

# Annual report including audited financial statements as at 31st December 2016

## **CB Fund**

Investment Fund (F.C.P.), Luxembourg

Composed of the Sub-Fund CB Fund - Save Earth Fund®

R.C.S. Luxembourg K35

**CB FONDER**  
Active | Ethical | Long-term

Management Company: SEB Fund Services S.A.  
R.C.S. Luxembourg B 44 726

#### Notice

The sole legally binding basis for the purchase of units of the Fund described in this report is the latest valid sales prospectus with its terms of contract.

**CB Fund**

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## CB Fund

### Organisation

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#### Management Company

SEB Fund Services S.A.  
4, rue Peternelchen  
L-2370 Howald

#### Board of Directors of the Management Company

##### Chairman

Gustaf UNGER  
Head of Investor Services, Transaction Banking  
Skandinaviska Enskilda Banken AB (publ), Sweden

##### Directors

Göran FORS  
Head of Sales and Market Development  
Asset Servicing  
Skandinaviska Enskilda Banken AB (publ), Sweden

Marie JUHLIN

Managing Director  
SEB Fund Services S.A., Luxembourg  
(since 29th March 2016)

Jonas LINDGREN

Client Executive, Hedge Fund Coverage  
Skandinaviska Enskilda Banken AB (publ), Sweden

Erika LUNDQUIST

Managing Director  
Skandinaviska Enskilda Banken S.A., Luxembourg  
(until 31st October 2016)

Magnus WALLBERG

Deputy Managing Director, CFO/ COO  
Skandinaviska Enskilda Banken S.A., Luxembourg  
(until 29th March 2016)

#### Depositary

Skandinaviska Enskilda Banken S.A.  
4, rue Peternelchen  
L-2370 Howald

#### Sub-Administrator Registrar and Transfer Agent

European Fund Administration S.A.  
2, rue d'Alsace  
L-1122 Luxembourg

#### Investment Manager, Placement and Marketing Agent

CB Asset Management AB  
Strandvägen 5B  
SE-114 51 Stockholm

## **CB Fund**

### **Organisation (continued)**

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#### **Auditor**

PricewaterhouseCoopers, Société coopérative  
2, rue Gerhard Mercator  
L-2182 Luxembourg

#### **Paying Agents**

##### **In Sweden**

Skandinaviska Enskilda Banken AB (publ)  
Kungsträdgårdsgatan 8  
SE-106 40 Stockholm

##### **In Luxembourg**

Skandinaviska Enskilda Banken S.A.  
4, rue Peternelchen  
L-2370 Howald

## CB Fund

### General information

CB Fund (hereafter the "Fund"), is an umbrella mutual investment fund governed by Part I of the amended Luxembourg Law of 17th December 2010 relating to Undertakings for Collective Investment (the "2010 Law"). The Fund is set up in accordance with General Management Regulations signed in Luxembourg on 11th April 2005 and Special Regulations (hereafter the "Management Regulations"). The Special Regulations were signed in Luxembourg on 30th April 2008 and entered into force on 5th May 2008. The Directive 2014/ 91/ EU of the European Parliament and of the Council of 23rd July 2014 amending the Directive 2009/ 65/ EC had been transposed by the law of 10th May 2016 coming into force on 1st June 2016 and amending the amended law of 17th December 2010.

The Fund is registered with the Luxembourg Register of Commerce ("RCS") under the number K35. The General Management Regulations and the Special Regulations have been deposited with the RCS. A notice of deposit of the last amendment of the Special Regulations was published in *Mémorial C* on 9th April 2014. Publications made after 1st June 2016 are available on the new platform called "*Recueil électronique des sociétés et associations* ("RESA")" accessible through the website of the RCS.

CB Fund's assets are the undivided joint property of the unitholders and are separate from the assets of the Management Company, SEB Fund Services S.A. (the "Management Company") registered with the Luxembourg Register of Commerce ("RCS") under the number B 44 726.

The main objective of the Fund is to provide active and professional management, to diversify investment risks and satisfy investors seeking longer-term capital growth. As in the case of any investment, the Management Company cannot guarantee future performance and there can be no certainty that the investment objectives of the Fund will be achieved.

The Fund currently issues units in one Sub-Fund: CB Fund - Save Earth Fund® (hereafter the "Sub-Fund").

The Management Company offers Class "C" and Class "D" units for institutional investors ("IC" and "ID" unit class) as well as for retail investors ("RC" unit class) in the Sub-Fund. Retail units ("R" unit class) may be issued to all kind of investors whereas institutional units ("I" unit class) may only be acquired by investors as defined by Article 174 (2) of the 2010 Law.

Class C units capitalize income.

Class D units distribute dividends.

Class IC and Class ID units are subject to a minimum initial investment of EUR 500,000.

Class ID units will distribute on an annual basis, on the first business day of November in Luxembourg, a dividend of 6% of the average Net Asset Value of Class ID (prior to the distribution of dividend) as at the last business day of October in Luxembourg. There will be no distribution of dividend in the case where such distribution would cause the net assets of the Fund to fall below the minimum capital required under the Law.

The following unit classes are currently available for subscription:

Name of unit class	Currency
IC	EUR
RC	EUR
ID	EUR

The Sub-Fund's Net Asset Value per unit is calculated daily as of each business day in Luxembourg.

## **CB Fund**

### **General information (continued)**

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The accounts and the financial statements of the Fund are expressed in EUR and correspond to the financial statements of the sole Sub-Fund open.

The Net Asset Value per unit, issue and redemption prices of each Sub-Fund and of each class of units may be obtained during business days at the registered office of the Management Company.

The financial year of the Fund ends on 31st December of each year.

The Fund publishes an annual report drawn up as per 31st December and a semi-annual report as per 30th June. Audited annual and unaudited semi-annual reports and all other information concerning the Fund are available to unitholders at no costs at the offices of the Management Company, the Depositary and any Paying Agent.

## **CB Fund**

### **Report from the Investment Manager**

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#### **Market and performance review**

CB Fund - Save Earth Fund® had another year with positive returns in 2016. The fund's RC class gained 2.0% (the NAV increased from EUR 14.33 to EUR 14.61) while the benchmark index, MSCI World Net, gained 10.7%. The cleantech sector was the best performing sector within our universe (+17.1%) followed by water (+10.9%). Renewable energy performed worse (-3.7%), partly because the market feared after the US election that the new administration will be disadvantageous to the sector.

During the first three quarters of the year CB Fund - Save Earth Fund® class RC gained 2.6%, while the benchmark gained 2.0%. The last quarter the fund lost 0.6% while then benchmark gained 8.5%. The underperformance for the last quarter was triggered by a strong sector rotation from growth to value. Rising long-term interest rates was the primary factor behind the rotation. The fund's underweight against the US and USD as well as the poor performance of renewable energy stocks after the US election are other sources of underperformance.

Regarding sector allocation, the water sector was during the year replaced by cleantech as the fund's largest sector. Renewable energy was again our smallest sector exposure. Regarding geographical allocation North America was the largest exposure at the end of the year, followed by Europe. Asia was our smallest exposure out of the three regions.

Our five largest company exposures, directly and via our fund holdings, were at year-end: Ansys (Cleantech, USA), Vestas Wind (Renewable energy, Denmark), Roper (Water, USA), Danaher (Water, USA) and Xylem (Water, USA).

During the year we decreased the direct exposure to stocks from 48% to 46%. The fund's investments in other funds increased from 47% to 51%. We plan to significantly decrease the investment in other funds in 2017, but this requires an update of the prospectus.

#### **Market outlook**

We still believe in renewable energy as a long-term investment. We do not worry much about the new US administration cutting subsidies since the sector is now competitive without subsidies.

We believe that the interest rates will continue to increase and that this will benefit value stocks over growth stocks. We have increased our exposure towards companies we believe will benefit relatively more from rising interest rates and a positive trend for value stocks. Generally, this is a relatively good environment for cleantech and a relatively bad environment for the water sector.

We are grateful to you, our unitholders, for your continued loyalty to us and confidence in us. To you and your success, as always, we remain dedicated.

Luxembourg, 2nd February 2017

The Investment Manager

Note: The information in this report represents historical data and is not an indication of future results.





## Audit Report

To the Unitholders of  
**CB Fund**

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We have audited the accompanying financial statements of CB Fund, which comprise the statement of net assets and the statement of investments and other net assets as at 31st December 2016 and the statement of operations and other changes in net assets for the year then ended, and a summary of significant accounting policies and other explanatory notes to the financial statements.

### *Responsibility of the Board of Directors of the Management Company for the financial statements*

The Board of Directors of the Management Company is responsible for the preparation and fair presentation of these financial statements in accordance with Luxembourg legal and regulatory requirements relating to the preparation of the financial statements and for such internal control as the Board of Directors of the Management Company determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

### *Responsibility of the "Réviseur d'entreprises agréé"*

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing as adopted for Luxembourg by the "Commission de Surveillance du Secteur Financier". Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the judgment of the "Réviseur d'entreprises agréé", including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the "Réviseur d'entreprises agréé" considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors of the Management Company, as well as evaluating the overall presentation of the financial statements.

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T: +352 494848 1, F: +352 494848 2900, www.pwc.lu*

*Cabinet de révision agréé. Expert-comptable (autorisation gouvernementale n°10028256)  
R.C.S. Luxembourg B 65 477 - TVA LU25482518*



## **Audit Report (continued)**

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### *Opinion*

In our opinion, the financial statements give a true and fair view of the financial position of CB Fund as of 31st December 2016, and of the results of its operations and changes in its net assets for the year then ended in accordance with Luxembourg legal and regulatory requirements relating to the preparation of the financial statements.

### *Other information*

The Board of Directors of the Management Company is responsible for the other information. The other information comprises the information included in the annual report but does not include the financial statements and our audit report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report this fact. We have nothing to report in this regard.

PricewaterhouseCoopers, Société coopérative  
Represented by

Luxembourg, 11th April 2017

A handwritten signature in blue ink, appearing to read 'Thierry Blondeau', with a long horizontal flourish extending to the right.

Thierry Blondeau

## CB Fund - Save Earth Fund®

### Statement of net assets (in EUR)

as at 31st December 2016

#### Assets

Securities portfolio at market value	23,523,663.29
Cash at banks	615,093.82
Receivable on issues of units	34,648.31
Income receivable on portfolio	4,018.05
Total assets	24,177,423.47

#### Liabilities

Bank overdrafts	0.90
Payable on redemptions of units	2,890.10
Expenses payable	38,951.09
Total liabilities	41,842.09

Net assets at the end of the year 24,135,581.38

"IC" units outstanding	95,328.884
Net asset value per "IC" unit	14.36
"ID" units outstanding	325,266.297
Net asset value per "ID" unit	9.66
"RC" units outstanding	1,343,214.692
Net asset value per "RC" unit	14.61

The accompanying notes are an integral part of these financial statements.

## CB Fund - Save Earth Fund®

### Statement of operations and other changes in net assets (in EUR)

from 1st January 2016 to 31st December 2016

#### **Income**

Dividends, net	113,137.39
Interest on bank accounts	2.33
Other commissions received	15,973.78
Total income	129,113.50

#### **Expenses**

Management fees	200,670.98
Transaction fees	24,021.65
Central administration costs	45,000.00
Professional fees	22,005.65
Other administration costs	26,045.46
Subscription duty ("taxe d'abonnement")	6,318.85
Bank interest paid	889.12
Other expenses	10,738.88
Total expenses	335,690.59

Net investment loss	-206,577.09
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#### **Net realised gain/(loss)**

- on securities portfolio	1,129,783.94
- on forward foreign exchange contracts	-2,246.57
- on foreign exchange	-23,655.52
Realised result	897,304.76

#### **Net variation of the unrealised gain/(loss)**

- on securities portfolio	-425,273.46
Result of operations	472,031.30

Dividends paid	-187,872.33
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Subscriptions	3,696,205.93
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Redemptions	-577,038.75
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Total changes in net assets	3,403,326.15
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Total net assets at the beginning of the year	20,732,255.23
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Total net assets at the end of the year	24,135,581.38
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The accompanying notes are an integral part of these financial statements.

## CB Fund - Save Earth Fund®

### Statistical information (in EUR)

as at 31st December 2016

#### Total net assets

- as at 31.12.2016	24,135,581.38
- as at 31.12.2015	20,732,255.23
- as at 31.12.2014	15,697,207.40

#### Number of "IC" units outstanding

- outstanding at the beginning of the year	95,328.884
- issued	0.000
- redeemed	0.000
- outstanding at the end of the year	95,328.884

#### Net asset value per "IC" unit

- as at 31.12.2016	14.36
- as at 31.12.2015	14.01
- as at 31.12.2014	12.68

#### Number of "ID" units outstanding

- outstanding at the beginning of the year	205,886.209
- issued	119,380.088
- redeemed	0.000
- outstanding at the end of the year	325,266.297

#### Net asset value per "ID" unit

- as at 31.12.2016	9.66
- as at 31.12.2015	10.04
- as at 31.12.2014	9.66

#### Dividend paid

Ex-dividend date	02.11.2016
Dividend per unit	0.60
Units outstanding at dividend date	313,120.552

#### Number of "RC" units outstanding

- outstanding at the beginning of the year	1,209,206.765
- issued	175,201.178
- redeemed	-41,193.251
- outstanding at the end of the year	1,343,214.692

#### Net Asset Value per "RC" unit

- as at 31.12.2016	14.61
- as at 31.12.2015	14.33
- as at 31.12.2014	13.04

The accompanying notes are an integral part of these financial statements.

## CB Fund - Save Earth Fund®

### Statement of investments and other net assets (in EUR)

as at 31st December 2016

Currency	Number / nominal value	Description	Cost	Market value	% of total net assets
<b><u>Investments in securities</u></b>					
<b><u>Transferable securities admitted to an official stock exchange listing</u></b>					
<b>Shares</b>					
CHF	12,210	ABB Ltd Reg	248,337.78	244,727.62	1.01
CHF	650	Geberit AG Reg	205,551.43	247,582.19	1.03
			453,889.21	492,309.81	2.04
DKK	12,350	Vestas Wind Systems A/ S	652,530.15	762,337.56	3.16
EUR	3,940	Aalberts Industries NV	112,011.84	121,430.80	0.50
EUR	4,530	Andritz AG	221,876.84	216,058.35	0.90
EUR	430	Eurofins Scientific SA	144,109.19	174,150.00	0.72
EUR	29,000	Infineon Technologies AG Reg	447,713.60	478,790.00	1.98
EUR	14,820	Kingspan Group	355,761.17	382,504.20	1.59
EUR	11,760	Legrand Holding SA	627,268.04	634,452.00	2.63
EUR	5,700	Nordex SE	173,055.42	116,223.00	0.48
EUR	13,100	Valeo SA	699,600.84	715,391.00	2.96
			2,781,396.94	2,838,999.35	11.76
GBP	9,480	Halma Plc	98,874.40	99,681.68	0.41
GBP	4,460	Spirax-Sarco Engineering Plc	200,072.20	218,624.63	0.91
			298,946.60	318,306.31	1.32
NOK	28,640	Tomra Systems ASA	289,033.28	285,506.78	1.18
SEK	26,140	Nibe Industrier AB B	177,289.57	195,745.77	0.81
USD	9,710	A.O.Smith Corp	399,105.57	435,964.82	1.81
USD	8,310	ANSYS Inc	678,388.68	728,799.45	3.02
USD	6,770	Autodesk Inc	407,578.62	475,106.87	1.97
USD	17,480	Borg Warner Inc	576,302.94	653,718.19	2.71
USD	6,070	Danaher Corp	336,420.57	448,026.55	1.86
USD	2,770	Ilex Corp	201,831.38	236,550.54	0.98
USD	5,230	Itron Inc	312,801.68	311,687.37	1.29
USD	15,410	Johnson Controls Intl Plc	662,072.81	601,875.50	2.49
USD	7,020	Ormat Technologies Inc	312,865.77	356,924.33	1.48
USD	5,500	Pentair Plc	292,838.79	292,418.93	1.21
USD	3,090	Roper Technologies Inc	521,331.00	536,428.22	2.22
USD	23,310	Trimble Inc	621,781.23	666,410.49	2.76
USD	10,900	Xylem Inc	437,313.05	511,822.49	2.12
			5,760,632.09	6,255,733.75	25.92
<b>Total shares</b>			10,413,717.84	11,148,939.33	46.19

The accompanying notes are an integral part of these financial statements.

## CB Fund - Save Earth Fund®

### Statement of investments and other net assets (in EUR) (continued) as at 31st December 2016

Currency	Number / nominal value	Description	Cost	Market value	% of total net assets
<b><u>Open-ended investment funds</u></b>					
<b>Investment funds (UCITS)</b>					
EUR	226,911	KBI Istl Fd Plc Istl Water H Cap	3,702,292.85	4,029,939.36	16.70
EUR	16,064	Multipartner Scv RobecoSAM Smart Materi Fd C Cap	3,971,667.05	4,041,220.48	16.74
EUR	9,148.953	Pictet Water P dy EUR Dist	1,721,172.36	2,454,572.60	10.17
			<u>9,395,132.26</u>	<u>10,525,732.44</u>	<u>43.61</u>
GBP	333,404	First State Inv ICVC Stewart Asia Pacific Sustain Fd B Cap	798,128.95	1,848,991.52	7.66
			<u>10,193,261.21</u>	<u>12,374,723.96</u>	<u>51.27</u>
<b>Total investment funds (UCITS)</b>			<u>10,193,261.21</u>	<u>12,374,723.96</u>	<u>51.27</u>
Total investments in securities			<u>20,606,979.05</u>	<u>23,523,663.29</u>	<u>97.46</u>
Cash at banks				615,093.82	2.55
Bank overdrafts				-0.90	0.00
Other net assets/ (liabilities)				-3,174.83	-0.01
Total				<u>24,135,581.38</u>	<u>100.00</u>

The accompanying notes are an integral part of these financial statements.

## CB Fund - Save Earth Fund®

### Industrial and geographical classification of investments as at 31st December 2016

#### Industrial classification

(in percentage of net assets)

Investment funds	51.27 %
Capital goods	22.18 %
Technology hardware and equipment	6.27 %
Automobiles and components	5.67 %
Software and services	4.99 %
Diversified financial services	2.49 %
Semiconductors and semiconductor equipment	1.98 %
Utilities	1.48 %
Commercial services and supplies	0.72 %
Investment companies	0.41 %
Total	<u>97.46 %</u>

#### Geographical classification

(by domicile of the issuer)

(in percentage of net assets)

Luxembourg	27.63 %
United States of America	22.22 %
Ireland	21.99 %
United Kingdom	8.98 %
France	5.59 %
Denmark	3.16 %
Germany	2.46 %
Switzerland	2.04 %
Norway	1.18 %
Austria	0.90 %
Sweden	0.81 %
The Netherlands	0.50 %
Total	<u>97.46 %</u>



## CB Fund

### Notes to the financial statements

as at 31st December 2016

#### **Note 1 - Significant accounting policies**

##### a) Presentation of the financial statements

The financial statements of the Fund are established in accordance with the Luxembourg legal and regulatory requirements concerning undertakings for collective investment.

The financial statements are presented on the basis of the Net Asset Value of the Sub-Fund calculated on 31st December 2016. In accordance with the prospectus, the last official trading Net Asset Values of the corresponding Sub-fund have been calculated on 30th December 2016 as the Net Asset Values are not calculated on 31st December 2016. Nevertheless, an additional Net Asset Value has been calculated at 31st December 2016 for reporting purpose and is disclosed in these financial statements.

##### b) Valuation

For the valuation of the Fund's assets, the following is observed:

- 1) Calculation is done on the basis of the last stock exchange prices available. Securities quoted on an official stock exchange or any other regulated market which operates regularly and is recognised and open to the public, are valued on the basis of the last known price, and, if there are several markets, the last known price of the stock exchange which is the principal market for the security in question, unless these prices are not representative.

For unquoted securities, and for quoted securities, but for which the last known price is not representative, valuation is based on the probable sales value estimated prudently and in good faith by the Management Company.

- 2) The value of the units or shares of investment funds is based on the last available Net Asset Value.
- 3) The value of any cash on hand or on deposit, bills and demand notes and accounts receivable, prepaid expenses, cash dividends and interests declared or accrued and not yet received is deemed to be the full amount thereof, unless in any case the same is unlikely to be paid or received in full, in which case the value thereof is arrived at after making such discount as may be considered appropriate in such case to reflect the true value thereof.
- 4) Liquid assets are assessed at their face value plus accrued interest.

##### c) Net realised gain/ (loss) on sales of securities

The net realised gain/ (loss) on sales of securities is determined on the basis of the average cost of securities sold.

##### d) Cost of securities

The acquisition cost of a security denominated in a currency other than that of the Sub-Fund is converted to the Sub-Fund's currency at the exchange rate prevailing on the date of purchase.

## CB Fund

### Notes to the financial statements (continued)

as at 31st December 2016

#### e) Exchange translation

Bank balances, other assets and liabilities and the value of securities held that are denominated in other currencies than the Sub-Fund's currency are converted at the prevailing exchange rate of the closing day. Income and expenses incurred in currencies other than the Sub-Fund's currency are converted at the prevailing exchange rate of the day of each transaction. Exchange gain/ (loss) is recorded in the statement of operations and other changes in net assets.

At the date of the financial statements, the prevailing exchange rates on the closing day were as follows:

1	EUR	=	1.0716845	CHF	Swiss Franc
			7.4358792	DKK	Danish Krona
			0.8535470	GBP	Pound Sterling
			9.0783132	NOK	Norwegian Krona
			9.5882123	SEK	Swedish Krona
			1.0546000	USD	US Dollar

#### f) Formation expenses

Expenses incurred in connection with the establishment of the Fund and the creation of the Sub-Fund were amortised over a period of five years.

#### g) Investment income

Dividend income is recognised on an ex-dividend basis and is recorded net of withholding tax.

#### h) Transaction fees

Transaction costs disclosed under the caption "Transaction fees" in the expenses of the statement of operations and other changes in net assets are mainly composed of broker fees incurred by the Fund and fees relating to liquidation of transactions paid to the custodian bank.

### **Note 2 - Subscription, redemption and conversion fees**

The issue price per unit is equivalent to the Net Asset Value per unit and may be increased by a subscription fee not exceeding 5% of the Net Asset Value per unit of the relevant class, payable to the parties involved in the sales of units.

No redemption fee or conversion fee is applicable to the Sub-Fund for the moment.

### **Note 3 - Management fees**

In consideration for its services related to the Sub-Fund, the Management Company is entitled to receive out of the Sub-Fund's assets a management fee of maximum 1.075% p.a. including the fees due to the Investment Manager and payable monthly in arrears based on the Sub-Fund's average net assets calculated each Valuation Day.

## CB Fund

### Notes to the financial statements (continued)

as at 31st December 2016

At the date of the financial statements, the effective annual rates were:

Unit class	Effective rate
IC	0.525%
RC	1.025%
ID	0.525%

The Investment Manager receives, out of the management fee, remuneration calculated on the average net assets of the respective Sub-Fund.

#### **Note 4 - Trailer fees**

Management fee retrocessions received by the Fund in relation to its investments in certain target funds are disclosed as "Other commissions received" in the statement of operations and other changes in net assets.

#### **Note 5 - Performance fees**

The performance fee per unit of the "RC" unit class equals 20% of the appreciation of the Net Asset Value per unit over the benchmark, which is the MSCI World Net Index (Bloomberg ticker: MSDEWIN), pre performance fee, but post the management fee and other types of fees, above the current Hurdle Value.

The performance fee is calculated and accrued daily and crystallized at the end of each calculation period. The calculation period for the "RC" unit class is monthly.

The High Water Mark "HWM" principle is applicable for this unit class. The HWM is the NAV at the end of the last calculation period where performance fee was paid.

The excess performance on each Valuation Day is defined as any difference between the current Base Net Asset Value ("Base NAV") and the greater of the HWM and the current Hurdle Value. If the difference is negative, excess performance is defined to be zero.

The Base NAV is calculated after deduction of the management fee and administration fee but prior to the calculation of any performance fee on the relevant Valuation Day.

The Hurdle Value is the HWM multiplied by the current value of the MSCI World Index and divided by the corresponding index value recorded at the end of the same calculation period.

The definitions and calculations are as follows:

$$\text{Performance fee}(t) = \text{No of units}(t) * 20\% * \text{Excess performance}(t)$$

$\text{No of units}(t) = \text{Number of units of the relevant unit class on the relevant Valuation Day before subscriptions and redemptions have been taken into account on that Valuation Day}(t)$

$$\text{Excess performance}(t) = \text{Base NAV}(t) - \max\{\text{HWM}; \text{Hurdle Value}(t)\} \text{ if difference is larger than } 0$$

The initial offer price of each unit class is the starting point for the first calculation of performance fee.

## CB Fund

### Notes to the financial statements (continued)

as at 31st December 2016

The performance fee is payable monthly in arrears to the Investment Manager. In case an investor redeems during a calculation period, the accrued performance fee in respect of the investor's units becomes payable to the Investment Manager.

The performance fee per unit of the "IC" unit class equals 20% of the outperformance of the Net Asset Value per unit over the benchmark, which is the MSCI World Net Index (Bloomberg ticker: MSDEWIN), pre performance fee, but post the management fee and other types of fees, above the current Hurdle Value.

The performance fee is calculated and accrued daily and crystallized at the end of each calculation period. The calculation period for the "IC" unit class is quarterly.

The excess performance on each Valuation Day is defined as any difference between the current Base Net Asset Value (Base NAV) and the current Hurdle Value. If the difference is negative, excess performance is defined to be zero.

The Base NAV is calculated after deduction of the management fee and administration fee but prior to the calculation of any performance fee on the relevant Valuation Day.

The Hurdle Value is the NAV at the end of the last calculation period where performance fee was paid multiplied by the current value of the MSCI World Index and divided by the corresponding index value recorded at the end of the same calculation period.

The definitions and calculations are as follows:

Performance fee(t) = no of Units(t) \* 20% \* Excess performance (t)

No of units(t) = Number of units of the relevant unit class on the relevant Valuation Day before subscriptions and redemptions have been taken into account on that Valuation Day(t)

Excess performance = Base NAV(t) – Hurdle Value(t) if difference is larger than 0

The initial offer price of each unit class is the starting point for the first calculation of performance fee.

The performance fee is payable quarterly in arrears to the Investment Manager. In case an investor redeems during a calculation period, the accrued performance fee in respect of the investor's units will become payable to the Investment Manager.

The performance fee per unit of the "ID" unit class equals 20% of the outperformance of the Net Asset Value per unit over the benchmark, which is the MSCI World Net Index (Bloomberg ticker: MSDEWIN), pre performance fee, but post the management fee and other types of fees, above the current Hurdle Value.

The performance fee is calculated and accrued daily and crystallized at the end of each calculation period. The calculation period for the "ID" unit class is quarterly.

The excess performance on each Valuation Day is defined as any difference between the current Base Net Asset Value (Base NAV) and the current Hurdle Value. If the difference is negative, excess performance is defined to be zero.

The Base NAV is calculated after deduction of the management fee and administration fee but prior to the calculation of any performance fee on the relevant Valuation Day and includes any dividend

## CB Fund

### Notes to the financial statements (continued)

as at 31st December 2016

distributed during the calculation period as well as performance of the dividend as though it was still invested.

The Hurdle Value is the NAV at the end of the last calculation period where performance fee was paid multiplied by the current value of the MSCI World Index and divided by the corresponding index value recorded at the end of the same calculation period.

The definitions and calculations are as follows:

Performance fee(t) = no of Units(t) \* 20% \* Excess performance (t)

No of units(t) = Number of units of the relevant unit class on the relevant Valuation Day before subscriptions and redemptions have been taken into account on that Valuation Day(t)

Excess performance = Base NAV(t) – Hurdle Value(t) if difference is larger than 0

The initial offer price of each unit class is the starting point for the first calculation of performance fee.

The performance fee is payable quarterly in arrears to the Investment Manager. In case an investor redeems during a calculation period, the accrued performance fee in respect of the investor's units will become payable to the Investment Manager.

At the date of the financial statements, no performance fee was recorded for the Sub-Fund.

#### **Note 6 - Central administration costs**

The Management Company is entitled to receive out of the Sub-Fund's assets an administration fee of maximum 0.12% p.a. including the fees due to the Depository. This fee is payable monthly in arrears based on the Sub-Fund's average net assets calculated each Valuation Day. However, the Management Company is entitled to a monthly minimum administration fee of EUR 2,500. The minimum fees are payable monthly in arrears to the Management Company.

The fee as well as Registrar and Transfer Agent fees paid out of the Sub-Fund's assets are also recorded under the caption "Central administration costs" in the statement of operations and other changes in net assets.

#### **Note 7 - Subscription duty ("taxe d'abonnement")**

The Fund is governed by Luxembourg law.

Pursuant to the legislation and regulations which are prevailing, the Fund is subject to an annual subscription duty ("*taxe d'abonnement*") of 0.05% which is payable quarterly and calculated on the basis of the net assets of each Sub-Fund on the last day of each quarter. A reduced rate of 0.01% per annum is applicable to unit classes which are exclusively held by Institutional Investors.

According to Article 175 (a) of the amended Law of 17th December 2010 the net assets invested in Undertakings for Collective Investments already subject to the "*taxe d'abonnement*" are exempt from this tax.

## **CB Fund**

### **Notes to the financial statements (continued)**

as at 31st December 2016

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#### **Note 8 - Investment management fee of the target funds**

When the Sub-Fund invests in other UCITS and/or other UCIs that are managed, directly or by delegation, by the same management company or by another company with which the management company is linked by common management or control, or by a substantial direct or indirect holding, the management company or such other company may not charge subscription or redemption fees on account of the Sub-Fund's investments in the units of such UCITS or other UCIs.

In respect of a Sub-Fund's investments in UCITS and other UCIs linked to the management company as described in the preceding paragraph, the total management fee (excluding any performance fee, if any) charged to such Sub-Fund and each of the UCITS or other UCIs concerned shall not exceed 5% of the relevant net assets under management.

The Sub-Fund did not invest in any linked target funds during the accounting year ending as at 31st December 2016.

#### **Note 9 - Changes in the investment portfolio**

The statement of changes in the investment portfolio for the period covered by the report is available free of charge upon request from the registered office of the Management Company and establishments responsible for financial services.

## CB Fund

### Additional Information (unaudited)

as at 31st December 2016

#### 1 - Risk management

As required by Circular CSSF 11/ 512, the Board of Directors of the Management Company needs to determine the global risk exposure of the Fund either by applying the commitment approach or the VaR approach. In terms of risk management, the Board of Directors of the Management Company decided to adopt the commitment approach as a method of determining and monitoring the global exposure.

#### 2 - Remuneration

SEB Fund Services S.A. (SEB) has implemented a Remuneration policy that is designed to encourage good performance and behavior, and seeks to achieve a balanced risk-taking that goes in line with unitholders' expectations.

In SEB, there is clear distinction between the criteria for setting fixed remuneration (e.g. base pay, pension and other benefits) and variable remuneration (e.g. short- and long-term variable remuneration). The individual total remuneration corresponds to requirements on task complexity, management and functional accountability and also related to the individual's performance.

SEB provides a sound balance between fixed and variable remuneration and aligns the payout horizon of variable pay with the risk horizon. This implies that certain maximum levels and deferral arrangements apply for different categories of employees.

The amount below represents the proportion of the total remuneration on calendar year 2016 and adjusted according to the number of full time employees during the year 2016 and identified staff (i.e. the aggregate amount of remuneration broken down by senior management and members of staff of the AIFM/ Management Company whose actions have a material impact on the risk profile of the funds). This amount is further proportioned to the total net asset value of each fund, taking into account UCITS and non-UCITS.

	TNA as of 31st December 2016*	% of total TNA managed by AIFM / Management Company	Fixed Remuneration *		Variable Remuneration *		Number of beneficiaries (Average Full Time Equivalent)
			All Employees	Identified Staff	All Employees	Identified Staff	
CB FUND	24,135,581.38	0.33	4,449.73	1,681.48	164.74	77.60	14.18

\* All amounts are in euro

Fixed Remuneration (incl. fixed salary, allowances, pension)

Variable Remuneration (incl. short term incentives and long term incentives)

## CB Fund

**Additional Information (unaudited) (continued)**  
as at 31st December 2016

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### **3 - Information concerning the transparency of securities financing transactions and of reuse of cash collateral (regulation EU 2015/2365, hereafter 'SFTR')**

At the date of the financial statements, the fund is not in the scope of the publication requirements of SFTR. No corresponding transactions were carried out during the reporting period.



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