

# Audited annual report as at 31st December 2013

## 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

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<b>Registered Office</b>	4, rue Peternelchen L-2370 Howald
<b>Management Company and Central Administrator</b>	SEB Fund Services S.A. 4, rue Peternelchen L-2370 Howald
<b>Board of Directors of the Management Company</b>	<b>Chairman</b> Ralf FERNER Managing Director SEB Asset Management S.A., Luxembourg  <b>Vice-Chairman</b> Peter KUBICKI Managing Director Skandinaviska Enskilda Banken S.A., Luxembourg  <b>Directors</b> Göran FORS Head of Asset Servicing Transaction Banking Skandinaviska Enskilda Banken AB (publ), Sweden  Ann-Charlotte LAWYER Managing Director and Head of SEB Fund Services S.A., Luxembourg  Jonas LINDGREN Head of Prime Brokerage SEB Enskilda, Securities Finance, Sweden
<b>Custodian Bank</b>	Skandinaviska Enskilda Banken S.A. 4, rue Peternelchen L-2370 Howald
<b>Sub-Administrator Registrar and Transfer Agent</b>	European Fund Administration S.A. 2, rue d'Alsace L-1122 Luxembourg
<b>Investment Manager, Placement and Marketing Agent</b>	CB Asset Management AB Nybrokajen 7 SE-111 48 Stockholm
<b>Paying Agents</b>	<b>In Sweden</b> Skandinaviska Enskilda Banken AB (publ) Kungsträdgårdsgatan 8 SE-106 40 Stockholm  <b>In Luxembourg</b> Skandinaviska Enskilda Banken S.A. 4, rue Peternelchen L-2370 Howald

**CB Fund**

**Organisation (continued)**

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**Auditor**

PricewaterhouseCoopers, Société coopérative  
400, route d'Esch  
L-1471 Luxembourg

## CB Fund

### General information

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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.

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

The Management Company currently 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.

**Market and performance review**

CB Fund - Save Earth Fund® had another year with positive returns in 2013. The Fund's Class RC gained 17.5% (the Net Asset Value increased from EUR 10.00 to EUR 11.75) compared to the benchmark index, MSCI World Net, that gained 21.2%. The year was a trend reversal: for the first time since 2009 both renewable energy (+48.9%) and environmental technology (+31.6%) outperformed MSCI World Net. Meanwhile the water sector - that has outperformed the MSCI World index for many years - continued to do well (+22.3%).

During the first half of the year CB Fund - Save Earth Fund® Class RC gained 5.1%, which was about 500 BPS worse than MSCI World Net. During the period the best performing sector exposure was renewable energy, while the worst performing regional exposure was Asia. During the second half of 2013 CB Fund - Save Earth Fund® Class RC gained 11.8%, which was about 300 BPS better than MSCI World Net. The strong performance can be contributed mostly to the exposure against environmental technology in Europe, but renewable energy continued to perform very well too. Our exposure to Asia continued to underperform MSCI World. For the full year, Europe was the best contributor to the Fund's performance. Asia was the worst contributor, especially environmental technology in the region.

Regarding sector allocation, the water sector was our largest exposure during the year followed by Cleantech. Renewable energy was our smallest exposure. Regarding geographical allocation our largest exposure was Europe followed by North America. Asia was our smallest exposure.

Our five largest company exposures, via our fund holdings, was at the end of the year Pentair (Water, USA), Schaltbau (Cleantech, Germany), Centrotec (Cleantech, Germany), Arcadis (Cleantech, Netherlands) and Andritz (Renewable energy, Austria).

In February a second share class was launched. The new Class IC units has the same strategy as the RC Class but is open to institutional investors only and has a minimum investment of EUR 500,000.00. The Class IC units gained 13.7% between inception and the end of the year (the Net Asset Value increased from EUR 10.00 to EUR 11.37) which can be compared to MSCI World Net that gained 16.6%.

**Market outlook**

Looking at 2014 we see two strong trends that will go on from 2013: 1) the serious air pollution in China that are gaining more political attention and that will require huge investments in renewable energy and energy efficiency, 2) the energy revolution in the US caused by shale gas, which affects energy prices and greatly increases demand for water installations and cleaning because of a very water intensive process.

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, 5th February 2014

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 2013 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](http://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 2013, 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

A large, stylized handwritten signature in black ink, appearing to be 'Jean-Robert'.

Jean-Robert

Luxembourg, 25th March 2014

## CB Fund

### Consolidated statement of net assets (in EUR) as at 31st December 2013

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#### Assets

Securities portfolio at market value	10,740,429.81
Cash at banks	556,552.86
Receivable on issues of units	6,516.98
	<hr/>
Total assets	11,303,499.65
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#### Liabilities

Expenses payable	22,873.99
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Total liabilities	22,873.99
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Net assets at the end of the year	11,280,625.66
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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 2013 to 31st December 2013

#### Income

Dividends, net	11,379.45
Commissions received	27,097.16
Other income	7.16
Total income	38,483.77

#### Expenses

Management fees	96,131.88
Transaction fees	2,600.00
Central administration costs	39,434.76
Professional fees	18,609.30
Other administration costs	23,514.97
Subscription duty ("taxe d'abonnement")	1,359.17
Interest paid on bank overdrafts	777.10
Other expenses	2,232.43
Total expenses	184,659.61

Net investment loss	-146,175.84
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#### Net realised gain/(loss)

- on securities portfolio	538,543.80
Realised result	392,367.96

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

- on securities portfolio	1,102,532.90
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Result of operations	1,494,900.86
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Subscriptions	2,575,101.69
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Redemptions	-280,775.25
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Total changes in net assets	3,789,227.30
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Total net assets at the beginning of the year	7,491,398.36
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Total net assets at the end of the year	11,280,625.66
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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 2013

#### Assets

Securities portfolio at market value	10,740,429.81
Cash at banks	556,552.86
Receivable on issues of units	6,516.98
Total assets	<u>11,303,499.65</u>

#### Liabilities

Expenses payable	<u>22,873.99</u>
Total liabilities	<u>22,873.99</u>
Net assets at the end of the year	<u><u>11,280,625.66</u></u>

"IC" units outstanding	144,394.660
Net asset value per "IC" unit	11.37
"RC" units outstanding	820,595.751
Net asset value per "RC" unit	11.75

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 2013 to 31st December 2013

#### Income

Dividends, net	11,379.45
Commissions received	27,097.16
Other income	7.16
Total income	<u>38,483.77</u>

#### Expenses

Management fees	96,131.88
Transaction fees	2,600.00
Central administration costs	39,434.76
Professional fees	18,609.30
Other administration costs	23,514.97
Subscription duty ("taxe d'abonnement")	1,359.17
Interest paid on bank overdrafts	777.10
Other expenses	2,232.43
Total expenses	<u>184,659.61</u>

Net investment loss	-146,175.84
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#### Net realised gain/(loss)

- on securities portfolio	<u>538,543.80</u>
Realised result	392,367.96

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

- on securities portfolio	<u>1,102,532.90</u>
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Result of operations	<u>1,494,900.86</u>
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Subscriptions	2,575,101.69
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Redemptions	<u>-280,775.25</u>
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Total changes in net assets	3,789,227.30
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Total net assets at the beginning of the year	<u>7,491,398.36</u>
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Total net assets at the end of the year	<u>11,280,625.66</u>
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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 2013

#### Total net assets

- as at 31.12.2013	11,280,625.66
- as at 31.12.2012	7,491,398.36
- as at 31.12.2011	6,854,386.69

#### Number of "IC" units outstanding

- outstanding at the beginning of the year	0.000
- issued	144,394.660
- redeemed	0.000
- outstanding at the end of the year	144,394.660

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

- as at 31.12.2013	11.37
- as at 31.12.2012	-
- as at 31.12.2011	-

#### Number of "RC" units outstanding

- outstanding at the beginning of the year	749,406.890
- issued	97,146.086
- redeemed	-25,957.225
- outstanding at the end of the year	820,595.751

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

- as at 31.12.2013	11.75
- as at 31.12.2012	10.00
- as at 31.12.2011	8.79

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 2013

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	1,547	BNP Paribas Aqua P Cap	278,303.35	342,072.64	3.03
EUR	14,024	DNB Fd Renewable Energy A Cap	1,074,389.54	1,183,568.10	10.49
EUR	10,344.95299	Pictet Water P dy EUR Dist	1,479,890.07	1,967,610.06	17.44
EUR	12,670	Quest Management Cleantech Fd C Cap	1,581,422.69	2,167,963.70	19.22
EUR	15,622	Swisscanto (Lu) Equity Fd Water Invest Units J Cap	2,015,547.29	2,074,132.94	18.39
EUR	4,874	Variopartner SICAV Tareno Waterfund W Cap	611,318.28	699,126.56	6.20
EUR	1,638	Vontobel Fd Clean Technology I Cap	302,484.42	337,346.10	2.99
			<u>7,343,355.64</u>	<u>8,771,820.10</u>	<u>77.76</u>
GBP	333,404	First State Inv ICVC Asia Pacific Sustain Fd B Cap	798,128.95	1,218,933.61	10.80
			<u>8,141,484.59</u>	<u>9,990,753.71</u>	<u>88.56</u>
<b>Total investment funds (UCITS)</b>					
<b>Investment funds (UCI)</b>					
EUR	538	Julius Baer Multiflex Carnot Efficient Energy Fd B3 Cap	595,027.60	749,676.10	6.65
			<u>595,027.60</u>	<u>749,676.10</u>	<u>6.65</u>
<b>Total investment funds (UCI)</b>					
Total investments in securities			<u>8,736,512.19</u>	<u>10,740,429.81</u>	<u>95.21</u>
Cash at banks				556,552.86	4.93
Other net assets/(liabilities)				-16,357.01	-0.14
Total				<u>11,280,625.66</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 2013

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#### Industrial classification

(in percentage of net assets)

Investment funds	95.21 %
Total	<u>95.21 %</u>

#### Geographical classification

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

Luxembourg	81.38 %
United Kingdom	10.80 %
France	3.03 %
Total	<u>95.21 %</u>

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

**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.

At the date of the report, the prevailing exchange rate on the closing day was as follows:

## CB Fund

### Notes to the financial statements (continued)

as at 31st December 2013

1 EUR = 0.8321604 GBP Pound Sterling

#### f) Consolidation

The consolidated financial statements of the Fund are expressed in euro (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 were 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, 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 "Commissions received" in the statement of operations and other changes in net assets.

## CB Fund

### Notes to the financial statements (continued)

as at 31st December 2013

#### 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:

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.

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 shall be 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.

## CB Fund

### Notes to the financial statements (continued)

as at 31st December 2013

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 shall be 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 report, 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. 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.

**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 2013.

**Note 9 - 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.

**Note 10 - 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 Asset Management AB  
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