



ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2019 - GENERELL INFORMASJON

Enheten

Organisasjonsnummer:	989 974 971
Organisasjonsform:	Norskreg. utenlandsk foretak
Foretaksnavn:	STOREBRAND EMERGING PRIVATE EQUITY MARKETS 2006 LTD
Forretningsadresse:	Professor Kohts vei 9 1366 LYSAKER

Regnskapsår

Årsregnskapets periode:	01.01.2019 - 31.12.2019
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Konsern

Morselskap i konsern:	Nei
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Regnskapsregler

Regler for små foretak benyttet:	Ja
Benyttet ved utarbeidelsen av årsregnskapet til selskapet:	Regnskapslovens alminnelige regler

Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet:	Anne Grete Brautaset
Dato for fastsettelse av årsregnskapet:	22.06.2020

Grunnlag for avgivelse

År 2019: Årsregnskapet er elektronisk innlevert
År 2018: Tall er hentet fra elektronisk innlevert årsregnskap fra 2019

Det er ikke krav til at årsregnskapet m.v. som sendes til Regnskapsregisteret er undertegnet. Kontrollen på at dette er utført ligger hos revisor/enhetens øverste organ. Sikkerheten ivaretas ved at innsender har rolle/rettighet for innsending av årsregnskapet via Altinn, og ved at det bekreftes at årsregnskapet er fastsatt av kompetent organ.

Brønnøysundregistrene, 13.08.2021



Resultatregnskap

Beløp i: NOK	Note	2019	2018
RESULTATREGNSKAP			
Kostnader			
Annen driftskostnad		2 683 386	-2 234 364
Sum kostnader		2 683 386	-2 234 364
Driftsresultat		-2 683 386	2 234 364
Finansinntekter og finanskostnader			
Annen renteinntekt		408 150	274 296
Annen finansinntekt		2 076 700	140 118 877
Sum finansinntekter		2 484 850	140 393 173
Verdireduksjon finansielle instrumenter vurdert til virkelig verdi		3 113 121	154 113 065
Annen rentekostnad		5 933	318 853
Annen finanskostnad		277 998	11 666 622
Sum finanskostnader		3 397 052	166 098 540
Netto finans		-912 202	-25 705 367
Ordinært resultat før skattekostnad		-3 595 588	-23 471 003
Skattekostnad på ordinært resultat		-45 290 985	30 626 146
Ordinært resultat etter skattekostnad		41 695 397	-54 097 149
Årsresultat		41 695 397	-54 097 149
Overføringer og disponeringer			
Overføring til/fra annen egenkapital		-41 695 397	54 097 149
Sum overføringer og disponeringer		-41 695 397	54 097 149



Balanse

Beløp i: NOK	Note	2019	2018
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Sum anleggsmidler		0	0
Omløpsmidler			
Varer			
Fordringer			
Andre fordringer		1 842 773	59 294
Sum fordringer		1 842 773	59 294
Investeringer			
Markedsbaserte aksjer		53 311 331	64 703 599
Sum investeringer		53 311 331	64 703 599
Bankinnskudd, kontanter og lignende			
Bankinnskudd, kontanter og lignende		7 906 163	62 427 603
Sum bankinnskudd, kontanter og lignende		7 906 163	62 427 603
Sum omløpsmidler		63 060 267	127 190 496
SUM EIENDELER		63 060 267	127 190 496
BALANSE - EGENKAPITAL OG GJELD			
Egenkapital			
Innskutt egenkapital			
Aksjekapital		30 612	62 692
Overkurs		20 453 893	67 921 811
Sum innskutt egenkapital		20 484 505	67 984 503
Opptjent egenkapital			
Annen egenkapital		52 010 155	10 314 759



Balanse

Beløp i: NOK	Note	2019	2018
Sum opptjent egenkapital		52 010 155	10 314 759
Sum egenkapital		72 494 660	78 299 262
Gjeld			
Langsiktig gjeld			
Annen langsiktig gjeld			
Øvrig langsiktig gjeld		3 815 507	4 120 269
Sum annen langsiktig gjeld		3 815 507	4 120 269
Sum langsiktig gjeld		3 815 507	4 120 269
Kortsiktig gjeld			
Betalbar skatt		-13 249 900	44 770 966
Annen kortsiktig gjeld			-1
Sum kortsiktig gjeld		-13 249 900	44 770 965
Sum gjeld		-9 434 393	48 891 234
SUM EGENKAPITAL OG GJELD		63 060 267	127 190 496



To the General Meeting of Storebrand Emerging Private Equity Markets 2006 Ltd

Independent Auditor's Report

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Storebrand Emerging Private Equity Markets 2006 Ltd, which comprise the balance sheet as at 31 December 2019, the profit and loss for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements are prepared in accordance with law and regulations and give a true and fair view of the financial position of the Company as at 31 December 2019, and its financial performance for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway.

Basis for Opinion

We conducted our audit in accordance with laws, regulations, and auditing standards and practices generally accepted in Norway, including International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company as required by laws and regulations, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

Management is responsible for the other information. The other information comprises information in the annual report, except the financial statements and our auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with

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State authorised public accountants, members of The Norwegian Institute of Public Accountants, and authorised accounting firm*



Independent Auditor's Report - Storebrand Emerging Private Equity Markets 2006 Ltd

the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors and the Managing Director for the Financial Statements

The Board of Directors and the Managing Director (management) are responsible for the preparation in accordance with law and regulations, including fair presentation of the financial statements in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern. The financial statements use the going concern basis of accounting insofar as it is not likely that the enterprise will cease operations.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with laws, regulations, and auditing standards and practices generally accepted in Norway, including ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

For further description of Auditor's Responsibilities for the Audit of the Financial Statements reference is made to <https://revisorforeningen.no/revisjonsberetninger>

Report on Other Legal and Regulatory Requirements

Opinion on the Board of Directors' report

Based on our audit of the financial statements as described above, it is our opinion that the information presented in the Board of Directors' report concerning the financial statements, the going concern assumption and the proposed allocation of the result is consistent with the financial statements and complies with the law and regulations.

Opinion on Registration and Documentation

Based on our audit of the financial statements as described above, and control procedures we have considered necessary in accordance with the International Standard on Assurance Engagements (ISAE) 3000, Assurance Engagements Other than Audits or Reviews of Historical Financial

(2)



Independent Auditor's Report - Storebrand Emerging Private Equity Markets 2006 Ltd

Information, it is our opinion that management has fulfilled its duty to produce a proper and clearly set out registration and documentation of the Company's accounting information in accordance with the law and bookkeeping standards and practices generally accepted in Norway.

Oslo, 22 June 2020
PricewaterhouseCoopers AS

Magne Sem
State Authorised Public Accountant
(This document is signed electronically)

(3)



 Securely signed with Brevio

Revisjonsberetning

Signers:

<i>Name</i>	<i>Method</i>	<i>Date</i>
Sem, Magne	BANKID_MOBILE	2020-06-22 10:37

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- The original document(s)
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The seal is a guarantee for the authenticity
of the document.



Skatteetaten

Vår dato
09.12.2019

Din/Deres dato
22.10.2019

Saksbehandler
Joakim Engebretsen

800 80 000
Skatteetaten.no

Din/Deres referanse

Telefon
92251412

Org.nr
974761076

Vår referanse
2019/6651507

Postadresse
Postboks 9200 Grønland
0134 OSLO

U.off. offl. § 13, sktvl. § 3-1

STOREBRAND ASA
Postboks 500
1327 LYSAKER

Dispensasjon fra kravet om å utarbeide årsregnskap og årsberetning på norsk

Vi viser til Storebrands søknad om dispensasjon fra kravet om å utarbeide årsregnskap og årsberetning på vegne av følgende alternative investeringsfond:

Storebrand International Private Equity IV Limited, org.nr. 987 414 057
Storebrand International Private Equity V Limited, org.nr. 988 210 277
Storebrand International Private Equity VI Limited, org.nr 989 573 128
Storebrand International Private Equity VII Limited, org.nr 890 743 862
Storebrand International Private Equity VIII Limited, org.nr 992 696 931
Storebrand International Private Equity IX Limited, org.nr 994 065 742
Storebrand International Private Equity X Limited, org.nr 995 551438
Storebrand International Private Equity XI Limited, org.nr 996 700 828
Storebrand International Private Equity XII Limited, org.nr 998 333 679
Storebrand International Private Equity 13 Limited, org.nr 911 917 831
Storebrand International Private Equity 14 Limited, org.nr 994 281 151
Storebrand International Private Equity 15 Limited, org.nr 986 313 737
Storebrand International Private Equity 16 Limited, org.nr 916 788 223
Storebrand International Private Equity 17 Limited, org.nr 988 210 684
Storebrand International Private Equity 18 Limited, org.nr 920 329 152
Storebrand International Private Equity 19 Limited, org.nr 989 871 862
Storebrand Emerging Private Equity Markets 2006 Limited, org.nr 989 974 971
Storebrand Emerging Private Equity Markets 2007 Limited, org.nr 990 743 606
Storebrand Norwegian Private Equity 2006 Limited, org.nr 989 974 874
Storebrand Norwegian Private Equity 2007 Limited, org.nr 991 186 433
Storebrand Norwegian Private Equity III Limited, org.nr 996 096 939

Skattekontoret gir på bakgrunn av en konkret helhetsvurdering selskapene nevnt ovenfor dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk språk, jf. regnskapsloven § 3-4 tredje ledd. Dispensasjonen forutsetter at engelsk språk benyttes i stedet ved utarbeidelsen, og at øvrige opplysninger som vedtaket baserer seg på, heller ikke endres vesentlig.



Kopi av dette brevet må sendes Regnskapsregisteret i Brønnøysund sammen med årsregnskapet. Det påligger den regnskapspliktige å dokumentere ved dette brev at tillatelsen er gitt.

Bakgrunn

Fra søknaden siteres:

Storebrand har etablert en rekke selskaper som alternative investeringsfond på Caymen Island. Oversikt over de aktuelle selskapene følger av vedlegg. Samtlige foretak er skattepliktige til Norge og således også regnskapspliktige til Norge, jf regnskapsloven § 2-1 nr. 13. Det følger av regnskapsloven § 3-4 første ledd at årsregnskapet og årsberetningen skal utarbeides og leveres på norsk. Skattedirektoratet via delegasjon fra Finansdepartementet kan imidlertid gjøre unntak fra dette språkkravet.

Myndighetene på Caymen Island krever at selskapene avleverer regnskap på engelsk. Storebrand Asset Management AS som forvalter av de aktuelle selskapene utarbeider derfor årlig regnskap både på norsk og engelsk. Dette oppleves som både uforholdsmessig tid- og kostnadskrevende. Investorene i de aktuelle selskapene er delvis norske og delvis utenlandske. Felles for dem alle er imidlertid at de er institusjonelle og profesjonelle investorer som ikke vil ha problemer knyttet til å få tilgjengeliggjort selskapsregnskapene utelukkende på engelsk.

Det er truffet styrevedtak i samtlige selskaper om at det er ønskelig å begrense utarbeidelsen av regnskapene til engelsk. Kopi av protokoll fra felles styremøte fra de relevante selskapene følger vedlagt.

På bakgrunn av dette søkes det om tillatelse til å utarbeide årsregnskap og årsberetning på engelsk for selskapene som fremkommer i vedlegget til denne søknaden.

Skattekontorets vurdering

Etter regnskapsloven § 3-4 tredje ledd skal *”årsregnskapet og årsberetningen ... være på norsk. Departementet kan ved ... enkeltvedtak bestemme at årsregnskapet og/eller årsberetningen kan være på et annet språk.”*

I Ot. prp. nr. 42 (1997-1998) Om lov om årsregnskap mv., er det uttalt følgende om regnskapslovens formål, jf. pkt. 1.1:

Regjeringen har som siktemål at regnskapsloven skal bidra til informative regnskaper for ulike grupper av regnskapsbrukere. Regnskapsbrukerne er dels investorer og kreditorer som tilfører kapital til foretakene, og dels andre grupper som har interesse av å vite hvordan foretaket drives, f.eks. de ansatte og lokalsamfunnet. Informasjonen til kapitalmarkedet skal gi grunnlag for riktig prising av finansielle objekter. Riktig prisdannelse på aksjer er en forutsetning for at ressursbruken i samfunnsøkonomien skal bli best mulig. Gode regnskaper vil også gjøre det vanskeligere for markedsdeltakere å ta ut spekulasjonsgevinster med basis i skjevt fordelt informasjon.



Det fremgår således at et av hovedformålene med regnskapsloven er å bidra til *“informative regnskaper for ulike grupper av regnskapsbrukere”*. Regnskapsbrukere vil omfatte, jf. uttalelsen i proposisjonen, blant andre investorer, kreditorer, ansatte, kunder og lokalsamfunnet.

Det er etter skattekontorets vurdering derfor avgjørende ved vurdering av om dispensasjon fra kravet til å utarbeide årsregnskap og/eller årsberetning på norsk kan gis, at det ikke foreligger mulige brukere av regnskapsinformasjon som blir vesentlig berørt negativt ved en eventuell dispensasjon.

Som nevnt ovenfor er det særlig hensynet til brukerne av regnskapsinformasjon som skal vurderes ved en dispensasjonssøknad. I dette tilfellet er det opplyst at investorene i fondene er delvis norske og delvis utenlandske og at alle er profesjonelle investorer som behersker engelsk. Fondene er etablert på Cayman Island. Myndighetene der krever at selskapene leverer regnskap på engelsk. Skattekontoret finner at disse forholdene samlet tilsier at dispensasjon fra kravet om å utarbeide årsregnskap og årsberetning på norsk kan gis.

Vennligst oppgi vår referanse ved henvendelse i saken.

Med hilsen

Roar Thorbjørnsen
Underdirektør
Innsats, storbedrift
Skatteetaten

Joakim Engebretsen

Dokumentet er elektronisk godkjent og har derfor ikke håndskrevne signaturer.



Storebrand Emerging Private Equity Markets 2006 Limited

Cayman Islands Exempted Limited Company (Regulated Mutual Fund)

***Financial Statements and Independent Auditor's Report
For the year ended December 31, 2019***



Report of the Board of Directors

Storebrand Emerging Private Equity Markets 2006 Limited

Storebrand Emerging Private Equity Markets 2006 Limited ("SEPEM 2006" or the "Fund") was incorporated in 2006 as a Cayman Islands exempted company (regulated mutual fund) with the purpose of investing in private equity funds. SEPEM 2006 is also registered at the Central Coordinating Register for Legal Entities in Norway (Enhetsregisteret), with the shares of the Fund kept at the Norwegian Registry of Securities (Verdipapirsentralen).

Financial information

SEPEM 2006 ended the year with a profit of NOK 41.7 million.

Financial risk

The risk connected to SEPEM 2006's investment portfolio is associated with the progress of the underlying portfolio companies, as well as the progress of the private equity market and the stock market in general. The Fund does not hedge this risk exposure. Investments are made in foreign currencies. The Fund does not hedge currency exposure. The underlying private equity funds are exposed to the risk of being unable to dispose of their investments at attractive prices. The investments of the Fund as well as the investment portfolios for each of the underlying funds will consist of investments for which no public market exists. Liquidity will stem from realizations of investments in portfolio companies made by the underlying funds.

Investment portfolio

The Fund has committed approx. NOK 212 million to five private equity funds, making investments within venture, growth and buyout capital in emerging private equity markets, such as Eastern Europe, China, India and South Africa.

Share class return is summarized in the table below.

Returns

Class	2019	Since inception*
Class B-0	64.2 %	13.2 %
Class B-1	66.0 %	13.6 %
Class B-3	66.8 %	14.7 %
Sum	66.8 %	14.7 %

*IRR

SEPEM 2006's cash flows invested in MSCI EM Net (NOK) would have given a return of 7.2 % p.a.

since inception. The return from SEPEM 2006 has been satisfactory so far.

Shareholder information

The Fund's seven investors have committed NOK 216.8 million to SEPEM 2006, of which 75 % is paid in at yearend 2019. According to the Offering Memorandum, SEPEM 2006 cannot call new capital from the shareholders after yearend 2012.

Operations

The Fund has no employees. The Fund has a management agreement with Storebrand Asset Management AS (the "Investment Manager"), an investment management company within the Storebrand Group based at Lysaker.

As of yearend 2019, all board members were men, and the investment committee of the Investment Manager was comprised of six men. The Board of Directors are conscious of the society expectations of efforts to promote gender equality within the business and the board.

The board members have not received any remuneration from the Fund.

Environment

SEPEM 2006 as such has no own employees, and the Board is not aware of any aspects of the Fund's activities that pollute the external environment.

COVID-19 impact

The Board expects the level of activity in private equity markets to operate at significantly lower levels compared to the previous year. Reported values will be impacted negatively, reflecting the decline in broader equity markets during the first half of 2020.

Future prospects

The underlying funds of SEPEM 2006 are in the liquidation phase, and a positive cash flow to investors is expected until termination. The Board expects a good net return for investors over the lifetime of the fund.

Allocation of the profit for the year

The Board proposes to allocate the profit for the year of NOK 41.7 million from retained earnings.

Lysaker, June 22, 2020

Storebrand Emerging Private Equity Markets 2006 Limited

Ivar Waage
Director

Bård Bringedal
Director

Per Gunnar Taalesen
Director



Profit and Loss Storebrand Emerging Private Equity Markets 2006 Limited

For the year ended December 31, 2019

All numbers in NOK	Note	2019	2018
Portfolio gains			
Interest income/expenses		402 217	-44 556
Dividends from securities		1 912 802	144 491 702
Net realized gains/losses from securities		0	-14 223 625
Net change in unrealized gains/losses on securities		-2 949 223	-154 113 065
Net portfolio gains		-634 204	-23 889 545
Operating income and expenses			
Management fee	3, 10	-69 530	-125 690
Performance fee	3	-2 195 239	2 847 964
Other expenses	4	-696 616	-2 303 733
Operating result		-2 961 384	418 542
Profit (Loss)			
Profit (loss) before tax		-3 595 588	-23 471 003
Tax	5	45 290 985	-30 626 146
Profit (loss) for the year		41 695 397	-54 097 149
Allocation of loss for the year			
Allocated to retained earnings	6	41 695 397	-54 097 149
Total allocated		41 695 397	-54 097 149

Notes are an integral part of these financial statements

Numbers may not add up due to rounding



Balance Sheet Storebrand Emerging Private Equity Markets 2006 Limited

As at December 31, 2019

All numbers in NOK	Note	31.12.19	31.12.18
Assets			
Investments in private equity funds	7	53 311 331	64 703 599
Prepaid expenses		1 831 010	0
Accrued income		11 724	58 832
Income tax receivable	5	13 249 900	0
Cash		7 906 202	62 428 066
Total assets		76 310 167	127 190 497
Contributed equity			
Par value		30 612	62 692
Share premium reserve		20 453 893	67 921 811
Total contributed equity		20 484 504	67 984 503
Retained earnings			
Retained earnings		52 010 155	10 314 759
Total retained earnings		52 010 155	10 314 759
Total equity	6, 8	72 494 660	78 299 262
Liabilities			
Tax Payable	5	0	44 770 966
Other liabilities		3 815 507	4 120 269
Total liabilities		3 815 507	48 891 235
Total equity and liabilities		76 310 167	127 190 497
Remaining Commitment to Underlying Private Equity Funds		7 708 975	8 702 369

Lysaker, June 22, 2020

Bård Bringedal
Director

Ivar Waage
Director

Per Gunnar Taalesen
Director

Notes are an integral part of these financial statements
Numbers may not add up due to rounding



Investment Manager's Comment*

Storebrand Emerging Private Equity Markets 2006 Limited ("SEPEM 2006" or the "Fund") had its first closing on July 15, 2006 and its second closing on September 5, 2006. The Fund received commitments from seven Norwegian investors of NOK 216,8 million, with 75 percent contributed as of December 31, 2019. According to the Offering Memorandum, SEPEM 2006 cannot call new capital after year-end 2012.

SEPEM 2006 has committed approx. NOK 211 million to five international private equity funds, all organized as limited partnerships. As of December 31, 2019, SEPEM 2006 has paid in approx. 98 percent of committed capital. The underlying funds have made investments in 54 companies, of which 44 are fully realised and 6 are partially realised.

At year-end the net internal rate of return stands at 14.7 percent p.a. for the investors on an aggregated level, corresponding to a total gain of NOK 366 million. The internal rate of return for 2019 was 66.8 percent for the Fund as a whole.

Return per share class (internal rate of return p.a.)*

Share class	2019	Since inception
Storebrand Emerging Private Equity Markets 2006 Limited - class B-0	64,2 %	13,2 %
Storebrand Emerging Private Equity Markets 2006 Limited - class B-1	66,0 %	13,6 %
Storebrand Emerging Private Equity Markets 2006 Limited - class B-3	66,8 %	14,7 %
Aggregated for all share classes	66,8 %	14,7 %

* Unaudited

Notes to Financial Statements

Storebrand Emerging Private Equity Markets 2006 Limited

For the year ended December 31, 2019

All numbers in NOK

NOTE 1 – ACCOUNTING PRINCIPLES

General accounting principles

Storebrand Emerging Private Equity Markets 2006 Limited ("SEPEM 2006" or the "Fund") is a Cayman Islands exempted limited company, incorporated on May 8, 2006. SEPEM 2006 is a Regulated Mutual Fund according to the Cayman Islands Mutual Funds Law. The principal place of business for the Fund is Norway, and the financial statements have been prepared in accordance with the Norwegian accounting law and accounting principles generally accepted in Norway (Norwegian GAAP) and in accordance with the specific rules for Norwegian mutual funds. The Fund is not registered in Norway as a Norwegian mutual fund. Estimates and judgements are continually evaluated on the basis of historical experience and anticipated future events. In the future, actual experience may deviate from these accounting estimates, but the estimates are based on best judgement at the time the accounts are produced. The estimates and assumptions that have a significant risk of causing a material adjustment to the balance sheet values of assets and liabilities are discussed below.

Market value

The financial statements are based on the value of the investments at year-end. The Fund values investments in private investment funds at the net asset values of the underlying investee funds. Investments held by these underlying funds are valued at prices which approximate fair value. The fair value of certain investments in the underlying funds, which include private placements and other securities for which fair values are not readily available, are determined in good faith by the respective underlying fund and its administrator, typically in accordance with either *International Financial Reporting Standard 13 Fair Value Measurement* or *Accounting Standards Codification 820 Fair Value Measurement*, all of which are subject to a third party annual audit. The underlying funds and their administrators have used their best estimates in determining the fair value of investments. The estimated fair values may differ from the values that would have been used had a ready market existed for these investments. Net asset valuations are provided monthly or quarterly by these funds.



For the year ended December 31, 2019

All numbers in NOK

(NOTE 1 cont.)

Likvidity

In accordance with the terms of the OM, the Fund's commitment to portfolio funds will exceed committed capital from investors by up to 110%. The portfolio funds will normally deploy its capital to portfolio investments over the course of 3-5 years with an expected holding period of around 4 years. Some of the capital that is distributed to the fund from early realisations may be redeployed to finance later investments. Portfolio funds will normally not call 100% of committed capital over the course of the lifetime of the fund. In addition, the Fund has a drawing facility that may be utilised to bridge short term liquidity needs. Over time the experience is that the Fund will call around 80% of committed capital from the investors.

Foreign exchange

Assets and liabilities denominated in foreign currencies are not hedged against currency fluctuations. Monetary items and investments in underlying funds are translated at the exchange rate at the balance sheet date. Any other balance sheet items are recorded at the exchange rate prevailing at the acquisition date.

Cash and equivalents

Cash and equivalents consist only of bank accounts.

Taxes

There are no income, profit and capital gains taxes in effect in the Cayman Islands on the basis of present legislation. The Fund has received an undertaking from the Cayman Islands Government exempting it from all taxes for a period of 20 years from the date of the incorporation. In the opinion of the Investment Manager, the Fund will be subject to taxation in Norway and treated as a Norwegian mutual fund. In September 2019, the Norwegian Supreme Court concluded that a Storebrand fund similar to the Fund is a mutual fund according to the Norwegian Tax Act (see Note 5 – Tax). Hence, the financial statements are based on the assumption that the Fund is subject to taxation in Norway as a mutual fund ("verdipapirfond"), in line with Investment Manager's view.

Transaction costs

Any transaction cost will be included in the cost value of the respective investment.

Dividends

According to its Articles of Association, the Fund cannot pay dividends.

NOTE 2 - FINANCIAL MARKET RISK

The balance sheet of SEPEM 2006 reflects the Fund's market value at the end of the year as measured in NOK. SEPEM 2006 is a fund-of-funds investing in a portfolio of private equity funds making active investments in companies through venture capital or buyout capital. An investment in the Fund carries substantial risks. The risks inherent to an investment in private equity funds are of a nature and degree not typically encountered in investments in securities of companies listed on major securities markets worldwide. There can be no assurance that the Fund's investment objective will be achieved and investment results may vary substantially over time.

However, Storebrand Asset Management AS (the "Investment Manager") and the directors of the Fund will endeavour to monitor risks through the selection of the Fund's investments based on a due diligence procedure. The underlying private equity funds are exposed to the risk of being unable to dispose of their investments at attractive prices. The investments of the Fund as well as the investment portfolios for each of the underlying funds will consist of investments for which no public market exists. Liquidity will stem from realizations of portfolio companies made by the underlying funds.

The Fund will invest in a mix of currencies and will not be hedged against currency fluctuations measured in NOK.

The underlying funds invest primarily in growth companies or mature companies. With the funds being fully invested, except for follow on investments in the current portfolio, one can expect substantial realisations for the years to come.



Notes to Financial Statements

Storebrand Emerging Private Equity Markets 2006 Limited

For the year ended December 31, 2019

All numbers in NOK

NOTE 3 - FEE STRUCTURE

Management fee

SEPEM 2006 will pay to the Investment Manager a management fee yearly in advance on the committed amount in each of the share classes up to 1.25 percent p.a., during the first five years after March 10, 2006. After the first five years, the management fee will be reduced each year by 0.10 percent.

Performance fee

A performance fee to the Investment Manager will apply if and when the Fund has redeemed and paid out all paid-in capital to a shareholder, including a 5 percent p.a. preferred return on such capital, and no further subscriptions will be made in the Fund by the shareholder. The performance fee will from then on amount to a 5/95 fraction of all future paid out capital through redemptions to such shareholder. The performance fee will be paid at the same time as the redemptions.

However, the Fund accrues performance fees that would have been payable, if SEPEM 2006 realised and paid out the proceeds on the date of these financial statements. Any changes in the accrued performance fee will be reflected in the Profit and Loss accounts on an ongoing basis.

Commitment fee

A compensation will be made for the commitment Storebrand Livsforsikring AS ("SBL") has to subscribe for redeemable shares according to clause 6.4, 6.5 and 7.3 in the Offering Memorandum. An annual commitment fee in advance will apply in the amount of 0.1 percent p.a. of the sum of net asset value for issued shares (except to Storebrand Livsforsikring AS) plus outstanding commitments at future subsequent offerings for same shareholders.

Subscription and redemption fees

The directors may engage distributors for the Fund that may charge a subscription fee of up to 3 percent on subscribed amounts. No redemption fees will apply. A fixed transaction fee will be charged from the share register account operator for all share transactions.

Management fees in the underlying funds

The underlying funds will typically charge a yearly management fee of 1 – 2 percent of committed capital and also a performance fee of typically 20 percent of net profits, often after a preferred return to the investors.

NOTE 4 - OTHER EXPENSES

	2019	2018
Audit fee	-137 785	-128 456
Tax advice (including technical assistance with tax returns)	-213 090	-281 481
Management fees paid at the underlying funds level	0	-1 667 200
Commitment fee	-5 243	-15 474
Other expenses	-340 498	-211 121
Sum of other expenses	-696 616	-2 303 733

PricewaterhouseCoopers are appointed as external auditors. All amounts include VAT.



Notes to Financial Statements Storebrand Emerging Private Equity Markets 2006 Limited

For the year ended December 31, 2019

All numbers in NOK

NOTE 5 - TAX

	2019	2018		
Profit before tax	-3 595 588	-23 471 003		
Reversal of accounting loss (profit)	-1 912 802	-128 513 505		
Reversal of change in value	3 113 121	154 113 065		
Share of taxable profit (loss) from Limited Partnerships	2 756 709	137 626 562		
Other non-deductible cost (income)	-59 167	0		
3 % of taxable dividend	2 489	0		
Changes in accrued performance fee	-304 761	-6 597 964		
Taxable profit (loss)	0	133 157 155		
Basis for payable tax	2019	2018		
Taxable profit (loss)	0	133 157 155		
Changes in loss carried forward	0	0		
Sum	0	133 157 155		
Specification of income tax expense:	2019	2018		
Current income tax payable	0	-30 626 146		
Adjustments related to prior years tax	45 290 985	0		
Tax on profit	45 290 985	-30 626 146		
Specification of current income tax payable:	2019	2018		
This year's payable income tax expense	0	-30 626 146		
Adjustments related to prior years tax	13 249 900	-14 144 820		
Current income tax payable in the balance sheet	13 249 900	-44 770 966		
Tax rate	22 %	23 %		
Specification of temporary differences	2019	2018	2019	2018
	Asset	Liability	Asset	Liability
Correction loss carried forward	3 516 106	0	0	0
Accrued performance fee	3 815 507	0	4 120 269	0
Total	7 331 613	0	4 120 269	0
Net temporary differences	7 331 613	0	4 120 269	0
Tax rate	22 %		22 %	
Net deferred tax asset/liability	1 612 955	0	906 459	0
Deferred tax assets not recognized	1 612 955		906 459	

In September 2019, the Norwegian Supreme Court concluded that a Storebrand fund similar to the Fund is a mutual fund ("verdipapirfond") according to the Norwegian Tax Act. The case was thus closed in line with the Investment Manager's opinion.

The financial statements for 2019 have been prepared based on the Fund being a mutual fund. Tax provisions for previous years, where it was assumed that the Fund would be taxed as a limited company ("aksjeselskap") in Norway, have been reversed.



Notes to Financial Statements Storebrand Emerging Private Equity Markets 2006 Limited

For the year ended December 31, 2019

All numbers in NOK

NOTE 6 - EQUITY

Number of shares	Share class			Total
	B-0	B-1	B-3	
Number of shares at 31.12.18	308 724	4 558 233	57 825 434	62 692 391
Redemptions	-157 980	-2 333 050	-29 589 740	-32 080 770
Number of shares at 31.12.19	150 744	2 225 183	28 235 694	30 611 621

Change in equity	2019	2018
Equity at 01.01.	78 299 262	203 646 411
Redemptions	-47 500 000	-71 250 000
Profit	41 695 397	-54 097 149
Equity at 31.12.	72 494 660	78 299 262

Number of shareholders at 31.12.	7	7
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NOTE 7 – SCHEDULE OF INVESTMENTS

FUNDS	FUND CURRENCY	% OF PORTF.	COMMITTED CAPITAL	REMAINING COMMITMENT	NOK		
					COST VALUE	MARKET VALUE	UNREALIZED GAIN / LOSS
AIF Capital Asia III	USD	38 %	41 484 805	545 190	8 630 582	20 143 802	11 513 020
Argus Capital Partners II	EUR	0 %	40 371 330	0	0	0	0
Brait IV	USD	25 %	43 642 765	6 636 173	19 655 255	13 286 503	-6 368 752
Capital Today China GF	USD	32 %	41 508 933	0	21 073 893	16 820 307	-4 253 586
PineBridge New Europe Fund II	EUR	6 %	44 897 745	527 612	28 487 250	3 060 919	-25 426 331
TOTAL INVESTMENTS		100 %	211 885 578	7 708 975	77 846 980	53 311 331	-24 535 649

Numbers may not add up due to rounding



Notes to Financial Statements

Storebrand Emerging Private Equity Markets 2006 Limited

For the year ended December 31, 2019

All numbers in NOK

NOTE 8 - SHARE CLASSES

Depending on the size of the shareholder's commitment, a shareholder may own shares of three classes, B-0, B-1 and B-3. Net asset value per share is calculated by dividing the Fund's net asset value per class by the number of outstanding shares in each class.

	Share class			Sum
	B-0	B-1	B-3	
Committed capital	< MNOK 5	MNOK 5-50	Storebrand Entities	
Management fee (per year)	0,40 %	0,15 %	0,03 %	
Par value	0,001	0,001	0,001	
Net asset value per share at 31.12.19	1,903	2,038	2,397	
Committed capital	1 000 000	15 000 000	200 800 000	216 800 000
Remaining commitment at 31.12.19	0	0	0	0

According to the Offering Memorandum the board of directors hold the right to redeem shares in the Fund pro-rata among the shareholders when the liquidity situation in the Fund allows such redemptions at the discretion of the Board of Directors. Redemptions will be effected at the net asset value as of the close of the last business day of the preceding calendar quarter.

Each shareholder (except for Storebrand Livsforsikring AS and Storebrand employees) also holds the right to redeem at all times all their Shares at 75% of net asset value (with possible adjustments as further described in the Offering Memorandum) as of the close of the last business day of the preceding quarter for receiving notice of such redemption. Further the board of directors hold the right to redeem at all times all the shares held by a shareholder that does not comply with the subscription agreement in a subsequent offering. Such redemption will take place at 75% of the net asset value (with possible adjustments) that will apply at such subsequent offering.

NOTE 9 - SHARES OWNED BY THE FUND'S DIRECTORS AND RELATED PARTIES

Investor	Share class	# of Shares	
		31.12.19	31.12.18
Storebrand Livsforsikring AS	B-3	28 123 204	57 595 062
Rune Holen (Director)*	B-3	0	115 190
Total		28 123 204	57 710 252

* Rune Holen resigned from the board mid-December 2019

NOTE 10 - RELATED PARTY TRANSACTIONS

The Fund has a management agreement with the Investment Manager, a company within the Storebrand Group based at Lysaker. The management agreement provides for the payment of a management fee to the Investment Manager as described in Note 3. In addition, the Investment Manager receives an annual fee for preparation of financial and tax reports.

	2019
Management fee	69 530
Performance fee	2 195 239
Accounting fee	62 500

As described in Note 3, SBL, a life insurance company within the Storebrand Group based at Lysaker, received a total commitment fee. SBL has committed NOK 200 million to SEPEM 2006 (share class B-3).

	2019
Commitment fee	5 243
Distribution from the fund (Class B-3)	44 147 056

NOTE 11 - COVID-19 IMPACT

The Board expects the level of activity in private equity markets to operate at significantly lower levels compared to the previous year. Reported values will be impacted negatively, reflecting the decline in broader equity markets during the first half of 2020.