

BC Funding Solutions (the "Company") is a South African-based lending platform that provides innovative funding solutions to Community Schemes such as Sectional Title Body Corporates and Homeowners Associations (collectively known as "Community Schemes")

# ABOUT US

BC Funding Solutions (Pty) Ltd is part of the Sectional Title Solutions (Pty) Ltd group and specialises in facilitating loan funding to Sectional Title Body Corporates and Homeowners Associations (“Community Schemes”). Backed by over 150 years of combined industry experience, the Company raises capital from private and institutional sources to support Community Schemes with levy debtor challenges, maintenance, and capital projects. Our core aim is to deliver sustainable funding solutions that promote financial stability and protect property investment value for unit owners, while offering benefits to lenders.

## THE BC FUNDING SOLUTIONS ADVANTAGE



**150 +**

**COMBINED TEAM AND  
INDUSTRY EXPERIENCE**



**2 000 +**

**COMMUNITY SCHEMES  
FUNDED NATIONALLY**



**R2 BN +**

**DEPLOYED INTO  
SUSTAINABLE COMMUNITY  
SCHEME LENDING**

## BENEFITS TO OUR LENDING CLIENTS IN THIS ENVIRONMENT INCLUDE:

- Direct ownership in CommunityScheme loans
- Interest returns that are not correlated to the markets
- Prime plus interest returns
- A fully managed process with no involvement required from our lenders.
- Full deployment of capital as costs are paid by the borrowers
- Legislative and contractual protections

Loans and levy debt claims are not financial products, as defined by the Financial Sector Conduct Authority and, as such, are not regulated by the Financial Advisory and Intermediary Services Act No 37 of 2002 (as amended) (“FAIS Act”).

BC Funding Solutions’ role is to connect Community Scheme borrowers with lenders wanting to enter into this secured environment, and thereafter monitor the collection and repayment of these loans to our lending clients.

## IMPORTANT TO REMEMBER

Loans to Community Schemes are illiquid. Historically, the secondary market for this asset class has been well established and sales can be facilitated by BC Funding Solutions, however the process and time related is dependent on incoming business, as there needs to be a willing buyer.

Should you wish to access your funds before maturity, an administration fee will apply based on the total withdrawal amount (capital plus interest). Withdrawals made within the first five years will incur a 10% fee, while withdrawals after five years will be subject to a 5% fee.

# OUR HISTORY

BC Funding Solutions has a rich history in the South African property industry. It was founded in 2001 by Justin Mason, who started Voyager Property Management, which focused predominantly on the Sectional Title industry, providing property consulting services, developing Sectional Title properties, and establishing property syndicates.

It also consulted to Standard Bank, ABSA, First Rand, and Nedbank, and established the Joint Banks Sectional Title Training and Compliance Program. In 2004, Voyager launched the arrear levy funding model to the industry, with funding from Nedbank and Standard Bank. However, the global financial crisis of 2008 prompted Nedbank and Standard Bank to withdraw from the sectional title lending space.

In 2010 BC Funding Solutions, started raising capital from the private individuals, corporates and trusts to provide funding to community schemes for levy debtor problems, maintenance, and capital projects.

2011	<p><b>SHIFT TO COLLECTIONS MODEL</b></p> <p>Transitioned from a rehabilitation model to immediate collections on levy defaults, while continuing to protect paying unit owners. Qualified for Financial Sector Charter points for supporting lower LSM unit owner rehabilitation.</p>
2013	<p><b>HOLLARD 5-YEAR GUARANTEE INTRODUCED</b></p> <p>Partnered with Hollard Insurance to provide a 5-year performance guarantee - covering levy funding and interest - backstopping collections and absorbing unrecovered debt.</p>
2016	<p><b>LAUNCH OF TERM LOANS</b></p> <p>Introduced funding for capital and maintenance projects, aligning with new legislation mandating maintenance reserves and 10-year upkeep plans for sectional title schemes.</p>
2018	<p><b>LEVY INSURANCE PARTNERSHIP</b></p> <p>Partnered with One Insure (underwritten by Mutual &amp; Federal) to fund levy insurance products for Community Schemes.</p>
2019	<p><b>INSURANCE RESTRUCTURE</b></p> <p>Hollard guarantee restructured under a trade credit insurance policy - retaining the 5-year term and covering capital portions of loans.</p>
2021	<p><b>JSE NOTE LISTING</b></p> <p>Listed a Note under the Redink Rentals Programme, raising R55 million in institutional capital.</p>
2023	<p><b>ESTABLISHED SPV STRUCTURES FOR INSTITUTIONAL FUNDING</b></p> <p>Unwound Redink Programme and launched a new 5-year unlisted note under the BCFS Structure, securing R50 million in institutional funding. Completed a R40 million loan transaction with one of the banks, which added to the senior funding in the Funding SPV.</p>
2024	<p><b>CAPITAL RAISE SUCCESS</b></p> <p>Secured a further smaller R15 million Note issuance to top up the senior Note funding in the Funding SPV.</p>

# ACCESS PRIVATE CREDIT OPPORTUNITIES

By partnering with BC Funding Solutions, leaders in Community Scheme funding, you can earn purpose-driven interest returns through impact-driven lending. Whether you're an individual, institution, corporate or trust, you can lend funds to vetted Community Schemes and enjoy interest returns uncorrelated to market volatility – while making a real impact. Our model enables funders to make a tangible difference. You don't just earn interest returns. You fund progress.

## WHY OUR SOLUTIONS MATTER

Our lending framework is embedded in ESG values, with direct benefits for Community Schemes. This is lending with real-world outcomes. The opportunity in the Community Schemes market:

FASTEST-GROWING  
RESIDENTIAL  
SECTOR IN SOUTH  
AFRICA

100,000 +  
REGISTERED  
SCHEMES

R5 BN +  
IN LEVY FUNDING  
NEEDS,  
NATIONALLY

R2 BN +  
NEEDED ANNUALLY  
FOR MAINTENANCE  
AND UPGRADE  
PROJECTS

*\*All figures are indicative only and based on the most current available market information at the time of publication. They are subject to change without notice.*

Why do schemes borrow? Community schemes borrow to stabilise cash flow and ensure continued service delivery when levy defaults by some owners create financial strain, limiting the scheme's ability to cover critical expenses such as unplanned or general maintenance, essential services, and the upkeep of common property — all of which impact the value of every unit.

## HOW IT WORKS

BC Funding Solutions connects Community Schemes in need of funding with willing lenders, including individuals, companies, and trusts. We facilitate the entire process - sourcing opportunities, managing legal documentation, and overseeing repayments until the loan is fully repaid.

All loans follow defined lending criteria and are backed by legislation and contractual agreements. Once onboarded, funds are deposited into an independent cash custody account managed by GAEL Fund Services (Pty) Ltd.

## WHY PLACE YOUR FUNDS WITH US?

- ✔ **Above-market returns:** Prime linked interest returns, typically outperforming traditional savings or money markets.
- ✔ **Low correlation to market volatility:** Performance is largely uncorrelated to public markets.
- ✔ **Medium- to long-term flexibility:** Terms designed to suit your portfolio.
- ✔ **Direct exposure:** to a R7+ billion national funding gap - secured and structured professionally.
- ✔ **Trusted track record:** R2 billion deployed, 2,000+ Community Schemes funded.
- ✔ **ESG-aligned purpose:** Your funds helps restore financial health to Community Schemes and upgrades living environments.

BC FUNDING SOLUTIONS (PTY) LTD

# LENDING SOLUTIONS 2026

	FORTIFIED CAPITAL PLUS	INCOME ENERGISER	POWERED WEALTH	INSURED CAPITAL	CORPORATE SAVER	IGNITE ONE
MINIMUM AMOUNT	R100 000	R100 000	R1 000 (monthly debit order)	R250 000	R1 000 (monthly debit order)	R200 000
INTEREST RATE*	Prime + 5.0%	Prime + 2.5%	Prime + 5.0%	Prime + 3.0%	Prime + 5.0%	Prime + 1.0%
INTEREST PAYMENT	Capitalised monthly	Serviced monthly	Capitalised monthly	Capitalised monthly	Capitalised monthly	Serviced monthly
WHAT ARE FUNDS USED FOR	Funds are utilised to enable Community Schemes to undertake capital improvements, address issues arising from non-payment of levies by unit owners, and to assist in maintaining financial stability, ensuring the continued upkeep and functionality of residential communities					
MATURITY**	Repaid "as and when" the Community Scheme collects outstanding levies	Monthly amortising repayments are made over a five-year term  At the end of this period, repaid capital may be redeployed into new Community Scheme loans	Repaid "as and when" the Community Scheme collects outstanding levies	Capital repayment on 5th anniversary (Hollard - trade credit insurance)	After the contribution period, repaid "as and when" the Community Scheme collects outstanding levies	Within 1 year
LIQUIDITY	Illiquid loan assets with no fixed exit date					
ADDITIONAL INFORMATION			Variable annual escalation rate (at the discretion of the client)  Ad hoc capital placements (minimum R1 000, with no maximum restrictions applicable)		Flexible contribution period (24 months, 36 months or 60 months)  After the above selected contribution period, the company may elect to transfer the asset (incentive) into the employee's name, continuing under the same terms	

**Notes**

\*Interest rates are quoted on an annual basis and compounded monthly. Rates are subject to legislative and industry limits, with a maximum of 20% per annum, except where product-specific terms (such as Insured Capital) apply at a lower rate.

\*\*Depending on the product type, solutions may include trade credit insurance protection, amortising repayment profiles, or repayments that follow an "as and when collected" basis, meaning that repayments occur progressively as the Community Scheme recovers outstanding levies from unit owners and as legal recoveries are realised, rather than according to a fixed schedule.

## LENDING CRITERIA

Community Schemes often lack sufficient income to meet their obligations due to capital improvement needs, maintenance projects or non-payment of levies by unit owners. In such cases, schemes typically have three options:

- Forego essential services, which would violate legal or constitutional obligations;
- Raise a special levy, which only resolves the issue if fully paid - otherwise, paying owners are unfairly burdened;
- Borrow the shortfall needed to meet their obligations.

BC Funding Solutions provides loans to Community Schemes under strict lending criteria. This includes the requirement that the scheme enforces levy collection protocols and initiates legal or rehabilitation processes against defaulters.

Before approving a loan, BC Funding Solutions assesses the scheme's financial viability based on required documentation submitted by the scheme or its managing agent. To protect compliant owners, any loan granted must be supported by interest charges aligned with those outlined in the Loan Agreement.

## LEGISLATION

Community Scheme ownership is a cost-effective and popular form of property ownership in South Africa, particularly for entry-level and lower-income homeowners. With around 100,000 registered schemes averaging 10–15 units each, the national funding need is estimated at R7 billion.

While many community schemes are well-managed, levy defaults by some unit owners can create serious operational challenges. These shortfalls threaten the upkeep of common property, compromise critical services like municipal utilities, lift maintenance, security, and general maintenance, and ultimately impact property values. When this happens, schemes may be forced to cut back to the bare essentials, making borrowing a necessary tool to stabilise cash flow and ensure continuity of essential services.

Sectional Title Bodies Corporate are protected by legislation, while Homeowners Associations are protected by contract and case law. These frameworks reduce the risk of loss for both the scheme and loan creditors, especially when levies are ceded as loan security. In line with Rule 21(3)(c) of the Sectional Titles Schemes Management Act, trustees are also entitled to charge interest on overdue amounts to support levy income recovery.

**The Company has managed to grow by double digits every year for the past 10 years, with a client base that is focused on medium- to higher LSM brackets as the variety of solutions evolved and diversified. The group currently services more than 2,000 Community Scheme clients and is supported by strong relationships with key industry participants and service providers. The Company continues to innovate its offerings to the industry, providing a range of value-added solutions to clients.**

# IMPACT LENDING - SUSTAINABLY

Sustainability is central to BC Funding Solutions' mission, guiding the Company's commitment to long-term, responsible financial solutions that create lasting impact for individuals, communities, and the country. The Company focuses on understanding clients' unique needs and delivering professional, sustainable funding that strengthens Community Scheme resilience.

FINANCIAL STABILITY AND IMPROVED INFRASTRUCTURE IN COMMUNITY SCHEMES

A STRONGER PROPERTY MARKET

ENVIRONMENTAL AND SOCIAL RETURNS BUILT INTO THE CORE LENDING STRUCTURE

## THROUGH THE LENS OF ESG:

BC Funding Solutions embraces Environmental, Social, and Governance (ESG) principles in its lending strategy, recognising their value in driving long-term performance and stability. ESG insights inform lending decisions and support the development of thriving, sustainable Community Schemes.

## OUR CORPORATE SOCIAL RESPONSIBILITY:

BC Funding Solutions is dedicated to uplifting South African Community Schemes by supporting long-term operational sustainability. Its lending solutions help stabilise cash flow, enable debt rehabilitation for non-paying owners, and provide funding for essential maintenance - protecting property values and enhancing the quality of life for all residents.

The Company's efforts have a tangible impact, reinforcing its belief that building for tomorrow means lending responsibly today - for the benefit of Community Schemes, residents and lenders.

## BORROWING FUNDS ENSURES THAT THE COMMUNITY SCHEME HAS THE BENEFIT OF:



**TIME** - to take the necessary action to collect outstanding levy contributions and rehabilitate the levy defaulters, including preventing them from incurring expensive legal costs.



**ACTION** - to implement required maintenance immediately, avoiding the risk of further deterioration, containment of additional unnecessary costs, price escalations and inconvenience to all unit owners.



**GUARANTEEING** - the Community Scheme's financial cash flow and stability by lending the full value of the levy debt.




**PRESERVING** - the asset value of the units in the Community Scheme and hence protecting the property investment of all unit owners.


We are dedicated to improving the social, economic and environmental well-being of our community by being a responsible corporate citizen with a strong focus on sustainable development and impact lending.



## CONTACT US

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