

# Audited annual report as at 31st December 2011

## CB Fund

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



SAVE EARTH FUND™

**CB ASSET**  

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**Management**

#### 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 and  
Central Administrator**

SEB Fund Services S.A.  
6a, Circuit de la Foire Internationale  
L-1347 Luxembourg

**Board of Directors of  
the Management Company**

**Chairman**  
Niklas NYBERG  
Global Head of GTS Financial Institutions  
SEB Merchant Banking, Sweden

**Vice-Chairman**  
William PAUS  
Managing Director  
Skandinaviska Enskilda Banken AB (publ), Oslo Branch, Norway

**Directors**  
Ralf ENCE  
Senior Adviser  
SEB Merchant Banking, Sweden  
(until 20th September 2011)

Jan HEDMAN  
Global Head of Fund Execution  
SEB Merchant Banking, Sweden

Rudolf KÖMEN  
Managing Director  
SEB Asset Management S.A., Luxembourg

Ann-Charlotte LAWYER  
Managing Director  
SEB Fund Services S.A., Luxembourg

Jonas LINDGREN  
Head of Prime Brokerage  
SEB Enskilda, Securities Finance, Sweden

**Custodian Bank**

Skandinaviska Enskilda Banken S.A.  
6a, Circuit de la Foire Internationale  
L-1347 Luxembourg

**Sub-Administrator  
Registrar and Transfer Agent**

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

**Investment Manager, Placement  
and Distribution Agent**

CB Asset Management AB  
Nybrokajen 7  
SE-111 48 Stockholm

**Paying Agent**

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

## **CB Fund**

### **Organisation (continued)**

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#### **Auditor**

**In Luxembourg**  
Skandinaviska Enskilda Banken S.A.  
6a, Circuit de la Foire Internationale  
L-1347 Luxembourg

PricewaterhouseCoopers S.à r.l.  
400, Route d'Esch  
L-1471 Luxembourg

## CB Fund

### General information

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CB Fund (hereafter the "Fund"), qualifies as an umbrella mutual investment fund under the Council Directive 2009/ 65/ EC as amended and is governed by Part I of the Luxembourg law of 17th December 2010 relating to Undertakings for Collective Investment since 1st July 2011 (the "2010 Law") and by Part I of the modified Luxembourg law of 20th December 2002 (the "2002 Law") until 30th June 2011. 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.

A notice of the deposit of the initial General Management Regulations was published on 15th April 2005 in the "*Mémorial, Recueil des Sociétés et Associations*" (the "*Mémorial C*"). A notice of deposit of the Special Regulations was published on 23rd May 2008 in the "*Mémorial C*". The General Management Regulations and the Special Regulations are deposited with the "*Registre de Commerce et des Sociétés*", where they may be inspected and copies obtained.

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").

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 comprises currently one Sub-Fund: CB Fund - Save Earth Fund®(hereafter the "Sub-Fund").

The Sub-Fund's Net Asset Value per unit is calculated daily as of each business day in Luxembourg. The base currency is the euro (EUR); the Net Asset Value per unit is expressed in EUR.

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.

Financial reports of the Fund are published annually and semi-annually. These reports, as well as the prospectus and all information concerning the Fund can be obtained at the offices of the Management Company and establishments responsible for financial servicing.

## CB Fund

### Report from the Investment Manager

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In 2011 Save Earth Fund outperformed both the global water index (Palisades Global Water Index) and the index for renewable energy (WilderHill New Energy Global Innovation Index); the water index by 0.9 percentage points and the index for renewable energy by 20.8 percentage points. The fund underperformed the MSCI World Index by 15.0 percentage points. The NAV of the fund was at the beginning of the year EUR 10.64 and was at the end of the year 8.79; in absolute terms the fund lost 17.39% in 2011. Since inception (2008-06-09), the Fund has outperformed the index for renewable energy by 51.3 percentage points, the global water index by 2.7 percentage points and the Cleantech index (The Cleantech Index) by 14.9 percentage points. Against MSCI World the fund has underperformed by 16.0 percentage points since inception.

In 2010 the renewable energy index underperformed the MSCI World index by almost 30 percentage points, why we expected a better (relative) performance in 2011 - nothing could have been more wrong. The renewable energy index underperformed in 2011 the MSCI World index by 40.1 percentage points. The only right decision in 2011 was to avoid the sector, or to short it.

The start of the year was good for renewable energy, and got even better with the nuclear accident in Fukushima, Japan, but in April the favorable development faded and instead turned into constant underperformance for the rest of the year. The problems of the sector were many, but the most obvious was a low and sharply falling natural gas price and reduced subsidies to the sector due to fiscal constraints in both the United States and Europe - problems that led to sharp downward revisions of analysts' earnings estimates. The rate of change in analysts' earnings revisions are now at record lows, which we see as a possible bright spot for the sector.

In the beginning of 2011 Save Earth Fund had an exposure against renewable energy of around 20%, which we increased slightly after the nuclear accident in Japan and after April consistently decreased. At the end of the year we had virtually no exposure against the sector (2%). In the harsh climate in 2011 environmental technology and especially water management was the shelters of the fund. The water sector has many defensive elements, of which the primary being utilities that we overweighted in the second half of 2011 and which was also the best exposure of the portfolio during the year. The funds possibility to take advantage of a cash position (0-20%) was also something that we benefited from during the year.

Within environmental technology energy efficiency remains a good theme, in our opinion, and we had a large exposure against the sector during the year. The problem with the theme, though, is that the most interesting opportunities are to be found in Europe, which was a weak region during 2011. A proof of this is that our exposure against the sector, with focus on North America and so-called smart materials, was one of our best exposures during the year. Continued high oil prices and harsh legislation are reasons behind why we remain bullish on the theme, while we believe that further need for austerity in both Europe and the United States may be beneficial for the sector - the cheapest kilowatt is the one that is not used.

Luxembourg, 2nd February 2012

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 2011 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.

*PricewaterhouseCoopers S.à r.l., 400 Route d'Esch, B.P. 1443, L-1014 Luxembourg  
T: +352 494848 1, F: +352 494848 2900, www.pwc.lu*

*Cabinet de révision agréé. Expert-comptable (autorisation gouvernementale n°00123693)  
R.C.S. Luxembourg B 65 477 - Capital social EUR 516 950 - TVA LU17564447*





**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*

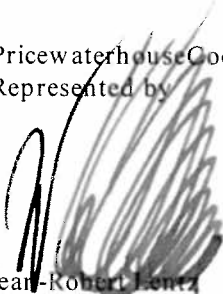
In our opinion, the financial statements give a true and fair view of the financial position of CB Fund as of 31st December 2011, and of the results of its operations and changes in its net assets for the year then ended in accordance with Luxembourg legal and regulatory requirements relating to the preparation of the financial statements.

*Other matters*

Supplementary information included in the annual report has been reviewed in the context of our mandate but has not been subject to specific audit procedures carried out in accordance with the standards described above. Consequently, we express no opinion on such information. However, we have no observation to make concerning such information in the context of the financial statements taken as a whole.

PricewaterhouseCoopers S.à r.l.  
Represented by

Luxembourg, 20th March 2012



Jean-Robert Lenz

## CB Fund

### Consolidated statement of net assets (in EUR)

as at 31st December 2011

#### Assets

Securities portfolio at market value	6,233,452.35
Cash at banks	651,509.54
Formation expenses, net	7,236.25
Receivable on issues of units	1,501.22
Total assets	6,893,699.36

#### Liabilities

Payable on redemptions of units	26,173.13
Interest on bank liabilities and expenses payable	13,139.54
Total liabilities	39,312.67

Net assets at the end of the year	6,854,386.69
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The accompanying notes are an integral part of these financial statements.

## CB Fund

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

from 1st January 2011 to 31st December 2011

#### **Income**

Dividends, net	1,957.29
Interest on bank accounts	1,381.76
Commissions received	30,270.73
Total income	33,609.78

#### **Expenses**

Management fees	77,111.00
Central administration costs	35,000.04
Professional fees	9,478.87
Other administration costs	14,118.32
Subscription duty ("taxe d'abonnement")	1,168.96
Other expenses	7,865.14
Total expenses	144,742.33

Net investment loss	-111,132.55
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#### **Net realised gain/(loss)**

- on securities portfolio	40,945.41
- on foreign exchange	10,611.93
Realised result	-59,575.21

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

- on securities portfolio	-1,312,309.65
Result of operations	-1,371,884.86

Subscriptions	881,165.08
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Redemptions	-775,665.92
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Total changes in net assets	-1,266,385.70
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Total net assets at the beginning of the year	8,120,772.39
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Total net assets at the end of the year	6,854,386.69
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The accompanying notes are an integral part of these financial statements.

## CB Fund - Save Earth Fund®

### Statement of net assets (in EUR)

as at 31st December 2011

#### Assets

Securities portfolio at market value	6,233,452.35
Cash at banks	651,509.54
Formation expenses, net	7,236.25
Receivable on issues of units	1,501.22
	<hr/>
Total assets	6,893,699.36
	<hr/>

#### Liabilities

Payable on redemptions of units	26,173.13
Interest on bank liabilities and expenses payable	13,139.54
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Total liabilities	39,312.67
	<hr/>

Net assets at the end of the year	6,854,386.69
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"RC" units outstanding	779,589.792
Net asset value per "RC" unit	8.79

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 2011 to 31st December 2011

#### **Income**

Dividends, net	1,957.29
Interest on bank accounts	1,381.76
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Total income	33,609.78

#### **Expenses**

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Total net assets at the end of the year	6,854,386.69
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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 2011

#### Total net assets

- as at 31.12.2011	6,854,386.69
- as at 31.12.2010	8,120,772.39
- as at 31.12.2009	6,611,568.32

#### Number of 'RC' units outstanding

- outstanding at the beginning of the year	763,189.850
- issued	94,821.089
- redeemed	-78,421.147
- outstanding at the end of the year	779,589.792

#### Net asset value per 'RC' unit

- as at 31.12.2011	8.79
- as at 31.12.2010	10.64
- as at 31.12.2009	9.47

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 2011

Currency	Number / nominal value	Description	Cost	Market value	% of total net assets
<b><u>Investments in securities</u></b>					
<b><u>Open-ended investment funds</u></b>					
<b>Investment funds (UCITS)</b>					
EUR	10,332	4Q-Smart Power Cap	541,144.52	412,660.08	6.02
EUR	9,885.182	Julius Baer Multipartner SAM Smart Materials Fd B Cap	1,022,500.86	1,212,219.87	17.69
EUR	9,444.95299	Pictet Water P dy EUR Dist	1,215,793.59	1,372,918.37	20.03
EUR	11,760	Quest Management Cleantech Fd C Cap	1,398,121.83	1,258,555.20	18.36
EUR	11,708	Sarasin Investmentfonds SICAV Sustainable Water A Dist	1,173,505.45	1,097,039.60	16.00
			<hr/>	<hr/>	<hr/>
			5,351,066.25	5,353,393.12	78.10
GBP	333,404	First State Investments ICVC Asia Pacific Sustain Fd B Cap	798,128.95	880,059.23	12.84
			<hr/>	<hr/>	<hr/>
			6,149,195.20	6,233,452.35	90.94
Total investments in securities					
Cash at banks				651,509.54	9.51
Other net assets/ (liabilities)				-30,575.20	-0.45
Total				<hr/>	<hr/>
				6,854,386.69	100.00

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 2011

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#### Industrial classification

(in percentage of net assets)

Investment funds	90.94 %
Total	<u>90.94 %</u>

#### Geographical classification

(by domicile of the issuer)  
(in percentage of net assets)

Grand Duchy of Luxembourg	72.08 %
United Kingdom	12.84 %
Germany	6.02 %
Total	<u>90.94 %</u>

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



## CB Fund

### Notes to the financial statements

as at 31st December 2011

#### 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.

##### 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.

##### 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 gains and losses are recorded in the statement of operations and other changes in net assets.

## CB Fund

### Notes to the financial statements (continued)

as at 31st December 2011

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

1	EUR	=	0.8354618	GBP	Pound Sterling
			8.9065780	SEK	Swedish Krona
			1.2986000	USD	US Dollar

#### f) Consolidation

The consolidated financial statements of the Fund are expressed in EUR and are equal to the corresponding captions in the financial statements of the only one Sub-Fund open.

#### g) Formation expenses

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

Formation expenses are included in the caption "Other expenses" in the statement of operations and other changes in net assets.

#### h) Investment income

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

#### i) Transaction fees

Transaction fees incurred by the Fund relating to purchase or sale of securities are included in the transaction price used to calculate the realised and unrealised gain/ (loss) on securities. They are mainly broker fees.

For the period from 1st July 2011 until 31st December 2011 these transaction costs amount to:

-	CB Fund - Save Earth Fund@	EUR 2,499.52
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### **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 to the parties involved in the sales of units.

No redemption and no conversion fees are 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.

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

## CB Fund

### Notes to the financial statements (continued)

as at 31st December 2011

#### **Note 4 - Performance fees**

The performance fee per unit of the applicable unit class of the Sub-Fund equals 20% of the appreciation of the Net Asset Value per unit of the applicable unit class of the Sub-Fund over the benchmark, which is the MSCI World Index, pre performance fee, but post the management fee and other types of fees, above the current Hurdle Value of the applicable unit class of the Sub-Fund.

The performance fee is calculated and accrued daily in the respective unit classes and is paid out to the Investment Manager, CB Asset Management AB, monthly in arrears.

The performance fee is subject to a "High Watermark" which means that the manager only receives performance fees on increases in the Net Asset Value of the Sub-Fund in excess of the highest Net Asset Value it has previously achieved.

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 calculated after the historically observed maximum Net Asset Value (subtracting dividends, if any), referred to as the High Water Mark NAV, multiplied by the current value of the MSCI World Index and divided by the corresponding index value recorded on the day when the most recent (current) High Water Mark (NAV HWM) was achieved.

#### **Note 5 - 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 Custodian Bank. 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.

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

#### **Note 6 - 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.

According to Article 175 (a) of the 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 2011

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#### **Note 7 - Risk management**

In terms of risk management, the Board of Directors of the Management Company of the Fund decided to adopt the commitment approach as a method of determining the global exposure.

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

When the Fund invests in the units of 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 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-Funds did not invest in any linked target funds during the accounting year ending as at 31st December 2011.

#### **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.

#### **Note 10 - Subsequent event**

The registered office of the Fund will be transferred to 4, Rue Peternelchen, L-2370 Howald (municipality of Hesperange) with effective date on 1st April 2012.

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