio, in the past quarter (to July 2025).



Substitution levels are moderate.



Some accumulation of early stage arrears has occurred, with zero Non-Performing Assets thus far.



GLOSSARY OF TERMS/ACRONYMS

Account Bank	A bank where the transaction account is held.
Administrator	A transaction appointed agent responsible for the managing of a Conduit or a Special Purpose Vehicle. The responsibilities may include maintaining the bank accounts, making payments and monitoring the transaction performance.
Advance	A lending term, to transfer funds from the creditor to the debtor.
Agent	An agreement where one party (agent) concludes a juristic act on behalf of the other (principal). The agent undertakes to perform a task or mandate on behalf of the principal.
Agreement	A negotiated and usually legally enforceable understanding between two or more legally competent parties.
Amortisation	From a liability perspective, the paying off of debt in a series of instalments over a period of time. From an asset perspective, the spreading of capital expenses for intangible assets over a specific period of time (usually over the asset's useful life).
Arranger	Usually an Investment Bank that advises and constructs a transaction and acts as a conduit between the transaction parties: Client, Issuer, Credit Rating Agency, Investors, Legal Counsel and Servicers.
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.
Bankruptcy 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.
Bankruptcy	Court proceedings at which an individual or a company is declared unable to pay its creditors. The liabilities of a bankrupt company typically exceed its assets.
Basis Risk	The imperfect correlation in the adjustment of the rates earned and paid on different instruments with otherwise similar repricing characteristics.
Bond	A long-term debt instrument issued by either a company, institution or the government to raise funds.
Borrower	The party indebted or the person making repayments for its borrowings.
Call Option	An option 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.
Collateral	Asset provided to a creditor as security for a loan or performance.
Correlation	A term that describes the degree to which two variables move together. A correlation of 1 means that they move together exactly, while a correlation of minus 1 means that they move in exactly the opposite direction from each other.
Coupon	The interest paid on a bond expressed as a percentage of the face value. If a bond carries a fixed coupon, the interest is usually paid on an annual or semi-annual basis. The term also refers to the detachable certificate entitling the bearer to the interest payment.
Covenant	A provision that is indicative of performance. Covenants are either positive or negative. Positive covenants are activities that the borrower commits to, typically in its normal course of business. Negative covenants are certain limits and restrictions on the borrowers' activities.
Credit Enhancement	Limited protection to a transaction against losses arising from the assets. The credit enhancement can be either internal or external. Internal credit enhancement may include: Subordination; over-collateralisation; excess spread; security package; arrears reserve; reserve fund and hedging. External credit enhancement may include: Guarantees; Letters of Credit and hedging.
Creditor	A credit provider that is owed debt obligations by a debtor.
Debt Service Coverage	Measures the ratio of cash available for debt servicing payments.
Debt Sponsor	Usually an investment bank that brings a transaction to the capital markets, similar to an Arranger.
Debt	An obligation to repay a sum of money. More specifically, 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 X days on any debt obligations as defined in the transaction documents; 4.) The obligor has filed for bankruptcy or similar protection from creditors.
Derivative	A financial instrument that offers a return based on the return of another underlying asset.
Downgrade	The rating has been lowered on its specific scale.
Early Redemption	The repurchase of a bond by the issuer before it matures.
Eligibility Criteria	Limitations imposed on the type and quality of assets that can be sold by the Originator / Servicer into the Securitisation vehicle which ensure the transaction will track the performance of historical data analysed as closely as possible.
Environment	The surroundings or conditions in which an entity operates (Economic, Financial, Natural).
Excess Spread	The net weighted average interest rate receivable on a pool of assets being greater than the weighted average interest rate payable for the debt securities.
Facility	The grant of availability of money at some future date in return for a fee.

Financial Institution	An entity that focuses on dealing with financial transactions, such as investments, loans and deposits.
Forbearance	A temporary suspension of repayments, granted by a creditor to a debtor.
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.
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.
Income	Money received, especially on a regular basis, for work or through investments.
Indemnity	A security or protection against a loss or other financial burden.
Index	An assessment of the property value, with the value being compared to similar properties in the area.
Instalment	Payment made to honour obligations with 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 losses in a possible future event.
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.
Legal Opinion	An opinion regarding the validity and enforceability of a transaction's legal documents.
Lender	A credit provider that is owed debt obligations by a debtor.
Liability	A financial claim, debt or potential loss incurred by an individual or an organisation.
Liquidity	The speed at which assets can be converted to cash. It can also refer to the ability of a company to service its debt obligations due to the presence of liquid assets such as cash and its equivalents. Market liquidity refers to the ease with which a security can be bought or sold quickly and in large volumes without substantially affecting the market price.
Loan to Value	Principal balance of a loan divided by the value of the property that it funds. LTVs can be computed as the loan balance to most recent property market value, or relative to the original property market value.
Loan	A sum of money borrowed by a debtor that is expected to be paid back with interest to the creditor. A debt instrument where immovable property is the collateral for the loan. A mortgage gives the lender a right to take possession of the

	property if the borrower fails to repay the loan. Registration is a prerequisite for the existence of any mortgage loan. A mortgage can be registered over either a corporeal or incorporeal property, even if it does not belong to the mortgagee. Also called a Mortgage bond.
Margin	A term whose meaning depends on the context. In the widest sense, it means the difference between two values.
Market	An assessment of the property value, with the value being compared to similar properties in the area.
Maturity	The length of time between the issue of a bond or other security and the date on which it becomes payable in full.
Mortgage Loan	A debt instrument where immovable property is the collateral for the loan. A mortgage gives the lender a right to take possession of the property if the borrower fails to repay the loan.
Noteholder	Investor in 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.
Pari Passu	Side by side; at the same rate or on an equal footing. Securities issued with a pari passu clause have rights and privileges that are equivalent to those of existing securities of the same class.
Payment Date	The date on which the payment of a coupon or dividend is made.
Performing	An obligation that performs according to its contractual obligations.
Portfolio	A collection of investments held by an individual investor or financial institution. They may include stocks, bonds, futures contracts, options, real estate investments or any item that the holder believes will retain its value.
Preference Share	Preference or preferred shares entitle a holder to a first claim on any dividend paid by the company before payment is made on ordinary shares. Such dividends are normally linked to an interest rate and not determined by company profits. Preference shares are normally repayable at par value in the event of liquidation. They do not usually carry voting or preemptive 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.
Principal	The total amount borrowed or lent, e.g. the face value of a bond, excluding interest.

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.
Property	Movable or immovable asset.
Rated Securities	Debt securities that have been accorded a credit rating.
Rating Outlook	See GCR Rating Scales, Symbols and Definitions.
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.
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.
Rent	Payment from a lessee to the lessor for the temporary use of an asset.
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.
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	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.
Shareholder	An individual, entity or financial institution that holds shares or stock in an organisation or company.
Spread	The interest rate that is paid in addition to the reference rate for debt securities.

Standard Deviation	An indication of risk amongst the dispersion of values. Higher value indicates greater risk.
Structured Finance	A method of raising funds in the capital markets. A Structured Finance transaction is established to accomplish certain funding objectives whilst reducing risk.
Subordinated Loan	A loan typically given by the Issuer to the securitisation vehicle that is more junior than a junior tranche.
Subordination	The prioritising of the payment of interest and principal payments to tranches (senior, junior etc. Senior tranches are paid before junior tranches.
Swap	An exchange of payment streams between two parties for their mutual benefit. Swaps can involve an exchange of debt obligations, interest payments or currencies, with a commitment to re-exchange them at a specified time.
Tenor	The time from the value date until the expiry date of an instrument, typically a loan or option.
Transaction	A transaction that enables an Issuer to issue debt securities in the capital markets. A debt issuance programme that allows an Issuer the continued and flexible issuance of several types of securities in accordance with the programme terms and conditions.
Trust	A third party that acts in the best interest of another party, according to the trust deed, usually the investors. Owner of a securitisation vehicle that acts in the best interest of the Noteholders.
Trustee	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.
Vacancy	In commercial property, usually expressed as a percentage of unoccupied floor space in relation to the GLA.
Valuation	An assessment of the property value, with the value being compared to similar properties in the area.
Variable Costs	A cost that varies with the volume of production or sales, such as the cost of raw materials or packaging. In contrast with fixed costs, such as rent, which stay the same regardless of the volume of production or sales.
Weighted Average	An average resulting from the multiplication of each component by a factor reflecting its relative size in a pool of assets or liabilities.
Yield	Percentage return on an investment or security, usually calculated at an annual rate.

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The rated entity participated in the rating process via in person interaction and/or via online virtual interaction and/or via electronic and/or verbal communication and correspondence. Furthermore, the quality of information received was considered adequate and has been independently verified where possible. The information received from the rated entity and other reliable third parties to accord the credit ratings included:

- Exchange Rate Source: <https://www.bloomberg.com/markets/currencies> ZAR17.3738:1\$ as at 19 Sep 2025
- Final asset pool cut (as at September 2025)
- Capital structure
- Historical performance information to May 2025 – TUHF
- Other miscellaneous data and presentations

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