

# Annual report including audited financial statements as at 31st December 2015

## **CB Fund**

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

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

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

#### 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.  
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

##### **Vice-Chairman**

Peter KUBICKI  
Head of Wealth Management  
SEB Wealth Management, Denmark  
(until 2nd March 2015)

##### **Directors**

Ralf FERNER  
Managing Director  
SEB Fund Services S.A., Luxembourg  
(until 11th December 2015)

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

Jonas LINDGREN  
Head of Prime Brokerage, SEB Equities  
Skandinaviska Enskilda Banken AB (publ), Sweden

Erika LUNDQUIST  
Managing Director  
Skandinaviska Enskilda Banken S.A., Luxembourg  
(since 2nd March 2015)

Magnus WALLBERG  
Deputy Managing Director, CFO/ COO  
Skandinaviska Enskilda Banken S.A., Luxembourg

#### Custodian Bank

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

## **CB Fund**

### **Organisation (continued)**

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**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

**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

**Auditor of the Fund**

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

## 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.

A notice of deposit of the Special Regulations was published on 23rd May 2008 in the "*Mémorial C*". A notice of deposit of the amended Special Regulations was published in the *Mémorial C* on 9th April 2014. 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 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" and "RD" 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.

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.

## **CB Fund**

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

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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 Custodian Bank 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 2015. The fund's RC class gained 9.9% (the NAV increased from EUR 13.04 to EUR 14.33) compared to the benchmark index, MSCI World Net, which gained 10.4%. The cleantech sector was the best performing sector within our universe (+14.7%) followed by renewable energy (+12.4%) and water (+10.2%).

During the first three and a half months of the year, CB Fund - Save Earth Fund® class RC gained 17.6%, which was about 2 percentage points behind MSCI World Net. The market peaked April 15 and the rest of the year CB Fund - Save Earth Fund® class RC lost 6.6%, which was about 1 percentage points better than benchmark. One of the fund's goals is to offer a low risk exposure in a high risk market segment. We believe that this goal was accomplished in 2015. Renewable energy was down 15% in the year after April 2015.

Regarding sector allocation, the water sector was again our largest exposure during the year, followed by cleantech. Renewable energy was our smallest exposure but increased to 13% of fund's assets at the end of the year, up from 1% the year before. Regarding geographical allocation we increased our European exposure, making it once again our largest exposure, followed by North America. 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: Geberit (Water, Switzerland), Vestas Wind (Renewable energy, Denmark), Nibe (Renewable energy, Sweden), Andritz (Renewable energy, Austria) and Aalberts (Water, Netherlands).

During the year we increased the direct exposure to stocks from 0% to 48%. The fund's investments in other funds decreased from 97% to 47%. We believe that this change will reduce the costs in the fund, for the benefit of the unitholders.

#### Market outlook

We still believe in renewable energy as a long-term investment now that the sector has entered a phase with lower subsidy dependence. We are still cautious short term due to the falling oil price, which reduces the incentives for substitution, which is why renewable energy is still a small part of the portfolio even after the purchases in the sector.

The portfolio is exposed to both high-yielding utilities and growth companies. The water sector - the fund's largest exposure (45%) - continues to perform in line with or better than the world index e.g. due to the fact that there is no substitution for water, which suggests that this trend may continue for years to come. The sector resembles traditional sectors such as healthcare and consumer staples, both in terms of structural growth drivers and investment return.

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, 21st January 2016

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 2015 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 2015, 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, 14th April 2016

A handwritten signature in blue ink, appearing to read 'TB', with a long, sweeping horizontal line extending to the right.

Thierry Blondeau

## CB Fund - Save Earth Fund®

### Statement of net assets (in EUR)

as at 31st December 2015

#### Assets

Securities portfolio at market value	19,693,103.18
Cash at banks	1,021,480.34
Receivable on issues of units	46,504.05
Income receivable on portfolio	4,426.42
Total assets	20,765,513.99

#### Liabilities

Payable on redemptions of units	327.87
Expenses payable	32,930.89
Total liabilities	33,258.76

Net assets at the end of the year 20,732,255.23

"IC" units outstanding 95,328.884  
Net asset value per "IC" unit 14.01

"ID" units outstanding 205,886.209  
Net asset value per "ID" unit 10.04

"RC" units outstanding 1,209,206.765  
Net asset value per "RC" unit 14.33

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 2015 to 31st December 2015

#### **Income**

Dividends, net	25,325.24
Commissions received	20,967.33
Total income	46,292.57

#### **Expenses**

Management fees	173,714.16
Transaction fees	19,941.72
Central administration costs	45,000.00
Professional fees	19,331.97
Other administration costs	23,338.92
Subscription duty ("taxe d'abonnement")	3,816.49
Other expenses	13,164.91
Total expenses	298,308.17

Net investment loss	-252,015.60
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#### **Net realised gain/(loss)**

- on securities portfolio	1,609,132.07
- on foreign exchange	-1,626.18
Realised result	1,355,490.29

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

- on securities portfolio	115,903.07
Result of operations	1,471,393.36

Dividends paid	-62,400.09
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Subscriptions	4,449,153.56
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Redemptions	-823,099.00
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Total changes in net assets	5,035,047.83
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Total net assets at the beginning of the year	15,697,207.40
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Total net assets at the end of the year	20,732,255.23
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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 2015

<b>Total net assets</b>	
- as at 31.12.2015	20,732,255.23
- as at 31.12.2014	15,697,207.40
- as at 31.12.2013	11,280,625.66
<b>Number of "IC" units outstanding</b>	
- 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
<b>Net asset value per "IC" unit</b>	
- as at 31.12.2015	14.01
- as at 31.12.2014	12.68
- as at 31.12.2013	11.37
<b>Number of "ID" units outstanding</b>	
- outstanding at the beginning of the year	100,645.299
- issued	105,240.910
- redeemed	0.000
- outstanding at the end of the year	205,886.209
<b>Net asset value per "ID" unit</b>	
- as at 31.12.2015	10.04
- as at 31.12.2014	9.66
- as at 31.12.2013	-
<b>Dividend paid</b>	
Ex-dividend date	02.11.2015
Dividend per unit	0.62
Units outstanding at dividend date	100,645.299
<b>Number of "RC" units outstanding</b>	
- outstanding at the beginning of the year	1,036,536.562
- issued	231,441.165
- redeemed	-58,770.962
- outstanding at the end of the year	1,209,206.765
<b>Net Asset Value per "RC" unit</b>	
- as at 31.12.2015	14.33
- as at 31.12.2014	13.04
- as at 31.12.2013	11.75

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 2015

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	3,100	Geberit AG Reg	975,764.84	969,747.33	4.68
CHF	220	SGS SA Reg	400,139.31	386,585.85	1.86
			1,375,904.15	1,356,333.18	6.54
DKK	11,800	Novozymes AS B	562,247.68	522,692.90	2.52
DKK	12,200	Vestas Wind Systems A/ S	564,956.03	790,837.84	3.81
			1,127,203.71	1,313,530.74	6.33
EUR	18,000	Aalberts Industries NV	511,729.20	572,220.00	2.76
EUR	11,100	Andritz AG	545,830.29	500,055.00	2.41
EUR	1,700	Continental AG	379,462.02	381,735.00	1.84
EUR	600	Eurofins Scientific SA	188,398.68	193,110.00	0.93
EUR	7,700	Kingspan Group	192,938.13	191,730.00	0.92
EUR	10,600	Legrand Holding SA	570,159.18	553,320.00	2.67
EUR	6,400	Nordex SE	194,307.84	209,600.00	1.01
			2,582,825.34	2,601,770.00	12.54
GBP	57,000	Halma Plc	594,497.99	669,090.64	3.23
GBP	5,672	Spirax-Sarco Engineering Plc	279,629.54	252,697.59	1.22
			874,127.53	921,788.23	4.45
NOK	18,900	Tomra Systems ASA	191,928.97	187,615.11	0.91
SEK	21,800	Nibe Industrier AB B	565,307.92	677,207.39	3.27
USD	2,600	A.O.Smith Corp	193,694.37	183,412.52	0.88
USD	3,300	American Water Works Co Inc New	171,389.13	181,560.77	0.88
USD	6,600	Danaher Corp	520,215.54	564,464.09	2.72
USD	7,500	First Solar Inc	404,542.03	455,732.04	2.20
USD	7,700	Ilex Corp	554,236.70	543,183.24	2.62
USD	4,500	Pentair Plc	233,312.57	205,234.81	0.99
USD	1,100	Roper Technologies Inc	198,636.01	192,236.65	0.93
USD	17,600	SunPower Corp	406,312.17	486,349.91	2.35
			2,682,338.52	2,812,174.03	13.57
<b>Total shares</b>			9,399,636.14	9,870,418.68	47.61
<b><u>Open-ended investment funds</u></b>					
<b>Investment funds (UCITS)</b>					
EUR	87,527	KBI Istl Fd Plc Istl Water H Cap	1,352,416.39	1,325,946.52	6.40
EUR	6,319,953	Pictet Water P dy EUR Dist	1,056,254.05	1,554,834.84	7.50
EUR	15,692	Quest Management Cleantech Fd C Cap	2,215,125.65	3,498,217.56	16.87
EUR	6,192,867	Swisscanto (Lu) Equity Fd GI Water Invest P Cap	830,630.65	863,347.59	4.16
EUR	4,716	Variopartner SICAV Tareno Waterfund W Cap	698,953.65	843,315.12	4.07
			6,153,380.39	8,085,661.63	39.00
GBP	333,404	First State Inv ICVC Stewart Asia Pacific Sustain Fd B Cap	798,128.95	1,737,022.87	8.38
<b>Total investment funds (UCITS)</b>			6,951,509.34	9,822,684.50	47.38
<b>Total investments in securities</b>			16,351,145.48	19,693,103.18	94.99
<b>Cash at banks</b>				1,021,480.34	4.93
<b>Other net assets/ (liabilities)</b>				17,671.71	0.08
<b>Total</b>				20,732,255.23	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 2015

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#### Industrial classification

(in percentage of net assets)

Investment funds	47.38 %
Capital goods	30.87 %
Investment companies	3.23 %
Commercial services and supplies	2.79 %
Pharmaceuticals and biotechnology	2.52 %
Utilities	2.35 %
Energy	2.20 %
Automobiles and components	1.84 %
Technology hardware and equipment	0.93 %
Food, beverage and tobacco	0.88 %
Total	<u>94.99 %</u>

#### Geographical classification

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

Luxembourg	33.53 %
United Kingdom	12.83 %
United States of America	12.58 %
Ireland	8.31 %
Switzerland	6.54 %
Denmark	6.33 %
Sweden	3.27 %
Germany	2.85 %
The Netherlands	2.76 %
France	2.67 %
Austria	2.41 %
Norway	0.91 %
Total	<u>94.99 %</u>

## CB Fund

### Notes to the financial statements

as at 31st December 2015

#### **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 2015

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

1	EUR	=	1.0875204	CHF	Swiss Franc
			7.4634264	DKK	Danish Krona
			0.7368957	GBP	Pound Sterling
			9.6204939	NOK	Norwegian Krona
			9.1583466	SEK	Swedish Krona
			1.0860000	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.

At the date of the report, the effective annual rates were:

Unit class	Effective rate
IC	0.575%
RC	1.075%
ID	0.575%

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

## CB Fund

### Notes to the financial statements (continued)

as at 31st December 2015

#### 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 "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 is quarterly.

## CB Fund

### Notes to the financial statements (continued)

as at 31st December 2015

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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 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.

## CB Fund

### Notes to the financial statements (continued)

as at 31st December 2015

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 report, 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 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.

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 2015

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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 2015.

#### **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.

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