October 2025

TUHF

Investing in the Massive Small opportunity in Rental in South Africa

Paul Jackson
TUHF



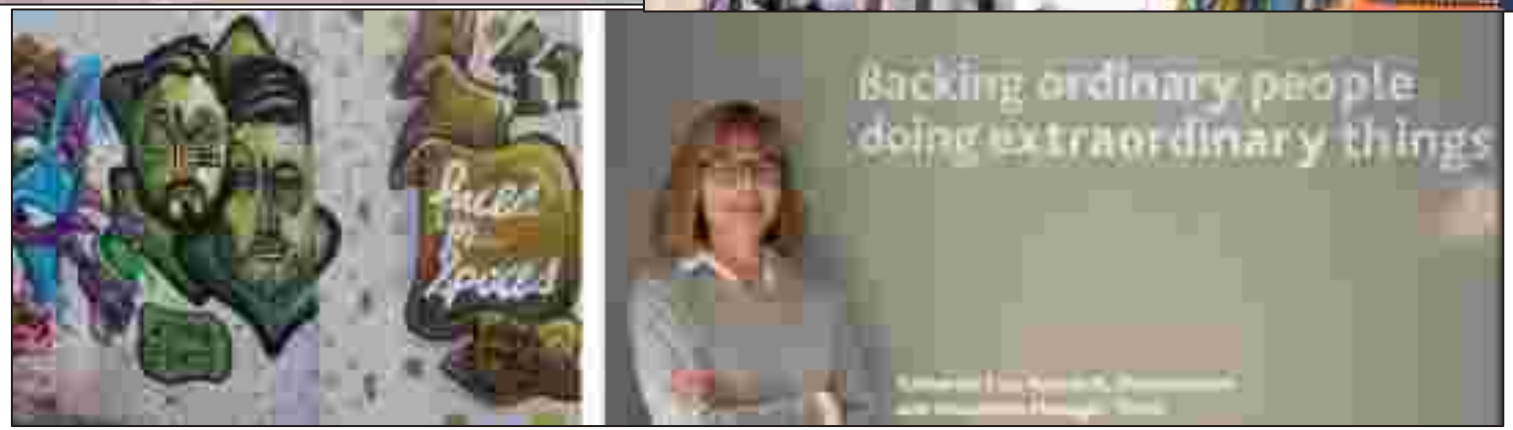
Introduction to TUHF













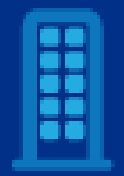
TUHF

Our Vision

Impact Through Scale

Who We are

The leading **provider of residential commercial property finance for affordable Rental Housing** in South Africa's inner-cities and townships



66 691
units financed



712
buildings



22 years
in operation



7 offices
in SA



172
suburbs



587
borrowers

R 5.1 billion
Current Book

R 9.2 billion
Financed since Inception

68% of new loans to PDI's
Urban Land Reform

TUHF achieves **commercially competitive returns** to shareholders and investors with significant **development impact**

TUHF

Who We Are

- Founded in 2003
  - First Commercial Bank investment 2006
  - First Capital Market investment 2007
- A Non-Bank Financial Services Company
  - Governed by the National Credit Act
  - Securitisation structures governed by SARB and JSE Regulations
  - 3 Branches country-wide
- An SME financier with a housing outcome – a rental (Multi-Family) housing financing company.
- A commercial feasibility and character-based lending organisation
- Specialised Commercial Property Finance Company
  - Finance against Character, Collateral and Cashflow
- Specialised
  - in Rental Housing
  - Suburban areas with a focus on Inner Cities
  - In Townships through uMaStandi Pty



Our Markets

- Our Products
  - 15–20-year Mortgage Finance
  - 36-month Development Finance
  - Bridging Finance
  - Intuthuko Equity Fund
- Projects
  - Affordable rental housing (defined by Financial Services Charter)
  - Mixed-use buildings: 36-month retail shops, etc.
  - Student accommodation
  - Associated commercial property
- Our market niche:
  - In city areas & Well-located Township areas
  - Buildings less than R75m:- Our sweet spot is R10–25m
- We compete through:
  - Specialisation in our market niche
  - A professional business culture that reflects **Social and Business proximity**
- Finance in areas of urban densification and decline



Who are our Clients?

- Ordinary People doing extra-ordinary things
- Small (Starter/Rookie), medium and large multi-family and mixed-use property entrepreneurs
- Education or ability to speak English is NOT a requirement
  - Know inner city areas well
  - Live or work in the city
  - Practical and hardworking
- Avoid politically connected people
- Characteristics:
  - Entrepreneurial
  - Streetwise and down to earth
  - Hard working and practical
  - Able to manage the realities of Residential Real Estate
- Any language any level



What makes us different?



Specialised knowledge of urban landscape

- Major Metros with areas suitable for Urban Densification.
- Metro's with appropriate policy objectives special development zones
- Convenience - access to schools, transport systems and businesses
- Existing infrastructure



Specialised approach to risk

- Best practice in credit processes - loan cycle management
- Both commercial and character assessment model
- Loan appraisal and loan servicing focused on affordable rental housing risks
- Company wide deep expertise of inner city



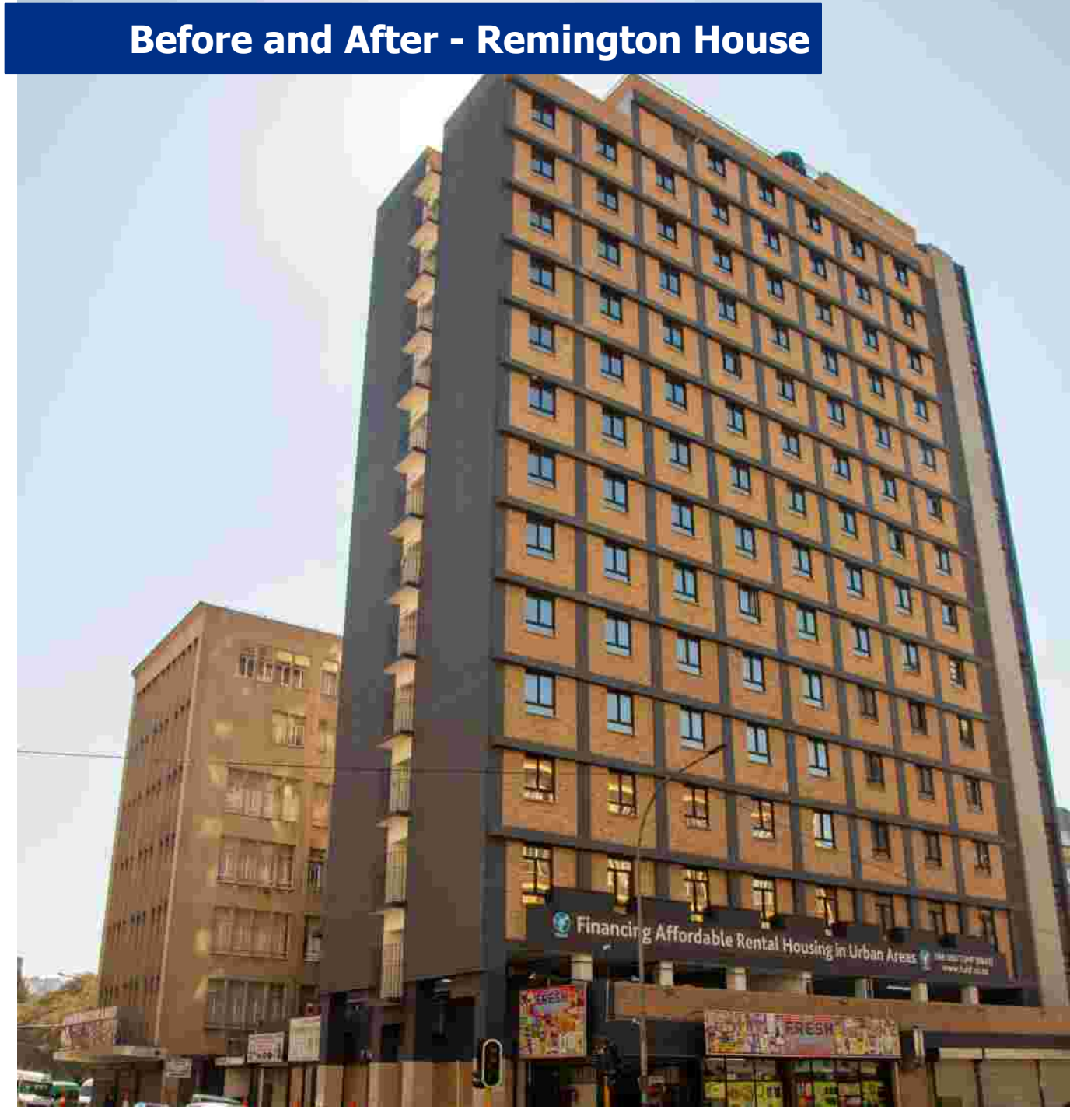
Hands on presence

- Unique ability to spot potential in people, buildings and areas
- Ability to connect and build relationships
- Street level presence

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Before and After - Remington House





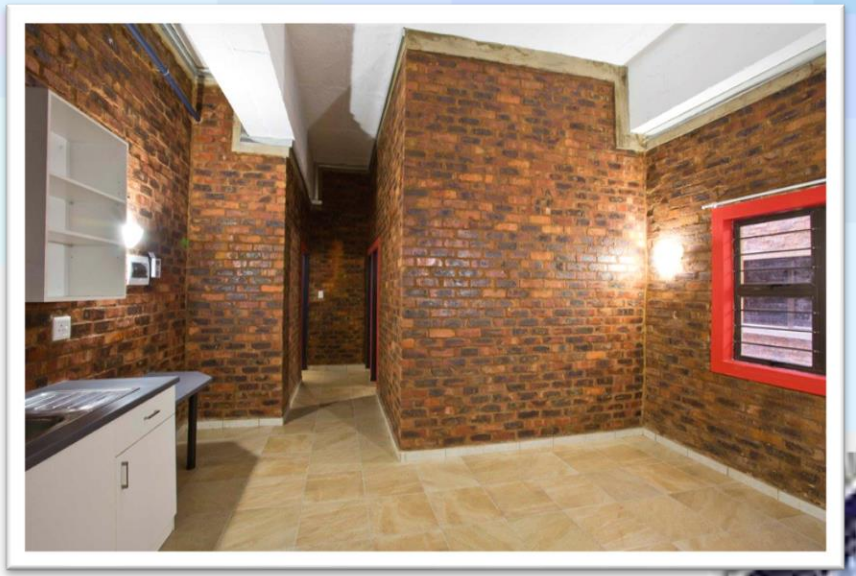
After - Remington House





Hollywood Centre
Before

Hollywood Centre
After





Suburban Expansion- 300 on York



uMaStandi Client - Soweto



Investment Case for In-Cities and Inner-Cities

Reliable Cashflows – Commercial Resilience

- High Demand for well-located Affordable housing
- Tenant incomes derived from many different economic sectors
- Urbanisation an entrenched demographic trend
- Access to social infrastructure
- Demand substitution due to high cost and time commutes
- Increased chance of success of SME development and thus Employment



Investment Impact Effects

- Inclusive Growth is a Micro Economic Effect
- Urban Form matters! Economically, Socially and Fiscally
- Worldwide experience on regeneration of City Centres
- Access to finance for SME's
- Large increases in low to moderate income housing supply
- Local Economic Development effects including broad SME and employment
- Urban Land Reform
- Fiscal impact

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TUHF Loan Product

Features	Terms
• Single loan facility • Includes both the purchase and construction components • 15-year repayment • Once-off raising fee • No monthly service fees • Financial structuring such as grace periods to accommodate the development and rent-up stages • MAGC incentive for EDGE certification	• Loan to Value: 80% • Debt Cover Ratio: 1.3x • Cap rate: 13% (on average) • 15 years at Prime plus 1.5% to 5.0% / JIBAR plus 4.8% to 7.8% • Mortgage/Indemnity bond, personal surety, rental cession, etc

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Changing lives



One person at a time

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Densifying, Regenerating our cities,



One building at a time

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Massive Small to combat Urban Sprawl

- Urban Densification a PREREQUISITE for:
  - Increased Economic and Social Action
  - Improved Fiscal Outcomes
  - Urban Form is Critical-Spatial, Economic and Social Integration: Efficient Cities
- Inclusive economic growth and urban transformation:- Primarily a MICRO ECONOMIC CONCEPT
  - Small and Medium Size Enterprise Development
  - Increased work opportunities
- Scale delivery of affordable Housing OVERWHELMINGLY by Small an Medium Developers!
  - In South African over 70% delivery:- (and in Kenya)
  - Large projects are usually on the periphery (Land assembly and Land cost primarily)
  - Many, many small projects = 10,000 x average 20 unit projects/annum
- Urban Densification:- Infill, Repurpose and Renew
  - Use existing Physical, Social and Administrative infrastructure:- Fiscally Prudent
  - Get over the large project – ribbon cutting syndrome: this is a BOTH-AND play
  - Belief in ordinary people doing extraordinary things:- their extraordinary capacity to do great things
  - Enabling Environment- regulation (eg Cape Town) policy and practice disconnect (eg SA)

Real World Blended Finance Example: TUHF and The Jobs Fund

The Blended Finance Partnership: TUHF Group of Companies, The Jobs Fund, Owners Equity, the Capital Markets, International DFI (Proparco), Commercial Banks, Local Impact funds, Philanthropic Funds (the Oppenheimer Foundation, Arrowhead Foundation)

The Jobs Fund was established in 2011 by the South African Government as on intervention on very high unemployment levels

Each JF round had specific targets and required matching funding, additionality and innovation

TUHF successfully partnered with JF round 3 and JF round 7

- JF3- TUHF Ltd R157 million drawn –
  - Matched Funding Raised over R1.6 billion

- JF7- uMaStandi and Intuthuko Equity Fund for R100 million (R25 million uMaStandi and R75 million IEF)
  - uMaStandi Matched Funding Raised of over R135 million (R52.2 million paid out to date)
  - IEF Matched Funding Raised of R181 million to date



Real World Blended Finance Example: TUHF and The Jobs Fund

The funding structures that make up the Blended Finance Outcome

1. The Domestic Medium Term Note Program:- On Balance Sheet ZAR 360 million
   - Capital Market Investors: Sanlam and Futuregrowth
2. Vuselela Ware House Fund ZAR 1.34 billion
   - Shareholder Equity, JF 3 and Standard Bank
3. TUHF Urban Securitisation ZAR 650 million
   - JF 3, Futuregrowth (Anchor), other capital market players
4. Urban Ubomi 1 Securitisation ZAR 1.4 Billion
   - JF 3, Futuregrowth, expanded more diverse capital market players
5. Urban Ubomi 2 Securitisation ZAR 1.8 billion
   - JF 3, Futuregrowth, Capital Markets further expanded
6. uMaStand Fund Structure ZAR 145 million
   - JF 7, Philanthropy, Impact Investors, Proparco and Nedbank
7. Intuthuko Equity Fund ZAR 281 million including match funding
   - JF 7, Eskom Pension Fund, Novo



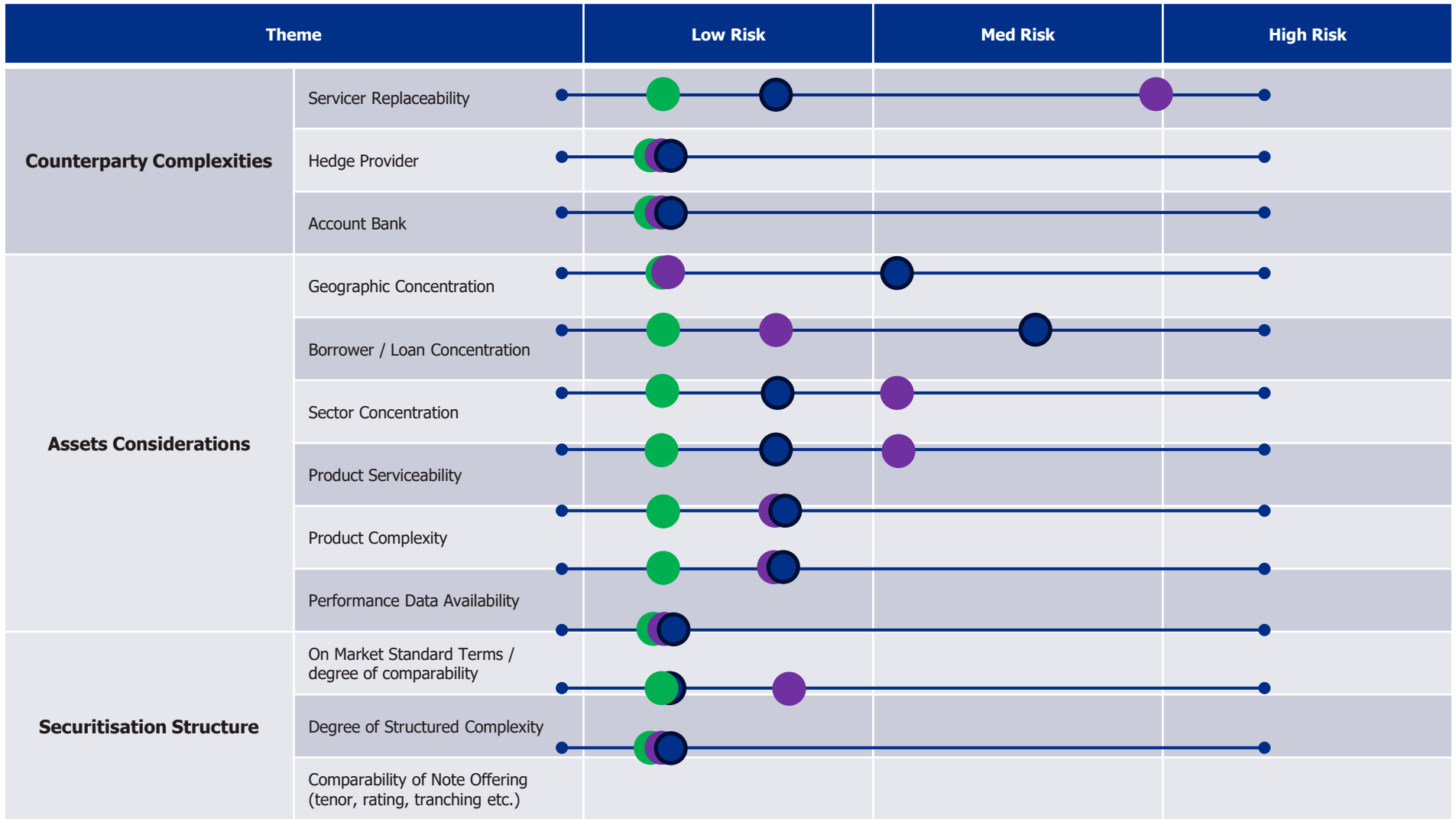
Real World Blended Finance Example: TUHF and The Jobs Fund

Important features and objectives

1. Sustainability and Replicability Principle
   - Competitive Market Rate funding
2. Reputation and Structures that access Capital Markets
   - Access to funding Theoretically Limitless
3. Loan Diversification through Massive Small
   - Counter party concentration needs to penetrated
   - Residential Mortgage-Backed Securitisation
   - Commercial Mortgage-Backed Securitisation
4. Legal Architecture is critical
   - Indemnity Mortgages give flexibility
   - Co-mingling of risk avoided
5. Structure Design important
   - Self liquidating Securitisation deal with tenor mismatches
   - Refinance risk
6. Law of Institution Economics



SA Securitisations Risk Profile



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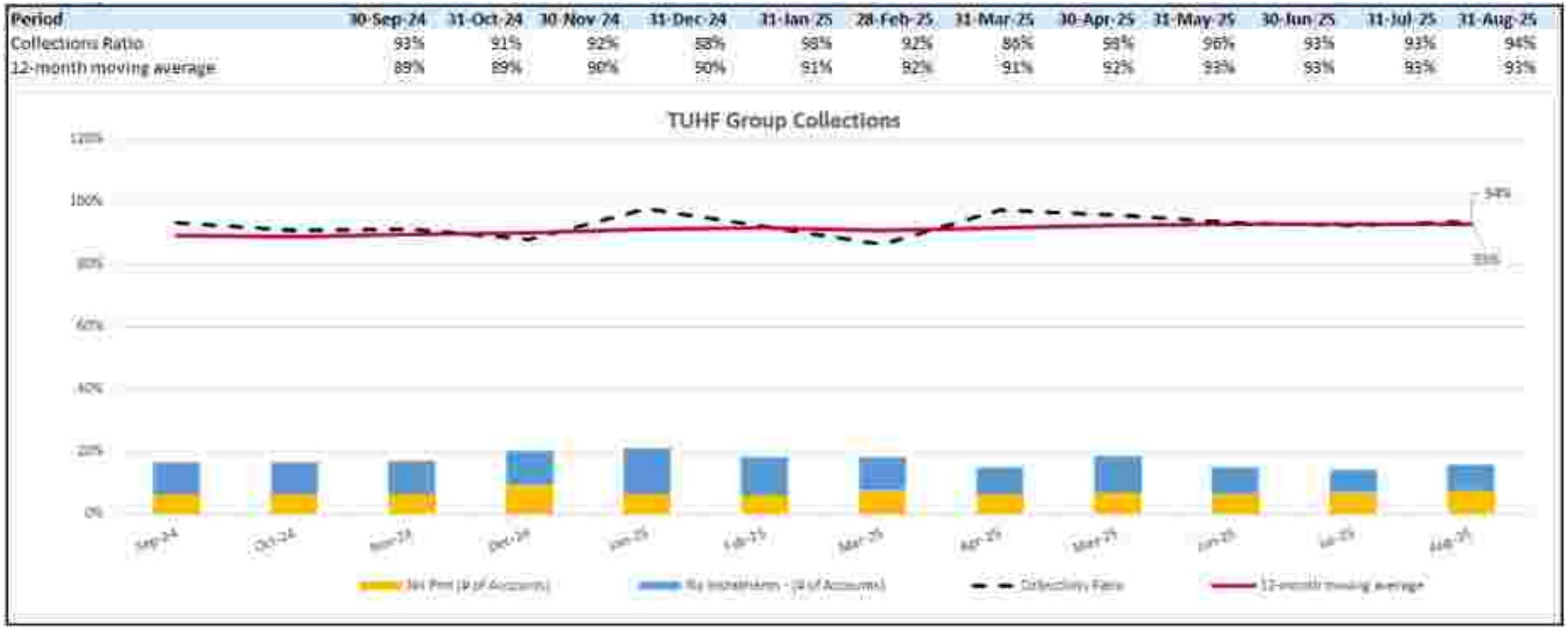
Urban Ubomi 2 Capital Stack

JF3 Grant geared up to raise close to R2 billion

Note Description	Designated Ranking	Minimum Required Rating*	Size (ZAR'm)	Size (% of Combined Deal)	CE - as % of Deal Size	Coupon Step-Up Date	Final Legal Maturity Date
Class A1 Floating Rate	Class A1	$AAA_{(za)(sf)}$	444,3	22.11%	77.89%	15 August 2027	15 August 2049
Class A2 Floating Rate	Class A2	$AA+_{(za)(sf)}$	722	35.92%	41.97%	15 August 2029	15 August 2049
Class B Floating Rate	Class B	$A_{(za)(sf)}$	348	17.32%	24.65%	15 August 2029	15 August 2049
Class C Floating Rate	Class C	$BBB-_{(za)(sf)}$	207	10.30%	14.35%	15 August 2029	15 August 2049
Class D Floating Rate	Class d	Not Rated	137	6,82%	7.54%	15 August 2029	15 August 2049
Sub-loan	n/a	Not Rated	151,5	7.54%	7.54%	n/a	n/a

Collection Ratio- TUHF Group

Period	30-Sep-24	31-Oct-24	30-Nov-24	31-Dec-24	31-Jan-25	28-Feb-25	31-Mar-25	30-Apr-25	31-May-25	30-Jun-25	31-Jul-25	31-Aug-25
Collections Ratio	93%	91%	92%	88%	98%	92%	86%	98%	96%	93%	93%	94%
12-month moving average	89%	89%	90%	90%	91%	92%	91%	92%	93%	93%	93%	93%



Basel 3 Covenants

Basel 3 Covenants	Limit	Internal Target	Mar 2025	Sept 2025 Forecast
Common Equity Tier 1 Capital Adequacy Ratio (CET1 Ratio)	7.5%	10.0%	11.89%	11.43%
Tier 1 Capital Adequacy Ratio	10.0%	11.25%	11.89%	12.72%
Total Capital Adequacy Ratio	12.5%	15.0%	14.04%*	15.20%
Tier 1 Leverage Ratio	7.0%	8.25%	8.75%	8.37%
Net Stable Funding ratio	100%	100%	105.0%	102%

** This includes R30m Tier 2 Capital received in April 2025*

Basel 3 Ratios

- All **Capital** ratios are expected to be compliant with the covenants.
- The Net Stable Funding ratio compliant with covenant limit of 100%.



Outputs

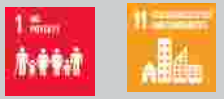
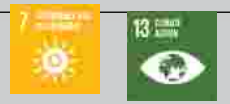
Programme Indicators as per Grant Agreement	Actual	Comment
New permanent jobs (original target)	2,433	38%
New short-term jobs (original)	5,126	81%
Trained project beneficiaries	111	148% over target
Beneficiaries having completed time-bound internships	7	100% of target
Establishment of a debt facility and listing on JSE	R1’3 billion raised in debt	R300m raised over target
Proportion of project beneficiaries who are previously disadvantaged individuals (PDIs)	74%	148% over target



TUHF's Impact Story

TUHF's contribution to SDGs:

The Company's Sustainability Quality is rated as positive, as seen in the table, with particular respect to the highlighted categories:

Use of proceeds	Contribution or obstruction	Sustainable Development Goals
Affordable housing	Significant contribution	
Financial inclusion	Significant contribution	
Improve access to funding for SMEs	Significant contribution Limited contribution	
Green buildings	Significant contribution	
Renewable energy (Rooftop solar panels)	Significant contribution	
Energy efficiency	Limited contribution	

Source: *ISS ESG Second Party Opinion: TUHF Limited Sustainable Bond Framework*

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TUHF's Impact Logic

ENTREPRENEURIAL GROWTH
- SME development with a housing outcome
- Business Culture that is supportive of SME's
- Access to finance is key – any language, any level
- Training & mentoring clients every step of the way

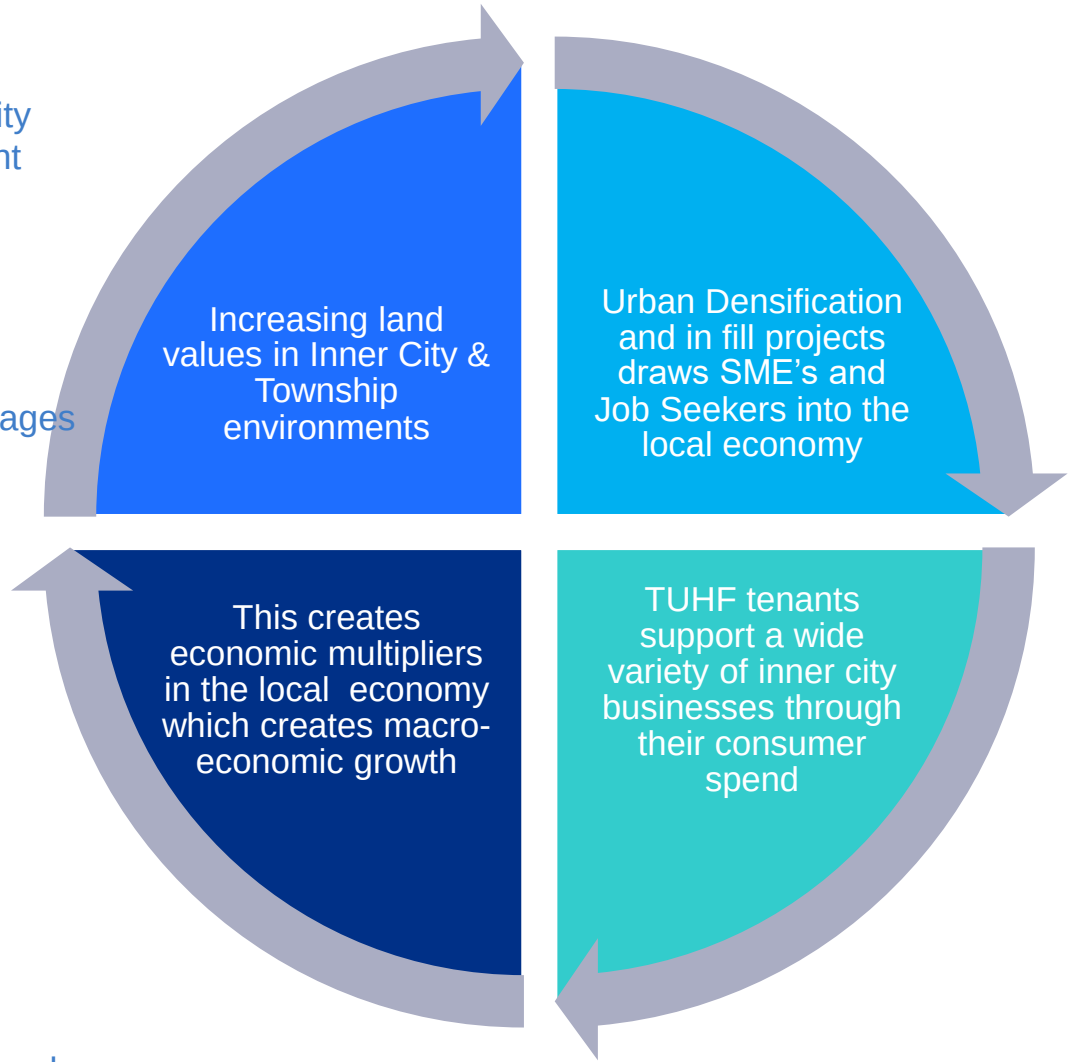
LOCAL ECONOMIC DEVELOPMENT
- Agglomeration economies: increased sector diversity
- Stimulates Local Economic and Social Development
- Inclusive Economic Growth a MICRO concept

JOB CREATION & SKILLS DEVELOPMENT
- SME Led Job Creation
- During construction, Property Management etc
- Economic Multipliers:- Forward and Backward Linkages

URBAN DENSIFICATION & REGENERATION
- Finance Repurposing and New Build in Cities
- Neighbourhoods regenerated
- Use existing physical, social and administrative infrastructure
- Significant recycling and commuting Green Effects

FISCAL IMPACT
- Increasing property values
- Increased payment of rates and utilities
- Partnering for Urban Management

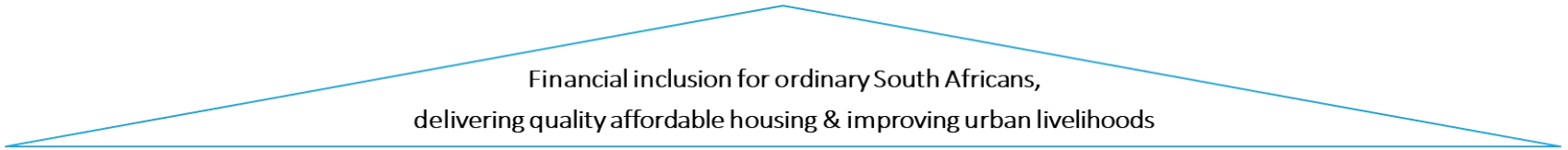
URBAN LAND REFORM
- Empowerment Finance Model – Intuthuko Equity Fund
- Inclusion changes ownership.



Investing at the very local level for inclusive economic development

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TUHF Theory of Change



Activities

Urban areas for investment identified

Funding & **capital raised**

Provision of **inclusive development finance** to PDI property SMEs to develop affordable housing

TUHF assists SMEs: project guidance & **skills development** to start & grow their property portfolios

Affordable rental housing delivered in well-located urban areas

Local economies developed

Fiscal contribution expanded

Sustainable development & green building solutions financed & implemented

Outcomes

Financial Inclusion
- Access to finance for PDIs
- Access to finance for PDI women

Local economic development
- SME growth
- SME skills development
- Jobs are created along the housing value chain
- Increased economic market activity
- Projects contribute rates & utility payments to the fiscus

Affordable Housing Outcomes
- Increase in delivery of quality affordable rental housing in well-located urban areas
- Increase in # of green buildings
- Increase in number of people housed in close proximity to economic opportunity & urban amenity

Green building & sustainable cities
- Energy & water efficiencies
- Brownfields development
- Density increased reducing urban sprawl

Impact

Livelihoods improved

SME Growth

Local Economic Development

Fiscal Impact

Urban Densification

Urban Land Reform (systemic impact)

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TUHF Impact areas and alignment to SDGs



TUHF Impact Areas

- Urban Densification
- SME Growth
- Livelihoods are improved
- Local Economic Development
- Local Fiscal Impact
- Urban Land Reform

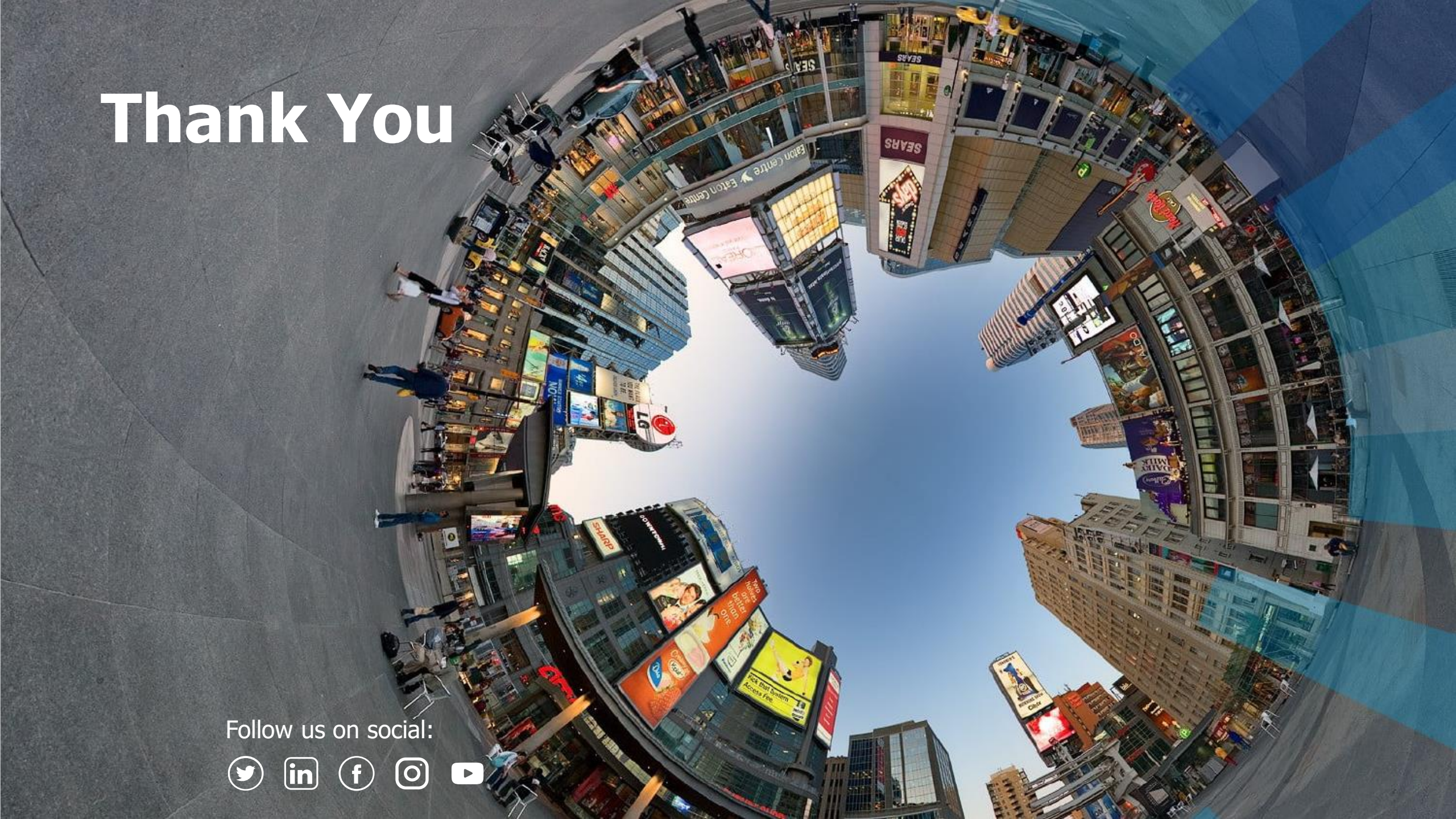
Contributions to SDG's



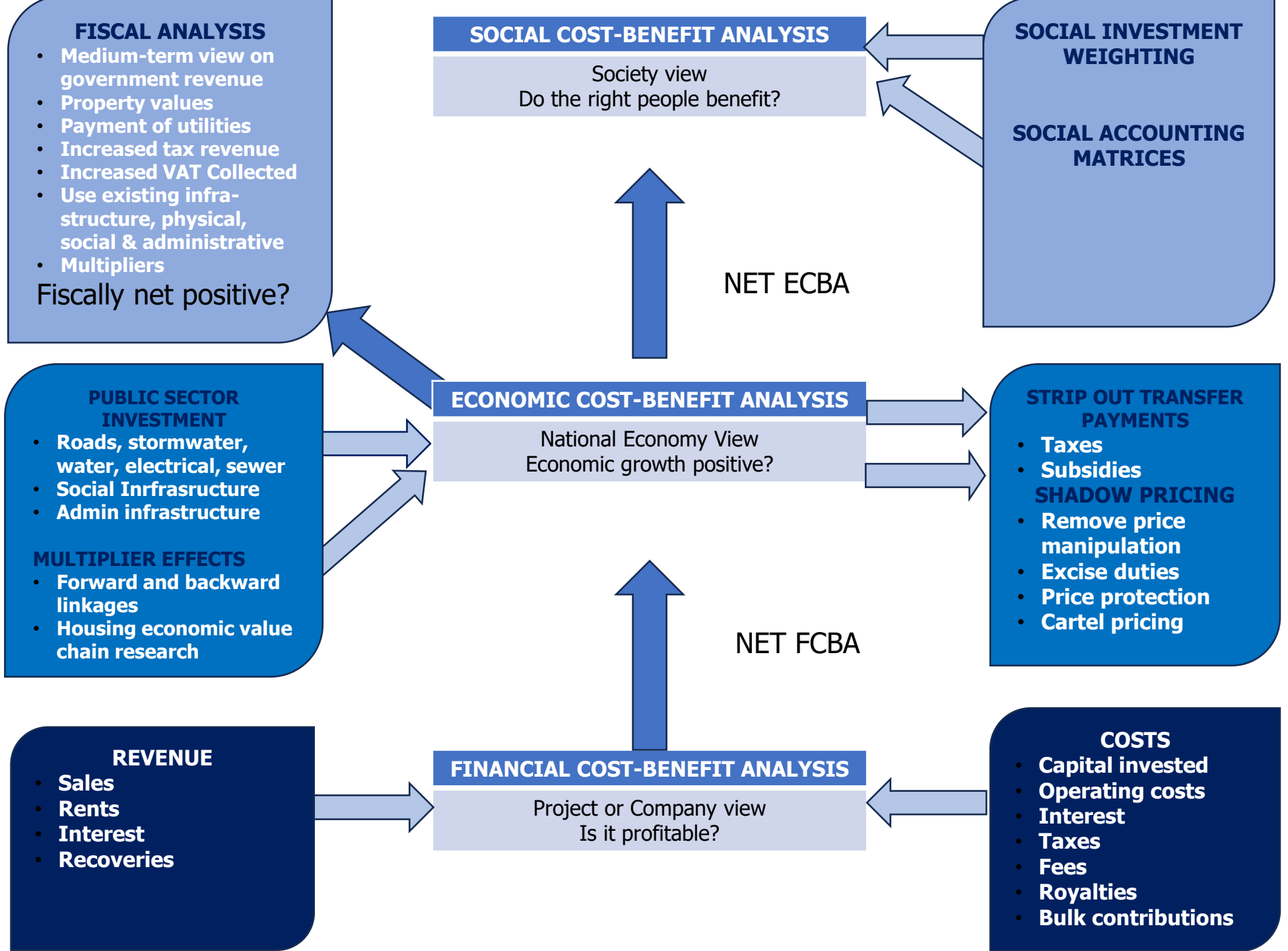
Urban Densification and Regeneration



Thank You



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FISCAL ANALYSIS
Medium-term view on government revenue
Property values
Payment of utilities
Increased tax revenue
Increased VAT Collected
Use existing infra-structure, physical, social & administrative
Multipliers
Fiscally net positive?
SOCIAL COST-BENEFIT ANALYSIS
Society view
Do the right people benefit?
SOCIAL INVESTMENT WEIGHTING
SOCIAL ACCOUNTING MATRICES
NET ECBA
PUBLIC SECTOR INVESTMENT
Roads, stormwater, water, electrical, sewer
Social Inrfrasructure
Admin infrastructure
MULTIPLIER EFFECTS
Forward and backward linkages
Housing economic value chain research
ECONOMIC COST-BENEFIT ANALYSIS
National Economy View
Economic growth positive?
STRIP OUT TRANSFER PAYMENTS
Taxes
Subsidies
SHADOW PRICING
Remove price manipulation
Excise duties
Price protection
Cartel pricing
NET FCBA
REVENUE
Sales
Rents
Interest
Recoveries
FINANCIAL COST-BENEFIT ANALYSIS
Project or Company view
Is it profitable?
COSTS
Capital invested
Operating costs
Interest
Taxes
Fees
Royalties
Bulk contributions



Policy confluence in the housing space:
economic, spatial & social **integration**,
concept of **efficient cities**



MASSIVE SMALL TO COMBAT URBAN SPRAWL

Deliver density to gain critical mass for economic activity

Many small projects all inside city boundaries

1. Lower transactions costs
2. Sustained demand unpinning Investment case
3. Broad based and inclusive participation and urban land reform

AGGLOMERATION ECONOMIES!
Local Economic Development and Fiscal Impact