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## PRICING SUPPLEMENT

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### **Fox Street 2 (RF) Limited**

*(Incorporated with limited liability in South Africa under registration number 2013/233927/06)*

### **Issue of ZAR586 000 000 Class A5 Notes under its ZAR3 000 000 000 Residential Mortgage Backed Securities Programme**

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

This Pricing Supplement must be read in conjunction with the Programme Memorandum issued by Fox Street 2 (RF) Limited dated 10 February 2014. To the extent that there is any conflict or inconsistency between the contents of this Pricing Supplement and the Programme Memorandum, the provisions of this Pricing Supplement shall prevail.

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

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

### **DESCRIPTION OF THE NOTES**

1	Issuer	Fox Street 2 (RF) Limited
2	Status and Class of the Notes	Secured Class A5 Notes
3	Tranche number	Tranche 1
4	Series number	Series 5
5	Aggregate Principal Amount of this Tranche	ZAR586 000 000
6	Issue Date(s)	20 February 2014
7	Minimum Denomination per Note	ZAR1 000 000

8	Issue Price(s)	100%
9	Applicable Business Day Convention	Following Business Day
10	Interest Commencement Date(s)	20 February 2014
11	Step-Up Date	20 February 2019
12	Scheduled Maturity Date	N/A
13	Repayment of principal	Notes will be repaid in accordance with Conditions 7.3.1 and 7.3.2
14	Final Redemption Date	20 August 2038
15	Use of Proceeds	The net proceeds of the issue of this Tranche, together with the net proceeds from the issue Class A1 Notes, Class A2 Notes, Class A3 Notes, Class A4 Notes, Class B1 Notes, Class C1 Notes and Class D1 Notes will be used to purchase the Eligible Assets. The Subordinated Loan will be used to purchase the Eligible Assets and to fund the Capital Reserve, Redraw Reserve, Liquidity Reserve and Mortgage Bonds Registration Costs Reserve
16	Asset Acquisition Pre-Funding Amount	ZAR1 500 227 926
17	Asset Acquisition Pre-Funding Period	3 months
18	Note Redemption Pre-Funding Amount	N/A
19	Note Redemption Pre-Funding Period	N/A
20	Specified Currency	Rand
21	Pre-Payment Note(s)	No
22	Subordinated Loan Facility Limit	ZAR119 227 926
23	Advance under the Subordinated Loan on the Issue Date	ZAR119 227 926
24	Set out the relevant description of any additional/other Terms and Conditions relating to the Notes	N/A
25	Redraw Facility Provider	N/A

26	Redraw Facility Limit	N/A
27	Warehouse Facility Provider	N/A
28	Account Bank	Investec
29	Derivative Counterparty	Investec
30	Safe Custody Agent	Nedbank Limited

#### **FIXED RATE NOTES**

31	Fixed Interest Rate	N/A
32	Payment Date(s)	N/A
33	Interest Period(s)	N/A
34	Step-Up Rate	N/A
35	Any other items relating to the particular method of calculating interest	N/A

#### **FLOATING RATE NOTES**

36	Payment Date(s)	20th day of February, May, August and November in each year, or if such a day is not a Business Day, the immediately following Business Day
37	Interest Period(s)	20 February to 19 May, 20 May to 19 August, 20 August to 19 November and 20 November to 19 February, both dates inclusive
38	Manner in which the Interest Rate is to be determined	Screen Rate Determination
39	Margin/Spread for the Interest Rate	125 basis points per annum to be added to relevant Reference Rate
40	Margin/Spread for the Step-Up Rate	163 basis points per annum to be added to relevant Reference Rate
41	If ISDA Determination	
	(a) Floating Rate Option	N/A
	(b) Designated Maturity	N/A
	(c) Reset Date(s)	N/A

- |    |   |   |
|----|---|---|
| 42 | If Screen Determination   |   |
|    | (a) Reference Rate (including relevant period by reference to which the Interest Rate is to be calculated)  | 3 Month JIBAR   |
|    | (b) Rate Determination Date(s)  | The first Business Day of each Interest Period  |
|    | (c) Relevant Screen page and Reference Code   | Reuters Screen SAFETY page under caption "Yield" as at approximately 11h00, Johannesburg time, on the relevant Rate Determination Date, rounded to the third decimal point  |
| 43 | If Interest Rate to be calculated otherwise than by reference to the previous two sub-clauses, insert basis for determining Interest Rate/Margin/Fall back provisions | The arithmetic mean of the offered quotation, for the Reference Rate(s) which appears or appear, as the case may be, on the Rate Screen Page as at 12h00, Johannesburg time, on the Rate Determination Date in question, plus the Margin, all as determined by Investec |
| 44 | If different from the Administrator, agent responsible for calculating amount of principal and interest   | N/A   |
| 45 | Any other terms relating to the particular method of calculating interest   | N/A   |

#### **OTHER NOTES**

- |    |   |     |
|----|---|-----|
| 46 | If the Notes are not Fixed Rate Notes or Floating Rate Notes, or if the Notes are a combination of the above and some other Note, set out the relevant description any additional Terms and Conditions relating to such Notes | N/A |
|----|---|-----|

#### **GENERAL**

- |    |   |                                 |
|----|---|---------------------------------|
| 47 | Additional selling restrictions           | N/A                             |
| 48 | International Securities Numbering (ISIN) | ZAG000112715                    |
| 49 | Stock Code                                | FS2A5                           |
| 50 | Financial Exchange                        | Interest Rate Market of the JSE |
| 51 | Dealer(s)                                 | Investec                        |

52	Method of distribution	Dutch Auction, no feedback
53	Expected rating to be assigned to this Tranche of Notes (if any)	AAA(zaf)
54	Rating Agency	Fitch Ratings
55	Auditors	KPMG Inc
56	Governing Law	South African
57	Last Day to Register	Before 17h00 on 14 February, 14 May, 14 August and 14 November
58	Books Closed Period	From (and including) 15 February to but excluding 20 February, from (and including) 15 May to but excluding 20 May, from (and including) 15 August to but excluding 20 August, from (and including) 15 November to but excluding 20 November.
59	Calculation Agent, if not Investec	Investec
60	Specified Office of the Calculation Agent	Investec 100 Grayston Drive, Sandown, Sandton, 2196
61	Transfer Agent, if not Investec	Investec
62	Specified Office of the Transfer Agent	Investec 100 Grayston Drive, Sandown, Sandton, 2196
63	Programme Limit	ZAR3 000 000 000
64	Aggregate Outstanding Principal Amount of Notes in issue on the Issue Date of this Tranche, excluding any Tranche of Notes to be refinanced on the Issue Date of this Tranche	ZAR Nil
65	Aggregate Principal Amount of the Class A1, A2, A3, A4, B1, C1 and D1 Notes to be issued simultaneously with this Tranche	ZAR881 000 000
66	Portfolio Covenants that must be complied with after each acquisition of Additional Home Loans or Replacement Assets -	

(a)	Required Non-Owner Occupied Ratio	9.97%
(b)	Required Self-Employed Ratio	13.55%
(c)	Required Weighted Average Original LTV Ratio	80.13%
(d)	Required Weighted Average Debt to Income Ratio	17.93%
(e)	Required Weighted Average Discount to Prime Rate Ratio	140 basis points deducted from the Prime Rate
(f)	Required Weighted Average Seasoning Ratio	32.18 months

#### 67 Eligibility Criteria

The following eligibility criteria shall apply in respect of each Home Loan Agreement in addition to the eligibility criteria set out in the Programme Memorandum and the Sale Agreement –

(a)	Minimum Principal Balance of the Home Loans as at the date of sale	ZAR200 000
(b)	Maximum Principal Balance of the Home Loans as at the date of sale	ZAR5 000 000
(c)	Maximum term of the Home Loan	250 months
(d)	Current LTV Ratio	102%

#### 68 Additional Information

(a)	Capital Reserve Required Amount percentage	2.04498978%
(b)	Redraw Reserve Required Amount percentage	1.99969614%
(c)	Principal Deficiency Percentage	100%
(d)	Originator Call Option Date	20 February 2019

#### 69 Stop Purchase Events

The occurrence of the following –

- (a) a Servicer Event of Default occurs; or

- (b) an Issuer Trigger Event occurs; or
- (c) on the most recent Determination Date, a Principal Deficiency is recorded to the Principal Deficiency Ledger relating to the relevant Class of Notes; or
- (d) the Issuer has not sufficient funds available (i) to pay the Purchase Price for Additional Home Loans; or (ii) to fund Redraws, Re-Advances or Further Advances, as the case may be.

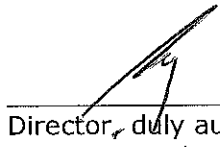
REPORT OF THE INDEPENDENT AUDITORS - SEE APPENDIX "A"

POOL DATA - SEE APPENDIX "B"

Application is hereby made to list this Tranche of the Notes pursuant to the Fox Street 2 (RF) Limited Residential Mortgage Backed Securities Programme.

FOX STREET 2 (RF) LIMITED (Issuer)

By:

  
Director, duly authorised

Date:

17 February 2014

By:

  
Director, duly authorised

Date:

17 February 2014

**APPENDIX "A"**

**REPORT OF THE INDEPENDENT AUDITOR OF THE ISSUER**





**KPMG Inc**  
KPMG Crescent  
85 Empire Road, Parktown, 2193  
Private Bag 9, Parkview, 2122, South Africa

Telephone +27 (0)11 647 7111  
Fax +27 (0)11 647 8000  
Docex 472 Johannesburg

The Directors

Investec Bank Limited as servicer for Fox Street 2 (RF) Limited  
100 Grayston Drive  
Sandown  
Sandton  
2196

14 February 2014

**Limited assurance report of the independent auditors of Investec Bank Limited as servicer for Fox Street 2 (RF) Limited (the "Issuer") regarding compliance by the Issuer relating to the issue of R1 467 000 000 floating rate limited recourse, secured, registered notes with the relevant provisions of the Securitisation Scheme Regulations (Government Notice 2, Government Gazette 30628 of 1 January 2008) (the "Securitisation Scheme Regulations") issued by the Registrar of Banks, as required by paragraphs 15(1)(a)(ii) and 16(2)(a)(vii) of the Securitisation Scheme Regulations**

### Introduction

We have completed our limited assurance engagement to report in terms of paragraphs 15(1)(a)(ii) and 16(2)(a)(vii) of the Securitisation Scheme Regulations, issued by the Registrar of Banks, on whether the issue of R1 467 000 000 floating rate limited recourse, secured, registered notes by Fox Street 2 (RF) Limited, complies, in all material respects, with the provisions of the relevant Securitisation Scheme Regulations.

### Responsibility of the issuer

The Issuer is responsible for the preparation of, and disclosures in, the Programme Memorandum dated 10 February 2014 (the "Programme Memorandum"), as required by the relevant Securitisation Scheme Regulations and for making available to the assurance provider all relevant documentation pursuant to the transaction.

### Responsibility of the assurance provider

Our responsibility is to report on whether the issue of R1 467 000 000 floating rate limited recourse, secured, registered notes by Fox Street 2 (RF) Limited, (as described in the Placement Documents) complies, in all respects, with the provisions of the relevant Securitisation Scheme Regulations. Our assurance engagement was performed in accordance with the International Standard on Assurance Engagements, ISAE 3000 *Assurance Engagements other than Audits or Reviews of Historical Financial Information*. This standard requires us to comply with ethical requirements and to plan and perform our assurance engagement to obtain limited assurance, expressed below, regarding the subject matter of the engagement.

KPMG Inc is a company incorporated under the South African Companies Act and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity.

KPMG Inc is a Registered Auditor, in public practice, in terms of the Auditing Profession Act, 26 of 2005.

Registration number 1999/021543/21

Policy Board:  
Chief Executive: RM Kgosane

Executive Directors: T Fubu, A Han, Z Mgondo, JS Moloto, CAT Smit, D van Heerden

Other Directors: DC Duffield, LP Faure, N Fubu, TH Hoole, A Jaffer, M Letsisi, A Masemola, ABM Mokoabadi, Y Suleman (Chairman of the Board), A Thuvström

The company's principal place of business is at KPMG Crescent, 85 Empire Road, Parktown, where a list of the directors' names is available for inspection.



*Investec Bank Limited as servicer for Fox Street 2 (RF) Limited  
Limited Assurance Report of the Independent Auditors of  
Investec Bank Limited as servicer for Fox Street 2 (RF) Limited  
14 February 2014*

**Summary of work performed**

Our assurance engagement was limited to an examination of the applicable Programme Memorandum and other documentation made available to us by the Issuer, for evidence of compliance with the relevant provisions of the Securitisation Scheme Regulations affecting the transaction. We made enquiries of the Directors and Management of the Issuer, as we considered necessary for the purposes of our engagement.

In a limited assurance engagement the evidence-gathering procedures are more limited than for a reasonable assurance engagement and therefore less assurance is provided than in a reasonable assurance engagement.

We believe our evidence is sufficient and appropriate to provide a basis for our conclusion.

**Conclusion**

Based on our work performed, nothing has come to our attention which causes us to believe that the issue of the R1 467 000 000 floating rate limited recourse, secured, registered notes by Fox Street 2 (RF) Limited, as described in the Placement Documents, is not in compliance with all the relevant provisions of the Securitisation Scheme Regulations.

Yours faithfully  
KPMG Inc.

Per Richard Warren-Tangney  
*Chartered Accountant (SA)  
Registered Auditor  
Director*

## **POOL DATA**

## **APPENDIX "B"**

## Pool data as at 31 December 2013

### A. General statistics

General statistics	
Number of loans	1 309
Total portfolio value (ZAR)	1 500 227 926
Min loan value (ZAR)	251 602
Max loan value (ZAR)	4 501 892
Average loan value (ZAR)	1 146 087
Min CLTV	3.4%
Max CLTV	100.2%
WA CLTV	66.0%
Min OLTV	8.4%
Max OLTV	100.9%
WA OLTV	76.6%
Min DTI	0.0%
Max DTI	57.3%
WA DTI	17.4%
WA seasoning (months)	36.2
Non-owner occupied ratio	9.6%
Self-employed ratio	12.6%
WA spread below Prime(bps)	-140

**B. Loan value distribution**

Loan value distribution		
kZAR	Aggregated amount (ZAR)	% of portfolio
0 - 500	95 728 597	6.4%
500 - 1000	348 448 016	23.2%
1000 - 1500	376 354 872	25.1%
1500 - 2000	201 091 728	13.4%
2000 - 2500	171 903 966	11.5%
2500 - 3000	129 058 841	8.6%
3000 - 3500	89 890 268	6.0%
3500 - 4000	44 856 815	3.0%
4000 - 5000	42 894 822	2.9%
>5000	-	0.0%
	1 500 227 926	

**C. Original LTV**

Original LTV		
	Aggregated amount (ZAR)	% of portfolio
0 - 10%	284 972	0.0%
10% - 20%	6 178 297	0.4%
20% - 30%	26 815 286	1.8%
30% - 40%	48 225 276	3.2%
40% - 50%	85 200 944	5.7%
50% - 60%	122 183 631	8.1%
60% - 70%	203 392 874	13.6%
70% - 80%	287 825 435	19.2%
80% - 90%	276 191 766	18.4%
90% - 100%	434 155 107	28.9%
100%-102%	9 774 338	0.7%
>102%	-	0.0%
	1 500 227 926	

**D. Current LTV**

Current LTV		
	Aggregated amount (ZAR)	% of portfolio
0 - 10%	10 872 783	0.7%
10% - 20%	35 852 127	2.4%
20% - 30%	83 477 289	5.6%
30% - 40%	113 367 106	7.6%
40% - 50%	127 524 109	8.5%
50% - 60%	198 142 759	13.2%
60% - 70%	213 279 464	14.2%
70% - 80%	235 184 353	15.7%
80% - 90%	216 045 283	14.4%
90% - 100%	265 585 817	17.7%
100%-102%	896 837	0.1%
>102%	-	0.0%
	1 500 227 926	

**E. Employment status**

Employment status		
	Aggregated amount (ZAR)	% of portfolio
Salaried Employee	1 310 829 204	87.4%
Self Employed	189 398 722	12.6%
	1 500 227 926	

**F. Geographical concentrations**

Geographical concentration		
Province	Aggregated amount (ZAR)	% of portfolio
Gauteng	621 090 731	41.4%
Western Cape	627 615 418	41.8%
Northern Cape	984 946	0.1%
North West	6 354 211	0.4%
Free State	5 584 810	0.4%
Mpumalanga	15 104 654	1.0%
KwaZulu-Natal	121 169 827	8.1%
Limpopo	3 216 845	0.2%
Eastern Cape	99 106 484	6.6%
	1 500 227 926	

#### G. Loan purpose

Loan purpose		
	Aggregated amount (ZAR)	% of portfolio
Refinance - Includes take overs, collateral security	325 902 127	21.7%
Purchase or completed building bond	1 033 298 974	68.9%
Equity release - revaluation, re-mortgage	124 668 202	8.3%
Renovation - additions	16 358 623	1.1%
	1 500 227 926	

#### H. Occupancy Type

Occupancy type		
	Aggregated amount (ZAR)	% of portfolio
Owner Occupied	1 356 671 835	90.4%
Non-Owner Occupied	143 556 091	9.6%
	1 500 227 926	