

Purpose

This document provides you with key information about this investment product. It is not marketing material. The information is required by law to help you understand the nature, risks, costs, potential gains and losses of this product and to help you compare it with other products.

You are about to purchase a product that is not simple and may be difficult to understand.

Product

Stabelo Fund 1 Participating Debentures

The product is intended for institutional investors and is not designed as an investment suitable for retail investors. The product consists of an investment in Stabelo Fund 1 (the Fund) which in turn invests in prime Swedish residential mortgages secured by single family homes or tenant-owned apartments with a maximum Loan-To-Value of 60% at origination.

An investment in the Fund is made by purchasing the Fund's so-called participating debentures. The participating debentures are organised into emission series, that are identified by their respective International Securities Identification Numbers (ISINs), as listed in the table below. Each emission series has a respective repayment date. All participating debentures share equally in the Fund's assets and share equally in its income.

Participating debenture emission series	ISIN code	Repayment date
2019A	SE0012038404	2030-01-15
2020A	SE0013525094	2031-01-16
2020B	SE0015346028	2031-01-16
2021A	SE0015346002	2032-01-16
2022A	SE0017161060	2033-01-17
2024A	SE0021486693	2035-01-15

Fund Manager	Stabelo Asset Management AB org.nr: 559064-2384, a subsidiary of Stabelo Group AB org.nr: 559030-7996. www.stabeloassetmanagement.se
Depository	Intertrust Depository Services (Sweden) AB
Supervisory authority	Stabelo Asset Management AB is authorised in Sweden and supervised by Swedish Financial Services Authority.
Listing	The Fund's participating debentures (units) are listed on the NGM Main Market www.ngm.se .

The annual report, half-yearly report, information brochure, latest Fund valuation price and other practical information are available free of charge on the Fund Manager's website or by writing to Stabelo Asset Management AB, Sturegatan 15, 114 36 Stockholm or calling +46 10-410 35 10.

The Key Information Document was updated on **2024-01-31**.

What is this product?

Type

The product is a participating debenture (sv: *vinstandelslån*) which pays a quarterly coupon, or distribution of allocated income that is variable based on the income received by the Fund less credit losses and charges. The participating debentures are issued and repaid at valuation pricing based on the Fund valuation and accumulated allocated income. The Fund is an alternative investment fund ("AIF") according to Chapter 3 Sections 1 and 9 of the Act (2013:561) on the Management of Alternative Investment Funds, other strategies. The Fund is not actively managed and does not follow any index.

Maturity

The Fund has no maturity date. Participating debentures are repaid by the Fund ten years following the year they were first issued. Investors in series 2019A and 2020A have the option to redeem the participating debentures from the sixth year after issue. The Fund Manager has the right to close the Fund and redeem the units. For full information refer to Fund Terms and Conditions.

Objectives

The Fund's goal is to create a stable risk-adjusted return as an alternative to, among other things, covered bonds. The Fund invests in Swedish private residential mortgages secured by single family homes or tenant-owned apartments with a maximum Loan-To-Value of 60% at origination. The Fund follows sustainability-related criteria in its investments. Refer to the Fund information brochure for full details.

Intended investor

The product is intended for institutional investors and is not designed to be suitable for retail investors. Participating debentures are issued by the Fund to subscribed investors who have previously signed subscription undertakings with the Fund. The minimum investment for subscribed investors is SEK 50 000 000. Each debenture has a nominal principal amount of SEK 1 000 000. The product is suitable for investors with an investment horizon of 10-15 years.

What are the risks and what could I get in return?

Risk indicator

The summary risk indicator is a guide to the level of risk of this product compared to other products. It shows how likely it is that the product loses money due to the performance of the Fund. We have classified the product as 1 out of 7, which is the lowest risk class. This means that the Fund has the lowest risk class for ups and downs in value. The indicator mainly reflects the ups and downs in the value of the mortgage loans in which the Fund has invested and may not reflect risks arising from buying and selling the product in the secondary market.

Risks not captured by the risk indicator

Liquidity risk

Liquidity risk refers to the risk of low market trading volumes that could impact an investor's ability to trade at a reasonable price. The product is intended for institutional investors as a long-term investment which they may potentially hold to maturity, so secondary market trading volumes in the product may be nil or very infrequent.

Interest rate risk and other market risks

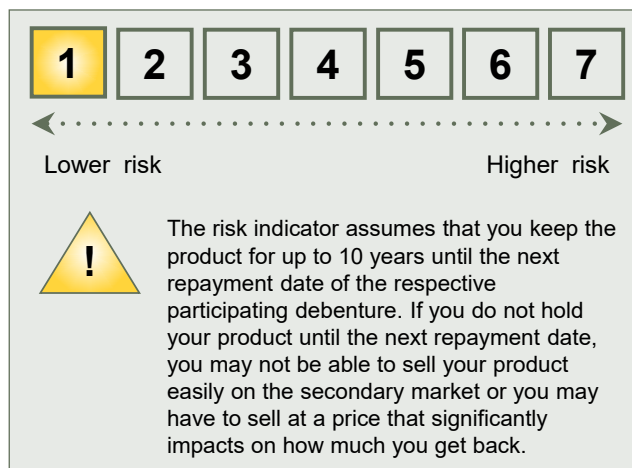
Interest rate risk arising on the Fund's mortgages affects the performance of the Fund's participating debentures. Historic variation is captured in the risk indicator, however, future interest rate risk may not reflect past performance while the secondary market performance of the product may reflect market risks in general that are not necessarily captured in the risk indicator. The product does not provide any protection against future market performance.

Credit risk and counterparty risks

The Fund has exposure to credit and counterparty risks, that are reflected in the risk indicator only to the extent they influenced historic performance of the product. Future mortgage lending market and general economic conditions may not be captured in the risk indicator.

Operational risk

The risk of loss due to, for example, system failure, errors caused by human error or by external events.



Performance scenarios

What you get from this product depends on future Fund performance and market development, which are uncertain and cannot be predicted exactly. The performance scenarios shown below are based on the Fund's performance over the last six years and a Swedish market covered bond index for the previous eight. The market may develop completely differently in the future.

The example in the table below is based on an investment of SEK 1 000 000.

Performance scenarios based on an investment of SEK 1 000 000		If you sell after 5 years	If you sell after 10 years
Minimum	There is no minimum guaranteed return. You could lose some, or all, of your investment.		
	What you might get back after costs	960 000 SEK	940 000 SEK
Stress scenario	Average return each year	-0.73%	-0.52%
	What you might get back after costs	1 070 000 SEK	1 160 000 SEK
Unfavourable scenario	Average return each year	1.37%	1.50%
	What you might get back after costs	1 090 000 SEK	1 190 000 SEK
Moderate scenario	Average return each year	1.79%	1.79%
	What you might get back after costs	1 110 000 SEK	1 230 000 SEK
Favourable scenario	Average return each year	2.24%	2.11%

The figures include all costs for the product itself but may not include all the costs that you pay to your advisor or distributor. The figures do not take into account your personal taxation situation, which can also affect how much you get back.

What happens if Stabelo Asset Management AB is unable to pay out?

The Fund must have an appointed depository that monitors the Fund's assets and cash flows. In the event that the Fund Manager goes bankrupt, a new manager shall be appointed by the Fund's depository, Intertrust Depository Services (Sweden) AB. There is no other compensation or guarantee scheme for investors in the Fund.

What are the costs?

Costs over time

The tables show the amounts that are taken over time from your investment to cover different types of costs. These amounts depend on how much you invest, how long you hold the product and how the Fund performs in pricing its mortgages compared to other lenders' average interest rates on mortgages. The amounts shown here are illustrations based on an example investment amount and different possible investment periods.

In the illustration of costs below, we have assumed the following:

- the product performs as shown in the moderate scenario;
- future Fund charges continue at the same level as the average since the Fund's start;
- an investment of SEK 1 000 000.

Costs based on an investment of SEK 1 000 000	If you sell after 5 years	If you sell after 10 years
Total costs	SEK 12 000	SEK 24 000
Annual cost effects*	0.24% each year	0.24% each year

* This illustrates how costs reduce your return each year over the holding period. The average returns in the performance scenarios are shown after deduction of these costs.

Depending on how you buy or sell the product, the person who sells the product to you may charge additional costs as compensation for their services and should advise you of those costs and the impact on your investment. Such costs are unrelated to the Fund or the Fund Manager.

Composition of costs based on an investment of SEK 1 000 000		If you sell after 5 years	If you sell after 10 years
One-off costs:			
Subscription fees	No subscription charges.	Not applicable	Not applicable
Redemption fees	No redemption charges.	Not applicable	Not applicable
Recurring costs:			
Management fees and other administration and operating expenses	Estimate based on the average rate charged by the Fund Manager, from 2018 to 2023 inclusive, of 0.24% .	SEK 12 000	SEK 24 000
Transaction costs	The Fund does not incur transaction costs in the ordinary course of business.	Not applicable	Not applicable
Additional costs charged in special circumstances			
Performance-related fees	No performance-related fee is charged for the product.	Not applicable	Not applicable

How long should I hold the product and can I take money out early?

The recommended holding period is until maturity of the product, which can be up to 10 or more years.

The Fund's participating debenture series have a normal maturity of 10 years after the year of their first issue, with exceptions described in the Fund's Terms and Conditions. In difficult market conditions, the Fund Manager has the right to extend the term by another 12 months. The participating debentures are listed on the NGM Main Market. The participating debentures are freely transferrable but it can be difficult to sell due to low liquidity.

How can I complain?

If you wish to make a complaint you may contact the Fund Manager at the address or telephone noted below. You can also write to klagomal@fondbolaget.se or alternatively to Fondbolaget, Box 123, 114 32 Stockholm.

Other relevant information

Full information about the Fund can be found in the Fund's Information Memorandum as well as the Fund Prospectus (incorporating the Fund's Terms and Conditions). The documents are maintained on the Fund Management Company's website together with the Fund's performance history, latest annual report and half-yearly report. Information is available at the Fund Manager's website www.stabeloassetmanagement.se.