



## **THE THEKWINI FUND 16 (RF) LIMITED**

*(Incorporated in South Africa as a public company with limited liability under registration number 2018/418593/06)*

### **Issue of ZAR361,000,000 Secured Class A5 Floating Rate Notes Under its ZAR4,000,000,000 Asset Backed Note Programme, registered with the JSE Limited on 14 August 2019**

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

This Applicable Pricing Supplement must be read in conjunction with the Programme Memorandum issued by The Thekwini Fund 16 (RF) Limited dated on or about 13 August 2019. To the extent that there is any conflict or inconsistency between the contents of this Applicable Pricing Supplement and the Programme Memorandum, the provisions of this Applicable Pricing Supplement shall prevail.

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

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

The Issuer certifies that the Principal Amount of the Notes to be issued and described in this Applicable Pricing Supplement together with the aggregate Principal Amount Outstanding of all other Notes in issue at the Issue Date will not exceed the Programme Limit as specified in item 63 below.

SBSA acts in a number of different capacities in relation to the transactions envisaged in the Transaction Documents. SBSA and its affiliates may have a lending relationship with any party to the Transaction Documents and their respective affiliates from time to time and may have performed, and in the future may perform, banking, investment banking, advisory, consulting and other financial services for any such parties and/or entities, for which SBSA and its affiliates may receive customary advisory and transaction fees and expenses reimbursement.

In addition, in the ordinary course of its business activities, SBSA and its affiliates may make loans or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such loans, investments and securities activities may involve securities and/or instruments of any party to the Transaction Documents or their respective affiliates (including the Notes). SBSA and its affiliates may hedge their credit exposure to any party to the Transaction Documents or their respective affiliates in a manner consistent with their customary risk management policies.

The JSE takes no responsibility for the contents of this Applicable Pricing Supplement, the Issuer's annual financial statements or the annual financial report and any amendments or supplements to the aforementioned documents and the JSE makes no representation as to the accuracy or completeness of this Applicable Pricing Supplement, the Issuer's annual financial statements or annual financial report and any amendments or supplements to the aforementioned documents. To the extent permitted by Applicable Law, the JSE expressly disclaims any liability for any loss arising from or in reliance upon the whole or any part of this Applicable Pricing Supplement, the Issuer's annual financial statements or the annual financial report and any amendments or supplements to the aforementioned documents and expressly disclaims any liability for any loss arising from or in reliance upon the whole or any part of the aforementioned documents. The JSE's approval of the registration of the Programme Memorandum and the listing of the Notes described in this Applicable Pricing Supplement is not to be taken in any way as an indication of the merits of the Issuer or of the Notes and, to the extent permitted by Applicable Law, the JSE will not be liable for any claim whatsoever.

#### **A. DESCRIPTION OF THE NOTES**

1. Issuer	The Thekwini Fund 16 (RF) Limited
2. Status and Class of the Notes	Secured Class A5 Floating Rate Notes
3. Tranche number	1
4. Series number	5
5. Designated Class A Ranking	Class A2 Notes
6. Class A Principal Lock-Out	N/A
7. Aggregate Principal Amount of this Tranche	ZAR361,000,000
8. Issue Date(s)	21 August 2020
9. Minimum Denomination per Note	ZAR1,000,000
10. Issue Price(s)	100%
11. Applicable Business Day Convention	Following Business Day
12. Interest Commencement Date(s)	21 August 2020
13. Coupon Step-Up Date	21 August 2024

14. Refinancing Period	The period from 21 June 2024 up to 21 September 2024
15. Scheduled Maturity Date	Coupon Step-Up Date
16. Final Redemption Date	21 August 2054
17. Use of Proceeds	The net proceeds of the issue of this Tranche, together with the net proceeds from the issue of the Class Omega Notes, Class A4 Notes, Class B Notes, Class C Notes, Class D Notes and the Start-Up Loan will be used to purchase Home Loans and fund the Reserve Fund and Arrears Reserve. The Home Loans acquired by the Issuer will be transferred to the Issuer on the Issue Date. Please also see the Investor Report which is available at <a href="https://www.sahomeloans.com/about/business-partners/investors?d=L1BlcmZvcmlhbmNII FJldmllldyAoaW5jbHVkaW5nIEFubnVhbCBGa W5hbmNpYWwgU3RhdGVtZW50cykvVGhla3dpbmkgMTYvUXVhcnRlcmx5IFJlcG9ydA%3D%3D&amp;m1dll_index_get=0">https://www.sahomeloans.com/about/business-partners/investors?d=L1BlcmZvcmlhbmNII FJldmllldyAoaW5jbHVkaW5nIEFubnVhbCBGa W5hbmNpYWwgU3RhdGVtZW50cykvVGhla3dpbmkgMTYvUXVhcnRlcmx5IFJlcG9ydA%3D%3D&amp;m1dll_index_get=0</a>
18. Pre-Funding Amount	N/A
19. Pre-Funding Period	N/A
20. Tap Issue Period	The period from and including the Initial Issue Date up to and excluding 21 August 2021.
21. Top-Up Issue Period	The period from and including the Initial Issue Date up to and excluding 21 May 2022.
22. Revolving Period	N/A
23. Specified Currency	Rand
24. Set out the relevant description of any additional Conditions relating to the Notes	N/A

#### **B. FIXED RATE NOTES**

25. Fixed Coupon Rate	N/A
26. Interest Payment Date(s)	N/A
27. Interest Period(s)	N/A
28. Initial Broken Amount	N/A
29. Final Broken Amount	N/A

30. Coupon Step-Up Rate N/A

31. Any other items relating to the particular method of calculating interest N/A

### C. FLOATING RATE NOTES

32. Interest Payment Date(s) means the 21<sup>st</sup> day of February, May, August and November of each calendar year or, if such day is not a Business Day, the Business Day on which the interest will be paid, as determined in accordance with the applicable Business Day Convention (as specified in this Applicable Pricing Supplement). The first Interest Payment Date shall be 21 November 2020.

33. Interest Period(s) means each period commencing on (and including) an Interest Payment Date and ending on (but excluding) the following Interest Payment Date; provided that the first Interest Period will commence on (and include) the Interest Commencement Date and end on (but exclude) the following Interest Payment Date (each Interest Payment Date as adjusted in accordance with the applicable Business Day Convention). The last Interest Period shall be from and including 21 May 2054 until and excluding 21 August 2054.

34. Manner in which the Rate of Interest is to be determined Screen Rate Determination

35. Margin/Spread for the Coupon Rate 1.50% per annum to be added to the relevant Reference Rate

36. Margin/Spread for the Coupon Step-Up Rate 1.95% per annum to be added to the relevant Reference Rate

37. If ISDA Determination

(a) Floating Rate Option N/A

(b) Designated Maturity N/A

(c) Reset Date(s) N/A

38. If Screen Determination

- |  |   |
|--|---|
| (a) Reference Rate (including relevant period by reference to which the Coupon Rate is to be calculated) | 3 month ZAR-JIBAR-SAFEX   |
| (b) Rate Determination Date(s)   | in respect of the first Interest Period, 14 August 2020, and thereafter the 21 <sup>st</sup> day of February, May, August and November of each calendar year. |
| (c) Relevant Screen page and Reference Code  | Reuters Screen SFXMM page as at 11h00 South African time on the relevant Rate Determination Date or any successor rate  |

39. If Coupon Rate to be calculated otherwise than by reference to the previous 2 sub-clauses above, insert basis for determining Coupon Rate/Margin/Fall back provisions N/A

40. If different from the Calculation Agent, agent responsible for calculating amount of principal and interest N/A

41. Any other terms relating to the particular method of calculating interest N/A

**D. OTHER NOTES**

42. 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 (including, if applicable, the identity of the reference entity in the case of a credit linked Note) and any additional Conditions relating to such Notes N/A

**E. GENERAL**

- |   |  |
|---|--|
| 43. Description of the amortisation of Notes              | Notes are redeemed in accordance with the Priority of Payments |
| 44. Additional selling restrictions                       | N/A  |
| 45. International Securities Identification Number (ISIN) | ZAG000170044   |
| 46. Stock Code  | TH16A5   |
| 47. Financial Exchange                                    | JSE Limited  |

48. Dealer(s)	SBSA
49. Method of distribution	Auction
50. Rating assigned to this Tranche of Notes (if any)	Aaa.za (sf), with effect from the Issue Date
51. Date of issue of current Rating	Issue Date
52. Date of next expected Rating review	21 August 2021, annually thereafter
53. Rating Agency	Moody's
54. Governing Law	South Africa
55. Last day to register	17:00 the Business Day preceding the Books Closed Period
56. Books closed period	The periods 17 February to 21 February, 17 May to 21 May, 17 August to 21 August and 17 November to 21 November of each calendar year.
57. Calculation Agent, if not the Servicer	N/A
58. Specified Office of the Calculation Agent	Per the Programme Memorandum
59. Transfer Secretary	SAHL
60. Specified Office of the Transfer Secretary	Per the Programme Memorandum
61. Issuer Settlement Agent	SBSA
62. Specified Office of the Issuer Settlement Agent	Per the Programme Memorandum
63. Programme Limit	ZAR4,000,000,000
64. Aggregate Principal Amount Outstanding of Notes in issue on the Issue Date of this Tranche	ZAR1,760,000,000, excluding this Tranche of Notes and any other Tranche(s) of Notes to be issued on the Issue Date
65. Aggregate Principal Amount of Class Omega Notes, Class A4 Notes, Class B Notes, Class C Notes and Class D Notes to be issued simultaneously with this Tranche	ZAR1,139,000,000
66. Reserve Fund Required Amount	<p>(a) on the Issue Date ZAR130,400,000;</p> <p>(b) on each Interest Payment Date after the Issue Date up until the Latest Coupon Step-Up Date, an amount equal to at least 4% of the aggregate</p>

	Principal Amount Outstanding of the Notes on the most recent Issue Date;
	(c) on each Interest Payment Date after the Latest Coupon Step-Up Date until the Latest Final Redemption Date the greater of (i) the Reserve Fund Required Amount on the immediately preceding Interest Payment Date less the Principal Deficiency on the immediately preceding Interest Payment Date; (ii) 4% of the aggregate Principal Balance of the Home Loan Pool on the Determination Date immediately preceding the applicable Interest Payment Date from time to time; and (iii) 0.15% of the aggregate Principal Amount Outstanding of the Notes as at the last Issue Date (other than a Class $\Omega$ Issue Date) in the Tap Issue Period; and
	(d) the Latest Final Redemption Date, zero;
67. Arrears Reserve Required Amount	ZAR8,150,000
68. Liquidity Facility Limit	ZAR146,700,000
69. Start-Up Loan	ZAR32,000,000
70. Definition: Class A Principal Lock-Out	N/A
71. Scheduled Redemption Amount	N/A
72. Weighted Average Yield of the Home Loan Pool	The Weighted Average Yield of the Home Loan Pool will be set out in the Investor Report
73. Level of collateralisation	The level of collateralisation will be set out in the Investor Report
74. Concentration of obligors that account for 10% or more of the asset value	Information on the concentration of obligors that account for 10% or more of the asset value will be set out in the Investor Report
75. Class Omega Limit	12%
76. Other provisions	The table detailing the estimated average life of the Note is set out below:

	A2&A5
CPR - 8%	
WAL - call	4,00
WAL - no call	8,32
Last Cash Flow - no call	13,50
CPR - 10%	
WAL - call	4,00
WAL - no call	8,25
Last Cash Flow - no call	13,75
CPR - 12%	
WAL - call	4,00
WAL - no call	8,10
Last Cash Flow - no call	13,75


#### REPORT OF THE INDEPENDENT AUDITORS - SEE APPENDIX "A"

POOL DATA - SEE APPENDIX "B". Please also see the Investor Report issued by the Servicer and the Servicer's website [www.sahomeloans.com](http://www.sahomeloans.com), under the section headed "Business Partners" for further information on the Sellers. The Investor Report is available at [https://www.sahomeloans.com/about/business-partners/investors?d=L1BlcmZvcml1bW50cykvVGhla3dpbmkgMTYvUXVhcnRlcmx5IFJlcG9ydA%3D&m1dlI\\_index\\_get=0](https://www.sahomeloans.com/about/business-partners/investors?d=L1BlcmZvcml1bW50cykvVGhla3dpbmkgMTYvUXVhcnRlcmx5IFJlcG9ydA%3D&m1dlI_index_get=0)

Application is hereby made to list this Tranche of the Notes on the Interest Rate Market of the JSE, as from 21 August 2020, pursuant to The Thekwini Fund 16 (RF) Limited Asset Backed Note Programme.

SIGNED at Johannesburg this 17 day of August 2020.

For and on behalf of  
THE THEKWINI FUND 16 (RF) LIMITED  
(ISSUER)



Name : David Towers  
Capacity : Director  
who warrants his/her authority hereto



Name : Derek Lawrance  
Capacity : Director  
who warrants his/her authority hereto



## APPENDIX "A"



Ex  
2, Thekwini Campus  
Lafayette Ridge Office Park  
PO Box 1550  
Durban  
4013

Ernst & Young Inc. (Pty) Ltd.  
Company No. 2015/061308/21  
Tel: +27 31 576 8000  
Fax: +27 31 576 8300  
Email: [info@ey.com](mailto:info@ey.com)

### REPORT OF THE INDEPENDENT AUDITOR OF THE ISSUER

Limited Assurance Report of the Independent Auditor regarding the conduct of the proposed securitisation scheme of The Thekwini Fund 16 (RF) Limited (formerly known as The Thekwini Fund 16 Proprietary Limited) in accordance with the requirements of the Securitisation Scheme Regulations (Government Notice 2, Government Gazette 30628 of 1 January 2008) ("Securitisation Exemption Notice")

We have performed our limited assurance engagement in respect of the conduct of the proposed securitisation scheme by The Thekwini Fund 16 (RF) Limited (formerly known as The Thekwini Fund 16 Proprietary Limited) (the "Issuer").

The subject matter comprises the conduct of the proposed securitisation scheme as set out in the programme memorandum dated on 13 August 2019 (the "Programme Memorandum").

For purposes of our limited assurance engagement the terms of the relevant provisions of the Securitisation Exemption Notice (Government Notice 2, Government Gazette 30628 of 1 January 2008) issued by the Registrar of Banks (the "Notice"), as required by paragraphs 15(1)(a) and 16(2)(a)(vi) of the said Notice comprise the criteria by which the Issuer's compliance is to be evaluated.

This limited assurance report is intended only for the specific purpose of assessing compliance of the proposed securitisation scheme with the Notice as required by Paragraph 15(1)(a) and 16(2)(a)(vii) of the said Notice.

#### Directors' responsibility

The directors, and where appropriate, those charged with governance are responsible for the conduct of the proposed securitisation scheme as set out in the Programme Memorandum, in accordance with the relevant provisions of the Notice.

#### Our Independence and Quality Control

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

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

#### Auditor's responsibility

Our responsibility is to express our limited assurance conclusion to the Issuer's directors on the compliance of the conduct of the proposed securitisation scheme, as set out in the Programme Memorandum, with the relevant provisions of the Notice.

We conducted our limited assurance engagement in accordance with the International Standard on Assurance Engagements (ISAE) 3000, Assurance Engagements Other Than Audits or Reviews of Historic Financial Information, issued by the International Auditing and Assurance Standards Board. That standard requires us to plan and perform our limited assurance engagement to obtain sufficient appropriate evidence on which to base our limited assurance conclusion.



We do not accept any responsibility for any reports previously given by us on any financial information used in relation to the Programme Memorandum beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

#### Summary of work performed

We have performed our procedures on the conduct of the proposed securitisation scheme as documented in the Programme Memorandum prepared by management.

Our procedures were determined having taken into account the specific considerations included in the relevant provisions of the Notice.

Our evaluation included performing such procedures as we considered necessary which included -

- review of the Programme Memorandum; and
- review of other Transaction Documents that we consider necessary in arriving at and expressing our conclusion.

Our limited assurance engagement does not constitute an audit or review of any of the underlying information conducted in accordance with International Standards on Auditing or International Standards on Review Engagements and accordingly, we do not express an audit opinion or review conclusion on the underlying information.

We believe that our evidence obtained is sufficient and appropriate to provide a basis for our limited assurance conclusion.

In a limited assurance engagement, the evidence gathering procedures are more limited than for a reasonable assurance engagement and therefore less assurance is obtained than in a reasonable assurance engagement. Accordingly, we do not express a reasonable assurance opinion about whether the conduct of the proposed securitisation scheme, as set out in the Programme Memorandum, will comply with the relevant provisions of the Notice in all material respects.

#### Conclusion

Based on our work described in this report, nothing has come to our attention which indicates that the conduct of the proposed securitisation scheme is not in compliance, in all material respects, with the relevant provisions being paragraphs 15(1)(a) and 16(2)(i)-(vii) of the Notice.

#### Restriction on use and distribution

Our report is presented solely in compliance with the relevant provisions of the Notice for the purpose set out in the first paragraph of the report. It is intended solely for the use of the directors of The Thekwini Fund 16 (RF) Limited (formerly known as the Thekwini Fund 16 Proprietary Limited) and the Registrar of Banks and for inclusion in the applicable pricing supplement and should not be distributed to other parties or used for other purposes.

*Ernst & Young Inc.*  
Ernst & Young Inc.  
Director: Eugene Breitenbach  
Registered Auditors  
Chartered Accountants (SA)

16 August 2019

## APPENDIX "B"

HOME LOAN PORTFOLIO DISTRIBUTIONS				
Loan margin (%)	Loan Balance	% Balance	Number of Loans	% Number
>= 1.7 <= 2.7%	R 491 959 547	15,41%	675	13,96%
>= 2.7 <= 2.9%	443 108 358	13,88%	697	14,41%
>= 2.9 <= 3.1%	290 790 813	9,11%	401	8,29%
>= 3.1 <= 3.3%	412 616 141	12,92%	627	12,97%
>= 3.3 <= 3.6%	543 888 217	17,03%	846	17,49%
>= 3.6 <= 6%	1 010 891 938	31,66%	1 590	32,88%
<b>Total</b>	<b>3 193 235 014</b>	<b>100,00%</b>	<b>4 836</b>	<b>100,00%</b>
Geographical split	Loan Balance	% Balance	Number of Loans	% Number
Gauteng	1 324 384 754	41,47%	1 950	40,32%
Eastern Cape	225 514 205	7,06%	391	8,09%
Free State	107 908 368	3,38%	200	4,14%
Kwazulu Natal	445 906 348	13,96%	725	14,99%
Mpumalanga	213 448 146	6,68%	358	7,40%
North West	37 189 390	1,16%	79	1,63%
Northern Cape	35 168 681	1,10%	57	1,18%
Limpopo	21 560 886	0,68%	39	0,81%
Western Cape	782 154 237	24,49%	1 037	21,44%
<b>Total</b>	<b>3 193 235 014</b>	<b>100,00%</b>	<b>4 836</b>	<b>100,00%</b>
Owner Occupied split	Loan Balance	% Balance	Number of Loans	% Number
Owner occupied	2 862 547 677	89,64%	4 331	89,56%
Non owner occupied	319 939 771	10,02%	487	10,07%
Holiday/second home	10 747 566	0,34%	18	0,37%
<b>Total</b>	<b>3 193 235 014</b>	<b>100,00%</b>	<b>4 836</b>	<b>100,00%</b>
Loan purpose	Loan Balance	% Balance	Number of Loans	% Number
New purchase	2 073 681 697	64,94%	3 199	66,15%
Refinance	866 977 788	27,15%	1 173	24,28%
Switch loan	252 575 530	7,91%	464	9,59%
<b>Total</b>	<b>3 193 235 014</b>	<b>100,00%</b>	<b>4 836</b>	<b>100,00%</b>
Months since origination	Loan Balance	% Balance	Number of Loans	% Number
<= 3	68 800 172	2,15%	89	1,84%
3 - 6	167 138 078	5,23%	252	5,21%
6 - 9	224 950 185	7,04%	323	6,68%
9 - 12	186 217 535	5,83%	268	5,54%
12 - 24	1 112 027 023	34,82%	1 575	32,57%
24 - 36	386 013 455	12,09%	661	13,67%
36 - 42	237 843 688	7,45%	390	8,06%
42 - 96	794 534 183	24,88%	1 239	25,62%
>96	15 710 695	0,49%	39	0,81%
<b>Total</b>	<b>3 193 235 014</b>	<b>100,00%</b>	<b>4 836</b>	<b>100,00%</b>
Loan balance (Rand)	Loan Balance	% Balance	Number of Loans	% Number
- 500,000	727 569 114	22,78%	2 062	42,64%
500,001 - 750,000	861 398 690	26,98%	1 421	29,38%
750,001 - 1,000,000	536 909 445	16,81%	622	12,86%
1,000,001 - 1,250,000	373 926 783	11,71%	335	6,93%
1,250,001 - 1,500,000	239 421 088	7,50%	176	3,64%
1,500,001 - 1,750,000	122 261 023	3,83%	75	1,55%
1,750,001 - 2,000,000	122 654 103	3,84%	66	1,36%
2,000,000 +	209 084 769	6,55%	79	1,63%
<b>Total</b>	<b>3 193 235 014</b>	<b>100,00%</b>	<b>4 836</b>	<b>100,00%</b>
Current LTV (%)	Loan Balance	% Balance	Number of Loans	% Number
<50	898 799 979	28,15%	1 669	34,51%
51 - 60	398 891 369	12,49%	545	11,27%
61 - 70	729 351 796	22,84%	888	18,38%
71 - 80	266 070 148	8,33%	347	7,18%
81 - 90	227 294 070	7,12%	279	5,77%
91 - 100	672 827 653	21,07%	1 108	22,91%
<b>Total</b>	<b>3 193 235 014</b>	<b>100,00%</b>	<b>4 836</b>	<b>100,00%</b>