

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 Mar 2020	31 Dec 2019
Number of borrowers	10 986	10 351
Number of properties financed	7 125	6 709
Average loan per property, SEK	1 402 979	1 407 115
Weighted average loan-to-value	44.4%	44.5%
Proportion of amortising loans	64.6%	64.4%
Proportion of 3-month floating loans	80.9%	81.0%
Modified duration of mortgages, years:		
- last 3-months' rolling average	0.488	0.509
- at period-end	0.545	0.574

Yield development

	Full quarter Q1, 2020	Mar 2020	Feb 2020	Jan 2020	Full quarter Q4, 2019
%					
Gross Mortgage yield	1.30%	1.31%	1.29%	1.29%	1.30 %
Provision charge for expected credit loss	0.00%	0.00%	0.00%	0.00%	0.00 %
Fund costs and fees	-0.23%	-0.24%	-0.23%	-0.22%	-0.20 %
Running yield	1.07%	1.07%	1.06%	1.07%	1.10 %
Temporary effect of newly purchased loans	0.00%				0.00%
Timing differences due to delayed receipts	0.00%				0.01%
Effect of Fund cash balances	-0.01%				-0.01%
Allocated Income yield for the quarter	1.06%				1.10%
Average mortgage book in period, MSEK	9 858.0	10 056.2	9 820.0	9 697.7	9 228.0
Average invested funds in period, MSEK	9 938.7	10 155.5	9 885.0	9 775.6	9 324.9

Fund assets and liabilities

	31 Mar 2020	31 Dec 2019
MSEK		
Mortgages, at gross book value	9 996.2	9 440.3
Provision for expected credit loss	0.0	0.0
Valuation adjustment	3.4	3.2
Mortgages, at fair value	9 999.6	9 443.6
Bank and other assets	195.9	177.2
Funds from issue of new debentures	130.1	190.1
Fund liabilities and equity	- 37.2	- 32.8
Fund Assets under Management	10 288.4	9 778.1
Closing number of issued debentures	10 282	9 772
Net Asset Value per debenture, %	100.0618%	100.0625%

Fund income and costs

	Full quarter Q1, 2020	Mar 2020	Feb 2020	Jan 2020	Full quarter Q4, 2019
MSEK					
Mortgage income received	32.0	11.2	10.4	10.5	30.2
Other income received	0.0	0.0	0.0	0.0	0.0
Gross income received	32.0	11.2	10.4	10.5	30.2
Provision charge for expected credit loss	-0.0	-0.0	-0.0	-0.0	0.0
Fund costs and fees	-5.6	-2.0	-1.9	-1.8	-4.7
Allocated Income for the quarter	26.3	9.1	8.5	8.7	25.5

Debenture primary issue price[†]

	31 Mar 2020	31 Dec 2019
% of debenture base amount		
Portfolio value per debenture, %	100.0618%	100.0625%
Interest compensation per debenture, %	0.0000%	0.0000%
Primary issue price per debenture, %	100.0618%	100.0625%

Quarterly commentary

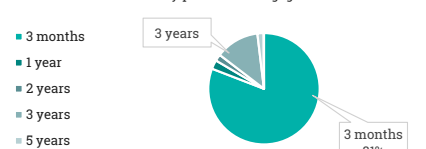
Stabelo Fund 1 closed the first quarter of 2020 with SEK 10.3 billion in assets under management, providing financing for over seven thousand Swedish homes and nearly eleven thousand borrowing customers.

The emergence of coronavirus as a global pandemic has come to dominate perspectives in the first quarter of 2020, and it has become apparent that the social and economic impacts of the pandemic can be both severe and prolonged. Good customer care is of the utmost importance to Stabelo. Measures to strengthen customer care are being made, in order to ensure that customers have the service and support they need in times of economic stress. At the same time, operational measures of the Fund Manager and its partners focus on business continuity and resilience. Drawing on experiences from previous crises, appropriate measures can protect the Fund in times of downturn, ensuring that the Fund contributes to financial stability for borrowers, investors and society.

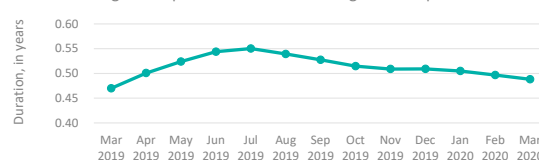
During Q1, 2020 the financial performance of the Fund was unaffected by the coronavirus pandemic. Stabelo has responded to requests from a number of customers to suspend loan amortisation payments, in accordance with Finansinspektionen's guidance. Payment arrears performance, however, has not deviated from normal levels during the quarter. The expected credit loss for Q1, 2020 was not increased, however Stabelo monitors the situation closely.

The Fund continues to grow strongly, with growth in assets under management of over 50 percent comparing Q1, 2020 to the same quarter of last year, and growth in the Q1 isolated quarter was at an annualised 23 percent. At the same time, Stabelo continues with activities to develop its mortgage offering and further its distribution channels alongside existing partnerships with Avanza and Läramas riksförbund.

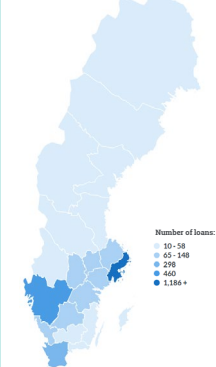
Interest rate maturity profile of mortgages



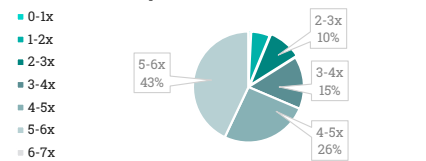
Average Fund portfolio duration - rolling 3 month periods



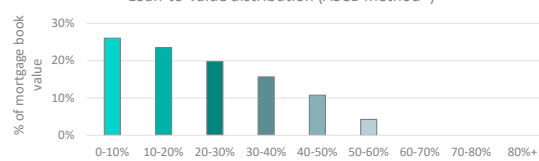
Regional distribution



Loan-to-income profile of households



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.

* 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.

Disclaimer: This portfolio report is provided by Stabelo Asset Management AB ("Stabelo") for indicative informational purposes only, based on information obtained from sources believed to be reliable but not guaranteed as being accurate, and it is unaudited. The portfolio report is not intended as a substantive or definitive document to evidence fund performance or position nor to serve as a basis for accounting. Past performance is not necessarily indicative of future results. Any prices included are indicative only. The portfolio report should not be regarded by recipients as a substitute for the exercise of their own judgment. Stabelo accepts no liability whatsoever for any loss or damage of any kind arising out of the use of all or part of the information in the portfolio report. Opinions expressed by Stabelo in the portfolio report are subject to change without notice. Nothing herein shall be construed as investment advice, nor a recommendation, solicitation or offer to buy or sell any services, products or financial instruments. The portfolio report is not intended for use by persons or entities in any country or jurisdiction where such use or distribution would be unlawful, be in violation of laws or regulations or would require any licensing or registration obligations by Stabelo. Stabelo prohibits the redistribution of this material and accepts no liability for the actions of third parties.

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 regulated under Swedish law (2013:561) on Management of Alternative Investment Funds
Supervisory 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 credit loss, sourcing and servicing cost and management fees
Date of inception:	2018-01-03
Debenture listing:	NGM Nordic Growth Market Debt Securities

Portfolio distribution

31 March 2020

All volume figures are at book value unless otherwise stated

Assets under management	MSEK at fair value	MSEK at book value	%
Mortgage loans	9 999.6	9 996.2	97%
Bank and other assets	195.9	195.9	2%
Funds from issue of new debentures	130.1	130.1	1%
Fund liabilities and equity	- 37.2	- 37.2	0%
Fund Assets under Management	10 288.4	10 285.0	100%

Regional distribution	MSEK	%
Greater Stockholm	3 893.9	39%
East Sweden	1 496.0	15%
Greater Gothenburg	1 694.2	17%
West Sweden	512.0	5%
Greater Malmö	786.6	8%
South Sweden	378.4	4%
Småland & the Islands	440.2	4%
Northern Middle Sweden	419.9	4%
Middle Norrland	147.9	1%
Upper Norrland	227.0	2%
Mortgage loans	9 996.2	100%

Repayments	MSEK	%
Amortizing	6 457.4	65%
Interest only	3 538.8	35%
Mortgage loans	9 996.2	100%

Original interest maturity	MSEK	%
3 months	8 083.3	80.9%
1 year	260.5	2.6%
2 years	192.9	1.9%
3 years	1 270.0	12.7%
5 years	182.3	1.8%
10 years	7.2	0.07%
Mortgage loans	9 996.2	100%

Residual interest maturity to interest fixing date	0-3M	3-6M	6-9M	9M-1Y	1-2Y	2-3Y	3-4Y	4-5Y	5-10Y	Sum
Mortgage loans, MSEK	8 130.5	97.5	98.9	72.4	1 003.0	407.4	105.1	74.2	7.2	9 996.2
Loan volume, %	81%	1%	1%	1%	10%	4%	1%	1%	0%	100%

Residual contractual maturity to principal repayment date including planned customer amortisations	0-2Y	2-4Y	4-6Y	6-8Y	8-10Y	10-15Y	15-20Y	20-25Y	25-30Y	Sum
Mortgage loans, MSEK	303.0	297.1	289.7	626.1	274.4	585.6	520.0	460.4	6 639.8	9 996.2
Loan volume, %	3%	3%	3%	6%	3%	6%	5%	5%	66%	100%

Seasoning profile	0-1Y	1-2Y	2-3Y	3-5Y	5Y -	Sum
Number of months since loan origination						
Mortgage loans, MSEK	3 868.5	5 653.5	474.3	-	-	9 996.2
Loan volume, %	39%	57%	5%	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%	70-80%	80%+	Sum
Weighted average LTV	44.4%									
Loans by LTV bucket, MSEK	2 600.6	2 351.5	1 978.0	1 564.6	1 075.7	425.8	-	-	-	9 996.2 *
LTV distribution, %	26%	24%	20%	16%	11%	4%	0%	0%	0%	100%

* book value of mortgages

Fund items		Number of borrowers servicing each loan	
Number of borrowers	10 986	1 borrower	45%
Number of properties	7 125	2 borrowers	55%
		>2 borrowers	0%

Mortgage loan collateral - type of property	Number of properties	Collateral valuation, MSEK	Mortgage loan amount, MSEK	% of loan amount
Single-family housing	4 045	16 684.4	6 083.2	61%
Tenant owner rights	3 080	9 633.4	3 913.0	39%
Multi-family housing	-	-	-	0%
Total	7 125	26 317.8	9 996.2	100%

Mortgage loan collateral - valuation methodology	Number of properties	Collateral valuation, MSEK	Mortgage loan amount, MSEK	% of loan amount
Statistical valuation	6 503	24 180.7	8 834.9	88%
Independent appraisal	620	2 128.8	1 157.0	12%
Acquisition price	2	8.3	4.3	0%
Total	7 125	26 317.8	9 996.2	100%

Modified duration of mortgage portfolio	
- at period end	0.545 years
- average last 3 months	0.488 years

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

Portfolio credit risk		31 Mar 2020							
SEK m									
Credit exposure	31 Mar	29 Feb	31 Jan	31 Dec	30 Nov	31 Oct	30 Sep	31 Aug	31 Jul
Mortgage loans, at gross book value	9 996.2	9 758.8	9 645.7	9 440.3	9 226.5	8 862.2	8 498.9	8 131.0	7 599.7
Valuation adjustment on mortgages	3.4	- 1.8	- 2.5	3.2	3.2	6.0	5.9	5.7	5.2
Bank and other assets	195.9	148.4	140.6	177.2	199.9	138.6	136.0	92.2	83.5
Bank - incoming funds from issue of new debentures	130.1	270.5	110.1	190.1	180.4	420.8	380.3	401.1	530.9
Total credit exposure	10 325.5	10 175.9	9 894.0	9 810.9	9 610.1	9 427.6	9 021.1	8 630.0	8 219.4
SEK m									
Loan principal where any part of the loan is past due for	31 Mar	29 Feb	31 Jan	31 Dec	30 Nov	31 Oct	30 Sep	31 Aug	31 Jul
31-60 days	-	-	-	-	-	-	-	-	-
61-89 days	-	-	-	-	-	-	-	-	-
90-120 days	-	-	-	-	-	-	-	-	-
>120 days	-	-	-	-	-	-	-	-	-
SEK m									
Forborne loans	31 Mar	29 Feb	31 Jan	31 Dec	30 Nov	31 Oct	30 Sep	31 Aug	31 Jul
Forborne loans	-	-	-	-	-	-	-	-	-
SEK m									
Impaired loans and reserves	31 Mar	29 Feb	31 Jan	31 Dec	30 Nov	31 Oct	30 Sep	31 Aug	31 Jul
Individually assessed loans									
Impaired loans, gross	-	-	-	-	-	-	-	-	-
Impaired loans gross / Lending	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Specific reserves	-	-	-	-	-	-	-	-	-
Specific reserve ratio	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Collectively assessed loans									
Collective reserves	-	-	-	-	-	-	-	-	-
Collective reserve ratio	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Total reserve ratio	-	-	-	-	-	-	-	-	-
Details of impaired loans									
	31 Mar	29 Feb	31 Jan	31 Dec	30 Nov	31 Oct	30 Sep	31 Aug	31 Jul
Number of impaired loans	-	-	-	-	-	-	-	-	-
of which single family houses	-	-	-	-	-	-	-	-	-
of which tenant owned appartments	-	-	-	-	-	-	-	-	-
Average LTV of impaired loans	-	-	-	-	-	-	-	-	-
Single family houses	-	-	-	-	-	-	-	-	-
Tenant owned appartments	-	-	-	-	-	-	-	-	-
No. of impaired loans with LTV >100%	-	-	-	-	-	-	-	-	-
of which single family houses	-	-	-	-	-	-	-	-	-
of which tenant owned appartments	-	-	-	-	-	-	-	-	-
Volume of NPL with LTV >100%, SEKm	-	-	-	-	-	-	-	-	-
of which provided for, %	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
SEK m									
Regional distribution of impaired loans	31 Mar	29 Feb	31 Jan	31 Dec	30 Nov	31 Oct	30 Sep	31 Aug	31 Jul
Greater Stockholm	-	-	-	-	-	-	-	-	-
East Sweden	-	-	-	-	-	-	-	-	-
Greater Gothenburg	-	-	-	-	-	-	-	-	-
West Sweden	-	-	-	-	-	-	-	-	-
Greater Malmö	-	-	-	-	-	-	-	-	-
South Sweden	-	-	-	-	-	-	-	-	-
Småland & the Islands	-	-	-	-	-	-	-	-	-
Northern Middle Sweden	-	-	-	-	-	-	-	-	-
Middle Norrland	-	-	-	-	-	-	-	-	-
Upper Norrland	-	-	-	-	-	-	-	-	-
Impaired loans / Lending									
	31 Mar	29 Feb	31 Jan	31 Dec	30 Nov	31 Oct	30 Sep	31 Aug	31 Jul
Greater Stockholm	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
East Sweden	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Greater Gothenburg	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
West Sweden	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Greater Malmö	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
South Sweden	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Småland & the Islands	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Northern Middle Sweden	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Middle Norrland	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Upper Norrland	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%