

Stabelo Fund 1 AB (publ)

Bloomberg: STABIAB SS Inception date: 2018-01-03
Swedish prime residential mortgages with maximum loan-to-value of 60% at origination

Key portfolio information	31 Dec 2018	30 Sep 2018	Yield development	Full quarter				
				Q4, 2018	Dec 2018	Nov 2018	Oct 2018	Full quarter Q3, 2018
Number of borrowers	3 836	2 758	%					
Number of properties financed	2 446	1 779	Gross Mortgage yield	1.28%	1.24%	1.29%	1.29%	1.29%
Average loan per property, SEK	1 319 501	1 361 749	Provision charge for expected credit loss	-0.01%	-0.01%	0.00%	0.00%	0.00%
Weighted average loan-to-value*	43.6%	43.4%	Fund costs and fees	-0.34%	-0.31%	-0.35%	-0.37%	-0.36%
Proportion of amortising loans	59.7%	57.4%	Run-rate yield	0.93%	0.92%	0.94%	0.92%	0.93%
Proportion of 3-month floating loans	91.8%	94.3%	Temporary effect of newly purchased loans	-0.01%				-0.02%
Modified duration of mortgages, years:			Timing differences due to delayed receipts	-0.01%				-0.01%
- at period-end	0.471	0.403	Effect of Fund cash balances	-0.01%				0.00%
- weighted average over the quarter	0.375	0.335	Allocated Income yield for the quarter	0.89%				0.90%
			Average mortgage book in period, MSEK	2 988.6	3 253.2	2 994.1	2 718.6	2 124.8
			Average invested funds in period, MSEK	3 004.6	3 268.0	3 019.5	2 726.2	2 134.4

Fund assets and liabilities	31 Dec 2018	30 Sep 2018	Fund income and costs	Full quarter				
				Q4, 2018	Dec 2018	Nov 2018	Oct 2018	Full quarter Q3, 2018
MSEK			MSEK					
Mortgages, at gross book value	3 227.5	2 422.6	Mortgage income received	9.4	3.3	3.2	3.0	6.7
Provision for expected credit loss	-0.1	0.0	Other income received	0.0	0.0	0.0	0.0	0.0
Valuation adjustment	0.6	0.2	Gross income received	9.4	3.3	3.2	3.0	6.7
Mortgages, at fair value	3 228.0	2 422.7	Provision charge for expected credit loss	-0.1	-0.0	-0.0	-0.0	0.0
Bank and other assets	52.2	28.1	Fund costs and fees	-2.7	-0.9	-0.9	-0.8	-1.9
Funds from issue of new debentures	518.2	285.0	Allocated Income for the quarter	6.7	2.3	2.3	2.1	4.8
Fund liabilities and equity	-12.2	-9.5						
Fund Assets under Management	3 786.2	2 726.4						
Closing number of issued debentures	3 785	2 726						
Net Asset Value per debenture, %	100.0311%	100.0144%						

Debenture primary issue price [†]	31 Dec 2018	30 Sep 2018
Portfolio value per debenture, %	100.0311%	100.0144%
Interest compensation per debenture, %	0.0000%	0.0000%
Primary issue price per debenture, %	100.0311%	100.0144%

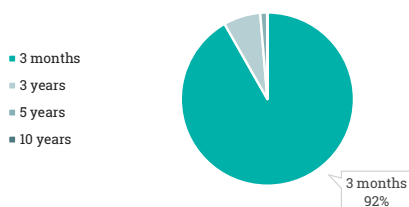
Quarterly commentary

From a clean start, at inception of the Fund in January 2018, assets under management grew to 3.8 billion kronor by the end of the year. Nearly 4 000 borrowers in Sweden chose to finance their homes with Stabelo.

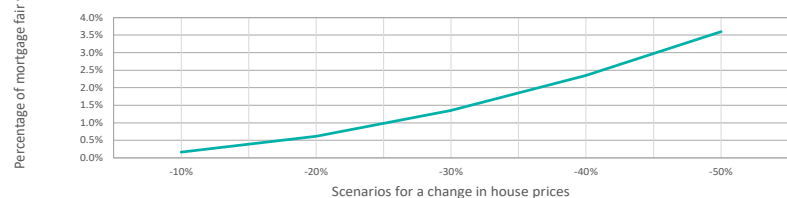
Stabelo's business model has enabled it to offer some of the most attractive rates in the market in 2018, across all maturities — from 3-month floating to 10-year fixed. Riksbanken's interest rate hike in December led to swift rate increases among mortgage lenders, ending the downward trend in short-term rates in a competitive market, seen earlier in 2018. The full effect of rate increases will reflect in Stabelo's Fund portfolio following IMM rate-setting in March.

The December provision charge for expected credit loss reflects periodic calibration of the Stabelo credit model, a fair-value statistical loss model in line with IFRS 9. The economic environment remains benign, and all Fund loans are performing.

Interest rate maturity profile of mortgages



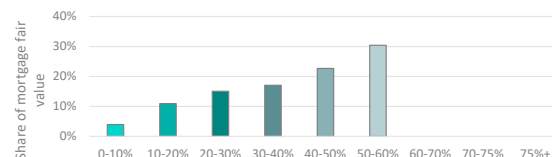
Simulated capital requirement, for a Solvency 2[‡] - regulated investor in the Fund, with regard to counterparty risk in the mortgage loans, in various house price scenarios



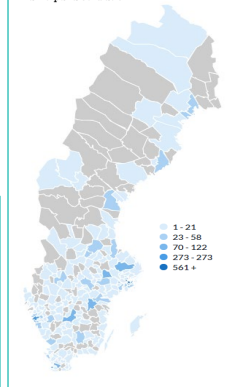
Loan-to-Value profile (Solvency 2 method[‡])



Loan-to-value distribution (Solvency 2 method[‡])



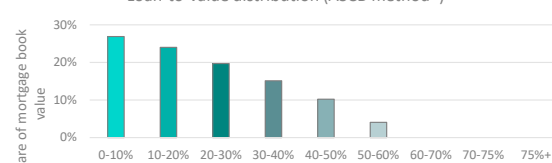
Municipal distribution



Loan-to-Value profile (ASCB method*)



Loan-to-value distribution (ASCB method*)



Notes:

[†] Portfolio value and primary issue price are stated prior to new subscriptions in process at the month end.

[‡] Solvency 2 method follows European Union Solvency II regulation EU 2015/35.

* ASCB method follows Association of Swedish Covered Bond Issuers (ASCB): each loan exposure is allocated across loan-to-value buckets based on available collateral value for the respective loan.

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Stabelo Fund 1 AB (publ)

Swedish prime residential mortgages with maximum loan-to-value of 60% at origination

Fund Manager:	Stabelo Asset Management AB
Fund Owner:	Stabelo Asset Management AB
Legal structure:	Alternative Investment Fund issuing participating debentures
Controlling authority:	Swedish Financial Supervisory Authority
Assets:	Swedish prime residential mortgages with a maximum loan-to-value of 60% at origination
Currency:	SEK
Dividend:	Quarterly participation in net Fund income less deduction for service and management fees
Date of inception:	2018-01-03

Portfolio distribution

31 December 2018

All volume figures are at book value unless otherwise stated

Assets under management	MSEK at fair value	MSEK at book value	%
Mortgage loans	3 228.0	3 227.5	85%
Bank and other assets	52.2	52.2	1%
Funds from issue of new debentures	518.2	518.2	14%
Fund liabilities and equity	- 12.2	- 12.2	0%
Fund Assets under Management	3 786.2	3 785.6	100%

Regional distribution	MSEK	%
Greater Stockholm	1 399.0	43%
East Sweden	460.2	14%
Greater Gothenburg	511.5	16%
West Sweden	127.9	4%
Greater Malmö	222.8	7%
South Sweden	122.0	4%
Småland & the Islands	137.2	4%
Northern Middle Sweden	139.2	4%
Middle Norrland	40.6	1%
Upper Norrland	67.1	2%
Mortgage loans	3 227.5	100%

Repayments	MSEK	%
Amortizing	1 927.4	60%
Interest only	1 300.1	40%
Mortgage loans	3 227.5	100%

Maturity, to interest fixing	2018	2019	2020	2021	2022	2023	2024	2025	2026-	Sum
Mortgage loans, MSEK	-	2 947.9	-	231.5	-	46.6	-	-	1.5	3 227.5
Loan volume, %	0%	91%	0%	7%	0%	1%	0%	0%	0%	100%

Maturity, to contractual end date [†]	2017-20	2021-25	2026-30	2031-35	2036-40	2041-45	2046-50	2051-55	2056-60	Sum
Mortgage loans, MSEK	-	-	505.9	-	-	-	2 721.6	-	-	3 227.5
Loan volume, %	0%	0%	16%	0%	0%	0%	84%	0%	0%	100%

[†] excluding required or scheduled customer amortisations

Seasoning, number of months since loan origination	0-12 M	12-24 M	24-36 M	36-60 M	60 M +	Sum
Mortgage loans, MSEK	3 177.6	49.9	-	-	-	3 227.5
Loan volume, %	98%	2%	0%	0%	0%	100%

Loan-to-Value (LTV) of mortgage loans using ASCB methodology	0-10%	10-20%	20-30%	30-40%	40-50%	50-60%	60-70%	70-75%	75%+	Sum
Weighted average LTV										43.6%
Loans by LTV bucket, MSEK	867.9	775.0	635.9	488.0	329.7	131.0	-	-	-	3 227.5 *
LTV distribution, %	27%	24%	20%	15%	10%	4%	0%	0%	0%	100%

* book value of mortgages

Loan-to-Value (LTV) of mortgage loans using Solvency 2 methodology	0-10%	10-20%	20-30%	30-40%	40-50%	50-60%	60-70%	70-75%	75%+	Sum
Loans by LTV bucket, MSEK	127.0	352.5	485.5	550.1	731.8	981.1	-	-	-	3 228.0 †
LTV distribution, %	4%	11%	15%	17%	23%	30%	0%	0%	0%	100%

† fair value of mortgages

Fund items		Number of borrowers servicing each loan	
Number of borrowers	3 836	1 borrower	49%
Number of properties	2 446	2 borrowers	51%
		>2 borrowers	0%

Mortgage loan collateral - type of property	Number of properties, SEK	Collateral valuation, MSEK	Mortgage loan amount, MSEK	% of loans
Single-family housing	1 240	5 091.9	1 751.1	54%
Tenant owner rights	1 206	3 658.5	1 476.4	46%
Multi-family housing	-	-	-	0%
Total	2 446	8 750.4	3 227.5	100%

Mortgage loan collateral - valuation methodology	Number of properties, SEK	Collateral valuation, MSEK	Mortgage loan amount, MSEK	% of loans
Statistical valuation	2 250	8 113.8	2 877.3	89%
Independent appraisal	194	628.3	345.9	11%
Acquisition price	2	8.3	4.3	0%
Total	2 446	8 750.4	3 227.5	100%

Interest rate fixing, by original interest maturity	MSEK	%
3 months	2 961.3	91.8%
3 years	223.4	7%
5 years	41.3	1%
10 years	1.5	0%
Mortgage loans	3 227.5	100%

Modified duration of mortgage loans at period end **0.471 years**

