

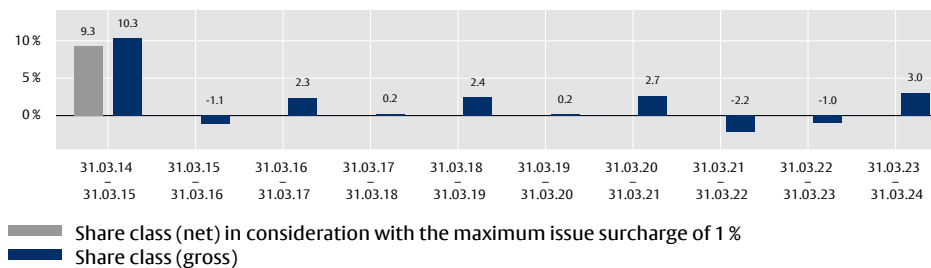


# Flossbach von Storch - Bond Defensive - I<sup>2</sup>

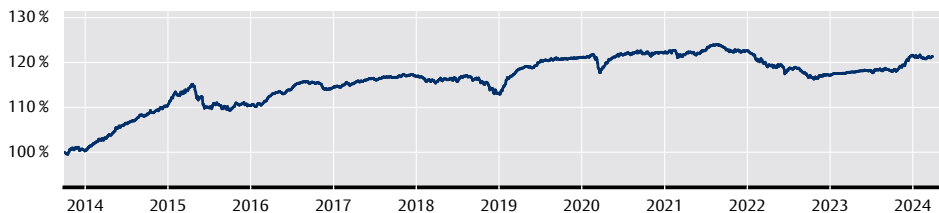
## INVESTMENT STRATEGY

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 %)



## 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 inception 01.10.13
Accumulated	+0.44 %	-0.19 %	+3.02 %	-0.27 %	+2.55 %	+17.62 %	+21.41 %
Annualised			+3.02 %	-0.09 %	+0.51 %	+1.63 %	

Source: Depositary and SIX Financial Information, status: 31.03.24

## 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 March 2024

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## FUND DETAILS

Securities ID No. (WKN)	A1W17V
ISIN	LU0952573052
Valor number	21968020
Domicile	Luxembourg
SFDR Classification	Article 8
Share class	I
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, LI, LU
Fund type	UCITS / FCP
Fund assets	EUR 631.72 million
Redemption price	EUR 110.41
Minimum initial investment	EUR 1,000,000.00
Minimum subsequent investment	none
Costs <sup>1</sup>	
Ongoing charges	0.52 %
which includes a management fee of	0.38 % p.a.
Transaction costs	0.12 % p.a.
Performance fee	none
Redemption fee	0.00 %
Exchange commission	up to 1.00 %
(based on the unit value of the units to be purchased for the benefit of the relevant distributor)	
Subscription fee	up to 1.00 %

## MANAGEMENT COMPANY

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

## DEPOSITARY

DZ PRIVATBANK S.A.  
4, rue Thomas Edison, 1445 Strassen, Luxembourg

<sup>1</sup> 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-KID), 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 - I

TOP 10 GUARANTORS OVERALL FUND LEVEL (IN %)

1.	Republic of France	14.80 %
2.	United States of America	11.54 %
3.	European Union	10.76 %
4.	Republic of Germany	5.24 %
5.	Europäischer Stabilitätsmechanismus	3.98 %
6.	Kingdom of the Netherlands	3.86 %
7.	Deutsche Bank AG	2.64 %
8.	ING Groep N.V.	2.55 %
9.	Coöperatieve Rabobank U.A.	2.50 %
10.	Commerzbank AG	2.42 %
Total		60.29 %

Source: Depositary and Flossbach von Storch, status: 31.03.24

The portfolio currently contains 109 securities.

CREDIT RATING FOR BONDS (IN %)

AAA	45.46 %
AA	33.10 %
A	12.87 %
BBB	8.57 %

Source: Depositary and Flossbach von Storch, status: 31.03.24

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	3.47 %
Duration	1.98 years

Source: Depositary and Flossbach von Storch, status: 31.03.24

MONTHLY COMMENTARY

Following the rise in yields in the first two months of the year, the global bond markets stabilised in March. The still resilient economic data did not cause yields to rise any further given the recent return to high expectations among market participants. Simultaneously, the US Federal Reserve (Fed) and the European Central Bank (ECB) essentially maintained their positions at their meetings in March. The Fed's official quarterly forecasts still envisage three interest-rate cuts (75 basis points, bps) this year, despite an upward revision of growth expectations. At the ECB, President Christine Lagarde and other speakers repeated the signals for a first interest-rate cut in June. In contrast, the Swiss central bank (SNB) caused a surprise by reducing its key interest rate earlier than expected (by 25 bps to 1.50 %). Against this backdrop, yields on German Bunds fell slightly and there was little change in US Treasuries compared to the previous month. In March, we kept the duration in the portfolio constantly in the middle of our control band. We took advantage of the declining yields on Swiss covered bonds and the associated (currency-hedged) outperformance compared with comparable securities in the eurozone to switch into euro covered bonds. We are increasingly seeing a lack of concern about the risk premiums on corporate bonds or peripheral government bonds. The yield differential between Italian government bonds and German Bunds fell to levels that were only reached in the aftermath of the sovereign debt crisis during phases of ultra-loose monetary policy, in which the ECB inflated its balance sheet through direct bond purchases or other extraordinary liquidity measures. The potential for further declines in risk premiums appears limited and asymmetrical, meaning that we are keeping the credit sensitivity of the portfolio low.

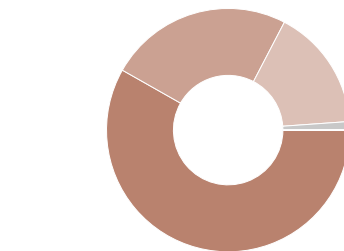
TOP 10 SECTORS (IN %)\*

1.	Consumer Discretionary	31.48 %
2.	Consumer Staples	29.72 %
3.	Financials	9.62 %
4.	Health Care	7.91 %
5.	Materials	5.74 %
6.	Utilities	5.09 %
7.	Information Technology	3.50 %
8.	Energy	3.19 %
9.	Real Estate	2.59 %
10.	Industrials	1.17 %
Total		100.01 %

Source: Depositary and Flossbach von Storch, status: 31.03.24

\* refer to corporate bonds

ASSET ALLOCATION (IN %)



58.20 % Government bonds  
24.44 % Corporate bonds  
16.22 % Covered Bonds  
1.10 % Cash  
0.03 % Other (incl. derivatives)  
Source: Depositary and Flossbach von Storch, status: 31.03.24

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 - I

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).
- + Risk is broadly diversified by investing in a range of asset classes (e.g. equities, bonds, convertible bonds etc.) Market potential can be exploited by investing across a wide range.

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.

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 - I

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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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## CONTACTS FOR INVESTORS

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