

Audited annual report as at 31st December 2012

CB Fund

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



SAVE EARTH FUND™

CB FONDER

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

Management Company and Central Administrator

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

Board of Directors of the Management Company

Chairman
Ralf FERNER
Managing Director
SEB Asset Management S.A., Luxembourg
(since 16th November 2012)

Niklas NYBERG
Global Head of GTS Financial Institutions
SEB Merchant Banking, Sweden
(until 15th November 2012)

Vice-Chairman
Peter KUBICKI
Managing Director
Skandinaviska Enskilda Banken S.A., Luxembourg
(since 1st June 2012)

William PAUS
Managing Director
Skandinaviska Enskilda Banken AB (publ), Oslo
Branch, Norway
(until 31st May 2012)

Directors
Göran FORS
Global Head of GTS Banks and Financial Institutions
SEB Merchant Banking Sweden
(since 16th November 2012)

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

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

Jan HEDMAN
Global Head of Fund Execution
SEB Merchant Banking, Sweden
(until 15th November 2012)

Rudolf KÖMEN
Managing Director
SEB Asset Management S.A., Luxembourg
(until 15th November 2012)

* The registered office of all SEB entities in Luxembourg was transferred from 6a, Circuit de la Foire Internationale, L-1347 Luxembourg to 4, rue Peternelchen, L-2370 Howald with effect from 1st April 2012.

CB Fund

Organisation (continued)

| | |
|--|--|
| Custodian Bank | 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 Nybrokajen 7 SE-111 48 Stockholm |
| Paying Agent | 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 |
| Auditor | PricewaterhouseCoopers, Société coopérative 400, route d'Esch L-1471 Luxembourg |

* The registered office of all SEB entities in Luxembourg was transferred from 6a, Circuit de la Foire Internationale, L-1347 Luxembourg to 4, rue Peternelchen, L-2370 Howald with effect from 1st April 2012.

CB Fund

General information

CB Fund (hereafter the "Fund"), is an umbrella mutual investment fund governed by Part I of the 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.

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

Class C units capitalize income.

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

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

After a harsh 2011 CB Fund - Save Earth Fund® performed quite well in 2012; the fund gained 13.8% (the NAV increased from EUR 8.79 to EUR 10.00) compared to the benchmark index, MSCI World Net, that gained 14.0%. However all was quiet on the environmental front: water treatment was once again the best performing sector (+17.5%) and renewable energy was by far the worst (-7.3%). CB Fund - Save Earth Fund® performed significantly better than the indices for both Cleantech and Renewable Energy – outperforming the former with 8.5 percentage points and the latter with 21.1 percentage points.

The fund had a high exposure towards the Water Treatment sector throughout the year, and from August and onwards it amounted to more than 50% of invested capital. The exposure to Cleantech, which averaged 47% throughout the year, is mainly made up of European companies active in energy efficiency. The fund had practically no exposure to Renewable Energy, which proved to be a correct decision.

Geographically we were consistently overweight Europe during 2012, which also was the best performing region during 2012 (+17.5%). We had quite low exposure to Asia due to the fact that we have difficulties in finding good exposures in the region. Our exposure to North America averaged 33% during the year. Due to large valuation discrepancies between Europe and North America we sold off in the latter and bought in to the former from September and onwards. At the end of the year we turned bullish on the Euro versus the USD which increased our confidence in Europe even more.

Our five largest company exposures, via our fund holdings, was at the end of the year Andritz (Renewable energy, Austria), American Water Works (Water Treatment, USA), Xylem (Water Treatment, USA), Danaher (Water Treatment, USA) and Arcadis (Cleantech, Netherlands).

Looking in to the crystal ball and trying to prophesy 2013 we are quite optimistic about the prospects for the environmental sector and for the fund. As the political influence on the markets abates more focus will be on the fundamentals of the individual companies and on the secular growth drivers behind the sector, which we see no reasons to reassess – rather the other way around.

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

Luxembourg, 1st February 2013

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

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 2012 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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*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 2012, 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, Société coopérative
Represented by

Luxembourg, 20th March 2013

Jean-Robert Lentz

CB Fund

Consolidated statement of net assets (in EUR)

as at 31st December 2012

Assets

| | |
|--------------------------------------|--------------|
| Securities portfolio at market value | 7,178,524.17 |
| Cash at banks | 323,000.13 |
| Formation expenses, net | 2,232.43 |
| Receivable on issues of units | 5,544.00 |
| | <hr/> |
| Total assets | 7,509,300.73 |
| | <hr/> |

Liabilities

| | |
|---|--------------|
| Payable on redemptions of units | 688.83 |
| Interest on bank liabilities and expenses payable | 17,213.54 |
| | <hr/> |
| Total liabilities | 17,902.37 |
| | <hr/> |
| Net assets at the end of the year | 7,491,398.36 |
| | <hr/> <hr/> |

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 2012 to 31st December 2012

Income

| | |
|----------------------|-----------|
| Dividends, net | 5,780.52 |
| Commissions received | 25,597.77 |
| Total income | 31,378.29 |

Expenses

| | |
|---|------------|
| Management fees | 75,228.58 |
| Transaction fees | 3,534.67 |
| Central administration costs | 35,000.04 |
| Professional fees | 16,442.13 |
| Other administration costs | 20,845.11 |
| Subscription duty ("taxe d'abonnement") | 1,325.77 |
| Other expenses | 5,846.16 |
| Total expenses | 158,222.46 |

| | |
|---------------------|-------------|
| Net investment loss | -126,844.17 |
|---------------------|-------------|

Net realised gain/(loss)

| | |
|---------------------------|------------|
| - on securities portfolio | 248,981.34 |
| - on foreign exchange | 589.03 |
| Realised result | 122,726.20 |

Net variation of the unrealised gain/(loss)

| | |
|---------------------------|------------|
| - on securities portfolio | 817,127.57 |
| Result of operations | 939,853.77 |

| | |
|---------------|------------|
| Subscriptions | 959,817.52 |
|---------------|------------|

| | |
|-------------|---------------|
| Redemptions | -1,262,659.62 |
|-------------|---------------|

| | |
|-----------------------------|------------|
| Total changes in net assets | 637,011.67 |
|-----------------------------|------------|

| | |
|---|--------------|
| Total net assets at the beginning of the year | 6,854,386.69 |
|---|--------------|

| | |
|---|--------------|
| Total net assets at the end of the year | 7,491,398.36 |
|---|--------------|

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 2012

Assets

| | |
|--------------------------------------|--------------|
| Securities portfolio at market value | 7,178,524.17 |
| Cash at banks | 323,000.13 |
| Formation expenses, net | 2,232.43 |
| Receivable on issues of units | 5,544.00 |
| | <hr/> |
| Total assets | 7,509,300.73 |
| | <hr/> |

Liabilities

| | |
|---|-----------|
| Payable on redemptions of units | 688.83 |
| Interest on bank liabilities and expenses payable | 17,213.54 |
| | <hr/> |
| Total liabilities | 17,902.37 |
| | <hr/> |

| | |
|-----------------------------------|--------------|
| Net assets at the end of the year | 7,491,398.36 |
| | <hr/> <hr/> |

| | |
|-------------------------------|-------------|
| "RC" units outstanding | 749,406.890 |
| Net asset value per "RC" unit | 10.00 |

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 2012 to 31st December 2012

Income

| | |
|----------------------|-----------|
| Dividends, net | 5,780.52 |
| Commissions received | 25,597.77 |
| Total income | 31,378.29 |

Expenses

| | |
|---|------------|
| Management fees | 75,228.58 |
| Transaction fees | 3,534.67 |
| Central administration costs | 35,000.04 |
| Professional fees | 16,442.13 |
| Other administration costs | 20,845.11 |
| Subscription duty ("taxe d'abonnement") | 1,325.77 |
| Other expenses | 5,846.16 |
| Total expenses | 158,222.46 |

| | |
|---------------------|-------------|
| Net investment loss | -126,844.17 |
|---------------------|-------------|

Net realised gain/(loss)

| | |
|---------------------------|------------|
| - on securities portfolio | 248,981.34 |
| - on foreign exchange | 589.03 |
| Realised result | 122,726.20 |

Net variation of the unrealised gain/(loss)

| | |
|---------------------------|------------|
| - on securities portfolio | 817,127.57 |
| Result of operations | 939,853.77 |

| | |
|---------------|------------|
| Subscriptions | 959,817.52 |
|---------------|------------|

| | |
|-------------|---------------|
| Redemptions | -1,262,659.62 |
|-------------|---------------|

| | |
|-----------------------------|------------|
| Total changes in net assets | 637,011.67 |
|-----------------------------|------------|

| | |
|---|--------------|
| Total net assets at the beginning of the year | 6,854,386.69 |
|---|--------------|

| | |
|---|--------------|
| Total net assets at the end of the year | 7,491,398.36 |
|---|--------------|

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

CB Fund - Save Earth Fund®

Statistical information (in EUR)

as at 31st December 2012

Total net assets

| | |
|--------------------|--------------|
| - as at 31.12.2012 | 7,491,398.36 |
| - as at 31.12.2011 | 6,854,386.69 |
| - as at 31.12.2010 | 8,120,772.39 |

Number of 'RC' units outstanding

| | |
|--|--------------|
| - outstanding at the beginning of the year | 779,589.792 |
| - issued | 98,859.791 |
| - redeemed | -129,042.693 |
| - outstanding at the end of the year | 749,406.890 |

Net asset value per 'RC' unit

| | |
|--------------------|-------|
| - as at 31.12.2012 | 10.00 |
| - as at 31.12.2011 | 8.79 |
| - as at 31.12.2010 | 10.64 |

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 2012

| Currency | Number / nominal value | Description | Cost | Market value | % of total net assets |
|---|---------------------------|---|--------------|--------------|-----------------------------|
| <u>Investments in securities</u> | | | | | |
| <u>Open-ended investment funds</u> | | | | | |
| Investment funds (UCITS) | | | | | |
| EUR | 7,978 | BNP Paribas Aqua P Cap | 1,396,724.16 | 1,438,912.08 | 19.21 |
| EUR | 3,718.182 | Julius Baer Multipartner SAM Smart Materials Fd B Cap | 390,054.54 | 476,373.48 | 6.36 |
| EUR | 7,978.95299 | Pictet Water P dy EUR Dist | 1,055,363.95 | 1,301,287.44 | 17.37 |
| EUR | 11,094 | Quest Management Cleantech Fd C Cap | 1,328,434.21 | 1,448,210.76 | 19.33 |
| EUR | 6,826 | Sarasin Investmentfonds SICAV Sustainable Water A Dist | 713,406.04 | 748,129.60 | 9.99 |
| | | | 4,883,982.90 | 5,412,913.36 | 72.26 |
| GBP | 333,404 | First State Inv ICVC Asia Pacific Sustain Fd B Cap | 798,128.95 | 1,156,132.13 | 15.43 |
| | | | 5,682,111.85 | 6,569,045.49 | 87.69 |
| Total investment funds (UCITS) | | | | | |
| Investment funds (UCI) | | | | | |
| EUR | 538 | Julius Baer Multiflex Carnot Efficient Energy Fd B3 Cap | 595,027.60 | 609,478.68 | 8.13 |
| | | | 595,027.60 | 609,478.68 | 8.13 |
| Total investment funds (UCI) | | | | | |
| Total investments in securities | | | 6,277,139.45 | 7,178,524.17 | 95.82 |
| Cash at banks | | | | 323,000.13 | 4.31 |
| Other net assets/ (liabilities) | | | | -10,125.94 | -0.13 |
| Total | | | | 7,491,398.36 | 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 2012

Industrial classification

(in percentage of net assets)

| | |
|------------------|----------------|
| Investment funds | 95.82 % |
| Total | <u>95.82 %</u> |

Geographical classification

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

| | |
|---------------------------|----------------|
| Grand Duchy of Luxembourg | 61.18 % |
| France | 19.21 % |
| United Kingdom | 15.43 % |
| Total | <u>95.82 %</u> |

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

CB Fund

Notes to the financial statements

as at 31st December 2012

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 2012

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

1 EUR = 0.8118440 GBP Pound Sterling

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 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 relating to purchases or sales of securities, of 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 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 2012

Note 4 - Trailer fees

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

Note 5 - 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 over the benchmark, which is the MSCI World Net Index, pre performance fee, but post the management fee and other types of fees, above the current Hurdle Value.

Until 31st August 2012:

The performance fee was calculated and accrued daily in the respective unit classes. Payments of performance fees (no payments in 2012) to the Investment Manager, CB Asset Management AB, were made monthly in arrears.

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

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

The Base NAV was 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 was 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 Net Index and divided by the corresponding index value recorded on the day when the most recent (current) High Water Mark (NAV HWM) was achieved.

Since 1st September 2012:

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.

CB Fund

Notes to the financial statements (continued)

as at 31st December 2012

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:

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(t) = Base NAV(t) – max{HWM; 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 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.

No performance fee was paid by the Sub-Fund for the year.

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 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 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.

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 2012

Note 8 - Risk management

As required by Circular CSSF 11/ 512, the Board of Directors 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 Fund decided to adopt the commitment approach as a method of determining the global exposure.

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 - 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 to 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 2012.

CB Asset Management AB
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www.cbasset.se