Annual Report as at 30 September 2019

Flossbach von Storch II

Flossbach von Storch

R.C.S. Luxemburg 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

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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.

Report on business operations

Flossbach von Storch II – Defensive Allocation 2023

Unit class R of the Feeder-UCITS Flossbach von Storch II – Defensive Allocation 2023 sub-fund ended the financial year of 1 October 2018 to 30 September 2019 with a 6.45% increase in value. This includes a distribution of EUR 3.00 per fund unit in December.

In comparison, the major equity indices performed as follows, taking into account net dividends. The MSCI World, the leading global index, rose 8.49% in EUR. European equities rose 5.7%, based on the Stoxx Europe 600 index. The REXP and Barclays Global Aggregate (total return, hedged EUR) indices also rose 3.98% and 7.31%, respectively, during the reporting period. The price of gold rose 23.47% (in US dollars) or 31.52% (in euros).

The financial year did not start well. First, global equity markets fell close to 14% in the final quarter of 2018, as measured by the MSCI World Index. It was one of the weakest quarters in history. Bond markets came under pressure at the same time, due to rising credit spreads on corporate bonds that were triggered by rising concerns about recession, the trade conflict between the US and China, and Brexit. Under the leadership of the US Federal Reserve (Fed), rising interest rates – referred to as an interest rate turnaround in much of the media – also appeared to be a done deal. The experts only disagreed on the number of key interest rate increases that should be expected in 2019 or 2020.

The turnaround in sentiment and conditions in the asset classes most important to the fund occurred just as surprisingly quickly at the beginning of 2019 as the previous collapse in capital market prices.

Central banks were once again the main reason for the improvement in the investment environment. After nine previous increases, capital market developments in the fourth quarter led the US Federal Reserve (Fed) to change course and reduce its key interest rate during the reporting period for the first time since 2009. One might call this an interest rate turnaround in the “wrong” direction. Under the leadership of the Fed, the major central banks then signalled their intention to change to more expansive monetary policy due to weaker inflation and economic data. The European Central Bank (ECB) increased its “penalty rate” for deposits made by banks to -0.5% in September and announced a new bond purchase programme.

All of the asset classes important to the fund benefited starting in the second quarter of the financial year from the prospects of interest rates remaining very low for the long term and were able to recover the losses suffered in the first quarter. The global MSCI World equity index (incl. net dividends, in EUR) recorded double-digit gains, and the price of gold climbed to reach USD 1,552 on 4 September, its highest level in six years. The bond market also boomed. This pushed the yields on German government bonds to new negative records in late summer, with yields trading in negative territory for all maturities up to 30 years.

The investment strategy of the Master-UCITS took into account the investment guidelines

REPORT ON BUSINESS OPERATIONS (continued)

in the sales prospectus and this special capital market environment as follows:

For many years, our strategic world-view for investments has assumed that interest rates will remain low for a long time to come. We are not surprised that the stock market is recording gains in this environment, as this is practically the only asset class still producing attractive returns. The dividends alone already make equities a far more attractive investment than bonds over the long term. For this reason, equities had a significant weight in the portfolio at all times, in spite of all the trade and geopolitical uncertainty. We started the financial year with an equity allocation of 31.08% and ended with an allocation of 23.80%. Since potential disturbances, such as an escalation in the trade conflict between the US and China, are difficult to predict, but could nevertheless cause massive price losses, at least over the short term, we used hedges in the form of index options (puts) several times during the year. We also used options on individual equities to prepare for purchases or sales, increase returns, or limit losses. At the individual security level, we focused on quality companies with growth potential, reliable earnings and solid balance sheets. Shares in the pharmaceutical, food, beverages and tobacco, and real estate sectors had the largest portfolio weights at the end of the financial year.

Bonds had, in the portfolio of the Master-UCITS, the highest strategic weighting of all asset classes throughout the financial year, and represented 45.74% of the fund assets at the end of September 2019. During individual security selection, corporate bonds were preferred over government bonds, as they frequently offered an attractive yield spread. Within the corporate bond group, the allocation once again predominantly consisted of bonds denominated in euros and US dollars. Futures and options were also used to manage interest rate sensitivity and implement tactical investment opportunities in the bond segment. Taking into account short futures positions, the bond portfolio had a duration of 3.14 years at the end of the financial year, an average yield of 1.75% after accounting for hedging, and an average credit rating of A.

The precious metal allocation was increased 2.54 percentage points year-on-year to 8.81%. Gold was the only precious metal in the allocation and was held exclusively in the form of gold certificates. In addition to being a sensible addition to profitable investments in productive capital, we feel gold is also important as insurance against a long-term decrease in confidence in the monetary system.

The convertible bond segment had the lowest weighting of all asset classes during the entire financial year, as only a few securities had risk-return profiles sufficiently attractive for this multi-asset fund. The convertible bond allocation was 3.15% as at 30 September 2019.

The fund had a cash position of 18.50% at the end of the financial year. Currency hedges were used for a portion of the fund's US dollar holdings. The sub-fund had EUR 160.0 million in assets under management as at 30 September 2019.

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 26 February 2019 (launch date of the subfund) to 30 September 2019 with an 8.37% increase in value.

In comparison, the global bond market, as measured by the Barclays Bloomberg Global Aggregate TR Index Hedged EUR, recorded

REPORT ON BUSINESS OPERATIONS (continued)

similar performance of 8.40%. Unlike the previous year, all relevant submarkets (including hedges against currency fluctuations in the euro) provided positive returns close to the global index mentioned above. In the case of government bonds, European government bonds provided noteworthy positive performance, while their US counterparts provided average returns. Although the Japanese government bond market also recorded gains, its performance was below-average when compared globally.

Corporate bonds also performed well at a global level over the entire period (similar to the Barclays Bloomberg Global Aggregate TR Index Hedged EUR). Bonds from companies with low credit ratings (high yield bonds), on the other hand, showed relative weakness, whether in Europe or the US. This was due to the increase in credit spreads for this segment, particularly towards the end of the financial year in the US, as well as the structurally somewhat shorter duration of this segment, as the returns on government bonds and solid corporate bonds mentioned above were mainly due to substantial duration returns, which especially benefited very long maturity bonds. The yield curve flattened in the second half of the financial year.

Interest rates generally set the pace in the developed economic areas. In the case of German government bonds and US Treasuries, interest rates moved in almost only one direction during the entire financial year: down. The US Federal Reserve (Fed) was still holding fast to its policy of raising interest rates in December 2018 and performed its last key interest rate increase shortly before the end of the calendar year. US Treasuries, however, had already begun their downward path. Although no interest rate changes were made in Europe at the end of 2018, the end of the European Central Bank (ECB) purchase programme for various securities (quantitative easing), which had been running since 2015, was the last attempt for the time being to allow a bit more normality to return to bond markets. The European market also anticipated the move to lower interest rates.

Yields fell relatively steadily during the financial year in both the US and Europe. There were, however, differences in yield curve changes between the regions. In the US, where the Fed performed two interest rate reductions starting in summer 2019, and the yields on short-maturity US Treasuries still had a certain amount of room to fall, yields fell broadly across maturities. There was a moderate decrease in the steepness of the yield curve, that is, the difference between the yields on long and short-maturity bonds.

A significantly greater degree of flattening took place in Europe. One reason might have been the already very low level of yields on short-maturity bonds. Starting in spring 2019, there were also signs of a significant drop in growth and inflation expectations in the eurozone that created the potential for a drop in yields for long and very long maturities. We successively increased the duration of the portfolio during this period, while also selecting high quality bonds with very long maturities. The duration of the portfolio reached a temporary high in May and June, leading to price gains based on duration effects during the later course of the reporting period.

Even the yields on 30-year German government bonds were predominantly in negative territory in previous weeks. The resulting investment pressure also caused a convergence of government bond yields in the eurozone, which benefited the fund due to its position in Italian government bonds. Only marginal differences existed between yields in the eurozone at the end of the financial year, reflecting almost no difference

REPORT ON BUSINESS OPERATIONS (continued)

between the fundamental data for the countries. We closed these positions during the course of the financial year.

The steady downward trend in government bond yields was not, however, reflected by the yields on corporate bonds and high yield bonds. A rapid increase in credit spreads began immediately at the beginning of the financial year, leading to a corresponding plunge in corporate bond prices. After it became clear in the autumn of 2018 that it was going to be one of the poorest calendar years for investments in the past decade, it appeared that many market participants wanted to quickly secure gains or limit losses. The resulting sales met a lack of buyers. There was no good reason in terms of fundamentals to explain the scale and apparent randomness of the market correction (both good and poor quality bonds suffered similarly). Due to the apparent randomness, the fund's large cash position was used to make anticyclical investments in good to very good quality long-maturity corporate bonds at the beginning of the financial year.

Another trend reversal then took place shortly after the start of 2019. The small temporary price losses suffered by the fund were quickly recovered during the initial months of the new year and more than offset during the remainder of the financial year. Quite respectable returns were earned on the positions that were acquired shortly before. In the spring of 2019, we began realising profits on corporate bonds and looking for opportunities for duration and yield investments (as described above).

That was one reason the portfolio was almost unaffected by the next correction that occurred in the corporate bond market in May. The trade conflict between the US and China appeared to reach a temporary high during this period due to sanctions against the Chinese technology company Huawei. After a small recovery, the upward trend in credit markets had nevertheless been broken. Although a major sell-off like the one at the end of 2018 did not occur, the market suffered a steady loss of strength and momentum.

The ongoing trade disputes and significant deterioration of the eurozone manufacturing sector had a particularly negative effect on US credit markets up to the end of the financial year. Credit spreads rose steadily there, almost reaching the level of December 2018 again. This was particularly true for the US high yield market. European credit markets managed to hold their ground, in spite of weaker fundamental data. This was partly due, however, to initial suggestions by the ECB in early summer that extensive support measures would later be approved for the end of 2019. The fund gradually increased the quality of the issuers in the portfolio during this phase, reaching an average A rating at the end of the financial year, the highest level since the launch of the fund in 2009. The fund's holdings of cash and highly liquid securities are also relatively large.

Luxembourg, October 2019
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 and Flossbach von Storch II – Rentas 2025

Combined composition of net fund assets

as at 30 September 2019

	EUR
Securities holdings	230,770,819.88
(acquisition cost of securities: EUR 213,267,213.26)	
Cash at banks	1,273,077.52
Receivable from securities transactions	263,006.21
Other assets [1]	3,994.52
	232,310,898.13
Payables from redemption of units	-263,186.05
Interest payable	-1,815.50
Other liabilities [2]	-162,624.13
	-427,625.68
Net fund assets	**231,883,272.45**

[1] The position includes amortisation of formation expenses.

[2] 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 2018 to 30 September 2019

	EUR
Net sub-fund assets at the beginning of the reporting period	161,666,242.77
Ordinary net expenditure	-1,687,705.64
Income-/Loss equalisation	-42,334.48
Cash inflows from the sale of units	67,316,575.34
Cash outflows from the redemption of units	-9,299,081.04
Realised profits	509,333.61
Realised losses	-3,652.87
Net change in unrealised profits	16,873,588.82
Distribution	-3,449,694.06
Net fund assets at the end of the reporting period	**231,883,272.45**

Statement of income and expenses

In the reporting period from 1 October 2018 to 30 September 2019

	EUR
Income	
Bank interest	-6,292.05
Income equalisation	152.11
Income total	**-6,139.94**
Expenses	
Management fee/Fund management fee	-1,656,699.10
Depositary fee	-26,564.32
Central administration agent fee	-11,307.01
Taxe d'abonnement	-608.12
Publication and auditing costs	-12,774.71
Registrar and transfer agent fee	-2,664.63
Regulatory fees	-11,169.55
Formation expense	-1,406.90
Other expenses [1)]	-553.73
Expense equalisation	42,182.37
Total expenses	**-1,681,565.70**
Ordinary net expenditure	**-1,687,705.64**

[1)] This position consists primarily of membership fees and general administrative expenses.

Flossbach von Storch II – Defensive Allocation 2023 sub-fund

Annual report
1 October 2018 - 30 September 2019

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 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
Securities ID No. (WKN):	A2DRVX	A2DRVY
ISIN:	LU1600702853	LU1600703828
Subscription fee:	none	none
Redemption fee:	1.50% p.a.	1.50% p.a.
Management fee:	up to 1.69% p.a.	up to 1.69% p.a.
Minimum initial investment:	none	none
Minimum subsequent investment:	none	none
Income utilisation:	distributing	accumulating
Currency:	EUR	EUR

FLOSSBACH VON STORCH II – DEFENSIVE ALLOCATION 2023

Geographical breakdown by country[1]

Luxembourg	99.56%
Securities holdings	**99.56%**
Cash at banks	0.52%
Balance of other receivables and payables	-0.08%
	100.00%

Breakdown by economic sector[1]

Investment fund holdings	99.56%
Securities holdings	**99.56%**
Cash at banks	0.52%
Balance of other receivables and payables	-0.08%
	100.00%

Performance since launch

Unit class R

Date	**Net unit class assets** EUR millions	**Units outstanding**	**Net cash inflow** EUR thousands	**Unit value** EUR
1 August 2017 [2]	Launch	-	-	100.00
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

Unit class RT

Date	**Net unit class assets** EUR millions	**Units outstanding**	**Net cash inflow** EUR thousands	**Unit value** EUR
1 August 2017 [2]	Launch	-	-	100.00
30 September 2018	46.46	468,360	46,828.84	99.19
30 September 2019	46.49	440,183	-2,830.50	105.61

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

2) Date of the first calculation of the unit value.

FLOSSBACH VON STORCH II – DEFENSIVE ALLOCATION 2023

Composition of net sub-fund assets

as at 30 September 2019

	EUR
Securities holdings	159,313,623.75
(acquisition cost of securities: EUR 147,549,833.63)	
Cash at banks	828,615.37
Receivable from securities transactions	24,910.11
Other assets [1]	3,994.52
	160,171,143.75
Payables from redemption of units	-25,000.05
Interest payable	-1,304.94
Other liabilities [2]	-128,854.83
	-155,159.82
Net sub-fund assets	**160,015,983.93**

Allocation to the unit classes

Unit class R	
Proportion of net sub-fund assets	113,527,728.81 EUR
Number of units outstanding	1,141,698.543
Net asset value per unit	99.44 EUR
Unit class RT	
Proportion of net sub-fund assets	46,488,255.12 EUR
Number of units outstanding	440,182.508
Net asset value per unit	105.61 EUR

1) This item includes capitalised fund launch costs.

2) 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 2018 to 30 September 2019

	Total	Unit class R	Unit class RT
	EUR	EUR	EUR
Net sub-fund assets at the beginning of the reporting period	161,666,242.77	115,208,787.39	46,457,455.38
Ordinary net expenditure	-1,483,466.93	-1,060,601.35	-422,865.58
Income / expense equalisation	-40,461.41	-27,137.98	-13,323.43
Cash inflows from the sale of units	1,199.94	1,199.94	0.00
Cash outflows from the redemption of units	-8,240,994.71	-5,410,493.60	-2,830,501.11
Realised profits	433,038.88	309,480.13	123,558.75
Realised losses	-3,652.87	-2,519.46	-1,133.41
Net change in unrealised profits	11,133,772.32	7,958,789.10	3,174,983.22
Net change in unrealised losses	0.00	-81.30	81.30
Distribution	-3,449,694.06	-3,449,694.06	0.00
Net sub-fund assets at the end of the reporting period	**160,015,983.93**	**113,527,728.81**	**46,488,255.12**

Changes in number of units in circulation for unit class R

	No. of units
Units outstanding at the beginning of the reporting period	1,197,283.887
Units issued	12.128
Units redeemed	-55,597.472
Units outstanding at end of reporting period	**1,141,698.543**

Changes in number of units in circulation for unit class RT

	No. of units
Units outstanding at the beginning of the reporting period	468,360.206
Units issued	0
Units redeemed	-28,177.698
Units outstanding at end of reporting period	**440,182.508**

FLOSSBACH VON STORCH II – DEFENSIVE ALLOCATION 2023

Statement of income and expenses

For the reporting period from 1 October 2018 to 30 September 2019

	Total EUR	Unit class R EUR	Unit class RT EUR
Income			
Bank interest	-5,305.19	-3,785.50	-1,519.69
Income equalisation	143.99	96.17	47.82
Total income	**-5,161.20**	**-3,689.33**	**-1,471.87**
Expenses			
Management fee/Fund management fee	-1,468,294.86	-1,048,035.92	-420,258.94
Depositary fee	-21,299.48	-15,202.71	-6,096.77
Central administration agent fee	-9,059.36	-6,466.18	-2,593.18
Taxe d'abonnement	-484.53	-345.71	-138.82
Publication and auditing costs	-6,449.66	-4,604.09	-1,845.57
Registrar and transfer agent fee	-2,442.63	-1,743.21	-699.42
Regulatory fees	-8,632.00	-6,156.57	-2,475.43
Formation expense	-1,406.90	-1,004.15	-402.75
Other expenses [1]	-553.73	-395.29	-158.44
Expense equalisation	40,317.42	27,041.81	13,275.61
Total expenses	**-1,478,305.73**	**-1,056,912.02**	**-421,393.71**
Ordinary net expenditure	**-1,483,466.93**	**-1.060,601.35**	**-422,865.58**

Total transaction costs during the reporting period [2]	**8,010.00**		
Total expense ratio as a percentage[2]		**0.95**	**0.95**
Ongoing charges as a percentage[2] (for the reporting period from 1 October 2018 to 30 September 2019)		**1.84**	**1.84**

1) This position consists primarily of general and administrative expenses and membership fees.

2) See the notes to the annual report.

The notes constitute an integral part of this annual report.

FLOSSBACH VON STORCH II – DEFENSIVE ALLOCATION 2023

Statement of assets as at 30 September 2019

ISIN	Securities		Additions in the reporting period	Disposals in the reporting period	Quantity	Price	Market Value EUR	% share of NSFA[1]
Investment fund holdings [2]								
Luxembourg								
LU1245470080	Flossbach von Storch - Multi Asset - Defensive IT	EUR	0	113,836	1,350,573	117.9600	159,313,623.75	99.56
							159,313,623.75	**99.56**
Investment fund holdings							**159,313,623.75**	**99.56**
Securities holdings							**159,313,623.75**	**99.56**
Cash at banks							**828,615.37**	**0.52**
Balance of other receivables and payables							**-126,255.19**	**-0.08**
Net sub-fund assets in EUR							**160,015,983.93**	**100.00**

Additions and disposals from 1 October 2018 to 30 September 2019

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 2019 there were only assets in the sub-fund currency (Euro).

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

2) 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
26 February 2019 - 30 September 2019

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 – 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 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
Securities ID No. (WKN):	A2N7XU	A2N7XV
ISIN:	LU1897624026	LU1897624299
Subscription fee:	none	none
Redemption fee:	2.50% p.a.	2.50% p.a.
Management fee:	up to 0.93% p.a.	up to 0.93% p.a.
Minimum initial investment:	none	none
Minimum subsequent investment:	none	none
Income utilisation:	distributing	accumulating
Currency:	EUR	EUR

FLOSSBACH VON STORCH II – RENTAS 2025

Geographical breakdown by country[1)]

Luxembourg	99.43%
Securities holdings	**99.43%**
Cash at banks	0.62%
Balance of other receivables and payables	-0.05%
	100.00%

Breakdown by economic sector[1)]

Investment fund holdings	99.43%
Securities holdings	**99.43%**
Cash at banks	0.62%
Balance of other receivables and payables	-0.05%
	100.00%

Performance since launch

Unit class R

Date	**Net unit class assets** EUR millions	**Unit outstanding**	**Net cash inflow** EUR thousands	**Unit value** EUR
26 February 2019 [2)]	Launch	-	-	100.00
30 September 2019	59.35	547,680	54,714.91	108.37

Unit class RT

Date	**Net unit class assets** EUR millions	**Units outstanding**	**Net cash inflow** EUR thousands	**Unit value** EUR
26 February 2019 [2)]	Launch	-	-	100.00
30 September 2019	12.51	115,463	11,542.38	108.37

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

2) 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 2019

	EUR
Securities holdings	71,457,196.13
(acquisition cost of securities: EUR 65,717,379.63)	
Cash at banks	444,462.15
Receivable from securities transactions	238,096.10
	72,139,754.38
Payables from the redemption of units	-238,186.00
Interest payable	-510.56
Other liabilities [1]	-33,769.30
	-272,465.86
Net sub-fund assets	**71,867,288.52**

Allocation to the unit classes

Unit class R	
Proportion of net sub-fund assets	59,354,098.76 EUR
Number of units outstanding	547,679.901
Net asset value per unit	108.37 EUR
Unit class RT	
Proportion of net sub-fund assets	12,513,189.76 EUR
Number of units outstanding	115,463.333
Net asset value per unit	108.37 EUR

[1] 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 26 February 2019 to 30 September 2019

	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	-204,238.71	-168,677.75	-35,560.96
Income / expense equalisation	-1,873.07	-1,753.68	-119.39
Cash inflows from the sale of units	67,315,375.40	55,704,623.60	11,610,751.80
Cash outflows from the redemption of units	-1,058,086.33	-989,716.84	-68,369.49
Realised profits	76,294.73	63,044.05	13,250.68
Net change in unrealised profits	5,739,816.50	4,746,579.38	993,237.12
Net sub-fund assets at the end of the reporting period	**71,867,288.52**	**59,354,098.76**	**12,513,189.76**

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	557,046.236
Units redeemed	-9,366.335
Units outstanding at end of reporting period	**547,679.901**

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	116,107.518
Units redeemed	-644.185
Units outstanding at end of reporting period	**115,463.333**

FLOSSBACH VON STORCH II – RENTAS 2025

Statement of income and expenses

In the reporting period from 26 February 2019 to 30 September 2019

	Total EUR	Unit class R EUR	Unit class RT EUR
Income			
Bank interest	-986.86	-816.04	-170.82
Income equalisation	8.12	7.63	0.49
Total income	**-978.74**	**-808.41**	**-170.33**
Expenses			
Management fee/Fund management fee	-188,404.24	-155,787.63	-32,616.61
Depositary fee	-5,264.84	-4,353.48	-911.36
Central administration agent fee	-2,247.65	-1,858.58	-389.07
Taxe d'abonnement	-123.59	-102.26	-21.33
Publication and auditing costs	-6,325.05	-5,230.16	-1,094.89
Registrar and transfer agent fee	-222.00	-183.54	-38.46
Regulatory fees	-2,537.55	-2,099.74	-437.81
Expense equalisation	1,864.95	1,746.05	118.90
Total expenses	**-203,259.97**	**-167,869.34**	**-35,390.63**
Ordinary net expenditure	**-204,238.71**	**-168,677.75**	**-35,560.96**

Total transaction costs during the reporting year[1]	**1,800.00**		
Total expense ratio as a percentage [1]		**0.29**	**0.29**

[1] See the notes to the annual report.

FLOSSBACH VON STORCH II – RENTAS 2025

Statement of assets as at 30 September 2019

ISIN	Securities		Additions in the reporting period	Disposals in the reporting period	Quantity	Price	Market Value EUR	% share of NSFA[1)]
Investment fund holdings [2)]								
Luxembourg								
LU1481584016	Flossbach von Storch - Bond Opportunities IT	EUR	637,954	12,015	625,939	114.1600	71,457,196.13	99.43
							71,457,196.13	**99.43**
Investment fund holdings							**71,457,196.13**	**99.43**
Securities holdings							**71,457,196.13**	**99.43**
Cash at bank							**444,462.15**	**0.62**
Balance of other receivables and payables							**-34,369.76**	**-0.05**
Net sub-fund assets in EUR							**71,867,288.52**	**100.00**

Additions and disposals from 26 February 2019 to 30 September 2019

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 2019 there were only assets in the sub-fund currency (Euro).

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

2) 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.

3) Date of the first calculation of the unit value.

Notes to the annual report as at 30 September 2019 (Appendix)

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 22 November 2018 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 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 6, Avenue Marie-Thérèse, L-2132 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 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 downloaded from the website of the management company (www.fvsinvest.lu).

NOTES (continued)

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	1,950,085.63	1.71%	6.54%
Flossbach von Storch – Multi Asset - Defensive (unit class IT)	Flossbach von Storch II – Defensive Allocation 2023 (unit class RT)	EUR	789,339.99	1.73%	2.68%
Flossbach von Storch – Multi Asset - Defensive	Flossbach von Storch II – Defensive Allocation 2023	EUR	2,739,425.62	1.72%	9.21%

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	319,414.61	0.55%	3.55%
Flossbach von Storch – Bond Opportunities (unit class IT)	Flossbach von Storch II – Rentas 2025 (unit class RT)	EUR	67,090.60	0.55%	0.75%
Flossbach von Storch – Bond Opportunities	Flossbach von Storch II – Rentas 2025	EUR	386,505.21	0.55%	4.30%

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.

The valuation of the master sub-fund for the Flossbach von Storch II – Defensive Allocation 2023 Feeder and for the master sub-fund for the Flossbach von Storch II — Rentas 2025 feeder is dated 30 September 2019.

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.

NOTES (continued)

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 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

NOTES (continued)

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 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

NOTES (continued)

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

In the Grand Duchy of Luxembourg, the fund assets are subject to a tax known as the "taxe d'abonnement", which is currently levied at a rate of 0.05% p.a. or 0.01% p.a. The taxe d'abonnement is payable at the end of each quarter on the reported net sub-fund assets. The amount of the taxe d'abonnement is specified for each sub-fund or unit class in the relevant annex to the sales prospectus. Insofar as fund assets are invested in other Luxembourg investment funds that are already subject to the taxe d'abonnement, the portion of such assets is exempt from the tax.

The fund's income derived from the investment of fund assets is not subject to taxation in the Grand Duchy of Luxembourg. However, such income may be subject to taxation at source in countries in which fund assets are invested. In such cases, neither the depositary nor the management company is obliged to obtain tax certificates.

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.

NOTES (continued)

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 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:

$$\text{TER} = \frac{\text{Total cost in fund currency}}{\text{Average fund volume (basis: NFA calculated daily *)}} \times 100$$

* 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 taxe 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 taxe 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

NOTES (continued)

(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 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,

NOTES (continued)

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	Commitment Approach

13.) Events in the reporting period

A new sub-fund Flossbach von Storch II – Rentas 2025 was launched on 26 of February 2019.
There were no significant changes and no other significant events during the reporting period.

14.) Events after the reporting period

The latest amendment to the fund's management regulations came into effect on 1 January 2020 and was published on the RESA platform.

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

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

NOTES (continued)

year 2018 was 17. The total remuneration of these employees in relation to the present investment company was approx. EUR 2,644,000. Of this, approx. 60% was attributable to fixed remuneration components. The proportion of variable remuneration components to staff costs on the whole was approx. 40%, which was paid to 14 out of the 17 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 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 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 2018 financial year, the total Flossbach von Storch AG staff costs, including social security contributions and occupational pensions, came to EUR 31,564,000. Of this, approx. 69% was attributable to fixed remuneration components. The proportion of variable remuneration components to staff costs on the whole was approx. 31%.

In the 2018 financial year, 185 employees (out of a total of 197 employees as of 31 December 2018) 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. It is available for download online at www.flossbachvonstorch.de in the remuneration provision under "Legal Notice".

16.) Transparency of securities financing transactions and their reuse

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

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 2019, 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 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 2019;
- the statement of assets as at 30 September 2019;
- 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 change in net fund assets for the Fund and the change in net fund assets for each of the sub-funds for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies.

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.

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.

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R.C.S. Luxembourg B 65 477 - TVA LU25482518

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.

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.

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, 10 January 2020

Dr. Norbert Brühl

Management, distribution and advisory services

Management Company

Flossbach von Storch Invest S.A.
6, Avenue Marie-Thérèse
L-2132 Luxembourg

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
(from 1 October 2019)
Independent Member

Bernd Model
(until 30 September 2019)
Authorized signatory
Flossbach von Storch AG, Zürich

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

Depositary

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

Central Administration Agent and Registrar and Transfer Agent

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
Complejo Pza. de la Fuente - Edificio 3
E-28109 Alcobendas (Madrid)

Branch

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