

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	30 Sep 2020	30 Jun 2020	Yield development	Full quarter Q3, 2020	Sep 2020	Aug 2020	Jul 2020	Full quarter Q2, 2020
Number of borrowers	12 468	11 808	%					
Number of properties financed	8 087	7 656	Gross Mortgage yield	1.34%	1.32%	1.34%	1.34%	1.35 %
Average loan per property, SEK	1 413 791	1 404 642	Provision charge for expected credit loss	0.00%	0.00%	0.00%	0.00%	0.00 %
			Fund costs and fees	-0.29%	-0.30%	-0.30%	-0.29%	-0.26 %
			Running yield	1.04%	1.03%	1.04%	1.06%	1.09 %
Weighted average loan-to-value	44.2%	44.3%	Temporary effect of newly purchased loans	-0.01%				0.00%
Proportion of amortising loans	64.1%	64.6%	Timing differences due to delayed receipts	0.00%				0.00%
Proportion of 3-month floating loans	76.5%	79.5%	Effect of Fund cash balances	-0.02%				0.00%
Modified duration of mortgages, years:			Allocated Income yield for the quarter	1.01%				1.08%
- last 3-months' rolling average	0.466	0.477						
- at period-end	0.522	0.544	Average mortgage book in period, MSEK	11 259.1	11 508.8	11 254.3	11 014.1	10 508.2
			Average invested funds in period, MSEK	11 346.2	11 606.5	11 335.9	11 096.3	10 569.0

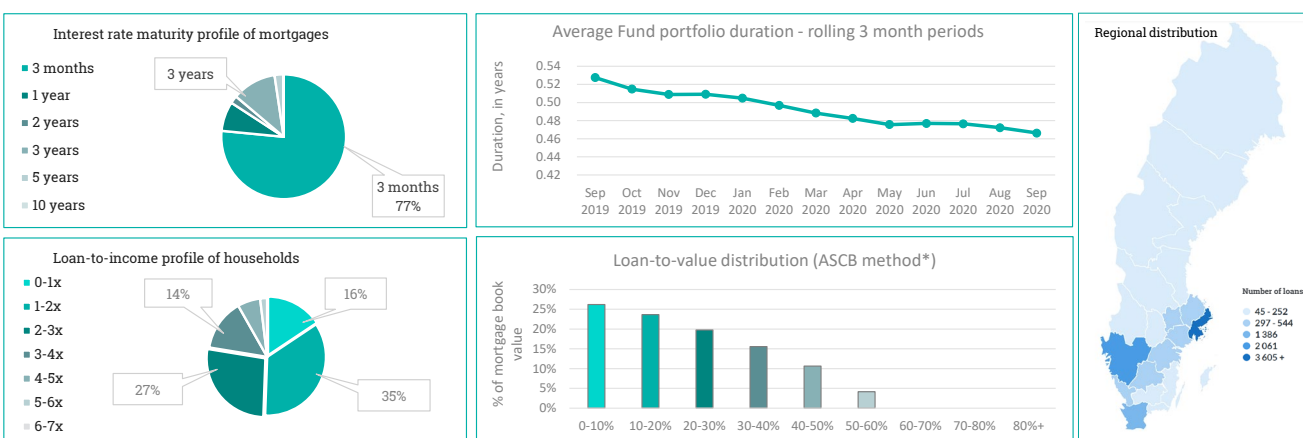
Fund assets and liabilities	30 Sep 2020	30 Jun 2020	Fund income and costs	Full quarter Q3, 2020	Sep 2020	Aug 2020	Jul 2020	Full quarter Q2, 2020
MSEK			MSEK					
Mortgage loan stock, at gross book value	11 433.3	10 753.9	Mortgage income received	37.1	12.5	12.2	12.4	35.5
Valuation adjustment	5.1	3.4	Other income received	0.0	0.0	0.0	0.0	0.0
Mortgage loan stock, at fair value	11 438.4	10 757.4	Gross income received	37.1	12.5	12.2	12.4	35.5
Mortgage loans in purchase	936.4	220.1	Provision charge for expected credit loss	-0.0	-0.0	-0.0	-0.0	-0.0
Bank and other assets	858.4	162.0	Fund costs and fees	-8.3	-2.9	-2.8	-2.6	-6.9
Fund liabilities and equity	-41.0	-40.6	Allocated Income for the quarter	28.8	9.6	9.4	9.7	28.6
Fund Assets under Management	13 192.1	11 098.9						
Closing number of issued debentures	13 182	11 092						
Net Asset Value per debenture, %	100.0767%	100.0622%						
Debenture primary issue price[†]	30 Sep 2020	30 Jun 2020						
% of debenture base amount								
Portfolio value per debenture, %	100.0767%	100.0622%						
Interest compensation per debenture, %	0.0000%	0.0000%						
Primary issue price per debenture, %	100.0767%	100.0622%						

Quarterly commentary

Stabelo's fund-based business model for Swedish private residential mortgage lending performed with resilience through the third quarter, despite an ongoing backdrop of uncertainty with the coronavirus pandemic. Stabelo's mortgage lending volumes gained momentum during Q3, growing 19% in the quarter and 47% year-on-year. The Fund completed the quarter with SEK 13.2 billion in assets under management, financing more than eight thousand Swedish homes for over twelve thousand borrowing customers. The mortgage lending portfolio continues to hold its high level of quality, without emergence of late payment behaviours or impaired lending.

Swedish Riksbanken's programme of support measures continued during Q3, having a calming effect on financial markets and helping to keep interest rates to households and companies low. Risk spreads on corporate and covered bonds tightened from the early summer and continued to fall in the third quarter. An inverted money market funding yield curve prompted competition among mortgage lenders for customers at longer interest fixing maturities. At the same time, prices in the Swedish housing market returned to a rising path, following a brief downturn at the height of the pandemic in March and April.

Stabelo's business strategy seeks sustainable business development from an environmental, social and governance perspective. Following guidelines of the Task Force on Climate-related Financial Disclosures, Stabelo obtained an independent external assessment of its carbon footprint. This supported the view that Swedish homes have relatively low carbon footprint; the Carbon Intensity of Stabelo Fund I's portfolio measured just 0.57 tonnes of carbon dioxide equivalent (tCO₂e) per SEK million of mortgage lending. The respective disclosures will be included in Stabelo's annual report.



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.

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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 Main Regulated

Portfolio distribution

30 September 2020

All volume figures are at book value unless otherwise stated

Assets under management	MSEK at fair value	MSEK at book value	%
Mortgage loan stock	11 438.4	11 433.3	87%
Mortgages loans in purchase	936.4	936.4	7%
Bank and other assets	858.4	858.4	7%
Fund liabilities and equity	- 41.0	- 41.0	0%
Fund Assets under Management	13 192.1	13 187.1	100%

Regional distribution	MSEK	%
Greater Stockholm	4 493.3	39%
East Sweden	1 677.4	15%
Greater Gothenburg	1 900.9	17%
West Sweden	605.8	5%
Greater Malmö	920.7	8%
South Sweden	434.0	4%
Småland & the Islands	496.5	4%
Northern Middle Sweden	469.6	4%
Middle Norrland	172.8	2%
Upper Norrland	262.4	2%
Mortgage loans	11 433.3	100%

Repayments	MSEK	%
Amortizing	7 334.0	64%
Interest only	4 099.3	36%
Mortgage loans	11 433.3	100%

Original interest maturity	MSEK	%
3 months	8 750.1	76.5%
1 year	874.1	7.6%
2 years	228.0	2.0%
3 years	1 311.8	11.5%
5 years	257.3	2.3%
10 years	12.0	0.1%
Mortgage loans	11 433.3	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	8 844.3	78.5	494.4	486.1	1 032.5	250.9	118.7	115.9	12.0	11 433.3
Loan volume, %	77%	1%	4%	4%	9%	2%	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	341.3	339.5	329.9	662.9	290.8	665.6	590.8	523.0	7 689.6	11 433.3
Loan volume, %	3%	3%	3%	6%	3%	6%	5%	5%	67%	100%

Seasoning profile	0-1Y	1-2Y	2-3Y	3-5Y	5Y -	Sum
Number of months since loan origination	0-1Y	1-2Y	2-3Y	3-5Y	5Y -	Sum
Mortgage loans, MSEK	3 378.0	5 856.0	2 199.3	-	-	11 433.3
Loan volume, %	30%	51%	19%	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	44.2%									
Loans by LTV bucket, MSEK	2 996.2	2 703.4	2 260.4	1 780.6	1 217.0	475.8	-	-	-	11 433.3 *
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	12 468	1 borrower	45%
Number of properties	8 087	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	4 643	19 401.6	7 061.1	62%
Tenant owner rights	3 444	10 941.2	4 372.2	38%
Multi-family housing	-	-	-	0%
Total	8 087	30 342.8	11 433.3	100%

Mortgage loan collateral - valuation methodology	Number of properties	Collateral valuation, MSEK	Mortgage loan amount, MSEK	% of loan amount
Statistical valuation	7 399	27 944.5	10 145.8	89%
Independent appraisal	686	2 390.1	1 283.3	11%
Acquisition price	2	8.3	4.2	0%
Total	8 087	30 342.8	11 433.3	100%

Modified duration of mortgage portfolio	
- at period end	0.522 years
- average last 3 months	0.466 years

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Portfolio credit risk		30 Sep 2020							
SEK m									
Credit exposure	30 Sep	31 Aug	31 Jul	30 Jun	31 May	30 Apr	31 Mar	29 Feb	31 Jan
Mortgage loans and loans in purchase	12 369.7	11 573.4	10 956.1	10 753.9	10 440.6	10 173.1	9 996.2	9 758.8	9 645.7
Valuation adjustment on mortgages	5.1	4.3	4.4	3.4	3.0	3.4	3.4	- 1.8	- 2.5
Bank and other assets	858.4	61.0	157.6	162.0	133.4	125.8	195.9	148.4	140.6
Bank - incoming funds from issue of new debentures	-	-	240.4	220.1	330.8	260.4	130.1	270.5	110.1
Total credit exposure	13 233.1	11 638.7	11 358.4	11 139.5	10 907.8	10 562.8	10 325.5	10 175.9	9 894.0
SEK m									
Loan principal where any part of the loan is past due for	30 Sep	31 Aug	31 Jul	30 Jun	31 May	30 Apr	31 Mar	29 Feb	31 Jan
31-60 days	-	-	2.8	-	-	-	-	-	-
61-89 days	-	-	-	-	-	-	-	-	-
90-120 days	-	-	-	-	-	-	-	-	-
>120 days	-	-	-	-	-	-	-	-	-
SEK m									
Forborne loans	30 Sep	31 Aug	31 Jul	30 Jun	31 May	30 Apr	31 Mar	29 Feb	31 Jan
Forborne loans	-	-	-	-	-	-	-	-	-
SEK m									
Impaired loans and reserves	30 Sep	31 Aug	31 Jul	30 Jun	31 May	30 Apr	31 Mar	29 Feb	31 Jan
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									
	30 Sep	31 Aug	31 Jul	30 Jun	31 May	30 Apr	31 Mar	29 Feb	31 Jan
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	30 Sep	31 Aug	31 Jul	30 Jun	31 May	30 Apr	31 Mar	29 Feb	31 Jan
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									
	30 Sep	31 Aug	31 Jul	30 Jun	31 May	30 Apr	31 Mar	29 Feb	31 Jan
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%