

Annual report as at 30 September 2020

# Flossbach von Storch II

**R.C.S. Luxembourg K1766**

**Investment fund under Luxembourg law**

An investment fund pursuant to Part I of the Law of 17 December 2010  
concerning undertakings for collective investment, as currently amended, in  
the legal form of a Fonds Commun de Placement (FCP)

**MANAGEMENT COMPANY:**

Flossbach von Storch Invest S.A.

R.C.S. Luxembourg B 171513



Flossbach von Storch

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The sales prospectus and the management regulations it contains, the Key Investor Information Document and the annual and semi-annual reports of the fund are available free of charge by post, fax or email from the registered offices of the management company, the Depositary Bank, the paying agents and sales agents for each country in which it is sold. Additional information is available from the management company at any time during normal business hours.

Subscriptions for fund units are only valid if based on the latest edition of the sales prospectus, including its annexes, in conjunction with the most recent available annual report, together with a more recent semi-annual report if one exists.

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## Report on business operations

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### Flossbach von Storch II – Defensive Allocation 2023

Unit Class R of the Flossbach von Storch II – Defensive Allocation sub-fund closed the past financial year from 1 October 2019, to 30 September 2020, with a decline in value of 0.56%; as of 24 August 2020, a distribution of ordinary income for the financial year amounting to EUR 3.0 was made.

In comparison, the most important stock indices developed as follows, taking into account net dividends: The global benchmark index MSCI World rose by 2.64% measured in euros. In contrast, European shares, measured by the Stoxx Europe 600, lost 6.15% in value. In addition, the German government bond index REXP fell by 0.38% in the reporting period, while the Barclays Global Aggregate (total return, hedged EUR) gained 2.39%. The price of gold rose by 28.07% (in US dollars) and 19.12% (in euros).

The fiscal year started on a positive note. Until February 2020, global stock markets continued to rise, measured by the MSCI World (including net dividends, in euros). Particularly on the US stock exchanges, new records were set time and again.

The corona crash then came suddenly and unexpectedly at the end of February for most professional investors. Within a month, share prices plummeted worldwide. Germany's leading index, the Dax, lost 39% at its peak, while the US S&P 500 index lost around 34%. The development of bonds was similarly turbulent. While the prices of government bonds benefited from the flight of many

investors to safe havens, the risk premiums of corporate bonds widened massively, so that even corporate bonds with first-class credit ratings posted double-digit percentage losses in the meantime. This development was accompanied by a collapse in the price of oil, which fell by around 60% for WTI. And the price of gold also came under pressure due to increased liquidity requirements in this stressful phase.

However, the world's major central banks and governments reacted boldly and announced aid programs on an unprecedented scale. The Federal Reserve Bank (Fed), for example, cut key interest rates from 1.50% - 1.75% to 0.00% - 0.25% and at the same time announced an unlimited bond purchase program, which quickly led to a price recovery.

While all asset classes relevant to the fund were still in the red in the first half of the financial year, a pronounced recovery set in over the following six months until the end of the financial year on 30 September 2020. The stock markets boomed, although developments in individual sectors varied greatly. While the sector indices of pandemic losers such as airlines or oil and gas producers were still deep in the red at the end of the fiscal year, the sector indices of pandemic winners such as information technology or healthcare reached new record levels. The risk premiums of corporate bonds also narrowed significantly again. And the price of gold also continued to rise, reaching historic highs as late as August.

The investment strategy of the Master-UCITS, taking into account the investment guidelines

## REPORT ON BUSINESS OPERATIONS (continued)

set out in the sales prospectus, took account of this special capital market environment as follows:

The investment strategy of the Master-UCITS has been based on the assumption of permanently low interest rates for many years. We are hardly surprised that the stock market is developing positively in this environment. After all, adequate returns are almost exclusively available in this asset class. The dividends alone are enough to make equities a much more attractive investment class than bonds in the long term. Nevertheless, in view of the impact that the global spread of the coronavirus had on the economy and the financial markets, we had built up extensive hedging positions in the form of index derivatives at the end of February. In the months that followed, we managed these positions dynamically, before completely liquidating them again in the course of the last quarter of the financial year. We also used options at the level of individual shares, with the aim of preparing to sell or buy, to increase earnings or limit losses. At the single stock level, we focused on quality companies with resilient business models and/or intact structural growth. At the end of the fiscal year, stocks in the consumer staples, healthcare and communication services sectors had the highest portfolio weightings.

In line with our strategy, bonds had the highest weighting of all asset classes in the portfolio of the Master-UCITS over the entire financial year. At the end of September 2020, they accounted for 48.51% of fund assets. When selecting securities, bonds from companies were preferred to government issuers, as these often offered an attractive yield premium. Within the group of corporate bonds, bonds denominated in euros and U.S. dollars were once again predominantly allocated. In addition, forward contracts (futures) and options were also used to

manage interest rate sensitivity and to implement tactical investment opportunities in the bond sector. At the end of the fiscal year, the duration of the bond portfolio, taking into account sold futures, was 5.32 years, the average yield after hedging was 1.2%, and the credit rating averaged "A".

Throughout the fiscal year, the precious metal ratio in the portfolio of the Master-UCITS was close to the maximum possible weighting of 10%. As of 30 September 2020, the precious metal ratio was 9.32%. The only precious metal allocated was gold, whereby the holdings were held exclusively in the form of gold certificates. In our opinion, gold is a sensible supplement to profitable investments in productive capital, but above all it is an insurance against a sustained loss of confidence in the monetary system.

The asset class with the lowest weighting in the portfolio of the Master-UCITS throughout the fiscal year was the convertible bonds segment, as only a few securities had a suitable risk-return profile for this multi-asset fund. At 30 September 2020, the convertible bond ratio was 3.09%.

At the end of the fiscal year, the liquidity of the Master-UCITS was 6.78%. Currency hedges were in place for part of the fund positions in US and Australian dollars and Swiss francs.

As of 30 September 2020, the sub-fund volume amounted to EUR 146.0mn.

**Flossbach von Storch II - Rentas 2025**

Unit class R of the Feeder-UCITS Flossbach von Storch II – Rentas 2025 subfund closed the financial year from 1 October 2019 to 30 September 2020 with a 6.47% increase in value.

## REPORT ON BUSINESS OPERATIONS (continued)

In comparison, the major bond indices performed as follows: The globally leading Bloomberg Barclays Global Aggregate Total Return Index Hedged gained (in euro) 2.4%. The global government bonds market, as measured by the Bloomberg Barclays Global Aggregate Government Total Return Index Hedged, gained (in euro) 1.7%, whilst its corporate bonds counterpart, the Bloomberg Barclays Global Aggregate Corporate Total Return Index Hedged, gained 4.3% in euro.

The financial year began during a period of increasing interest rates, as a counter to the interest rate rally of the previous summer. In the first three months of the reporting period, for instance, interest rates for ten-year German Bunds rose by nearly 80 basis points. In the US, the rise was somewhat more modest given that the interest rate was already slightly higher and there had already been initial interest rate cuts during this period. Demand for corporate bonds, whether denominated in euro or US dollar, remained high. Risk premiums were down.

At the start of the 2020 calendar year, therefore, global interest rates were only moderately attractive despite the rate increases in Europe in particular – and corporate bond spreads were also low. The yield curve in the US was extremely flat, with low yield spreads over longer maturities. It was from this starting point that the market was then plunged into the COVID-19 crisis. The interest rate market was temporarily extremely volatile in spring; lower interest rates then followed. In the US, the yield curve became steeper again, driven by significant interest rate cuts from the US Federal Reserve (the Fed). Major interventions from the leading global central banks stabilised the capital markets, as did the markets for corporate bonds of various quality levels. Risk premiums rose extremely quickly here when the crisis took hold.

The initial central bank interventions, backed up by fiscal stimulus packages for the various national economies, further steadied the nervous capital market situation. Despite the real economy remaining strained, there were clear signs of recovery as the financial year progressed, in particular in the capital market for corporate bonds. The high level of excess liquidity resulted in a constant search for investment targets, and this led to risk premiums falling back almost to the levels seen before the COVID-19 pandemic began. The low interest rates reflect both the current influence of central banks and the continuing strain in the global economy. In the last few weeks of the financial year in particular, at least in the US and to some extent in Japan, interest rates on long-term securities began to rise again, taking account of the increased inflation expectations. To date, there have been no comparable developments in Europe, however.

The fund price of the Master-UCITS did not emerge completely unscathed from the significant correction at the start of the COVID-19 pandemic, despite the defensive positioning at the start of the calendar year. In our opinion, however, it performed very well compared with the reputedly higher-yield market segments such as corporate bonds. The defensive positioning at the start of the coronavirus pandemic, our flexible investment strategy and the liquidity held meant that the significant correction in the spring actually became an advantage for the fund price. The temporary losses were quickly offset during the course of the summer, and by the end of the financial year we had been able to gradually consolidate income.

The highly flexible investment strategy of the Master-UCITS has proven its worth during this financial year. Given the low-interest environment, we believe that a simple buy-

## REPORT ON BUSINESS OPERATIONS (continued)

and-hold strategy for bonds is no longer effective. On the basis of a permanent review of opportunity-risk profiles, the fund operates actively in the financial year, moving between different interest rate markets and/or maturity and quality clusters.

The sub-fund of the Master-UCITS had 4.51 million euro in assets under management as at 30 September 2020. The portfolio was characterised by a high degree of diversification. Whilst bonds and derivatives denominated in euro and US dollar each contribute around one third of the duration, the remaining third is split across bonds denominated in the Japanese yen, Australian dollar and Swiss franc. The duration contributions were structured differently depending on the interest rate or currency area. The total duration of the fund at the end of the financial year was 5.4 years. Much of the currency risk is hedged.

The issuer structure shows that at the end of the financial year around 66% of the Master-UCITS assets are invested in corporate bonds, 17% in government bonds and 8% in covered bonds. After profits have been taken and taking account of the diversification, the fund benefits from increased liquidity of around 8.31% in cash and a similar volume of German federal savings bonds (which fall under the government bonds grouping as part of the portfolio).

**Flossbach von Storch II – Equilibrio 2026**

Unit Class R of the Flossbach von Storch II – Equilibrio 2026 sub-fund closed the past financial period from 8 June 2020, to 30 September 2020, with an increase in value of 2.04%.

Stock markets continued to rise in August, although investors are increasingly differentiating between companies that are

likely to be among the long-term winners of the Corona crisis and the losers. Yields on top-rated government bonds rose slightly, while risk premiums on corporate stocks fell. This reflects the increased risk appetite in the market, as well as the temporary setback in the gold price at the beginning of the month. The US Federal Reserve provided important news. Its head, Jerome Powell, announced at the end of August that the Fed's inflation target of two per cent would be replaced by a price level target. This means that if inflation has been below the previous inflation target for a longer period of time, it should be allowed to "overshoot" for a correspondingly longer or more pronounced period of time in the future. Key rate hikes will thus become increasingly unlikely in the future. The US dollar, which had already been under pressure in the weeks before, again lost value against the euro. In this environment, the Fund price performed well.

Following the official announcement by the US Federal Reserve at the end of August that it would tolerate significantly higher inflation rates in future, September brought no further monetary policy news from an investor's perspective. Instead, at the end of the month Covid-19 again moved into the focus of investors and temporarily weighed on the equity markets. In Europe in particular, the number of newly infected persons has recently risen significantly thus fueling concerns about renewed restrictions that could slow down the recovery of the global economy. Bonds from good issuers were sought after in this environment, while the price of gold fell more sharply, in line with share prices.

For many years now, the investment strategy of the Master-UCITS has been based on the assumption of permanently low interest rates. We are hardly surprised that the stock market is developing positively in this environment.

## REPORT ON BUSINESS OPERATIONS (continued)

After all, adequate returns are almost only available in this asset class. The dividends alone are enough to make equities a much more attractive investment class than bonds in the long term. Nevertheless, in view of the impact that the global spread of the coronavirus had on the economy and the financial markets, we had built up extensive hedging positions in the form of index derivatives at the end of February. In the months that followed, we managed these positions dynamically, before completely liquidating them again in the course of the last quarter of the financial year. We also used options at the level of individual shares, with the aim of preparing to sell or buy, to increase earnings or limit losses. At the single stock level, we focused on quality companies with resilient business models and/or intact structural growth. At the end of the fiscal year, stocks in the sectors healthcare, communication services and consumer staples had the highest portfolio weightings.

In terms of strategy, equities and bonds were the asset classes with the highest weightings in the portfolio of the Master-UCITS throughout the entire fiscal year. At the end of September 2020, equities accounted for 47.08% of fund assets, while bonds accounted for 33.16%. When selecting securities, bonds from companies were preferred to government issuers, as these often offered an attractive yield premium. Within the group of corporate bonds, bonds denominated in euros and US dollars were once again predominantly allocated. In addition, forward contracts (futures) and options were also used to manage interest rate sensitivity and to implement tactical investment opportunities in the bond sector. At the end of the fiscal year, the duration of the bond portfolio, taking into account sold futures, was 5.70 years, the average yield after hedging was 1.68% and the credit rating was an average "A".

Throughout the fiscal year, the precious metal ratio in the Master-UCITS was close to the maximum possible weighting of 10%. As of 30 September 2020, the precious metal ratio was 9.29%. The only precious metal allocated was gold, whereby the holdings were held exclusively in the form of gold certificates. In our opinion, gold is a sensible supplement to profitable investments in productive capital, but above all it is an insurance against a sustained loss of confidence in the monetary system.

The asset class with the lowest weighting in the Master-UCITS throughout the fiscal year was the convertible bonds segment, as only a few securities had a suitable risk-return profile for this multi-asset fund. At 30 September 2020, the convertible bond ratio was 3.45%.

At the end of the fiscal year, the Master-UCITS liquidity stood at 6.02%. Currency hedges were in place for part of the fund positions in US and Australian dollars and Swiss francs.

As of 30 September 2020, the sub-fund volume amounted to EUR 50.2mn.

Luxembourg, October 2020

**The Fund Manager on behalf of the Executive Board of the Management Company**

*The information stated in the report is historical and is not representative of future results.*

## Flossbach von Storch II

### Combined annual report for Flossbach von Storch II with the following sub-funds

Flossbach von Storch II – Defensive Allocation 2023, Flossbach von Storch II – Rentas 2025 and Flossbach von Storch II – Equilibrio 2026

#### Combined composition of net fund assets

as at 30 September 2020

	EUR
Securities holdings	262,302,719.78
(acquisition cost of securities: EUR 240,170,213.14)	
Cash at banks	3,889,477.08
Receivable from securities transactions	48,588.69
Other assets <sup>1)</sup>	923,218.25
	<b>267,164,003.80</b>
Payables from redemption of units	-48,588.56
Interest payable	-4,014.50
Other liabilities <sup>2)</sup>	-180,933.32
	<b>-233,536.38</b>
<b>Net fund assets</b>	<b>266,930,467.42</b>

<sup>1)</sup> The position includes capitalised fund launch costs.

<sup>2)</sup> This position consists primarily of management company fee payables and audit fee payables.



FLOSSBACH VON STORCH II

## Change in net fund assets

in the reporting period from 1 October 2019 to 30 September 2020

	EUR
Net sub-fund assets at the beginning of the reporting period	231,883,272.45
Ordinary net expenditure	-1,897,037.20
Income and expense equalisation	-48,883.98
Cash inflows from the sale of units	49,274,301.90
Cash outflows from the redemption of units	-14,270,618.79
Realised profits	1,690,611.56
Net change in unrealised profits	4,628,900.02
Distribution	-4,330,078.54
<b>Net fund assets at the end of the reporting period</b>	<b>266,930,467.42</b>

## Statement of income and expenses

In the reporting period from 1 October 2019 to 30 September 2020

	EUR
<b>Income</b>	
Bank interest	-8,341.40
Income equalisation	147.44
<b>Income total</b>	<b>-8,193.96</b>
<b>Expenses</b>	
Interest expenses	-0.36
Management fee/Fund management fee	-1,801,320.50
Depositary fee	-25,779.58
Central administration agent fee	-10,880.61
Distribution fees	-62,778.93
Taxe d'abonnement	-1,012.09
Publication and auditing costs	-18,485.70
Typesetting, printing and dispatch costs for the annual and semi-annual reports	-819.87
Registrar and transfer agent fee	-1,924.60
Government fees	-10,698.38
Formation expense	-1,403.06
Other expenses <sup>1)</sup>	-2,476.10
Expense equalisation	48,736.54
<b>Total expenses</b>	<b>-1,888,843.24</b>
<b>Ordinary net expenditure</b>	<b>-1,897,037.20</b>

<sup>1)</sup> This position consists primarily of general administrative expenses and membership fees.

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## Flossbach von Storch II – Defensive Allocation 2023 sub-fund

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### Annual report

**1 October 2019 - 30 September 2020**

The sub-fund Flossbach von Storch II – Defensive Allocation 2023 is a Feeder-UCITS in accordance with Article 77 of the Law of 17 December 2010.

The sub-fund permanently invests at least 85% of the sub-fund's net assets in units of the fund Flossbach von Storch – Multi Asset - Defensive IT (LU1245470080), the Master-UCITS.

The latest valid annual and semi-annual reports for the Master-UCITS may be obtained from the homepage [www.fvsinvest.lu](http://www.fvsinvest.lu) or may also be requested from the management company Flossbach von Storch Invest S.A.

The fund is entitled to launch unit classes with different rights in relation to the units. Details of the current unit classes are as follows for the reporting period:

	Unit class R	Unit class RT
<b>Securities ID No. (WKN):</b>	A2DRVX	A2DRVY
<b>ISIN:</b>	LU1600702853	LU1600703828
<b>Subscription fee:</b>	none	none
<b>Redemption fee:</b>	1.00%	1.00%
<b>Management fee:</b>	up to 1.69% p.a.	up to 1.69% p.a.
<b>Minimum initial investment:</b>	none	none
<b>Minimum subsequent investment:</b>	none	none
<b>Income utilisation:</b>	distributing	accumulating
<b>Currency:</b>	EUR	EUR

FLOSSBACH VON STORCH II – DEFENSIVE ALLOCATION 2023

### Geographical breakdown by country <sup>1)</sup>

Luxembourg	99.45%
<b>Securities holdings</b>	<b>99.45%</b>
Cash at banks	0.63%
Balance of other receivables and payables	-0.08%
	<b>100.00%</b>

### Breakdown by economic sector <sup>1)</sup>

Investment fund holdings	99.45%
<b>Securities holdings</b>	<b>99.45%</b>
Cash at banks	0.63%
Balance of other receivables and payables	-0.08%
	<b>100.00%</b>

### Performance over the last 3 financial years

#### Unit class R

Date	Net unit class assets EUR millions	Units outstanding	Net cash inflow EUR thousands	Unit value EUR
30 September 2018	115.21	1,197,284	119,744.50	96.23
30 September 2019	113.53	1,141,699	-5,409.29	99.44
30 September 2020	104.53	1,089,842	-5,099.18	95.92

#### Unit class RT

Date	Net unit class assets EUR millions	Units outstanding	Net cash inflow EUR thousands	Unit value EUR
30 September 2018	46.46	468,360	46,828.84	99.19
30 September 2019	46.49	440,183	-2,830.50	105.61
30 September 2020	41.49	395,066	-4,721.32	105.02

<sup>1)</sup> Due to rounding differences in individual amounts, totals may differ from the actual value.

FLOSSBACH VON STORCH II – DEFENSIVE ALLOCATION 2023

## Composition of net sub-fund assets

as at 30 September 2020

	EUR
Securities holdings	145,211,366.73
(acquisition cost of securities: EUR 134,000,421.38)	
Cash at banks	926,886.73
Receivable from securities transactions	48,588.69
Other assets <sup>1)</sup>	2,591.46
	<b>146,189,433.61</b>
Payables from redemption of units	-48,588.56
Interest payable	-1,209.21
Other liabilities <sup>2)</sup>	-118,285.68
	<b>-168,083.45</b>
<b>Net sub-fund assets</b>	<b>146,021,350.16</b>

## Allocation to the unit classes

<b>Unit class R</b>	
Proportion of net sub-fund assets	104,532,886.97 EUR
Number of units outstanding	1,089,841.583
Net asset value per unit	95.92 EUR
<b>Unit class RT</b>	
Proportion of net sub-fund assets	41,488,463.19 EUR
Number of units outstanding	395,065.558
Net asset value per unit	105.02 EUR

<sup>1)</sup> This item includes capitalised fund launch costs.

<sup>2)</sup> This item mainly comprises management fees and auditing costs.

FLOSSBACH VON STORCH II – DEFENSIVE ALLOCATION 2023

### Change in net sub-fund assets

in the reporting period from 1 October 2019 to 30 September 2020

	Total	Unit class R	Unit class RT
	EUR	EUR	EUR
Net sub-fund assets at the beginning of the reporting period	160,015,983.93	113,527,728.81	46,488,255.12
Ordinary net expenditure	-1,406,077.79	-1,014,351.39	-391,726.40
Income and expense equalisation	-41,927.25	-24,913.87	-17,013.38
Cash outflows from the redemption of units	-9,820,508.34	-5,099,183.45	-4,721,324.89
Realised profits	1,112,947.40	799,256.66	313,690.74
Net change in unrealised profits	-552,844.77	-369,493.52	-183,351.25
Net change in unrealised losses	0.00	66.75	-66.75
Distribution	-3,286,223.02	-3,286,223.02	0.00
<b>Net sub-fund assets at the end of the reporting period</b>	<b>146,021,350.16</b>	<b>104,532,886.97</b>	<b>41,488,463.19</b>

### Changes in number of units in circulation for unit class R

	No. of units
Units outstanding at the beginning of the reporting period	1,141,698.543
Units issued	0.000
Units redeemed	-51,856.96
<b>Units outstanding at end of reporting period</b>	<b>1,089,841.583</b>

### Changes in number of units in circulation for unit class RT

	No. of units
Units outstanding at the beginning of the reporting period	440,182.508
Units issued	0.000
Units redeemed	-45,116.95
<b>Units outstanding at end of reporting period</b>	<b>395,065.558</b>

FLOSSBACH VON STORCH II – DEFENSIVE ALLOCATION 2023

## Statement of income and expenses

For the reporting period from 1 October 2019 to 30 September 2020

	Total EUR	Unit class R EUR	Unit class RT EUR
<b>Income</b>			
Bank interest	-4,027.35	-2,890.97	-1,136.38
Income equalisation	106.07	63.24	42.83
<b>Total income</b>	<b>-3,921.28</b>	<b>-2,827.73</b>	<b>-1,093.55</b>
<b>Expenses</b>			
Interest payable	-0.12	-0.08	-0.04
Management fee/Fund management fee	-1,401,187.25	-1,005,664.68	-395,522.57
Depository fee	-16,646.71	-11,946.08	-4,700.63
Central administration agent fee	-7,022.59	-5,039.47	-1,983.12
Taxe d'abonnement	-285.69	-205.18	-80.51
Publication and auditing costs	-6,276.90	-4,504.92	-1,771.98
Typesetting, printing and dispatch costs for the annual and semi-annual reports	-438.33	-313.31	-125.02
Registrar and transfer agent fee	-1,307.60	-935.26	-372.34
Government fees	-7,446.11	-5,346.48	-2,099.63
Formation expense	-1,403.06	-1,007.07	-395.99
Other expenses <sup>1)</sup>	-1,963.33	-1,411.76	-551.57
Expense equalisation	41,821.18	24,850.63	16,970.55
<b>Total expenses</b>	<b>-1,402,156.51</b>	<b>-1,011,523.66</b>	<b>-390,632.85</b>
<b>Ordinary net expenditure</b>	<b>-1,406,077.79</b>	<b>-1,014,351.39</b>	<b>-391,726.40</b>
<b>Total transaction costs during the reporting period <sup>2)</sup></b>	<b>1,755.00</b>		
<b>Total expense ratio as a percentage<sup>2)</sup></b>		<b>0.94</b>	<b>0.94</b>
<b>Ongoing charges as a percentage<sup>2)</sup></b> (for the reporting period from 1 October 2019 to 30 September 2020)		<b>1.81</b>	<b>1.81</b>

<sup>1)</sup> This position consists primarily of general and administrative expenses and membership fees.

<sup>2)</sup> See the notes to the annual report.

FLOSSBACH VON STORCH II – DEFENSIVE ALLOCATION 2023

## Statement of assets as at 30 September 2020

ISIN	Securities		Additions in the reporting period	Disposals in the reporting period	Quantity	Price	Market Value EUR	%-share of NSFA <sup>1)</sup>
<b>Investment fund holdings <sup>2)</sup></b>								
<b>Luxembourg</b>								
LU1245470080	Flossbach von Storch - Multi Asset - Defensive IT	EUR	0	124,022	1,226,551	118.3900	145,211,366.73	99.45
							<b>145,211,366.73</b>	<b>99.45</b>
<b>Investment fund holdings</b>							<b>145,211,366.73</b>	<b>99.45</b>
<b>Securities holdings</b>							<b>145,211,366.73</b>	<b>99.45</b>
<b>Cash at banks</b>							<b>926,886.73</b>	<b>0.63</b>
<b>Balance of other receivables and payables</b>							<b>-116,903.3</b>	<b>-0.08</b>
<b>Net sub-fund assets in EUR</b>							<b>146,021,350.16</b>	<b>100.00</b>

## Additions and disposals from 1 October 2019 to 30 September 2020

During the period under review, no further purchases or sales of securities, debentures or derivatives, including non-monetary transactions, that are not listed in the schedule of assets, were made.

## Exchange rates

As at 30 September 2020 there were only assets in the sub-fund currency (Euro).

<sup>1)</sup> NSFA = net sub-fund assets. Due to rounding differences in individual amounts, totals may differ from the actual value.

<sup>2)</sup> Neither subscription fees nor redemption fees are charged for target fund units. A management fee of 0.78% p.a. is calculated for units held of the target fund.

## Flossbach von Storch II – Rentas 2025 sub-fund

### Annual report

**1 October 2019 - 30 September 2020**

The sub-fund Flossbach von Storch II – Rentas 2025 is a Feeder-UCITS in accordance with Article 77 of the Law of 17 December 2010.

The sub-fund permanently invests at least 85% of the sub-fund's net assets in units of the fund Flossbach von Storch – Bond Opportunities IT (LU1481584016), the Master-UCITS.

The latest valid annual and semi-annual reports for the Master-UCITS may be obtained from the homepage [www.fvsinvest.lu](http://www.fvsinvest.lu) or may also be requested from the management company Flossbach von Storch Invest S.A.

The fund is entitled to launch unit classes with different rights in relation to the units. Details of the current unit classes are as follows for the reporting period:

	Unit class R	Unit class RT
<b>Securities ID No. (WKN):</b>	A2N7XU	A2N7XV
<b>ISIN:</b>	LU1897624026	LU1897624299
<b>Subscription fee:</b>	none	none
<b>Redemption fee:</b>	2.00%	2.00%
<b>Management fee:</b>	up to 0.93% p.a.	up to 0.93% p.a.
<b>Minimum initial investment:</b>	none	none
<b>Minimum subsequent investment:</b>	none	none
<b>Income utilisation:</b>	distributing	accumulating
<b>Currency:</b>	EUR	EUR



FLOSSBACH VON STORCH II – RENTAS 2025

### Geographical breakdown by country <sup>1)</sup>

Luxembourg	99.35%
<b>Securities holdings</b>	<b>99.35%</b>
Cash at banks	0.70%
Balance of other receivables and payables	-0.05%
	<b>100.00%</b>

### Breakdown by economic sector <sup>1)</sup>

Investment fund holdings	99.35%
<b>Securities holdings</b>	<b>99.35%</b>
Cash at banks	0.70%
Balance of other receivables and payables	-0.05%
	<b>100.00%</b>

### Performance since launch

#### Unit class R

Date	Net unit class assets EUR millions	Units outstanding	Net cash inflow EUR thousands	Unit value EUR
26 February 2019 <sup>2)</sup>	Launch	-	-	100.00
30 September 2019	59.35	547,680	54,714.91	108.37
30 September 2020	57.98	512,658	-3,805.40	113.10

#### Unit class RT

Date	Net unit class assets EUR millions	Units outstanding	Net cash inflow EUR thousands	Unit value EUR
26 February 2019 <sup>2)</sup>	Launch	-	-	100.00
30 September 2019	12.51	115,463	11,542.38	108.37
30 September 2020	12.77	110,700	-530.12	115.32

<sup>1)</sup> Due to rounding differences in individual amounts, totals may differ from the actual value.

<sup>2)</sup> Date of the first calculation of the unit value.

FLOSSBACH VON STORCH II – RENTAS 2025

## Composition of net sub-fund assets

as at 30 September 2020

	EUR
Securities holdings	70,282,557.12
(acquisition cost of securities: EUR 60,468,496.44)	
Cash at banks	495,929.85
	<b>70,778,486.97</b>
Interest payable	-472.39
Other liabilities <sup>1)</sup>	-33,027.93
	<b>-33,500.32</b>
<b>Net sub-fund assets</b>	<b>70,744,986.65</b>

## Allocation to the unit classes

<b>Unit class R</b>	
Proportion of net sub-fund assets	57,979,253.40 EUR
Number of units outstanding	512,658.274
Net asset value per unit	113.10 EUR
<b>Unit class RT</b>	
Proportion of net sub-fund assets	12,765,733.25 EUR
Number of units outstanding	110,699.597
Net asset value per unit	115.32 EUR

<sup>1)</sup> This item mainly comprises management fees and auditing costs.

FLOSSBACH VON STORCH II – RENTAS 2025

## Change in net sub-fund assets

in the reporting period from 1 October 2019 to 30 September 2020

	Total	Unit class R	Unit class RT
	EUR	EUR	EUR
Net sub-fund assets at the beginning of the reporting period	71,867,288.52	59,354,098.76	12,513,189.76
Ordinary net expenditure	-331,384.05	-272,029.96	-59,354.09
Income and expense equalisation	-6,823.02	-5,338.14	-1,484.88
Cash outflows from the redemption of units	-4,335,516.18	-3,805,398.38	-530,117.80
Realised profits	521,032.72	427,598.16	93,434.56
Net change in unrealised profits	4,074,244.18	3,324,178.48	750,065.70
Distribution	-1,043,855.52	-1,043,855.52	0.00
<b>Net sub-fund assets at the end of the reporting period</b>	<b>70,744,986.65</b>	<b>57,979,253.40</b>	<b>12,765,733.25</b>

## Changes in number of units in circulation for unit class R

	No. of units
Units outstanding at the beginning of the reporting period	547,679.901
Units issued	0.000
Units redeemed	-35,021.627
<b>Units outstanding at end of reporting period</b>	<b>512,658.274</b>

## Changes in number of units in circulation for unit class RT

	No. of units
Units outstanding at the beginning of the reporting period	115,463.333
Units issued	0.000
Units redeemed	-4,763.736
<b>Units outstanding at end of reporting period</b>	<b>110,699.597</b>

FLOSSBACH VON STORCH II – RENTAS 2025

## Statement of income and expenses

In the reporting period from 1 October 2019 to 30 September 2020

	<b>Total</b>	<b>Unit class R</b>	<b>Unit class RT</b>
	EUR	EUR	EUR
<b>Income</b>			
Bank interest	-1,870.65	-1,534.52	-336.13
Income equalisation	40.39	31.75	8.64
<b>Total income</b>	<b>-1,830.26</b>	<b>-1,502.77</b>	<b>-327.49</b>
<b>Expenses</b>			
Interest payable	-0.13	-0.11	-0.02
Management fee/Fund management fee	-314,497.94	-257,920.33	-56,577.61
Depository fee	-7,539.71	-6,183.49	-1,356.22
Central administration agent fee	-3,181.15	-2,608.93	-572.22
Taxe d'abonnement	-147.27	-120.75	-26.52
Publication and auditing costs	-6,358.80	-5,214.74	-1,144.06
Typesetting, printing and dispatch costs for the annual and semi-annual reports	-299.56	-245.95	-53.61
Registrar and transfer agent fee	-587.40	-482.26	-105.14
Government fees	-3,252.27	-2,670.41	-581.86
Other expenses <sup>1)</sup>	-472.19	-386.61	-85.58
Expense equalisation	6,782.63	5,306.39	1,476.24
<b>Total expenses</b>	<b>-329,553.79</b>	<b>-270,527.19</b>	<b>-59,026.60</b>
<b>Ordinary net expenditure</b>	<b>-331,384.05</b>	<b>-272,029.96</b>	<b>-59,354.09</b>
<b>Total transaction costs during the reporting year<sup>2)</sup></b>	<b>1,260.00</b>		
<b>Total expense ratio as a percentage<sup>2)</sup></b>		<b>0.48</b>	<b>0.48</b>
<b>Ongoing charges as a percentage<sup>2)</sup></b> (for the reporting period from 1 October 2019 to 30 September 2020)		<b>1.01</b>	<b>1.01</b>

<sup>1)</sup> This position consists primarily of membership fees and general and administrative expenses.

<sup>2)</sup> See the notes to the annual report.

FLOSSBACH VON STORCH II – RENTAS 2025

## Statement of assets as at 30 September 2020

ISIN	Securities		Additions in the reporting period	Disposals in the reporting period	Quantity	Price	Market Value EUR	% share of NSFA <sup>1)</sup>
<b>Investment fund holdings <sup>2)</sup></b>								
<b>Luxembourg</b>								
LU1481584016	Flossbach von Storch - Bond Opportunities IT	EUR	0	49,994	575,945	122.0300	70,282,557.12	99.35
							<b>70,282,557.12</b>	<b>99.35</b>
<b>Investment fund holdings</b>							<b>70,282,557.12</b>	<b>99.35</b>
<b>Securities holdings</b>							<b>70,282,557.12</b>	<b>99.35</b>
<b>Cash at bank</b>							<b>495,929.85</b>	<b>0.70</b>
<b>Balance of other receivables and payables</b>							<b>-33,500.32</b>	<b>-0.05</b>
<b>Net sub-fund assets in EUR</b>							<b>70,744,986.65</b>	<b>100.00</b>

## Additions and disposals from 1 October 2019 to 30 September 2020

During the period under review, no further purchases or sales of securities, debentures or derivatives, including non-monetary transactions, that are not listed in the schedule of assets, were made.

## Exchange rates

As at 30 September 2020 there were only assets in the sub-fund currency (Euro).

<sup>1)</sup> NSFA = net sub-fund assets. Due to rounding differences in individual amounts, totals may differ from the actual value.

<sup>2)</sup> Neither subscription fees nor redemption fees are charged for target fund units. A management fee of 0.43% p.a. is calculated for units held of the target fund.

## Flossbach von Storch II – Equilibrio 2026 sub-fund

### Annual report

8 June 2020<sup>1)</sup> - 30 September 2020

The sub-fund Flossbach von Storch II – Equilibrio 2026 is a Feeder-UCITS in accordance with Article 77 of the Law of 17 December 2010.

The sub-fund permanently invests at least 85% of the sub-fund's net assets in units of the fund Flossbach von Storch – Multi Asset - Balanced IT (LU1245470676), the Master-UCITS.

The latest valid annual and semi-annual reports for the Master-UCITS may be obtained from the homepage [www.fvsinvest.lu](http://www.fvsinvest.lu) or may also be requested from the management company Flossbach von Storch Invest S.A.

The fund is entitled to launch unit classes with different rights in relation to the units. Details of the current unit classes are as follows for the reporting period:

	Unit class R	Unit class RT
<b>Securities ID No. (WKN):</b>	A2PYBX	A2PYBY
<b>ISIN:</b>	LU2105777937	LU2105778232
<b>Subscription fee:</b>	none	none
<b>Depreciation adjustment deduction:</b>	2.00 %	2.00 %
<b>Management fee:</b>	up to 1.28 % p.a.	up to 1.28 % p.a.
<b>Minimum initial investment:</b>	none	none
<b>Minimum subsequent investment:</b>	none	none
<b>Income utilisation:</b>	distributing	accumulative
<b>Currency:</b>	EUR	EUR

<sup>1)</sup> Date of the first calculation of the unit value.

FLOSSBACH VON STORCH II – EQUILIBRIO 2026

### Geographical breakdown by country <sup>1)</sup>

Luxembourg	93.31%
<b>Securities holdings</b>	<b>93.31%</b>
Cash at banks	4.92%
Balance of other receivables and payables	1.77%
	<b>100.00%</b>

### Breakdown by economic sector <sup>1)</sup>

Investment fund holdings	93.31%
<b>Securities holdings</b>	<b>93.31%</b>
Cash at banks	4.92%
Balance of other receivables and payables	1.77%
	<b>100.00%</b>

### Performance since launch

#### Unit class R

Date	Net unit class assets EUR millions	Units outstanding	Net cash inflow EUR thousands	Unit value EUR
8 June 2020 <sup>2)</sup>	Launch	-	-	100.00
30 September 2020	37.52	367,705	36,768.74	102.04

#### Unit class RT

Date	Net unit class assets EUR millions	Units outstanding	Net cash inflow EUR thousands	Unit value EUR
8 June 2020 <sup>2)</sup>	Launch	-	-	100.00
30 September 2020	12.64	123,914	12,390.96	102.04

<sup>1)</sup> Due to rounding differences in individual amounts, totals may differ from the actual value.

<sup>2)</sup> Date of the first calculation of the unit value.

FLOSSBACH VON STORCH II – EQUILIBRIO 2026

## Composition of net sub-fund assets

as at 30 September 2020

	EUR
Securities holdings	46,808,795.93
(acquisition cost of securities: EUR 45,701,295.32)	
Cash at banks	2,466,660.50
Other assets <sup>1)</sup>	920,626.79
	<b>50,196,083.22</b>
Interest payable	-2,332.90
Other liabilities <sup>2)</sup>	-29,619.71
	<b>-31,952.61</b>
<b>Net sub-fund assets</b>	<b>50,164,130.61</b>

## Allocation to the unit classes

<b>Unit class R</b>	
Proportion of net sub-fund assets	37,520,066.81 EUR
Number of units outstanding	367,704.542
Net asset value per unit	102.04 EUR
<b>Unit class RT</b>	
Proportion of net sub-fund assets	12,644,063.80 EUR
Number of units outstanding	123,914.484
Net asset value per unit	102.04 EUR

<sup>1)</sup> This item includes capitalised fund launch costs.

<sup>2)</sup> This item mainly comprises management fees and auditing costs.



FLOSSBACH VON STORCH II – EQUILIBRIO 2026

## Change in net sub-fund assets

in the reporting period from 8 June 2020<sup>1)</sup> to 30 September 2020

	Total	Unit class R	Unit class RT
	EUR	EUR	EUR
Net sub-fund assets at the beginning of the reporting period	0.00	0.00	0.00
Ordinary net expenditure	-159,575.36	-119,353.84	-40,221.52
Income and expense equalisation	-133.71	-110.56	-23.15
Cash inflows from the sale of units	49,274,301.90	36,862,422.40	12,411,879.50
Cash outflows from the redemption of units	-114,594.27	-93,679.02	-20,915.25
Realised profits	56,631.44	42,362.49	14,268.95
Net change in unrealised profits	1,107,500.61	828,427.41	279,073.20
Net change in unrealised losses	0.00	-2.07	2.07
<b>Net sub-fund assets at the end of the reporting period</b>	<b>50,164,130.61</b>	<b>37,520,066.81</b>	<b>12,644,063.80</b>

## Changes in number of units in circulation for unit class R

	No. of units
Units outstanding at the beginning of the reporting period	0.000
Units issued	368,624.224
Units redeemed	-919.682
<b>Units outstanding at end of reporting period</b>	<b>367,704.542</b>

## Changes in number of units in circulation for unit class RT

	No. of units
Units outstanding at the beginning of the reporting period	0.000
Units issued	124,118.795
Units redeemed	-204.311
<b>Units outstanding at end of reporting period</b>	<b>123,914.484</b>

<sup>1)</sup> Date of the first calculation of the unit value.

FLOSSBACH VON STORCH II – EQUILIBRIO 2026

## Statement of income and expenses

In the reporting period from 8 June 2020<sup>1)</sup> to 30 September 2020

	Total EUR	Unit class R EUR	Unit class RT EUR
<b>Income</b>			
Bank interest	-2,443.40	-1,827.58	-615.82
Income equalisation	0.98	0.79	0.19
<b>Income total</b>	<b>-2,442.42</b>	<b>-1,826.79</b>	<b>-615.63</b>
<b>Expenses</b>			
Interest payable	-0.11	-0.08	-0.03
Management fee/Fund management fee	-85,635.31	-64,056.13	-21,579.18
Depositary fee	-1,593.16	-1,191.72	-401.44
Central administration agent fee	-676.87	-506.30	-170.57
Distribution fee	-62,778.93	-46,959.60	-15,819.33
Taxe d'abonnement	-579.13	-433.24	-145.89
Publication and auditing costs	-5,850.00	-4,375.92	-1,474.08
Typesetting, printing and dispatch costs for the annual and semi-annual reports	-81.98	-61.33	-20.65
Registrar and transfer agent fee	-29.60	-22.14	-7.46
Other expenses <sup>2)</sup>	-40.58	-30.36	-10.22
Expense equalisation	132.73	109.77	22.96
<b>Total expenses</b>	<b>-157,132.94</b>	<b>-117,527.05</b>	<b>-39,605.89</b>
<b>Ordinary net expenditure</b>	<b>-159,575.36</b>	<b>-119,353.84</b>	<b>-40,221.52</b>
<b>Total transaction costs during the reporting year<sup>3)</sup></b>	<b>0.00</b>		
<b>Total expense ratio as a percentage<sup>3)</sup></b>		<b>0.31</b>	<b>0.31</b>

<sup>1)</sup> Date of the first calculation of the unit value.

<sup>2)</sup> This position consists primarily of depositary fees and delivery-charges.

<sup>3)</sup> See the notes to the annual report.

FLOSSBACH VON STORCH II – EQUILIBRIO 2026

## Statement of assets as at 30 September 2020

ISIN	Securities		Additions in the reporting period	Disposals in the reporting period	Quantity	Price	Market Value EUR	% share of NSFA <sup>1)</sup>
<b>Investment fund holdings <sup>2)</sup></b>								
<b>Luxembourg</b>								
LU1245470676	Flossbach von Storch - Multi Asset - Balanced IT	EUR	389,830	19,009	370,821	126.2300	46,808,795.93	93.31
							<b>46,808,795.93</b>	<b>93.31</b>
<b>Investment fund holdings</b>							<b>46,808,795.93</b>	<b>93.31</b>
<b>Securities holdings</b>							<b>46,808,795.93</b>	<b>93.31</b>
<b>Cash at bank</b>							<b>2,466,660.50</b>	<b>4.92</b>
<b>Balance of other receivables and payables</b>							<b>888,674.18</b>	<b>1.77</b>
<b>Net sub-fund assets in EUR</b>							<b>50,164,130.61</b>	<b>100.00</b>

## Additions and disposals from 8 June 2020<sup>3)</sup> to 30 September 2020

During the period under review, no further purchases or sales of securities, debentures or derivatives, including non-monetary transactions, that are not listed in the schedule of assets, were made.

## Exchange rates

As at 30 September 2020 there were only assets in the sub-fund currency (Euro).

<sup>1)</sup> NSFA = net sub-fund assets. Due to rounding differences in individual amounts, totals may differ from the actual value.

<sup>2)</sup> Neither subscription fees nor redemption fees are charged for target fund units. A management fee of 0.78% p.a. is calculated for units held of the target fund.

<sup>3)</sup> Date of the first calculation of the unit value.

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## Notes to the annual report as at 30 September 2020 (Appendix)

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### 1.) Introduction

The Flossbach von Storch II investment fund ("fund") is managed by Flossbach von Storch Invest S.A. The fund's management regulations first came into force on 3 October 2017 and were published in Luxembourg on 3 October 2017 in the "Recueil électronique des sociétés et associations" ("RESA"), the information platform of the Trade and Companies Register. The latest amendment to the fund's management regulations came into effect on 1 January 2020 and was published in the RESA platform.

The fund is a Luxembourg investment fund (fonds commun de placement), which falls under Part I of the Luxembourg Law of 17 December 2010 on undertakings for collective investment ("Law of 17 December 2010") and takes the form of an umbrella fund with one or more sub-funds established for an indefinite period. The respective sub-funds are feeder UCITS within the meaning of Article 77 of the Law of 17 December 2010. The objective of the investment policy of the sub-fund Flossbach von Storch II – Defensive Allocation 2023 ("sub-fund"), is to reflect as far as possible as a feeder UCITS the performance of the Flossbach von Storch – Multi Asset – Defensive (IT unit class) ("Master-UCITS"), a legally dependent fund in accordance with Chapter 2 of the Law of 17 December 2010 in the form of an umbrella fund. The objective of the investment policy of the subfund Flossbach von Storch II – Rentas 2025 ("sub-fund"), is to reflect as far as possible as a feeder UCITS the performance of the Flossbach von Storch – Bond Opportunities (IT unit class) ("Master-UCITS") a legally dependent fund in

accordance with Chapter 2 of the Law of 17 December 2010 in the form of an umbrella fund. The objective of the investment policy of the subfund Flossbach von Storch II – Equilibrio 2026 ("sub-fund"), is to reflect as far as possible as a feeder UCITS the performance of the Flossbach von Storch – Multi Asset – Balanced (IT unit class) ("Master-UCITS") a legally dependent fund in accordance with Chapter 2 of the Law of 17 December 2010 in the form of an umbrella fund.

The management company of the fund is Flossbach von Storch Invest S.A. (the "management company"), a public limited company (Aktiengesellschaft) under the law of the Grand Duchy of Luxembourg with its registered office at 2, rue Jean Monnet, L-2180 Luxembourg, Luxembourg. It was incorporated for an indefinite period on 13 September 2012. Its articles of association were published in Mémorial on 5 October 2012. The most recent amendment to the articles of association came into force on 15 November 2019 and was published in Recueil électronique des sociétés et associations („RESA“), the trade and companies register of Luxembourg. The management company is registered in the Trade and Companies Register of Luxembourg under registration number R.C.S. Luxembourg B 171513. The management company's financial year end on 31 December of each year.

The current version of the Sales Prospectus with integrated management regulations, the most recent annual and semi-annual reports and the key investor information documents of the individual Master-UCITS can be

NOTES (continued)

downloaded from the website of the management company ([www.fvsinvest.lu](http://www.fvsinvest.lu)).

## 2.) Master-feeder structures

The following sub-funds are involved in a master-feeder structure:

Master-UCITS	Feeder sub-fund	Currency	Amount of aggregate charges	Aggregate charges in %	% of ownership of the Master-UCITS
Flossbach von Storch – Multi Asset – Defensive (unit class IT)	Flossbach von Storch II – Defensive Allocation 2023 (unit class R)	EUR	1,909,683.68	1.74%	4.78%
Flossbach von Storch – Multi Asset – Defensive (unit class IT)	Flossbach von Storch II – Defensive Allocation 2023 (unit class RT)	EUR	754,214.54	1.74%	1.90%
<b>Flossbach von Storch – Multi Asset – Defensive (unit class IT)</b>	<b>Flossbach von Storch II – Defensive Allocation 2023</b>	<b>EUR</b>	<b>2,663,898.22</b>	<b>1.74%</b>	<b>6.67%</b>

Master-UCITS	Feeder sub-fund	Currency	Amount of aggregate charges	Aggregate charges in %	% of ownership of the Master-UCITS
Flossbach von Storch – Bond Opportunities (unit class IT)	Flossbach von Storch II – Rentas 2025 (unit class R)	EUR	459,598.78	0.80%	1.29%
Flossbach von Storch – Bond Opportunities (unit class IT)	Flossbach von Storch II – Rentas 2025 (unit class RT)	EUR	100,963.83	0.81%	0.28%
<b>Flossbach von Storch – Bond Opportunities (unit class IT)</b>	<b>Flossbach von Storch II – Rentas 2025</b>	<b>EUR</b>	<b>560,562.61</b>	<b>0.81%</b>	<b>1.57%</b>

Master-UCITS	Feeder sub-fund	Currency	Amount of aggregate charges	Aggregate charges in %	% of ownership of the Master-UCITS
Flossbach von Storch – Multi Asset - Balanced (unit class IT)	Flossbach von Storch II – Equilibrio 2026 (unit class R)	EUR	354,829.60	0.94%	1.53%
Flossbach von Storch – Multi Asset - Balanced (unit class IT)	Flossbach von Storch II – Equilibrio 2026 (unit class RT)	EUR	119,561.56	0.94%	0.52%
<b>Flossbach von Storch – Multi Asset - Balanced (unit class IT)</b>	<b>Flossbach von Storch II – Equilibrio 2026</b>	<b>EUR</b>	<b>474,391.16</b>	<b>0.94%</b>	<b>2.05%</b>

## NOTES (continued)

The information regarding the description of the master-feeder structures, the investment objective and policy of the Master-UCITS are detailed in the prospectus of Fund.

The audited financial statements and the prospectus of the Master-UCITS and Feeder UCITS are available on [www.fvsinvest.lu](http://www.fvsinvest.lu).

The valuation of the master sub-fund for the Flossbach von Storch II – Defensive Allocation 2023 Feeder, the master sub-fund for the Flossbach von Storch II – Rentas 2025 Feeder and for the master sub-fund for the Flossbach von Storch II – Equilibrio 2026 is dated 30 September 2020.

### 3.) Key accounting and valuation principles

This annual report has been prepared under the responsibility of the Executive Board of the management company in conformity with the legal provisions and regulations prevailing in Luxembourg for the preparation and presentation of reports.

1. The net assets of the fund are denominated in euros (EUR) (the “reference currency”).
2. The value of a unit (“unit value”) is denominated in the currency laid down in the relevant annex to the sales prospectus (“sub-fund currency”) unless a currency other than the sub-fund currency has been specified in the relevant annex to the sales prospectus in relation to any other unit classes which may exist (“unit class currency”).
3. The unit value is calculated by the management company or a third party commissioned for this purpose by the management company, under the supervision of the depositary, on each banking day in Luxembourg with the

exception of 24 and 31 December of each year (“valuation day”) and rounded up to two decimal places. The management company may decide on a different arrangement for individual sub-funds, in which case it should be taken into account that the unit value should be calculated at least twice a month.

However, the management company may decide to calculate the unit value on 24 and 31 December of a year without the calculation representing the unit value on a valuation day as defined by the previous sentence 1 of this clause 3. Consequently, investors cannot demand the issue, redemption and/or exchange of units on the basis of a unit value calculated on 24 and/or 31 December of a given year.

4. The unit value is calculated on each valuation day based on the value of the assets of the respective sub-fund minus the liabilities of the respective sub-fund (“net sub-fund assets”) and divided by the number of units in circulation on the valuation day.
5. Insofar as information on the situation of the overall net assets of the fund must be provided in the annual or semi-annual reports, or in other financial statistics in accordance with applicable legislative provisions or in accordance with these fund management regulations, the value of the assets of each sub-fund will be translated into the reference currency. The respective sub-fund’s net assets are calculated in accordance with the following principles:
  - a) Securities, money market instruments, derivative financial instruments (derivatives) and other investments officially listed on a stock exchange are valued at the

## NOTES (continued)

latest trade price which provides a reliable valuation on the trading day preceding the valuation day. If securities, money market instruments, derivative financial instruments or other assets are officially listed on more than one securities exchange, the price registered on the exchange with the greatest liquidity shall be authoritative in this respect.

- b) Securities, money market instruments, derivative financial instruments (derivatives) and other investments not officially listed on a securities exchange (or whose market price is not deemed representative, e.g. due to lack of liquidity) but that are traded on a regulated market, shall be valued at a price that is not lower than the bid price and not higher than the offer price of the trading day preceding the valuation day and that the management company considers, to the best of its knowledge, to be the best possible price at which the securities, money market instruments, derivative financial instruments (derivatives) and other investments can be sold.

The management company may specify for individual sub-funds that securities, money market instruments, derivative financial instruments (derivatives) and other investments that are not officially listed on a securities exchange (or whose market price is not deemed representative, e.g. due to lack of liquidity) but that are traded on a regulated market shall be valued at the last price available on this market that the management

company considers, to the best of its knowledge, to be the best possible price at which the securities, money market instruments, derivative financial instruments (derivatives) and other investments can be sold. Details on this are contained in the annex of the sales prospectus to the sub-fund in question.

- c) OTC derivatives are valued daily on a verifiable basis determined by the management company.
- d) Units in UCI/UCITS are generally valued at the last redemption price fixed before the valuation day or at the latest available price that affords a reliable valuation. If the redemption of investment units has been suspended or if no redemption price has been set, these units and all other assets are valued at their respective market values as determined in good faith by the management company in line with generally accepted and verifiable valuation principles. If the fund is structured as a feeder UCITS, the units of the Master-UCITS are valued at the redemption price of the Master-UCITS on the valuation date.
- e) If the respective prices are not market prices, if the financial instruments listed under b) are not traded on a regulated market and if no prices have been set for financial instruments other than those listed under subsections a) to d), these financial instruments and the other legally permissible assets will be valued at their market prices as determined by the management company, to the best of its knowledge, in line with generally

## NOTES (continued)

accepted, verifiable valuation rules (e.g. suitable valuation models taking account of current market conditions).

- f) Liquid funds are valued at their nominal value plus interest.
- g) Amounts due, for example, deferred interest claims and liabilities, shall in principle be rated at the nominal value.
- h) the market value of securities, money market instruments, derivative financial instruments (derivatives) and other assets which are denominated in a currency other than that of the relevant sub-fund shall be converted into the currency of the sub-fund at the exchange rate determined using WM/Reuters fixing at 17:00 CET/CEST on the trading day preceding the valuation day. Profits and losses from currency transactions will be added or deducted as appropriate.

The management company may stipulate for individual sub-funds that the market value of securities, money market instruments, derivatives and other investments denominated in a currency other than the relevant sub-fund currency will be converted into the relevant sub-fund currency at the exchange rate prevailing on the valuation date. Profits and losses from currency transactions will be added or deducted as appropriate. Details on this are contained in the annex of the sales prospectus to the sub-fund in question.

- 6. The respective sub-fund's net assets are reduced by any distributions paid, where applicable, to investors in the sub-fund concerned.

The resulting unit value is calculated for each sub-fund separately on the basis of the criteria provided above. However, if there are different unit classes within a sub-fund, the unit value will be calculated separately for each unit class within the relevant sub-fund according to the above criteria. The composition and allocation of assets always occurs separately for each sub-fund.

For computational reasons, the tables included in this semi-annual report may contain rounding differences of up to plus or minus one unit (of currency, per cent, etc.).

Costs incurred for the establishment of the fund and the initial issue of units will be amortised over the first five financial years to the detriment of the assets in the sub-funds that existed on establishment. The formation expenses and the above-mentioned costs, which do not relate solely to the assets of a specific sub-fund, are split between the relevant sub-fund assets on a pro rata basis by the Management Company. Expenses which are incurred in connection with the issue of other sub-funds are charged to the relevant sub-fund assets to which they are attributable and depreciated within a period of a maximum of five years after the sub-funds have been issued.

#### 4.) Taxation of the Master-UCITS

##### Taxation of the investment fund

The Fund's assets are not subject to taxation on their income and profits in the Grand Duchy of Luxembourg. The Fund's assets are only subject to the "taxe d'abonnement" currently amounting to 0.05% p.a. A reduced "taxe d'abonnement" of 0.01% p.a. is applied to (i) the sub-funds or unit classes, the units of which are issued exclusively to institutional unitholders within the meaning of Article 174



## NOTES (continued)

of the Law of 17 December 2010, (ii) sub-funds whose sole purpose is to invest in money market instruments, in time deposits with credit institutions or both. The "taxe d'abonnement" is payable quarterly, based on the Fund's net assets reported at the end of each quarter. The amount of the "taxe d'abonnement" is specified for each sub-fund or unit class in the relevant Annex to the Sales Prospectus. An exemption from the "taxe d'abonnement" applies, inter alia, to the extent that the fund assets are invested in other Luxembourg investment funds, which in turn are already subject to the "taxe d'abonnement".

Income received by the Fund (in particular interest and dividends) may be subject to withholding or investment tax in the countries in which the relevant (sub-)fund assets are invested. The Fund may also be taxed on realised or unrealised capital gains of its investments in the source country. Neither the Depositary nor the Management Company are obliged to collect tax certificates.

Interested parties and investors are recommended to find out about laws and regulations which are applied to the taxation of corporate assets, the subscription, the purchase, the ownership, the redemption or the transfer of units and to call on the advice of external third parties, especially a tax adviser.

#### **Taxation of earnings from investment fund units held by the investor**

Investors who are not resident in and/or do not maintain a business establishment in the Grand Duchy of Luxembourg are not required to pay any further income, inheritance or wealth tax in the Grand Duchy of Luxembourg in respect of their units or of income deriving from their units. These parties are subject to their own countries' tax regulations.

Natural persons who are resident in the Grand Duchy of Luxembourg and are not resident in another state for tax purposes are required to pay a withholding tax of 20% on interest income accrued in Luxembourg in accordance with the Luxembourg law implementing the Directive. Under certain circumstances, investment fund interest income may also be subject to the withholding tax.

Prospective investors should inform themselves of the laws and regulations applicable to the purchase, holding and redemption of units and, where appropriate, seek professional advice.

#### **5.) Income utilisation**

The management company may distribute the income generated by the fund to investors or reinvest such income in the fund. Information about this can be found in the relevant annex to the sales prospectus for the individual sub-fund.

Income is utilised in accordance with Article 12 of the management regulations. The timing, amount and composition of the distributions are determined by the management company in the interests of the investors.

#### **6.) Information on fees and expenses**

Details of management and depositary fees can be found in the current sales prospectus.

#### **7.) Transaction costs**

Transaction costs include all costs which were accounted for and/or settled separately on account of the fund in the financial year and are directly connected with a purchase or sale of securities, money market instruments, derivatives or other assets. These costs

## NOTES (continued)

primarily comprise commissions, processing fees and tax.

### 8.) Total Expense Ratio (TER)

In calculating the total expense ratio (TER), the following BVI calculation method was applied:

$$\text{TER} = \frac{\text{Total cost in fund currency}}{\text{Average fund volume}} \times 100$$

(basis: NFA calculated daily \*)

\* NFA = net fund assets

The TER indicates the level of expenses charged to the fund assets. In addition to management and depositary fees and the tax d'abonnement, all other costs are included, with the exception of transaction costs incurred by the fund. It shows the total amount of these costs as a percentage of the average fund volume in a financial year. (Any performance fees are shown separately in direct relation to the TER.)

### 9.) Ongoing charges

"Ongoing charges" is a figure calculated pursuant to Article 10 (2) (b) of Commission Regulation (EU) No. 583/2010 of 1 July 2010 implementing Directive 2009/65/EC of the European Parliament.

The ongoing charges indicate the level of expenses charged to the fund assets in the past financial year. In addition to management and depositary fees and the tax d'abonnement, all other costs are included, with the exception of applicable performance fees. The figure shows the total amount of these charges as a percentage of the average fund volume in the financial year. In the case of investment funds which invest more than 20% of their assets in other fund products / target funds, the charges for the target funds are also included – any retrocession receipts

(trailer fees) for these products are off set against the charges.

For unit classes without a full financial year, the figure is based on a cost estimate.

### 10.) Income and expense equalisation

The ordinary net income includes an income adjustment and an expenditure adjustment. These include, during the reporting period, accrued net income which is paid by the party acquiring the units as part of the issue price and passed on to the party selling the units in the redemption price.

### 11.) Fund current accounts (cash at banks and/or liabilities to banks)

All of the fund's current accounts (including those in different currencies) that actually and legally form only part of a single current account are designated as a single current account in connection with net fund assets. Current accounts in foreign currencies, if applicable, are converted into the currency of the fund. Interest is calculated on the basis of the terms of the relevant individual account.

### 12.) Risk management

The management company applies a risk management procedure which enables it to monitor and measure at all times the risk contained in the investment positions and their contribution to the overall risk profile of the investment portfolio of the funds managed by the management company. In accordance with the Law of 17 December 2010 and the applicable supervisory requirements of the Commission de Surveillance du Secteur Financier ("CSSF"), the management company reports regularly to the CSSF on the risk management procedure it applies. As part of its risk management procedure, the management company ensures, through the

## NOTES (continued)

use of effective and appropriate methods, that the overall risk connected with derivatives in the funds managed does not exceed the total net value of their portfolios. To do this, the management company uses the following methods:

### **Commitment Approach:**

Under the Commitment Approach, positions in derivative financial instruments are converted into their underlying equivalent using the delta method. This takes account of netting and hedging effects between derivative financial instruments and their underlyings. Equivalent to underlyings, their total value must not exceed the total net value of the fund portfolio.

### **VaR Approach:**

The Value-at-Risk (VaR) figure is a statistical concept and is used as a standard measure of risk in the financial sector. The VaR indicates the potential loss on a portfolio during a given period (the holding period) which has a given probability (the confidence level) of not being exceeded.

### **Relative VaR Approach:**

In the relative VaR approach, the VaR for the fund must not exceed the VaR for a reference portfolio by a factor contingent on the level of the fund's risk profile. The maximum factor permitted by the supervisory authorities is 200%. The benchmark portfolio provides a correct representation of the fund's investment policy.

### **Absolute VaR Approach:**

In the absolute VaR approach, the VaR for the fund (99% confidence level, 20-day holding period) must not exceed a portion of the fund's assets contingent on the level of the fund's risk profile. The maximum limited permitted by the supervisory authorities is 20% of the fund's assets. For funds which use the VaR approaches to ascertain the total risk,

the management company estimates the expected degree of leverage effect. The extent of this leverage effect may deviate from the actual value depending on prevailing market conditions, falling below or exceeding it. Investors' attention is drawn to the fact that no conclusions can be drawn from this information with respect to the risk entailed in the fund. Furthermore, the expected leverage published is explicitly not to be understood as an investment limit. The method used to determine the overall risk and, if applicable the publication of the reference portfolio and the expected degree of leverage, as well as the calculation method, are stated in the fund-specific appendix. In accordance with the Prospectus valid at the end of the financial year, the sub-fund is subject to the following risk management procedure:

Sub-fund	Risk Management Method
Flossbach von Storch II – Defensive Allocation 2023	Commitment Approach
Flossbach von Storch II – Rentas 2025	Absolute VaR Approach
Flossbach von Storch II – Equilibrio 2026	Commitment Approach

## **13.) Events in the reporting period**

Since the beginning of the year, the coronavirus Covid-19 has spread to most continents; in the meantime, Covid-19 has been classified as a pandemic by the WHO. It is not yet possible to predict the future impact of the resulting risk on the assets and liabilities in the portfolio. However, global economic activity is likely to be significantly affected. The Management Company and the Management are closely monitoring the measures taken to contain the virus and the economic impact. At present, there are no indications that speak against the continuation of the Fund.

## NOTES (continued)

A new sub-fund Flossbach von Storch II – Equilibrio 2026 was launched on 8 June 2020. The objective of the investment policy is to reflect as far as possible as a feeder UCITS the performance of the Flossbach von Storch – Multi Asset - Balanced (IT unit class) (“master UCITS”).

With effect from 1 January 2020 the following amendments were made to the Management regulations and the Sales Prospectus of the Investment Company:

- Regulatory adjustments
- Adjustment of the limit procedure of the sub-fund Flossbach von Storch II – Rentas 2025 from Commitment Approach to absolute VaR Approach due to the adjustment of Flossbach von Storch – Bond Opportunities

With effect from 31 January 2020 the following amendments were made to the Management regulations and the Sales Prospectus of the Investment Company:

- Launch of the new sub-fund Flossbach von Storch II – Equilibrio 2026 with initial subscription period from 12 Februar 2020 to 22 April 2020.

With effect from 10 April 2020 the following amendments were made to the Management regulations and the Sales Prospectus of the Investment Company:

- Prolongation of the initial subscription period for the sub-fund Flossbach von Storch II – Equilibrio 2026 from 22 April 2020 to 5 June 2020.

On 3 July 2020, the management company's headquarters were moved from 6, Avenue Marie-Thérèse, 2132 Luxembourg to 2, rue Jean Monnet, 2180 Luxembourg.

There were no other significant changes and no other significant events during the reporting period.

**14.) Events after the reporting period**

As of 1 November 2020, the management company assumed the functions of the central administration unit. Under its responsibility and control, the management company has delegated various administrative tasks, in particular the tasks of the Registrar and Transfer agent as well as fund accounting, to DZ PRIVATBANK S.A., based in 4, rue Thomas Edison, 1445 Strassen, Luxembourg. DZ PRIVATBANK S.A. has in turn transferred under its responsibility and control, e.g. the calculation of the net asset values, to Union Investment Financial Services S.A. with registered office at 308, route d'Esch, L-1474 Luxembourg.

There were no other significant changes and no other significant events after the reporting period.

**15.) Measures taken by Flossbach von Storch Invest S.A. in light of the COVID-19 pandemic (unaudited)**

In order to protect against the coronavirus crisis, the Management Company Flossbach von Storch Invest S.A. has taken various measures that involve its employees across various locations and protect its business processes, even in a crisis scenario.

In addition to extensive hygiene measures on the premises and restrictions on business trips and events, further measures have been taken to enable the Management Company to ensure reliable and smooth operation of its business processes in the event of a suspected coronavirus infection within the workforce. By expanding the possibilities for remote working, Flossbach von Storch Invest S.A. has established a work environment where the technology that we now have available does not require employees to be continually present at the respective locations. This

## NOTES (continued)

significantly reduces the potential risk of the coronavirus being transmitted within the Management Company.

Emergency management is continuously coordinated between Flossbach von Storch Invest S.A. and Flossbach von Storch AG, taking into account the current situation at the various locations. In addition, communications with DZ PRIVATBANK S.A. take place regularly. The measures are constantly reviewed and adjusted as necessary.

### 15.) Remuneration policy (unaudited)

The approved Flossbach von Storch Invest S.A. remuneration policy applies to all employees and takes into account the local and European requirements regarding UCITS and AIFMD regulations. Due to the structure and size of the company, all employees are classified as risk takers. For the time being, members of the Supervisory Board shall not receive any remuneration for their work for the Flossbach von Storch Invest S.A. Supervisory Board.

The remuneration policy serves to put in place appropriate practices that guarantee solid and effective risk management. An additional objective is to discourage excessive risk-taking and to prevent conflicts of interest. Flossbach von Storch Invest S.A. aims to pay all employees a suitable fixed salary so that the variable components merely constitute additional remuneration and mainly relate to the Company's overall performance. The remuneration policy also aims to ensure an appropriate balance between fixed and variable remuneration components.

The principle of proportionality is applied in accordance with Section 7 of ESMA Guideline 2016/575. This includes the following procedure:

- No remuneration committee shall be appointed.

- The variable remuneration shall not be paid in the management company's AIF/UCITS instruments.
- The payment shall be made subsequently as part of the salary, and no vesting period or deferral shall be applied. However, the management company reserves the right to reclaim parts of the variable remuneration under special circumstances.

The number of remunerated employees at the end of the management company's financial year 2019 was 25. The total remuneration of these employees in relation to the present investment company was approx. EUR 3,675,000. Of this, approx. 57% was attributable to fixed remuneration components. The proportion of variable remuneration components to staff costs on the whole was approx. 43%, which was paid to 19 out of the 25 employees in total. The total remuneration covers the paid remuneration components and the related social security contributions.

The remuneration policy was drawn up without the involvement of external advisors. It is available for download online at [www.fvsinvest.lu](http://www.fvsinvest.lu) in the remuneration policy under "Legal Notice".

Management of the Sub-fund's portfolio was outsourced to Flossbach von Storch AG with its registered office in Cologne (Germany). As a financial service institution, Flossbach von Storch AG is required to have an appropriate remuneration system in accordance with Section 25a (1) sentence 6 KWG (Kreditwesengesetz [German Banking Act]) in conjunction with the InstitutsVergV (Ordinance on the Supervisory Requirements for Institutions' Remuneration Systems).

The Company's total assets were well below EUR 15 billion on average over the last three complete financial years. The Company

## NOTES (continued)

independently established that, on the basis of a risk analysis, it should not be classified as a major institution. For this reason, the Company has not applied the special regulations for major institutions. Flossbach von Storch AG is therefore subject to the Remuneration Ordinance for Institutions' general requirements.

In the 2019 financial year, the total Flossbach von Storch AG staff costs, including social security contributions and occupational pensions, came to EUR 36,500,000. Of this, approx. 64% was attributable to fixed remuneration components. The proportion of variable remuneration components to staff costs on the whole was approx. 36%.

In the 2019 financial year, 182 employees (out of a total of 204 employees as of 31 December 2019) received a variable remuneration. Each of the three executive board members received a bonus.

The Flossbach von Storch AG remuneration provision was drawn up without the involvement of external advisors.

#### **16.) Transparency of securities financing transactions and their reuse (unaudited)**

As a management company of undertakings for collective investment in transferable securities (UCITS) and alternative investment fund manager (AIFM), Flossbach von Storch Invest S.A. falls by definition within the scope of Regulation (EU) 2015/2365 of the European Parliament and of the Council of 25 November 2015 on transparency of securities financing transactions and of reuse and amending Regulation (EU) No 648/2012 (SFTR).

No securities financing transactions or total return swaps as defined in this Regulation were used during the reporting period.

Consequently, none of the disclosures specified in Article 13 of this Regulation must be provided in the annual report for unitholders.

Detailed information on the investment fund's investment strategy and the financial instruments used is available in the current sales prospectus.



## **Audit report**

To the Unitholders of  
**Flossbach von Storch II**

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### **Our opinion**

In our opinion, the accompanying financial statements give a true and fair view of the financial position of Flossbach von Storch II (the "Fund") and of each of its sub-funds as at 30 September 2020, and of the results of their operations and changes in their net assets for the year then ended in accordance with Luxembourg legal and regulatory requirements relating to the preparation and presentation of the financial statements.

#### *What we have audited*

The Fund's financial statements comprise:

- the combined composition of net fund assets for the Fund and the composition of net sub-fund assets for each of the sub-funds as at 30 September 2020;
- the change in net fund assets for the Fund and the change in net sub-fund assets for each of the sub-funds for the year then ended;
- the statement of income and expenses for the Fund and the statement of income and expenses for each of the sub-funds for the year then ended;
- the statement of assets as at 30 September 2020; and
- the notes to the financial statements, which include a summary of significant accounting policies.

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### **Basis for opinion**

We conducted our audit in accordance with the Law of 23 July 2016 on the audit profession (Law of 23 July 2016) and with International Standards on Auditing (ISAs) as adopted for Luxembourg by the "Commission de Surveillance du Secteur Financier" (CSSF). Our responsibilities under the Law of 23 July 2016 and ISAs as adopted for Luxembourg by the CSSF are further described in the "Responsibilities of the "Réviseur d'entreprises agréé" for the audit of the financial statements" section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

We are independent of the Fund in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) as adopted for Luxembourg by the CSSF together with the ethical requirements that are relevant to our audit of the financial statements. We have fulfilled our other ethical responsibilities under those ethical requirements.

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### **Other information**

The Board of Directors of the Management Company is responsible for the other information. The other information comprises the information stated in the annual report but does not include the financial statements and our audit 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 identified above and, in doing so, consider whether the other information is materially inconsistent with 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.

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**Responsibilities 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 the financial statements in accordance with Luxembourg legal and regulatory requirements relating to the preparation and presentation 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.

In preparing the financial statements, the Board of Directors of the Management Company is responsible for assessing the Fund's and each of its sub-funds' ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors of the Management Company either intends to liquidate the Fund or close any of its sub-funds or to cease operations, or has no realistic alternative but to do so.

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**Responsibilities of the "Réviseur d'entreprises agréé" for the audit of the financial statements**

The objectives of our audit 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 audit 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 the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of internal control relevant to the audit 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 Fund's internal control;





- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors of the Management Company;
- conclude on the appropriateness of the Board of Directors of the Management Company's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's or any of its sub-funds' ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our audit report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our audit report. However, future events or conditions may cause the Fund or any of its sub-funds to cease to continue as a going concern;
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

PricewaterhouseCoopers, Société coopérative  
Represented by

Luxembourg, 14 January 2021

Dr. Norbert Brühl

## Management, distribution and advisory services

### Management Company

Flossbach von Storch Invest S.A.  
2, rue Jean Monnet  
L-2180 Luxembourg  
(from 3 July 2020)

6, Avenue Marie-Thérèse  
L-2132 Luxembourg  
(until 2 July 2020)

### Supervisory Board of the Management Company

Chairman of the Supervisory Board  
Dirk von Velsen  
(from 1 January 2020)  
Member of the Executive Board  
Flossbach von Storch AG, Cologne

Kurt von Storch  
(until 31 December 2019)  
Member of the Executive Board  
Flossbach von Storch AG, Cologne

Deputy Chairman of the Supervisory Board  
Julien Zimmer  
Investment Funds Chief Representative  
DZ PRIVATBANK S.A., Luxembourg

Member of the Supervisory Board  
Matthias Frisch  
Independent Member

### Executive Board of the Management Company (management body)

Christian Schlosser  
(from 1 January 2020)  
Dirk von Velsen  
(until 31 December 2019)  
Karl Kempen  
Markus Müller

### Auditor of the Management Company

Deloitte Audit S.à r.l.  
20, Boulevard de Kockelscheuer  
L-1821 Luxembourg

### Depository

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

### Registrar and Transfer Agent and various sub-services of central administration tasks

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

### Paying Agent

### Grand Duchy of Luxembourg

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

### Fund Manager

Flossbach von Storch AG  
Ottoplatz 1  
D-50679 Cologne

### Fund Auditor

PricewaterhouseCoopers, Société coopérative  
2, rue Gerhard Mercator, B.P. 1443  
L-1014 Luxembourg

### Additional information for Spain

### Information centre

Allfunds Bank  
Estafeta, 6, La Moraleja, Alcobendas  
E-28109 Alcobendas (Madrid)

### Branch

Flossbach von Storch Invest S.A., Sucursal en España  
Calle Serrano, 49  
E-28006 Madrid