

THIS NOTICE IS IMPORTANT AND REQUIRES THE IMMEDIATE ATTENTION OF NOTEHOLDERS AND CERTIFICATEHOLDERS. PLEASE LET THIS NOTICE SERVE AS OFFICIAL AUTHORISATION (LETTER OF AUTHORITY) TO RELEASE SECURITY HOLDINGS IDENTITY INFORMATION UNDER EU DIRECTIVE 2007/36/EC AND THE RELATED COMMISSION IMPLEMENTING REGULATION (EU) 2018/1212 OF 03 SEPTEMBER 2018. IF NOTEHOLDERS AND/OR CERTIFICATEHOLDERS ARE IN ANY DOUBT AS TO THE ACTION THEY SHOULD TAKE, THEY SHOULD SEEK THEIR OWN FINANCIAL AND LEGAL ADVICE, INCLUDING AS TO ANY TAX CONSEQUENCES, IMMEDIATELY FROM THEIR STOCKBROKER, SOLICITOR, ACCOUNTANT OR OTHER INDEPENDENT FINANCIAL OR LEGAL ADVISER.

Stratton Mortgage Funding 2021-1 plc

(incorporated with limited liability under the laws of England and Wales with registered number 13042422)
(the "**Issuer**" or the "**Transaction**" as the context requires)

NOTICE

to the holders of the

£340,650,000 Class A Notes due September 2051 (Common Code: 229599372) (ISIN: XS2295993724)

£28,500,000 Class B Notes due September 2051 (Common Code: 229599429) (ISIN: XS2295994292)

£24,200,000 Class C Notes due September 2051 (Common Code: 229599453) (ISIN: XS2295994532)

£22,000,000 Class D Notes due September 2051 (Common Code: 229599500) (ISIN: XS2295995000)

£8,800,000 Class E Notes due September 2051 (Common Code: 229599569) (ISIN: XS2295995695)

£6,600,000 Class X1 Notes due September 2051 (Common Code: 229599712) (ISIN: XS2295997121)

£2,200,000 Class X2 Notes due September 2051 (Common Code: 229599739) (ISIN: XS2295997394)

£15,400,000 Class Z1 Notes due September 2051 (Common Code: 229599674) (ISIN: XS2295996743)

£8,310,000 Class Z2 Notes due September 2051 (Common Code: 229599704) (ISIN: XS2295997048)

and

Residual Certificates due September 2051 (Common Code: 229618105) (ISIN: XS2296181055)

Capitalised terms used but not otherwise defined in this notice shall have the meanings set out in the prospectus issued by the Issuer on 11 February 2021 in respect to the Transaction.

In this notice:

"Legal Title Holder" means the Sunbury Legal Title Holders, as serviced by the Sunbury Servicer.

"Regulatory Synthetic LIBOR" means the three-month "synthetic" LIBOR that has been published (among other tenors) on and from 1 January 2022 pursuant to the Critical Benchmarks (References and Administrators' Liability) Act 2021, on the basis of the publicly quoted three-month ICE Term SONIA reference rate plus a spread adjustment of 0.1193% per annum which in order to ensure a degree of parity between three-month LIBOR and the reconstituted synthetic LIBOR.

"Sunbury Servicer" means BCMGlobal Mortgage Services Limited.

"3 Month Term SONIA" means the risk-free interest rate for sterling over the relevant forward-looking tenor (as implied by overnight index swap contracts that reference SONIA) administered and published by Refinitiv Benchmark Services (UK) Limited on each London business day at 11:50am London time.

The Issuer refers to the 1,601 Loans comprising the proportion of the Portfolio held by the Legal Title Holder (the "**Sunbury Loans**"). The interest rate payable by the relevant Borrowers of 773 of those Sunbury Loans held by the Legal Title Holder is currently calculated by reference to Regulatory Synthetic LIBOR plus the margin applicable to that Sunbury Loan (the "**LIBOR Mortgage Loans**").

The Issuer notifies the Noteholders and the Certificateholders that the Financial Conduct Authority published its notice (the "**IBA Notice**") to ICE Benchmark Administration ("**IBA**") to compel the IBA to continue the publication of Regulatory Synthetic LIBOR until the end of March 2024, but not beyond that date. The Financial Conduct Authority confirms in the IBA Notice that parties to contracts referencing Regulatory Synthetic LIBOR are to be transitioned to reference appropriate alternative rates by the end of March 2024. The Legal Title Holder of the LIBOR Mortgage Loans have now started a project to transition the LIBOR Mortgage Loans to reference 3 Month Term SONIA as the alternative benchmark to meet this deadline. The alternative rate plus credit spread adjustment of 0.1193% plus the margin applicable to that LIBOR Mortgage Loan will derive the interest rate payable by the Borrower of that LIBOR Mortgage Loan.

The terms and conditions of the LIBOR Mortgage Loans have been reviewed by TLT LLP ("**TLT**"), a law firm retained by the Legal Title Holder of the LIBOR Mortgage Loans, to confirm and advise how the interest rate setting terms are drafted and whether consent from Borrowers is required to make the necessary changes to reference the alternative benchmark of 3 Month Term SONIA. Following delivery of TLT's report, the Legal Title Holder have confirmed that for the applicable terms and conditions of the LIBOR Mortgage Loans they either (i) contain wording allowing the Legal Title Holder to apply another method for calculating interest rates in the event of LIBOR, as a reference rate, is "unavailable"; or to follow any decision of regulators ("**Cohort 1**"); or (ii) do not provide the Legal Title Holder with any options should LIBOR be "unavailable" or include any specific provision for amending the terms and conditions without Borrower consent ("**Cohort 3**").

In light of the IBA Notice, the Issuer notifies the Noteholders and the Certificateholders that the Sunbury Servicer, on behalf of the Legal Title Holder, have taken the following action ahead of the end of March deadline:

The approach

1. The Sunbury Servicer, on behalf of the Legal Title Holder of the LIBOR Mortgage Loans, has been contacting all Borrowers of LIBOR Mortgage Loans comprising the proportion of the Portfolio held by the Legal Title Holder to confirm that their LIBOR Mortgage Loans will be transitioned to reference 3 Month Term SONIA (the "**Replacement Benchmark**") as a replacement to Regulatory Synthetic LIBOR and has sought consent to make the required amendments to their terms and conditions.
2. As set out above, for the Cohort 1 there is a unilateral right in the applicable terms and conditions for the Legal Title Holder to change the reference benchmark applicable to setting the interest rate. However, following legal advice received by the Legal Title Holder, the Sunbury Servicer, on behalf of the Legal Title Holder, has sought active consent from the Borrowers of Cohort 1, to ensure (i) that they are treating customers fairly across the LIBOR Mortgage Loans; (ii) compliance with the overarching regulatory expectation of early engagement with borrowers and the Sunbury Servicer and Legal Title Holder's consumer duty; and (iii) to mitigate the risk of later challenge.
3. For the limited number of Cohort 3 Borrowers where consent to any changes to the terms and conditions of a loan needs to be obtained from a Borrower; and the Sunbury Servicer, on behalf of the Legal Title Holder, have been taking all reasonable steps to obtain such consent. If consent is not obtained, the Sunbury Servicer, on behalf of the Legal Title Holder intend to transition all LIBOR Mortgage Loans in Cohort 3 to the Replacement Benchmark as a Prudent Mortgage Lender would do having regard to its regulatory requirements.
4. In order to effect the transition to the Replacement Benchmark, the Sunbury Servicer, on behalf of the Legal Title Holder, has followed the steps set out below.

	Cohort 1 Loans	Indicative timeframe
First step	An initial letter was sent requesting each relevant Borrower consents to the necessary amendments to their respective terms and conditions of their LIBOR Mortgage Loan.	The initial letters to all relevant Borrowers were sent out on 22 November 2023.

	Cohort 1 Loans	Indicative timeframe
Second step	A final letter, informing the Borrowers of the switch and providing an indicative monthly payment.	Final letters were distributed on or around 12 February 2024.

	Cohort 3 Loans	Indicative timeframe
First Step	An initial letter was sent requesting each relevant Borrower consents to the necessary amendments to their respective terms and conditions of their LIBOR Mortgage Loan.	The initial letters to all relevant Borrowers were sent out on 22 November 2023.
Second Step	The Sunbury Servicer undertook a more intensively managed process, with further communications with relevant Borrowers within Cohort 3. Following which, if consent was not provided by a specified date, a further letter was sent to each relevant Borrower referencing a backstop position that, in the absence of consent, the reference rate will be amended to the Replacement Benchmark.	<p>The second step correspondence to relevant Borrowers was sent on 15 January 2024.</p> <p>The Sunbury Servicer worked to schedule follow up communication with Borrowers.</p>
Third Step	A final letter, informing the Borrowers of the switch and providing an indicative monthly payment.	Final letters were distributed on or around 12 February 2024.

The steps described have been designed to: (i) effect an efficient transition process; (ii) comply with both the Sunbury Servicer and the Legal Title Holder's regulatory requirements; and (iii) mitigate the risk of litigation being brought in respect of the transition process (particularly by claims management companies who are known to be looking for opportunities arising from the LIBOR/Regulatory Synthetic LIBOR transition).

5. In addition to the letters referred to above, the Legal Title Holder has made an FAQ sheet available, explaining why the transition needs to take place, explaining what the Replacement Benchmark is and why it has been chosen.
6. Whether or not a Borrower actively consents, the terms and conditions applicable to their interest rate calculation will take effect from the last reset date before the end of March 2024 and all LIBOR Mortgage Loans will be calculated by reference to the Replacement Benchmark by no later than 15 March 2024 (being the day after the last reset date).

Moonraker LIBOR Mortgage Loans

In addition to the Sunbury Loans, the Portfolio also comprises of approximately 930 loans (the "**Moonraker Loans**") held by The Co-operative Bank p.l.c., Mortgage Agency Services Number Two Limited, Mortgage Agency Services Number Four Limited, Mortgage Agency Services Number Five Limited, Mortgage Agency Services Number Six Limited and Platform Funding Limited as the legal title holders. The interest rate payable by the relevant Borrowers of approximately 60 of the Moonraker Loans is currently calculated by reference to Regulatory Synthetic LIBOR plus the margin applicable to that Moonraker Loan

(the "**Moonraker LIBOR Mortgage Loans**"). The servicer of the Moonraker Loans is Western Mortgage Services Limited (the "**Moonraker Servicer**").

The Issuer has been in initial discussions with the Moonraker Servicer, in respect to the Moonraker LIBOR Mortgage Loans. The Issuer understands that a similar LIBOR mortgage transition to 3 Month Term SONIA project has been undertaken by the Moonraker Servicer in relation to those Loans.

Project costs

The Sunbury Servicer, the Legal Title Holder and their respective legal counsel will be invoicing the Issuer for the costs incurred in relation to the project of transitioning the LIBOR Mortgage Loans to the Replacement Benchmark.

The Issuer

Stratton Mortgage Funding 2021-1 plc

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This Notice is given by:

Stratton Mortgage Funding 2021-1 plc

Dated 19 March 2024