

MW Asset Rentals (RF) Limited

Security Class	Stock Code	Amount Outstanding	Rating class	Rating scale	Rating	Outlook	Legal Maturity
Class A Notes	MWAR02	R300,000,000	Issue Long-Term	National	AAA _(ZA) (sf)	Stable	Feb. 2028
Class A Notes	MWAR03	R200,000,000	Issue Long-Term	National	AAA _(ZA) (sf)	Stable	Nov. 2028
Class A Notes	MWAR04	R450,000,000	Issue Long-Term	National	AAA _(ZA) (sf)	Stable	Nov. 2029
Class A Notes	MWAR05	R300,000,000	Issue Long-Term	National	AAA _(ZA) (sf)	Stable	Nov. 2030

Summary

MW Asset Rentals (RF) Ltd (the "Issuer") is a R2.5bn Lease Receivables Backed Note Programme (the "Transaction") that issued R1.250m of Class A Notes.

On 07 September 2020, GCR Ratings ("GCR") assigned the following national scale long term issue credit rating and outlook to the following Notes (the "New Notes") issued by MW Asset Rentals (RF) Ltd (the "Issuer"), under its R2.5bn Lease Receivables Backed Note Programme (the "Transaction"), on 04 September 2020:

- Class A Notes; stock code MWAR05; R300,000,000; AAA_(ZA)(sf); Stable Outlook.

GCR concurrently affirmed the national scale long-term issue credit ratings and outlooks accorded to the following Class A Notes issued by the Issuer. The affirmation of the ratings follows the surveillance of the performance of the Transaction by GCR:

- Class A Notes; stock code MWAR02; R300,000,000; AAA_(ZA)(sf); Stable Outlook;
- Class A Notes; stock code MWAR03; R200,000,000; AAA_(ZA)(sf); Stable Outlook; and
- Class A Notes; stock code MWAR04; R450,000,000; AAA_(ZA)(sf); Stable Outlook.

The Issuer used the proceeds from the New Notes to acquire new Participating Assets.

The Transaction has two existing Subordinated Loans outstanding with an aggregate value of R145,645,00. A third Subordinated loan of R45,754,156 has been advanced for this issuance, bringing the total to R191,399,156. These are unrated and held by Merchant West (Pty) Ltd (as the Subordinated Loan Provider). Merchant West (Pty) Ltd is also the Originator, Seller and Servicer of the Transaction.

The credit ratings accorded to the Class A Notes relate to timely payment of interest and ultimate payment of principal by their Final Redemption 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.

Rating Highlights

Weaknesses

- Recent increase of arrears and NPL's given the COVID-19 pandemic;
- Little headroom for the 3M Average NPL ratio Stop Purchase Trigger reporting 2.97% at July 2020.

Strengths

- Calculated default and recoveries have improved as displayed by no write-offs since February 2016.
- Improved excess spread assisted by the Asset Cover Ratio.

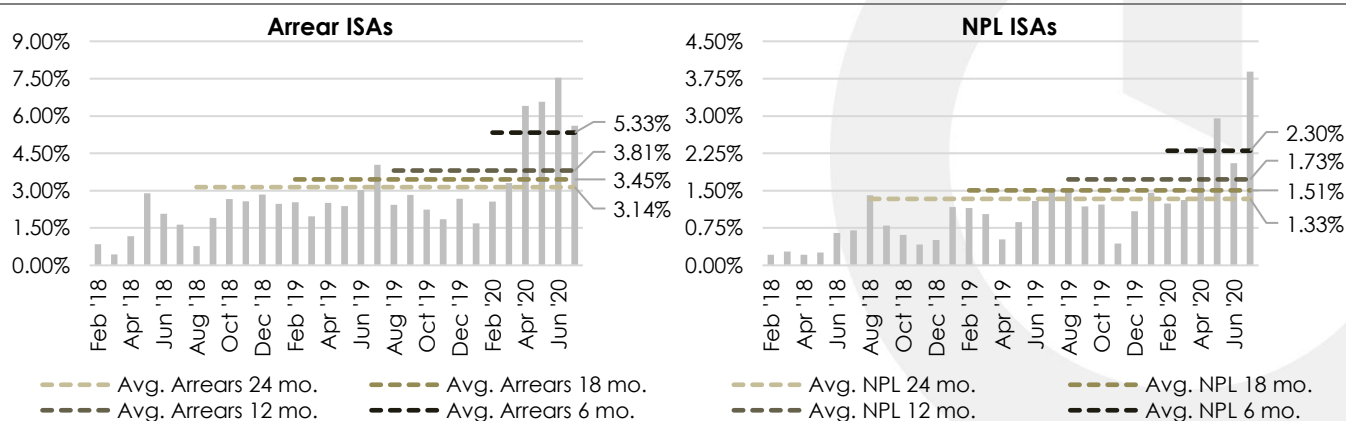
Rating Rationale

The Transaction is in its revolving phase and continues to acquire assets on a monthly basis. None of the Transaction's Stop Purchase Triggers and Portfolio Covenants were breached up to June 2020. The Transaction's Liquidity Reserve, Capital Reserve and Arrears Reserve were maintained at their required levels covering the same period.

The monthly portfolio arrears (31 to 90 days) have increased substantially of late reaching an all-time high of 7.54% (R90.5m) in June 2020, up from April and May 2020 at 6.40% and 6.57% respectively. The increase arrears are due to the economic impact of the COVID-19 pandemic. The Servicer considered reduced repayments on a case by case basis during the pandemic whilst not allowing any outright payment holiday. The Servicer assessed partial payments for the lessee having to prove direct impact of the pandemic through submission of bank statements and other supporting documentation. GCR is of the view that the volumes were adequately managed to assist lessees during this phase.

GCR calculated the 6, 12, 18- and 24-month average arrears which clearly shows a continued increase. Important to note is additional debt issuance (March and November 2018) that increased the proportion of current assets in the portfolio. The same will be true for this new issuance that may offer a temporary reprieve from a portfolio performance perspective.

Average arrears for the six months from February to July 2020 was 5.33% (2.87% for April to September 2019), closing at 5.61% at July 2020. The six-month average Non-Performing Instalment Sale Agreements ("NPLs" and >90 days) from February to July 2020 was 2.30% (1.15% April to September 2019), closing at 2.05% for June 2020. The three-month average NPL Stop Purchase trigger tracked close to the 3% limit being reported at 2.97% at July 2020 - the main driver being the July 2020 NPLs (3.89%). May and June 2020 ratios being calculated at 2.18% and 2.48% respectively. There is a possibility that this trigger may be breached in the absence of substantial remedial action of NPLs. This debt issuance will result in performing Instalment Sale Agreements ("ISAs") being added to the existing securitised asset portfolio. Please note that for the purpose of assigning a rating to the Notes, GCR models the transaction in an amortising phase and thus incorporates this possibility. GCR expects all the aforementioned to increase in the short term until economic activities resume and a longstanding economic recovery resume.



Source: MW Asset Rentals (RF) Limited - Monthly Servicer Reports, GCR calculations.

GCR considered the cumulative default rates, recovery rates and their timing vectors for this Transaction by analysing the historical vintage data, as well as the prepayment rates. Default and recovery rates were derived by the extrapolation of data from April 2009 to July 2020. GCR recalculated and applied the new default base default rate assumption of 5.77% which was rebased for the aging of the portfolio (15 August 2020 pool cut) that had 4.16% worth of arrears, resulting in a 5.83% adjusted base case default rate.

The 15 August 2020 portfolio had 2.57% of NPL status accounts – this NPL portion (R40.7m) was injected into GCR's cash flow model. The recovery base case assumption was maintained at 68.45%. This was adjusted further downward for the covenanted 3% of the portfolio that may be held outside of the Common Monetary Area ("CMA"), with zero recoveries assumed on this 3%. The adjusted recovery base case rate modelled by GCR is 66.39%.

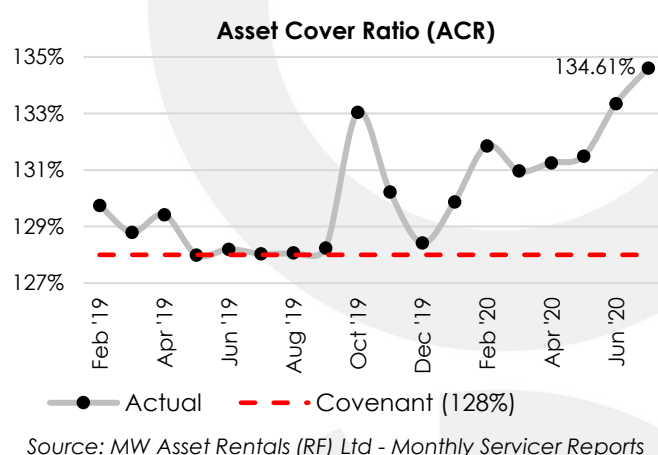
GCR observed a continued decline in the base case prepayment rate, based on data from April 2015 to July 2020, to 9.52%. GCR maintained the initial prepayment base case assumption of 10.55%.

GCR modelled the asset portfolio at its Stop Purchase Trigger level of 128% Asset Cover Ratio ('ACR').

The Transaction has a healthy excess spread, due to the ACR and the minimum Weighted Average Yield covenant of Prime plus 2.00% amongst others. The Weighted Average Yield (less prime) on the ISAs were reported at 5.95% which is a substantial increase from 3.85% at February 2020. The noticeable increase was observed from March 2020, in part due to the ACR ratio having been maintained well above the 128% level since February 2020.

Asset Cover Ratio

The ACR was reported above the Stop Purchase trigger of 128% over the review period – 134.61% at July 2020. GCR modelled the Transaction's overcollateralisation at 128%, as warranted by the ACR covenant. This overcollateralisation of assets (which are defined as the aggregate of performing leases plus reserves) over Principal Amount Outstanding of the Notes and Deferred Tax Liability, is the main source of Credit Enhancement in the Transaction. Please see Appendix A below.



Stop Purchase Events, Portfolio Covenants, Reserves

No Stop Purchase trigger occurred during the review period. The asset portfolio satisfied all Portfolio Covenants. All reserves were fully funded at July 2020.

Reserves	Amount (Jul. 2020)
Arrears Reserve	R23,457,457
Liquidity Reserve	R15,465,121
Capital Reserve	R92,625,384
Total	R131,547,961

Source: July 2020 Servicer Reports

GCR however disregarded the outstanding balances of the Arrears and Capital reserves from a cash flow modelling perspective. Only the Liquidity Reserve was modelled to the Liquidity Reserve Required Amount, (starting from a zero balance).

Default Rates

GCR was provided with the latest static default rates from April 2009 to July 2020 which was used to recalculate the default rates. Default rates were derived by the extrapolation of data from April 2009 to July 2020.

GCR recalculated the default base cases by extrapolating the monthly vintage curves up to 90 months. The result being a simple average of 2.98% with a standard deviation of 5.03%. GCR applied half of the standard deviation to the simple average to arrive at a 5.50% default base case which was then adjusted by 5% due to the Servicer hit adjustment resulting in a recalculated base case of 5.77%. The new base case is lower than the base case (6.47%) initially formulated by GCR.

While GCR received updated cumulative default data from the originator that extend beyond the term of Instalment Sale Agreements, it was deemed more accurate to exclude the data points beyond such term from the extrapolation calculations of the cumulative default curves. Also given the larger amount of performance data available to GCR on the asset portfolio and the lower portion of outlying curves, GCR decided to revert to a monthly vintage analysis as opposed to a bi-annual analysis which had a smoothing effect on the default data.

Extrapolated Defaults	Apr. 2009 to Dec. 2018		Apr. 2009 to Jun. 2019		Apr. 2009 to Aug. 2019		Apr. 2009 to Dec. 2019	
	Calculation	Result	Calculation	Result	Calculation	Result	Calculation	Result
Weighted Average [a]	n.a	4.60%	n.a	4.32%	n.a	4.22%	n.a	2.98%
Standard Deviation [b]	n.a	3.20%	n.a	3.30%	n.a	3.37%	n.a	5.03%
Base Case = [a] plus [b] x 50%	4.60% + 1.60%	6.20%	4.32% + 1.65%	5.97%	4.22% + 1.68%	5.91%	2.98% + 2.52%	5.50%
Base Case x 1.05 (Servicer hit)	6.20% x 1.05	6.51%	5.97% x 1.05	6.27%	5.91% x 1.05	6.20%	5.50% x 1.05	5.77%

Source: Merchant West, Nedbank & GCR calculations.

The 5.77% was then rebased for the aging of the latest pool cut inclusive of the new assets to be purchased that had 4.16% in arrears assets, resulting in a 5.83% adjusted base case default rate. GCR also tested the previous default base case rate (6.47%) with the ratings being unchanged. The latest pool cut inclusive of the new assets to be purchased had 2.57% of NPL status. This NPL portion (R40.7m) was directly injected into the cash flow model. GCR also tested for the July 2020 servicer report that had R46.9m NPL accounts.

Portfolio Ageing (15 Aug 2020)	Existing Portfolio	Resized Portfolio	Resized %	Assumed Defaults	Explanation/Notes
Performing	R1,479,966,019	R1,479,966,019	95.73%	5.77%	Fully Performing
>30 to 90 days	R65,949,054	R65,949,054	4.27%	7.22%	25% increase of defaults
>90 days	R40,732,302	nil	0.00%	nil	Injected to cash flow model
	R1,586,647,374	R1,545,915,073	100.00%	5.83%	Portfolio Aged Adjusted Base Case

Source: Merchant West, Nedbank & GCR calculations.

GCR stressed the Portfolio Aged Adjusted base case default rate of 5.83% commensurate with the parameters described in the Criteria for Rating Consumer Asset Backed Securities - Sep '18. GCR also tested for the Top Obligors Assumed to Default which were below the stressed multiples.

Rating Scenario in South Africa	Stress Multiple	Portfolio Aged Adjusted base case x Stress Multiple [a]	Top Obligors Assumed to Default [b]	Applied default Stress (Maximum of [a] & [b])
AAA _(sf)	3.40x	19.84%	12.69% (top 7)	19.84%
B _(sf)	1.00x	5.77%	5.20% (top 2)	5.77%

Source: GCR & GCR calculations.

Recovery Rates

GCR was provided with the latest static recovery rates from April 2009 to July 2020 which was used to update the recovery rates. GCR grouped the recoveries to a bi-annual calculation in order to arrive at a meaningful conclusion given certain vintages that had not incurred any defaults and as such, no recoveries.

Table 5: Calculated Recovery Rates

Extrapolated Recoveries	Apr. 2009 to Aug. 2017		Apr. 2009 to Jun. 2019		Apr. 2009 to Dec. 2019	
	Calculation	Result	Calculation	Result	Calculation	Result
Weighted Average [a]	n.a	81.14%	n.a	80.26%	n.a	99.46%
Standard Deviation [b]	n.a	20.24%	n.a	23.62%	n.a	20.31%
Base Case = [a] less [b] x 50%	81.14% - 10.12%	71.02%	80.26% - 11.81%	68.45%	99.46% - 10.15%	89.31%

Source: Merchant West, Nedbank & GCR calculations.

GCR adjusted the recovery rates to the covenanted 3.00% of the portfolio that may be outside of the Common Monetary Area (assuming zero recoveries). This results in a Portfolio adjusted base case recovery rate of 66.39% which was stressed commensurate with the Criteria for Rating Consumer Asset Backed Securities - Sep '18.

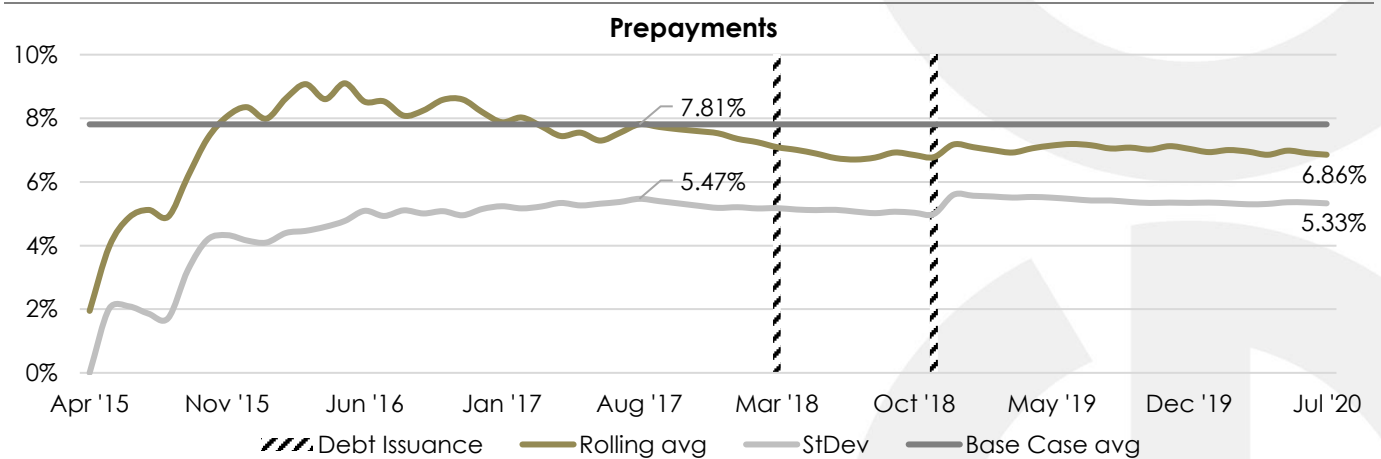
Table 6: Stressed Recovery Rates

Rating Scenario in South Africa	Haircut	Portfolio adjusted base case recovery rate x Stress [a]
AAA _(sf)	35.00%	43.15%
B _(sf)	0.00%	66.39%

Source: GCR & GCR calculations.

Prepayment Rates

GCR updated the annualised monthly prepayment rates using the data from April 2015 to July 2020 and observed a continued decline in the prepayment rate.



Source: Merchant West, Nedbank & GCR calculations

Table 7: Prepayment Rates

Prepayments from Apr. 2015 to	Aug. 2017	Aug. 2019	Jul-20
Rolling Average [a]	7.81%	7.05%	6.86%
Standard Deviation [b]	5.47%	5.42%	5.33%
Base Case = [a] + [b] x 50%	10.55%	9.76%	9.52%

Source: Merchant West, Nedbank & GCR calculations

The initial base case calculations had a rolling average rate of 7.81% and a standard deviation of 5.47% which equates to a base case prepayment rate of 10.55% (7.81% plus 5.47% multiply 50%, to account for volatility).

GCR observed a decline of the rolling average prepayment rates from Q3 2017 which is primarily attributed to the continued depressed state of the economy. Merchant West advised that lessees continue to upgrade assets, however, the preference is to extend assets beyond their economic life. This is ultimately to the benefit of the Transaction in terms of short-term secondary rentals (R9.4m for February to July 2020), albeit there is a possibility of lower recoveries.

Rating Scenario in South Africa	Stress	Stable	High	Low
AAA _(sf)	35.00%	10.55%	14.24%	6.86%
B _(sf)	0.00%	10.55%	10.55%	10.55%

Source: GCR

GCR applied the base rate of 10.55% which was stressed commensurate with the Criteria for Rating Consumer Asset Backed Securities - Sep '18.

Cash Flow Model

GCR modelled the Transaction according to its Pre-Enforcement Priority of Payments (during an Amortising Period). The Existing and Refinance Capital Structures (Appendix B) were modelled to the covenanted 1.28x ACR.

Various combinations of scenarios were modelled, including three different default and recovery distribution vectors (front-loaded, back-loaded and stable distributed), three prepayment scenarios (high, low and stable) and three interest rate scenarios (rising, falling and stable). GCR revised the default distribution vector in order to account for all of the assumed defaults. The recovery distribution vector was also revised to bring it in line with the latest observed distribution vectors. GCR has not modelled for the Arrears reserve given that it could be at a level different to the current one if and when the amortization period starts. The Capital reserve is modelled indirectly through the allocation of the Potential redemption amount of the notes. The Liquidity Reserve balance was set at zero which is then accrued to the required amount. The Liquidity Reserve (item 7) is required to be funded, ranking between the interest (item 6) and principal (item 8) due and payable to the Class A Notes under the said Priority of Payments.

Cash Flow Model Results

The assumed stresses and stressed cash flow model output leads directly to the ratings assigned to the Class A Notes. Please refer to Appendix B for the ratings outcome and Ratings Sensitivities.

Excess Spread

The Weighted Average Yield (less prime) was reported at 5.95% for July 2020 which is a substantial increase from 3.87% at January 2020. The noticeable increase was observed from March 2020.

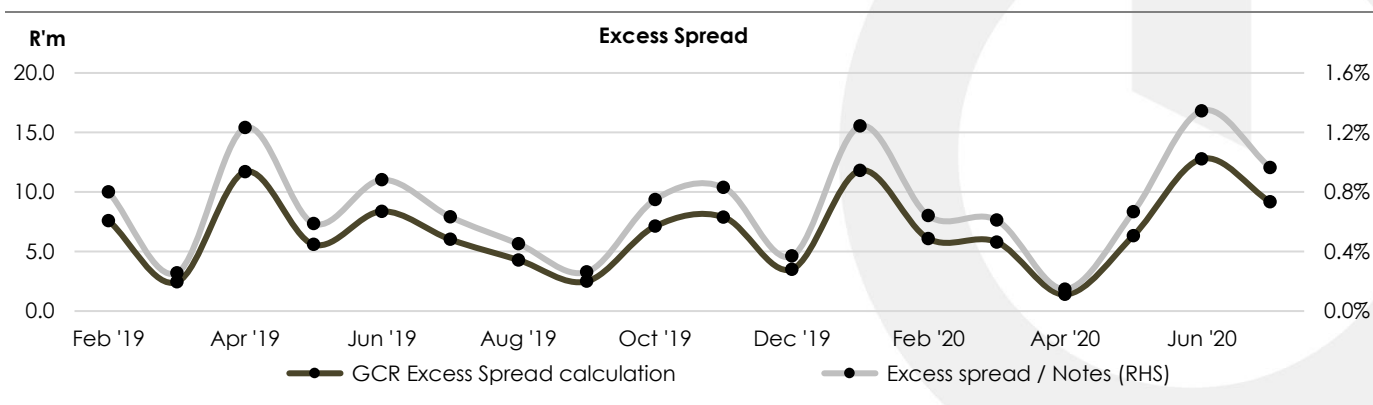


Table 9: GCR's Excess Spread Calculation

		Feb. 2020	Mar. 2020	Apr. 2020	May. 2020	Jun. 2020	Jul. 2020
Income (R'm)	Instalment Interest	11.82	12.24	7.76	11.02	17.43	14.02
	Permitted Investment Interest	0.57	0.43	0.39	0.32	0.31	0.41
Expenses (R'm)	Interest Accrued on Notes	(6.18)	(6.62)	(6.62)	(4.85)	(4.70)	(5.17)
	Senior Expenses	(0.13)	(0.25)	(0.13)	(0.15)	(0.26)	(0.10)
Excess Spread (R'm)		6.08	5.80	1.40	6.34	12.78	9.17
Excess Spread (% of Notes)		0.64%	0.61%	0.15%	0.67%	1.35%	0.96%

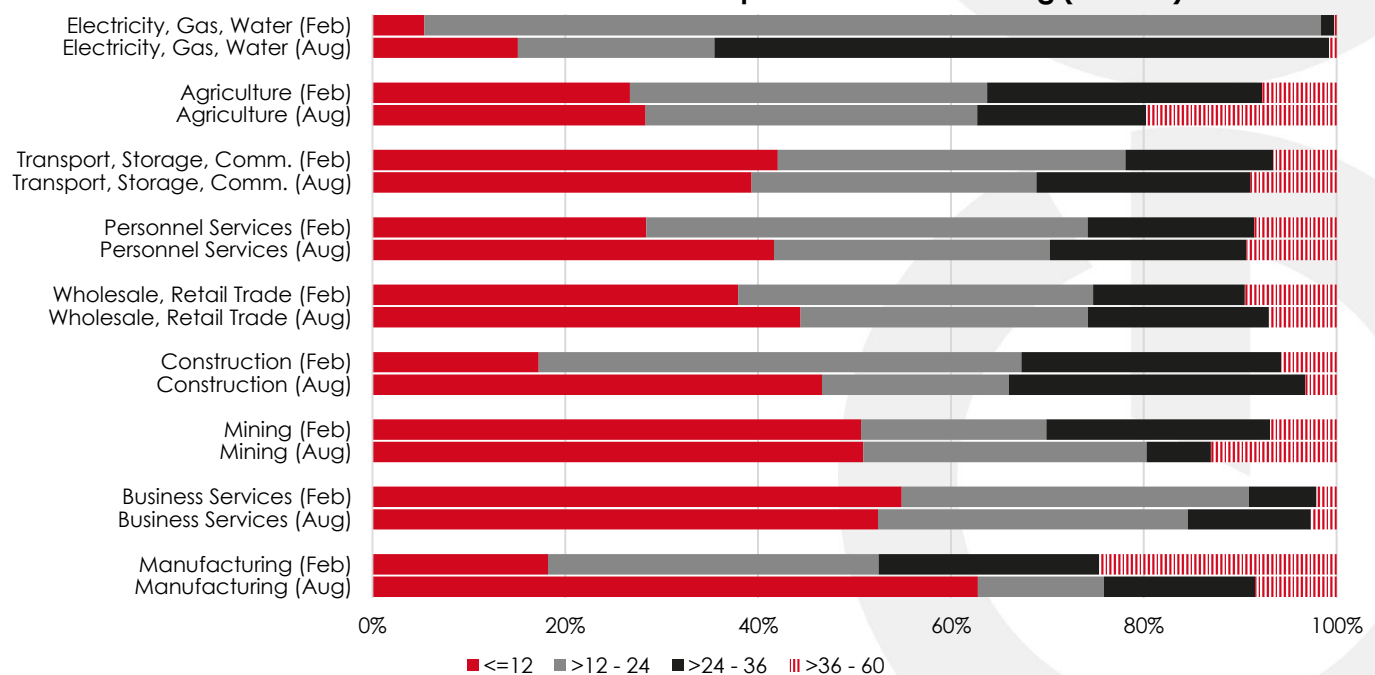
Source: Merchant West, GCR calculation

GCR calculated excess spread of 4.38% (not annualised) over the six-months ending July 2020, compared to 3.91% that is calculated for the preceding six-months ending January 2020. GCR does not include "Other" (such as maintenance and insurance fees) income, nor secondary rental income for its Excess Spread calculation. Nor does it deduct Subordinated Loan interest paid or write-offs. The Issuer accrued (and paid where due) R11.00m of Subordinated Loan interest over the period from February to July 2020. No write-offs have taken place since February 2018.

Portfolio Composition

The portfolio Industry composition is expected to remain predominantly the same when comparing the July 2020 with the 15 August 2020 portfolio (latest pool cut inclusive of the earmarked assets). The largest exposure is still Business Services at 41.4% (R656.9m), followed by Personnel Services at 11.9% (R188.9m) and Wholesale and Retail Trade at 11.3% (R178.9m). The Construction sector exposure will increase by R43.9m to R117.8m comprising 7.4% of the portfolio compared to July 2020 at 6.1%. Manufacturing comprise 4.6% (R73.5) of the 15 August 2020 portfolio. Comparing the seasoning, especially the "<=12" bucket, under the industry selection of February 2020 and 15 August 2020 the portfolio displays a substantial increase of the Manufacturing and Construction industries.

Portfolio Composition and Seasoning (months)



Source: Merchant West

Regional composition is still predominantly in Gauteng at 63.4% followed by Western Cape at 15.7% and KwaZulu Natal at 7.8%.

Lessee concentration rates increased for the Top 1 and Top 5 Lessees although below covenant limits:

	28 February 2020 (% of portfolio)	31 July 2020 (% of portfolio)	15 August 2020 (% of portfolio)	Covenant Limit (% of portfolio)
Top 1 Lessee	2.00%	2.12%	2.78%	3.00%
Top 5 Lessees	9.10%	9.60%	10.15%	12.50%
Top 10 Lessees	15.44%	16.87%	15.98%	20.00%
Top 30 Lessees	31.52%	34.15%	31.11%	40.00%

Source: Merchant West, GCR calculation.

Operational Review

GCR conducted an operational review with Merchant West on 24 August 2020. Merchant West employed a stricter lending policy as a reaction to COVID-19 with the introduction of low to high impacted industries observed under the pandemic. Merchant West advised that they avoid Public Sector and selective Construction sector applications evident in the observed increase of the Construction sector exposure. In response to the recent market events, Merchant West require new applicant's latest Annual Financial Statements, Management Accounts, debtors and creditors aging and the last three month's bank statement, all of which will allow for a liquidity assessment as part of the application.

All new ISA applications are generated under their standard Corporate Rating Methodology. The SMART Methodology, applications less than R150,000 typically for SMMEs and sole proprietors, have been suspended since March 2020 whilst the introduction of the SME Rating Model will be implemented from September 2020. SME Rating Model will be implemented towards the end of 2020. The SME Rating Model is aimed at applications for customers with an annual turnover of less than R400m. Each finance quantum requested will be assessed based on the underlying Credit risk presented in line with the standard Merchant West Credit practice.

There are still no definitive industry/sector lending limits imposed which is understandable given the lending space in which Merchant West operates, as well as management's regard for resilient, low risk lessees housed within industries. Management view good quality credit originations to be of utmost importance without unnecessary adaption to a changing environment. Merchant West's credit models are in process of its annual recalibration which allows an updated probability of default to be assigned to each lessor.

Merchant West's credit team expanded with the addition of four new credit analysts/credit controller and the introduction of supervisors overseeing the credit process as well as introducing teams with industry/sector specialisation. Merchant West appointed one inhouse legal counsel totalling four which should contain the possible increase of legal collections, notwithstanding the systemic inefficient legal collection process.

There has been a steady increase in the number of new applications since April 2019 which experienced a severe decline from April 2020. The application decline ratios, on a nominal basis, from March to June 2020, have increased significantly to c.80%. The recent revised risk appetite of commercial banks has benefitted Merchant West due to an influx of new business and larger ISAs being originated. This is in part offset by the delay of supply chains impacted by COVID-19 resulting in delayed supply of equipment. It was noted that a fair number of new ISAs will be originated as equipment are imported and supplied to lessors. Merchant West advised that they have adequate amount of assets to be purchased by the Issuer given the recent market events causing declining originations. The 12-month average assets purchased are R58.3m which should increase to the R70m - R80m range given the new issuance.

Merchant West expects their NPL ratio to reach 1.5% for the full year, although the latest numbers were report at 2.99% (June 2020), excluding restructured ISAs.

Payment Relief

Merchant West has not followed the conventional Payment Holiday approach implemented by most lenders from March 2020. Merchant West implemented a Payment Relief which offered some reprieve such as a two month period that required at least 50% of the contractual repayments (for two months) and for the remaining instalment to be paid within six months after the Payment Relief ended. The ISA term is not to be extended beyond the original term. GCR was advised that Merchant West made some changes to their Payment Relief approach. In select cases the Payment Relief term was lengthened from two to up to four months and the proportion of repayment was lowered to c.25%. Payment Relief applications require a suite of documents similar to that of a new ISA application. In addition, the lessee has to prove how their business was affected by the pandemic with a detailed motivation. Accounts in arrear will not be considered. All of the before mentioned will be considered by the Merchant West Credit Committee with detailed credit minutes being attached to the revised ISA terms and conditions on which a communication would have been sent to the lessee. ISA will not be classified as NPL should the lessee adhere with the revised terms. It is likely that term extension may be more prevalent to make-up for arrear instalment given the slow economic recovery prospects. These accounts will in all likelihood be classified as restructured ISAs. Merchant West reported a cumulative 207 requests for Payment Relief at June 2020 of which 127 (R347m) was approved. The remainder consists of pending/work in progress applications with five declined.

Legal Opinion

GCR received a final legal opinion from Werksmans Inc. Attorneys dated 2 September 2020 confirming that the opinions of 21 November 2019 are still true and accurate. The legal opinion is subject to certain customary assumptions and qualifications.

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.

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Related Criteria and Research

Criteria for Rating Structured Finance Transactions – Sep '18
Criteria for Rating Consumer Asset Backed Securities – Sep '18
Criteria for Rating Financial Institutions – May '19
MW Asset Rentals (RF) Ltd Ratings Announcement – Sep '20
Nedbank Ltd – Jul '20
Asset-Backed Securities Cash Flow Model – Sep '18

Ratings History

Final Ratings: MW Asset Rentals (RF) Limited

Security class	Stock code	Review	Rating class	Rating	Outlook	Date
Class A Notes	MWAR02	Initial	National	AAA _(ZA) (sf)	Stable Outlook	Mar. 2018
		Last	National	AAA _(ZA) (sf)	Stable Outlook	Sep. 2020
Class A Notes	MWAR03	Initial	National	AAA _(ZA) (sf)	Stable Outlook	Nov. 2018
		Last	National	AAA _(ZA) (sf)	Stable Outlook	Sep. 2020
Class A Notes	MWAR04	Initial	National	AAA _(ZA) (sf)	Stable Outlook	Nov. 2019
		Last	National	AAA _(ZA) (sf)	Stable Outlook	Sep. 2020
Class A Notes	MWAR05	Initial	National	AAA _(ZA) (sf)	Stable Outlook	Sep. 2020
		Last	National	AAA _(ZA) (sf)	Stable Outlook	Sep. 2020

Source: GCR

Key Counterparties

Counterparty	Role(s)	Rating Class	Rating	Outlook / Watch
Merchant West (Pty) Ltd	Seller/Servicer/Originator/ Subordinated Loan Provider	Unrated	N.A.	N.A.
MW Asset Rentals Owner Trust	Issuer owner trust	N.A.	N.A.	N.A.
MW Asset Rentals Security SPV (RF) Ltd	Security SPV	N.A.	N.A.	N.A.
TMF Corporate Services (South Africa) (Pty) Ltd	Security SPV Owner Trust	N.A.	N.A.	N.A.
Merchant West Collections SPV (Pty) Ltd	Collections SPV	N.A.	N.A.	N.A.
Nedbank Ltd	Administrator/Arranger/Account Bank/ Calculation Agent/Debt Sponsor/ Paying Agent/Settlement Agent/Transfer Secretary	Issuer	AA _(ZA)	Negative
FirstRand Bank Ltd	Account Bank	Issuer	AA+ _(ZA)	Negative
Investec CCM Call Money Fund & Investec CCM Call Deposit	Permitted Investments	N.A.	N.A.	N.A.
Maitland Outsourced Securitisation Services (Pty) Ltd	Back-up Servicer	N.A.	N.A.	N.A.

N.A. = not applicable

Asset Cover Ratio							
Feb. 2020			Jul. 2020				
Assets (ZAR)		Liabilities (ZAR)		Assets (ZAR)		Liabilities (ZAR)	
Performing Leases	1,180,375,677	Notes	950,000,000	Performing Leases	1,160,424,900	Notes	950,000,000
Arrear Reserve	7,414,113	Deferred Tax	9,790,013	Arrear Reserve	23,457,457	Deferred Tax	9,790,013
Liquidity Reserve	21,925,266			Liquidity Reserve	15,465,121		
Capital Reserve	55,840,434			Capital Reserve	92,625,384		
Total	1,265,555,489	Total	959,790,013	Total	1,291,972,861	Total	959,790,013
Asset Cover Ratio: 131.86%				Asset Cover Ratio: 134.61%			

Asset Portfolio Characteristics			
Stop Purchase Events related to Asset Portfolio			
Stop Purchase Events	Maintenance Limit	Feb 2020	Jul. 2020
Weighted Average Yield over Prime	≥ 2.00%	3.85%	5.95%
Number of Lease obligors (Two consecutive Determination dates)	≥ 700	1,659	1,698
Avg. prev. 3 months NPL / NPV of Participating Assets	≤ 3.00%	1.25%	2.97%
Asset Cover Ratio	≥ 128.00%	131.86%	134.61%
Portfolio Covenants related to Asset Portfolio			
Covenants	Maintenance Limit	Feb 2020	Jul. 2020
Common Monetary Area leases	≤ 3.00%	0.42%	0.31%
Fixed interest rate leases	≤ 12.00%	0.17%	0.14%
Original lease terms less than 36 months	≤ 10.00%	0.96%	1.93%
Original lease terms greater than 60 months	≤ 5.00%	4.38%	4.96%
Government Leases	≤ 10.00%	3.01%	2.18%
Repayment frequency greater than 3 months	≤ 5.00%	0.07%	0.04%
Single lessee concentration (Maximum of R40m)	≤ 3.00%	2.00% (R23.8m)	2.12% (R25.6m)
Top five single lessee concentrations	< 12.50%	9.10%	9.60%
Top ten single lessee concentrations	< 20.00%	15.44%	16.87%
Top twenty single lessee concentrations	< 40.00%	31.52%	34.15%
Credit Rating Score - weighted average	≤ 17	14.86	14.53
Credit Rating Score greater than 20	≤ 3.00%	2.60%	2.99%
SMME Rating Model	≤ 7.50%	4.52%	4.49%
Unrated / No Credit Rating Score	≤ 2.50%	1.76%	1.54%
Balloon payment	≤ 2.50%	1.32%	1.16%
Restructured to extend the term	≤ 1.00%	nil	nil
Structured repayment profile	≤ 2.00%	0.90%	0.46%
Portfolio Statistics			
Key Indicators	Sep. 2019	Feb. 2020	Jul. 2020
Aggregate Original Lease Balance	R738,891	R 734,710	R 747,838
Aggregate Exposure	R1,123,672,877	R1,195,203,902	R1,207,339,814
Performing	R1,078,579,030 (95.99%)	R1,149,740,204 (96.20%)	R1,087,235,835 (90.05%)
>30 to 90 days	R31,779,079 (2.83%)	R30,635,488 (2.56%)	R67,682,151 (5.61%)
>90 days	R13,314,767 (1.18%)	R14,828,210 (1.24%)	R52,421,827 (4.34%)
Average Lease Exposure	R442,217	R 435,570	R436,020
Maximum Single Lease Exposure	R25,879,932	R 23,849,539	R 25,554,825
Number of Leases	2,541	2,744	2,769
Weighted Average Original Term	52.79 months	53.29 months	52.81 months
Weighted Average Seasoning	16.84 months	16.76 months	19.09 months
Weighted Average Remaining Term	35.58 months	36.21 months	33.42 months
Debit Order Payment (Nominal)	80.95%	82.10%	83.29%
Cash Payment (Nominal)	19.05%	17.90%	16.71%
Monthly Payment Frequency (Nominal)	91.64%	93.55%	95.02%
Quarterly Payment Frequency (Nominal)	8.29%	6.39%	4.94%
Annual Payment Frequency (Nominal)	0.07%	0.00%	0.00%

APPENDIX B – Capital Structure and Rating Sensitivities

Capital Structure (August 2020)

Security Class	Stock Code	Long-Term Issue Rating	Outlook	Issued Amount	Outstanding Amount	Tranche Size	Coupon 3m JIBAR +	Step-Up Coupon 3m JIBAR +	Interest Step-Up Date / Scheduled Maturity Date	Final Redemption Date
Class A Notes	MWAR02	AAA _{(ZA)(sf)}	Stable	R300.0m	R300.0m	20.7%	2.00%	2.65%	22 Feb. 2021	22 Feb. 2028
Class A Notes	MWAR03	AAA _{(ZA)(sf)}	Stable	R200.0m	R200.0m	13.8%	1.90%	2.55%	22 Nov. 2021	22 Nov. 2028
Class A Notes	MWAR04	AAA _{(ZA)(sf)}	Stable	R450.0m	R450.0m	31.1%	1.90%	2.55%	22 Nov. 2022	22 Nov. 2029
Class A Notes	MWAR05	AAA _{(ZA)(sf)}	Stable	R300.0m	R300.0m	20.7%	2.30%	3.08%	22 Nov. 2023	22 Nov. 2030
<i>Total Issued Notes</i>				<i>R1250.0m</i>	<i>R1250.0m</i>					
<i>Subordinated Loans</i>		unrated		<i>R191.4m</i>	<i>R191.4m</i>	<i>13.7%</i>	<i>10.0%</i>			
<i>Total Issued Notes & Subordinated Loans</i>				<i>R1441.4m</i>	<i>R1441.4m</i>					

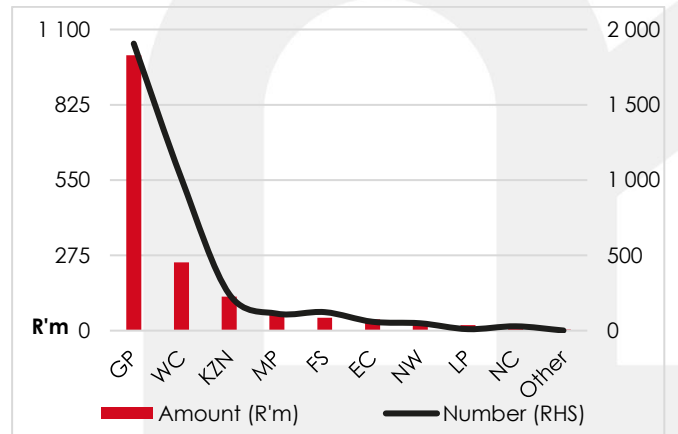
Rating Sensitivities

Security Class	15% Increase of Defaults	15% Decrease of Recoveries	15% Increase of Defaults & 15% Decrease of Recoveries	30% Increase of Defaults	30% Decrease of Recoveries	30% Increase of Defaults & 30% Decrease of Recoveries
Class A Notes	AAA _{(ZA)(sf)}	AAA _{(ZA)(sf)}	AA+ _{(ZA)(sf)}	AA+ _{(ZA)(sf)}	AAA _{(ZA)(sf)}	AA- _{(ZA)(sf)}

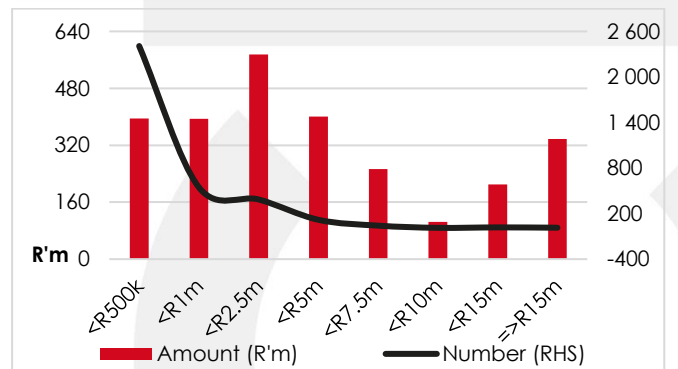
APPENDIX C – Portfolio Stratification (as at 15 August 2020)

Source: Merchant West

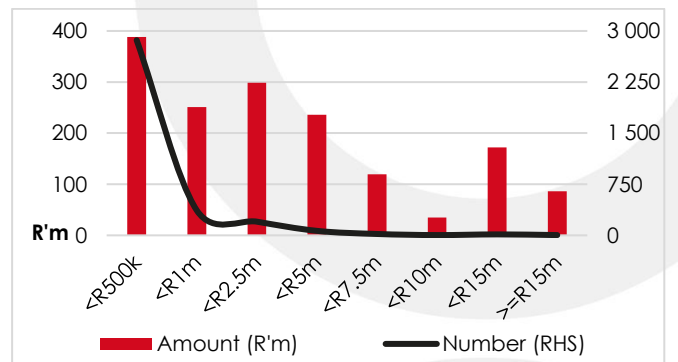
Province	Number	Current Exposure (ZAR) [a]	[a]%	[a]% Sep '19
GP	1,906	1,006,304,006	63.42%	60.37%
WC	1,009	248,845,608	15.68%	18.22%
KZN	242	123,806,524	7.80%	5.84%
MP	113	68,294,270	4.30%	5.08%
FS	123	47,171,561	2.97%	4.20%
EC	59	40,914,665	2.58%	2.19%
NW	49	21,908,098	1.38%	1.58%
LP	10	20,251,900	1.28%	1.40%
NC	29	5,841,632	0.37%	0.62%
Other	1	3,309,110	0.21%	0.49%
Total	3,541	1,586,647,374	100.00%	100.00%



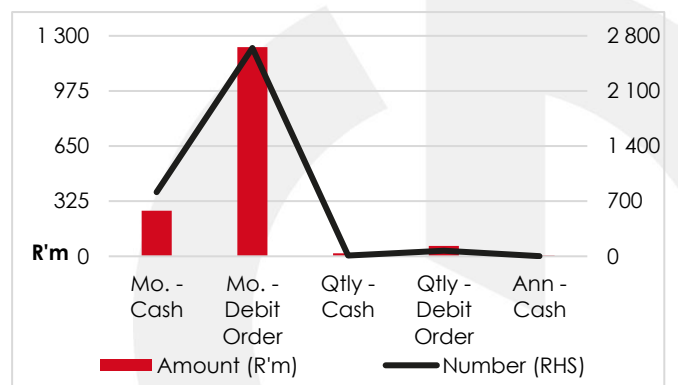
Original Principal Balance Range	Number	Original Principal (ZAR) [a]	[a]%	[a]% Sep '19
<R500k	2,407	394,924,336	14.79%	15.17%
R500k to <R1m	545	393,953,826	14.76%	14.39%
R1.0m to <R2.5m	386	575,372,181	21.55%	24.02%
R2.5m to <R5.0m	118	400,983,383	15.02%	17.48%
R5.0m to <R7.5m	41	252,967,658	9.48%	8.97%
R7.5m to <R10m	12	104,669,621	3.92%	7.54%
R10m to <R15m	18	209,628,980	7.85%	6.87%
≥R15m	14	337,239,810	12.63%	5.57%
Total	3,541	2,669,739,794	100.00%	100.00%



Current Exposure Range	Number	Current Exposure (ZAR) [a]	[a]%	[a]% Sep '19
<R500k	2,865	388,522,974	24.49%	24.79%
R500k to <R1m	367	251,172,727	15.83%	16.93%
R1.0m to <R2.5m	201	298,500,490	18.81%	21.77%
R2.5m to <R5.0m	66	236,043,432	14.88%	13.38%
R5.0m to <R7.5m	20	119,247,026	7.52%	10.75%
R7.5m to <R10m	4	34,865,896	2.20%	4.60%
R10m to <R15m	14	172,332,074	10.86%	1.16%
≥R15m	4	85,962,756	5.42%	6.61%
Total	3,541	1,586,647,374	100.00%	100.00%



Payment Frequency & Method	Number	Current Exposure (ZAR) [a]	[a]%	[a]% Sep '19
Mo. - Cash	814	269,272,918	16.97%	17.29%
Mo. - Debit Order	2,646	1,233,369,085	77.73%	74.35%
Qtly - Cash	10	17,987,540	1.13%	1.69%
Qtly - Debit Order	69	61,255,864	3.86%	6.60%
Annual - Cash	2	4,761,967	0.30%	0.07%
Total	3,541	1,586,647,374	100.00%	100.00%



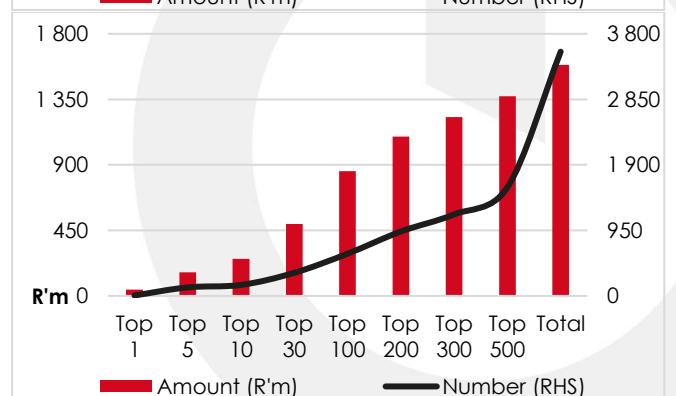
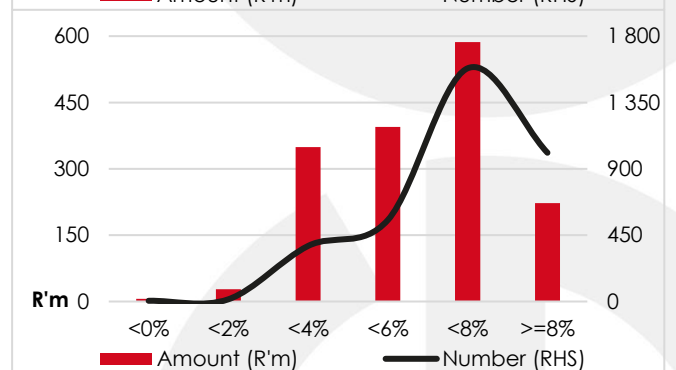
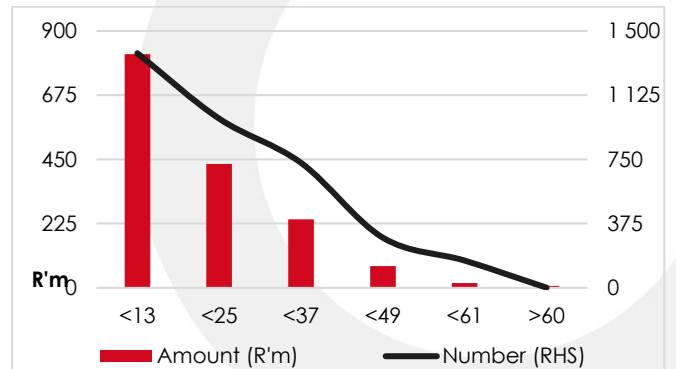
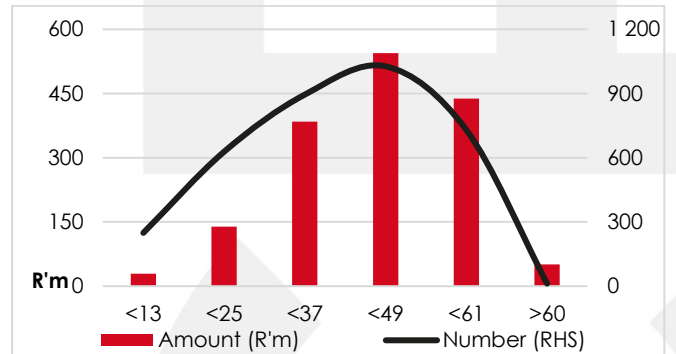
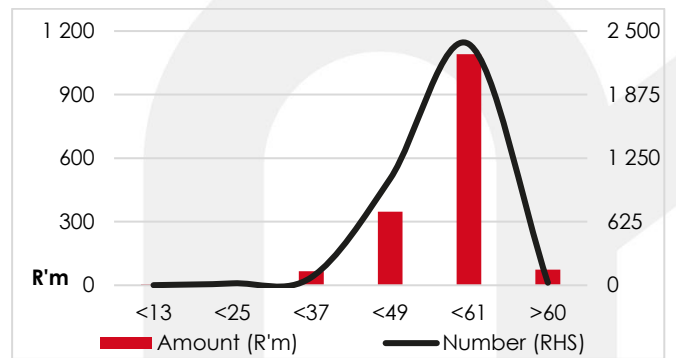
Original Term	Number	Current Exposure (ZAR) [a]	[a]%	[a]% Sep'19
0 to 12	1	4,222,223	0.27%	0.00%
13 to 24	19	3,969,225	0.25%	1.63%
25 to 36	78	66,907,483	4.22%	20.09%
37 to 48	1,047	346,811,732	21.86%	20.24%
49 to 60	2,371	1,091,268,264	68.78%	53.13%
>60	25	73,468,448	4.63%	4.90%
Total	3,541	1,586,647,374	100.00%	100.00%

Remaining Term	Number	Current Exposure (ZAR) [a]	[a]%	[a]% Sep'19
0 to 12	249	29,431,759	1.85%	6.90%
13 to 24	628	139,016,307	8.76%	21.16%
25 to 36	895	384,264,796	24.22%	23.78%
37 to 48	1,027	544,570,321	34.32%	28.73%
49 to 60	730	438,316,468	27.63%	16.92%
>60	12	51,047,723	3.22%	2.51%
Total	3,541	1,586,647,374	100.00%	100.00%

Seasoning	Number	Current Exposure (ZAR) [a]	[a]%	[a]% Sep'19
0 to 12	1,370	818,564,775	51.59%	39.91%
13 to 24	988	434,106,575	27.36%	38.75%
25 to 36	730	240,576,701	15.16%	16.29%
37 to 48	293	76,721,254	4.84%	4.35%
49 to 60	159	16,671,139	1.05%	0.71%
>60	1	6,931	0.00%	--
Total	3,541	1,586,647,374	100.00%	100.00%

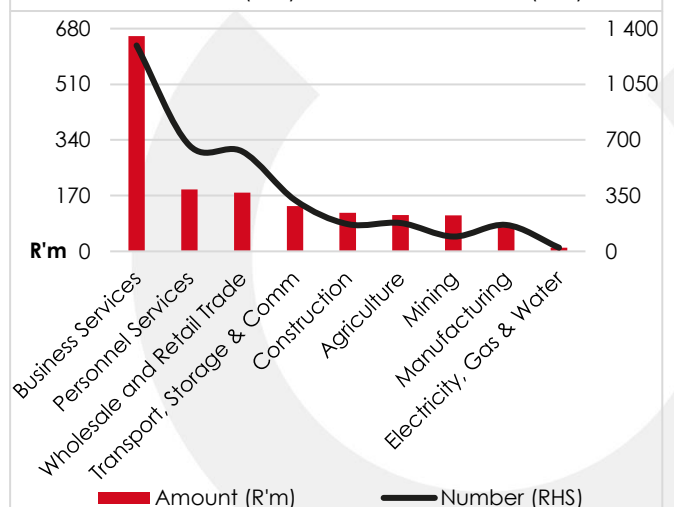
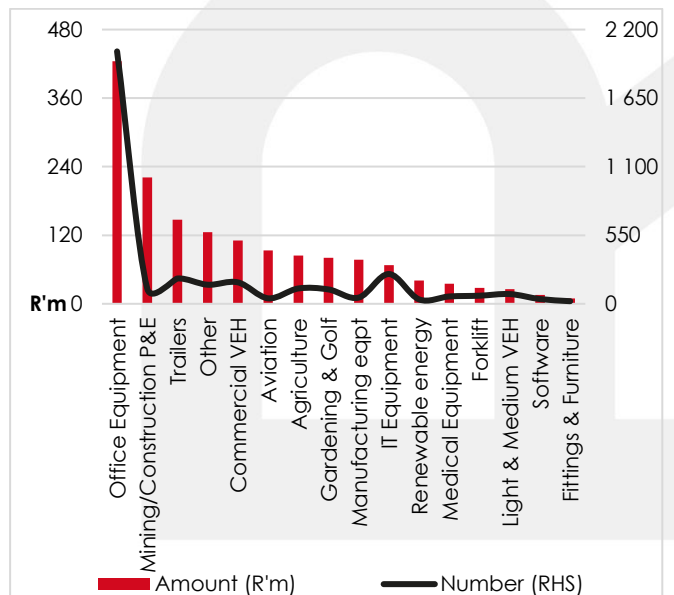
Margin to Prime	Number	Current Exposure (ZAR) [a]	[a]%	[a]% Sep'19
<0%	5	6,172,472	0.39%	0.09%
0% to <2%	15	28,104,570	1.77%	3.97%
2% to <4%	377	348,848,784	21.99%	41.89%
4% to <6%	553	394,639,395	24.87%	43.49%
6% to <8%	1,582	586,269,681	36.95%	9.44%
≥8%	1,009	222,612,472	14.03%	1.12%
Total	3,541	1,586,647,374	100.00%	100.00%

Borrower Concentration	Number	Current Exposure (ZAR) [a]	[a]%	[a]% Sep'19
Top 1	6	44,184,909	2.78%	2.30%
Top 5	124	160,988,063	10.15%	9.90%
Top 10	159	253,539,317	15.98%	16.52%
Top 30	335	493,610,330	31.11%	32.39%
Top 100	612	856,223,987	53.96%	57.33%
Top 200	934	1,095,270,126	69.03%	72.42%
Top 300	1,182	1,228,553,528	77.43%	80.52%
Top 500	1,574	1,371,128,732	86.42%	89.76%
Total	3,541	1,586,647,374	100.00%	100.00%



Asset Type	Number	Current Exposure (ZAR) [a]	[a]%	[a]% Sep'19
Office Equipment	2,025	424,813,615	26.77%	27.77%
Mining/Construction	121	221,142,114	13.94%	13.41%
Trailers	203	147,045,416	9.27%	8.74%
Other	153	125,240,673	7.89%	8.50%
Commercial VEH	172	110,573,315	6.97%	6.99%
Aviation	44	93,440,287	5.89%	6.76%
Agriculture	123	84,377,854	5.32%	5.36%
Gardening & Golf	115	80,260,917	5.06%	4.71%
Manufacturing eqpt	50	77,206,812	4.87%	4.34%
IT Equipment	239	67,888,035	4.28%	4.07%
Renewable energy	35	41,014,618	2.58%	2.83%
Medical Equipment	59	35,220,264	2.22%	2.22%
Forklift	65	27,868,084	1.76%	1.63%
Light & Medium VEH	78	25,497,989	1.61%	1.11%
Software	38	15,450,828	0.97%	1.11%
Fittings & Furniture	21	9,606,555	0.61%	0.47%
Total	3,541	1,586,647,374	100.00%	100.00%

Industry	No.	Current Exposure (ZAR) [a]	[a]%	[a]% Sep'19
Business Services	1,294	656,969,698	41.41%	33.13%
Personnel Services	666	188,980,229	11.91%	14.10%
Wholesale & Retail Trade	628	178,851,085	11.27%	11.35%
Transport, Storage & Communications	322	138,497,254	8.73%	11.00%
Construction	171	117,833,954	7.43%	9.46%
Agriculture	178	111,271,773	7.01%	8.09%
Mining	93	109,901,271	6.93%	7.52%
Manufacturing	166	73,501,139	4.63%	4.52%
Electricity, Gas & Water Supply	23	10,840,971	0.68%	0.82%
Total	3,541	1,586,647,374	100.00%	100.00%



GLOSSARY OF TERMS/ACRONYMS

Advance	A lending term, to transfer funds from the creditor to the debtor.
Affirmation	See GCR Rating Scales, Symbols and Definitions.
Ageing	The age of an asset or obligation.
Agreement	A negotiated and usually legally enforceable understanding between two or more legally competent parties.
Arrears Reserve	An accounting provision made in a reserve fund for arrears.
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.
Assets	A resource with economic value that a company owns or controls with the expectation that it will provide future benefit.
Borrower	The party indebted or the person making repayments for its borrowings.
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.
Conditions	Provisions inserted in an insurance contract that qualify or place limitations on the insurer's promise to perform.
Contract	An agreement by which an insurer agrees, for a consideration, to provide benefits, reimburse losses or provide services for an insured. A 'policy' is the written statement of the terms of the contract.
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.
Current Assets	Assets that can be expected to turn into cash within a year or less.
Debt	An obligation to repay a sum of money. More specifically, it is 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.
Debtor	The party indebted or the person making repayments for its borrowings.
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 90 days on any debt obligations as defined in the transaction documents; 4.) The obligor has filed for bankruptcy or similar protection from creditors.
Enforcement	To make sure people do what is required by a law or rule et cetera.
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.
Experience	A term used to describe the relationship, usually expressed as a percent or ratio, of premiums to claims for a plan, coverage, or benefits for a stated time period.
Exposure	Exposure is the amount of risk the holder of an asset or security is faced with as a consequence of holding the security or asset. For a company, its exposure may relate to a particular product class or customer grouping. Exposure may also arise from an overreliance on one source of funding. In insurance, it refers to an individual or company's vulnerability to various risks
Financial Statements	Presentation of financial data including balance sheets, income statements and statements of cash flow, or any supporting statement that is intended to communicate an entity's financial position at a point in time.
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.
Income	Money received, especially on a regular basis, for work or through investments.

Instalment	Payment made to honour obligations in 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 a possible eventuality.
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.
Issuer	The party indebted or the person making repayments for its borrowings.
Lease	Conveyance of land, buildings, equipment or other assets from one person (lessor) to another (lessee) for a specific period of time for monetary or other consideration, usually in the form of rent.
Legal Opinion	An opinion regarding the validity and enforceable of a transaction's legal documents.
Lender	A credit provider that is owed debt obligations by a debtor.
Lessee	The party that enjoys temporary use of a corporeal thing.
Lessor	The owner or agent that acts on behalf of the owner of property that grants the temporary use of a corporeal thing.
Liability	All financial claims, debts or potential losses 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	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.
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.
Obligor	The party indebted or the person making repayments for its borrowings.
Offset	A right (Right of Offset) to set liabilities against assets in any dispute over claims.
Origination	A process of creating assets.
Originator	An entity that created assets and hold on balance sheet for securitisation purposes.
Performing	An obligation that performs according to its contractual obligations.
Policy	The legal document issued by the company to the policyholder, which outlines the conditions and terms of the insurance.
Pool	An organisation of insurers or reinsurers through which particular types of risk are underwritten and premiums, losses and expenses are shared in agreed-upon amounts.
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.
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.
Probability	The likelihood or relative frequency of an event expressed in a number between zero and one. The throw of a die is an example. The probability of throwing five is found by dividing the number of faces that have a five (1) by the total number of faces (6). That is a probability of one-sixth or one divided by six, which is .17. See also Degree of Risk, Law of Large Numbers, and Odds.
Proceeds	Funds from issuance of debt securities or sale of assets.
Ranking	A priority applied to obligations in order of seniority.
Rated Securities	Debt securities that have been accorded a credit rating.
Rating Outlook	See GCR Rating Scales, Symbols and Definitions.
Receivables	Any outstanding debts, current or not, due to be paid to a company in cash.
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.
Refinance	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.

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.
Reserve	(1) An amount representing actual or potential liabilities kept by an insurer to cover debts to policyholders. (2) An amount allocated for a special purpose. Note that a reserve is usually a liability and not an extra fund. On occasion a reserve may be an asset, such as a reserve for taxes not yet due.
Reserves	A portion of funds allocated for an eventuality.
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.
Securities	Various instruments used in the capital market to raise funds.
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.
Short Term	Current; ordinarily less than one year.
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.
Stock Code	A unique code allocated to a publicly listed security.
Stop Purchase Event	An event caused by deteriorating performance of a transaction or environmental changes that would stop the purchasing of new assets into the transaction.
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.
Surveillance	Process of monitoring a transaction according to triggers, covenants and key performance indicators.
Taxation	A source of government revenue levied on income and accruals.
Timely Payment	The principal debt, interest, fees and expenses being repaid promptly in accordance with the contractual obligation.
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.
Turnover	The total value of goods or services sold by a company in a given period. Also known as revenue or sales. Turnover can also refer to the total volume of trades in a market during a given period.
Ultimate Payment	A measure of the principal debt, interest, fees and expenses being repaid over a period of time determined by recoveries.
Upgrade	The rating has been raised on its specific scale.
Weighted Average	An average resulting from the multiplication of each component by a factor reflecting its importance or, relative size to a pool of assets or liabilities.
Weighted	The weight that a single obligation has in relation to the aggregated pool of obligations. For example, a single mortgage principal balance divided by the aggregated mortgage pool principal balance.
Yield	Percentage return on an investment or security, usually calculated at an annual rate.

For a detailed glossary of terms utilized in this announcement please click [here](#)

SALIENT POINTS OF ACCORDED RATINGS

GCR affirms that a.) no part of the ratings were influenced by any other business activities of the credit rating agency; b.) the ratings were based solely on the merits of the rated entity, security or financial instrument being rated; c.) such ratings were an independent evaluation of the risks and merits of the rated entity, security or financial instrument; and d.) the validity of the ratings are for a maximum of 12 months, or earlier as indicated by the applicable credit rating document.

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- Servicer Reports from September 2019 to July 2020;
- Pool cut as at July & 15 August 2020;
- Static Default and Recovery rates to July 2020;
- Prepayment Rates to July 2020;
- Signed and Executed Applicable Pricing Supplement for the MWAR05 Notes;
- Signed Transaction Legal Opinion;
- SENS announcements.

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