# Flossbach von Storch -Bond Defensive - R<sup>2</sup>

### INVESTMENT STRATEGY

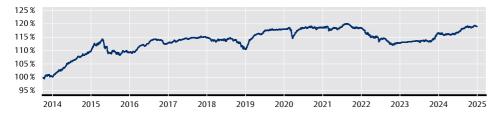
Flossbach von Storch - Bond Defensive is a globally diversified bond fund. The objective of the Fund Management is to generate the most stable possible returns for investors over time. The focus of the Fund is on government bonds, covered bonds, and investment-grade corporate bonds. The Fund flexibly takes advantage of the opportunities in the entire bond market; this distinguishes it from pure corporate bond or government bond funds. Foreign currency risks are largely hedged. Securities are selected within the framework of a fundamental analysis process. The Fund Management relies on research instruments and valuation models developed in-house. The Sub-Fund is actively managed and not benchmarked against an index. The portfolio is composed by the fund manager exclusively in accordance with the criteria defined in the investment policy, reviewed regularly and adjusted if necessary. The Sub-Fund is classified as an Article 8 product within the meaning of the Disclosure Regulation (EU) 2019/2088 (SFDR). For detailed information on the objectives and investment policy, please refer to the most recent sales prospectus and the Key Information Document (PRIIP-KID).

### **ANNUAL PERFORMANCE IN EUR (IN %)**



Share class (net) in consideration with the maximum issue surcharge of 1 %Share class (gross)

# PERFORMANCE IN EUR SINCE 1 OCTOBER 2013 (GROSS, IN %)



# ACCUMULATED AND ANNUALISED PERFORMANCE IN EUR (GROSS, IN %)

|             | 1 month | 2024 YTD | 1 year | 3 years | 5 years | 10 years | since<br>inception<br>01.10.13 |
|-------------|---------|----------|--------|---------|---------|----------|--------------------------------|
| Accumulated | -0.11 % | +2.04%   | +2.04% | +0.39%  | +0.81 % | +8.47 %  | +19.00%                        |
| Annualised  |         |          | +2.04% | +0.13%  | +0.16%  | +0.82%   |                                |

Source: Depositary and SIX Financial Information, status: 31.12.24

# **EXPLANATORY NOTES REGARDING PERFORMANCE**

Gross fund performance (BVI method) takes into account all costs incurred at fund level (for example, management fees), net fund performance also takes into account the subscription fee. Further costs may be charged individually at customer level (e.g. custody fees, commissions and other charges). Example calculation (net method): An investor wishes to buy shares with capital of €1,000. Based on a maximum subscription fee of 5 %, € 50 will be deducted from their investment as a one-off initial charge. In addition, custody fees may also be applied, which will further reduce the investor's return. The level of custody fees can be found in your bank's schedule of fees and services. Please refer to the cost details presented in this document to determine the maximum subscription fee for the share class of the sub-fund. The reference index is merely informative. It does not constitute any obligation from the fund manager to track the index or achieve the same performance. Past performance is not a reliable indicator of future performance.

### **CATEGORY: BONDS AND CONVERTIBLES**

Data as per 31 December 2024

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| Securities ID No. (WKN)  | A1W17W   |
|--|--|
| ISIN   | LU0952573136   |
| Valor number   | 21968021   |
| Domicile   | Luxembourg   |
| SFDR Classification  | Article 8  |
| Share class  | R  |
| Fund currency  | EUR  |
| Share class currency   | EUR  |
| Launch date  | 1 October 2013   |
| Financial year end   | 30 September   |
| Income utilisation   | Distribution   |
| Authorised for distribution  | AT, CH, DE, ES, LI, LU, PT   |
| Fund type  | UCITS / FCP  |
| Fund assets  | EUR 555.65 million   |
| Redemption price   | EUR 107.73   |
| Minimum initial investment   | none   |
|  |  |
| Minimum subsequent investment  | none   |
| Minimum subsequent   | none   |
| Minimum subsequent investment  | none 0.88% p.a.  |
| Minimum subsequent investment  Costs <sup>1</sup>  |  |
| Minimum subsequent investment  Costs¹  Ongoing charges  which includes a   | 0.88% p.a.   |
| Minimum subsequent investment  Costs¹  Ongoing charges  which includes a management fee of                                     | 0.88% p.a.<br>0.72% p.a.   |
| Minimum subsequent investment  Costs¹  Ongoing charges  which includes a management fee of  Transaction costs                  | 0.88% p.a.<br>0.72% p.a.<br>0.10% p.a.   |
| Minimum subsequent investment  Costs¹  Ongoing charges  which includes a management fee of  Transaction costs  Performance fee | 0.88 % p.a.  0.72 % p.a.  0.10 % p.a.  none  0.00 %  up to 1.00 %  the units to be purchased for |

# MANAGEMENT COMPANY

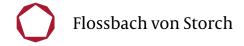
Flossbach von Storch Invest S.A. 2, rue Jean Monnet 2180 Luxembourg, Luxembourg

# www.fvsinvest.lu DEPOSITARY

BNP PARIBAS, Succursale de Luxembourg 60, avenue J.F. Kennedy, L-1855 Luxembourg, Luxembourg

¹ In addition to the management fee, the fund is charged further costs such as transfer agent fees, transaction costs, and various other charges. Further information about ongoing and one-off costs can be found in the key information document (PRIIP-RID), the sales prospectus, and the most recent annual report.

<sup>2</sup> The performance until 23th January 2018 refers to the investment strategy of the subfund "Flossbach von Storch - Bond Total Return". As of 24 January 2018, the sub-fund "Flossbach von Storch - Bond Total Return" has been renamed "Flossbach von Storch - Der erste Schritt". Simultaneously, the investment strategy has changed. As of 23 June 2023, the sub-fund "Flossbach von Storch - Der erste Schritt" has been renamed "Flossbach von Storch - Bond Defensive". The investment strategy was changed as of 30 September 2023.



# Flossbach von Storch -Bond Defensive - R

### TOP 10 GUARANTORS OVERALL FUND LEVEL (IN %)

| 1.    | Kingdom of Spain             | 7.85 %  |
|-------|------------------------------|---------|
| 2.    | Kingdom of the Netherlands   | 4.49%   |
| 3.    | Porsche Automobil Holding SE | 4.19%   |
| 4.    | United States of America     | 3.96%   |
| 5.    | Republic of France           | 3.58%   |
| 6.    | Republic of Germany          | 3.12 %  |
| 7.    | Deutsche Bank AG             | 3.08%   |
| 8.    | Coöperatieve Rabobank U.A.   | 3.04%   |
| 9.    | Commerzbank AG               | 2.84%   |
| 10.   | ING Groep N.V.               | 2.82 %  |
| Total |                              | 38.97 % |

Source: Depositary and Flossbach von Storch,

status: 31.12.24

The portfolio currently contains 108 securities.

# CREDIT RATING FOR BONDS (IN %)

| AAA | 42.35% |
|-----|--------|
| AA  | 17.86% |
| A   | 25.20% |
| BBB | 14.58% |

Source: Depositary and Flossbach von Storch, status: 31.12.24

A simplified ratings scorecard is used when determining the rating. Trends (+/-) are not taken into account in this process. Convertibles are not considered.

# **KEY FUND FIGURES**

| Average Yield to Maturity | 2.50%      |
|---------------------------|------------|
|                           | 2.22 years |
|                           |            |

Source: Depositary and Flossbach von Storch,

status: 31.12.24

### TOP 10 SECTORS (IN %)\*

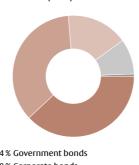
| 1.    | Consumer Discretionary | 21.86%  |
|-------|------------------------|---------|
| 2.    | Health Care            | 21.12%  |
| 3.    | Consumer Staples       | 15.43 % |
| 4.    | Utilities              | 14.14%  |
| 5.    | Information Technology | 10.68%  |
| 6.    | Financials             | 9.89%   |
| 7.    | Energy                 | 3.90 %  |
| 8.    | Industrials            | 2.49%   |
| 9.    | Materials              | 0.49%   |
| Total |                        | 100.00% |
|       |                        |         |

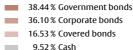
Source: Depositary and Flossbach von Storch,

status: 31.12.24

\* refer to corporate bonds

### **ASSET ALLOCATION (IN %)**





-0.58 % Other (incl. derivatives)

Source: Depositary and Flossbach von Storch,

status: 31.12.24

# MONTHLY COMMENTARY

Bond markets started the month focused on the political situation in France after Prime Minister Michel Barnier was voted out of office by a majority after only three months in power. Risk premiums on 10-year French government bonds climbed to new highs for the year. They remained at these elevated levels in the wake of a rating downgrade by Moody's and ongoing concerns about the new government's ability to act. Central banks provided fresh impetus in the second half of the month. The European Central Bank (ECB) cut its key interest rate by 25 basis points (bps) to 3.00% and signaled further scope for interest-rate cuts by revising downwards both its inflation and growth forecasts for 2025 and 2026. The US Federal Reserve (Fed) cut its key interest-rate range by 25 bps to 4.25-4.50% but announced that it was planning only two interest-rate cuts in 2025 (instead of four, as announced in September). At the same time, inflation expectations for 2025 and 2026 were revised upwards in view of the new administration's fiscal stimulus, with Fed Chair Jerome Powell pointing to increased scenario uncertainty. In a monthly comparison, yields were noticeably higher – in the five-year segment by around 33 bps for US Treasuries and by a good 23 bps for German Bunds. We used this setback to make some purchases. As the yield differential between the two currency areas widened to new highs for the year, we increased the proportion of US dollar duration in the portfolio, which had previously been significantly reduced in the summer. In order to be able to react to potential opportunities amid reduced liquidity at the end of the year, cash holdings were temporarily increased.

# CATEGORY: BONDS AND CONVERTIBLES

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### **FUND MANAGEMENT**



Marcel Bross Fund manager at Flossbach von Storch since 2021.

### **Team Fixed Income**

Deputy and operational collaboration is conducted through our Fixed Income Team.



# Flossbach von Storch -Bond Defensive - R

### **OPPORTUNITIES**

- + Participate in global bond market growth.
- + Income can be generated from regular interest payments.
- + Active interest rate, currency and risk management (e.g. from the use of derivatives).

#### RISKS

- The securities in which the Management Company invests the sub-fund assets present opportunities for gain but also the possibility of risk. ESG criteria can restrict the selection of target investments in terms of category and number, sometimes considerably. If a sub-fund invests directly or indirectly in securities and other assets, it is subject to many general trends and tendencies, which are sometimes attributable to irrational factors on the markets particularly on the securities markets. Losses can occur when the market value of the assets decreases as against the cost price. If a unitholder sells units of the sub-fund at a time at which the value of assets in the sub-fund has decreased compared with the time of the unit purchase, he will not receive the full amount he has invested in the sub-fund. Despite the fact that each sub-fund aspires constant growth, this cannot be guaranteed.
- Country, credit and issuer liquidity risk. Also potential exchange rate risks. If securities are illiquid (i.e. thinly traded), there is a risk that it may either not be possible to sell the assets at all or only by accepting a significant discount on the sale price.
- Investing in bonds may entail price risks, especially in case of rising interest rates on the capital markets.
- Where used, derivatives can have a greater negative impact on the fund value than would be the case if the assets were acquired directly. This can affect the fund's risk profile and volatility (tendency for the price to fluctuate).

Please read the Prospectus and particularly the RISK WARNINGS section and the specific annex of the subfund to understand the risks and benefits of this product.

# **CATEGORY: BONDS AND CONVERTIBLES**

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### **INVESTOR PROFILE**

### **CONSERVATIVE:**

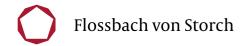
The fund is appropriate for conservative investors. Due to the composition of the net sub-fund assets, there is a moderate degree of risk but also a moderate degree of profit potential. The risks may consist in particular of currency risk, credit risk and price risk, as well as market interest rate risks.

### **INVESTMENT HORIZON:**

Medium-term: 3 to 5 years

#### RISK INDICATOR

The risk indicator assumes you keep the product for 3 years. The actual risk can vary significantly if you cash in at an early stage and you may get back less. The summary risk indicator is a guide to the level of risk of this product compared to other products. It shows how likely it is that the product will lose money because of movements in the markets or because we are not able to pay you. We have classified this product as 2 out of 7, which is a low risk class. This rates the potential losses from future performance at a low level, and poor market conditions are very unlikely to impact our capacity to pay you.



# Flossbach von Storch -Bond Defensive - R

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The units/shares issued by this fund may only be offered for purchase or sold in jurisdictions in which such offer or sale is permitted. Accordingly, the units/shares of this fund must not be offered for purchase or sold neither within the USA nor to or for the account of US citizens or US persons domiciled in the USA. Additionally, the units/shares issued by this fund must not be offered for purchase or sold to "US-Persons" and/ or entities, which are owned by one or more "US-Persons" based on the definitions set out in the "Foreign Account Tax Compliance Act (FATCA)". This document and the information contained herein must not be distributed in the USA. The distribution and publication of this document as well as the offer or sale of the fund's units/shares may also be subject to restrictions in other jurisdictions.

The latest net asset value (NAV) of the fund can be obtained from the management company's website.

Past performance is not a reliable indicator of future performance.

The document issued in German is legally binding. This English translation is only for the purpose of convenience.

A comprehensive glossary of topics and terms (in German) can also be found at http://www.flossbachvonstorch.com/glossar/.

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### **CATEGORY: BONDS AND CONVERTIBLES**

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