

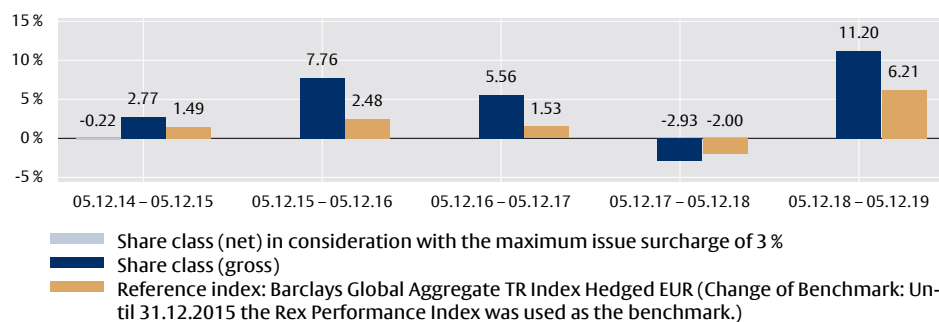


# Flossbach von Storch - Bond Opportunities - R

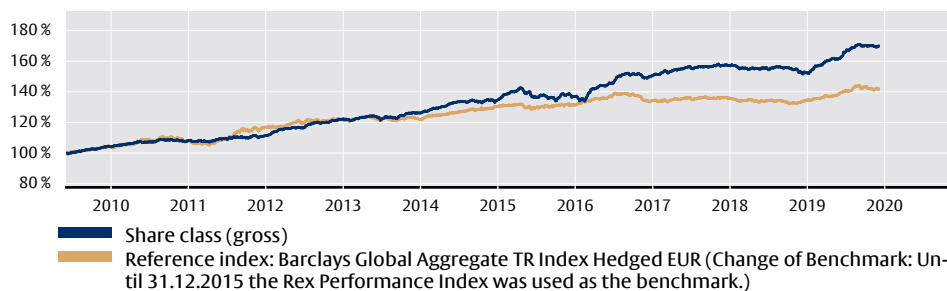
## INVESTMENT STRATEGY

Flossbach von Storch Bond Opportunities is a globally diversified bond fund with an active investment approach, the focus of which is on corporate bonds, government bonds and covered bonds. The fund flexibly utilises opportunities from the entire bond market. In addition to bonds with investment grade quality, the fund manager may also invest in bonds without a rating or those which do not have investment grade quality. At present foreign currency risks are entered into only to a manageable extent. Bond selection is carried out as part of a fundamental analysis process. The fund manager thereby relies on internally-developed research tools.

## ANNUAL PERFORMANCE IN EUR (IN %)



## PERFORMANCE IN EUR SINCE 4 JUNE 2009 +69.78 %



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

	1 month	2019 YTD	1 year	3 years	5 years	10 years	since inception 04.06.09
Share class	-0.09 %	+11.60 %	+11.18 %	+14.15 %	+26.31 %	+63.52 %	+70.03 %
Reference index	-0.19 %	+5.42 %	+6.20 %	+5.63 %	+9.88 %	+36.14 %	+41.82 %

## ANNUALIZED PERFORMANCE IN EUR (GROSS, IN %)

	1 year	3 years	5 years	10 years
Share class	+11.18 %	+4.51 %	+4.78 %	+5.04 %
Reference index	+6.20 %	+1.84 %	+1.90 %	+3.13 %

Source: Depository and SIX Financial Information, status: 04.12.19

## EXPLANATORY NOTES REGARDING PERFORMANCE

Gross fund performance (BVI method) takes into account all costs incurred at fund level (for example, management fees), net fund performance also takes into account the subscription fee. Further costs may be charged individually at customer level (e.g. custody fees, commissions and other charges). Example calculation (net method): An investor wishes to buy shares with capital of €1,000. Based on a maximum subscription fee of 5 %, € 50 will be deducted from their investment as a one-off initial charge. In addition, custody fees may also be applied, which will further reduce the investor's return. The level of custody fees can be found in your bank's schedule of fees and services.

Please refer to the cost details presented in this document to determine the maximum subscription fee for the share class of the sub-fund.

The reference index is merely informative. It does not constitute any obligation from the fund manager to track the index or achieve the same performance.

Past performance is not a reliable indicator of future performance.

CATEGORY: BONDS AND CONVERTIBLES  
Data as per 05 December 2019

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## FUND DETAILS

Securities ID No. (WKN)	A0RCKL
ISIN	LU0399027613
Valor number	4843418
Domicile	Luxembourg
Share class	R
Fund currency	EUR
Share class currency	EUR
Launch date	4 June 2009
Financial year end	30 September
Income utilisation	Distribution
Authorised for distribution	AT, CH, DE, LU, PT
Fund type	UCITS / FCP
Fund assets	EUR 1.90 billion
Redemption price	EUR 135.34
Minimum initial investment	none
Minimum subsequent investment	none
Costs <sup>1</sup>	
Ongoing charges	1.05 %
which includes a management fee of	0.93 % p.a.
Performance fee	none
Redemption fee	0.00 %
Exchange commission	up to 3.00 % (based on the unit value of the units to be purchased for the benefit of the relevant distributor)
Subscription fee	up to 3.00 %

## MANAGEMENT COMPANY

Flossbach von Storch Invest S.A.  
6, Avenue Marie-Thérèse  
2132 Luxembourg, Luxembourg  
www.fvsinvest.lu

## DEPOSITARY

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

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



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

1. Japan	3.76 %
2. Republic Poland	3.08 %
3. Philip Morris International In	2.92 %
4. Medtronic PLC	2.65 %
5. Intrum AB	2.32 %
6. Berkshire Hathaway Inc.	2.23 %
7. Danaher Corp.	2.11 %
8. Microsoft Corp.	2.09 %
9. European Investment Bank (EIB)	2.09 %
10. British American Tobacco PLC	2.06 %
<b>Total</b>	<b>25.31 %</b>

Source: Depository and Flossbach von Storch, status: 31.10.19

The portfolio currently contains 109 securities.

## TOP 10 SECTORS (IN %)\*

1. Food, Beverage & Tobacco	10.88 %
2. Diversified Financials	10.50 %
3. Health Care Equipment & Services	10.20 %
4. Software & Services	9.13 %
5. Automobiles & Components	7.68 %
6. Pharmaceuticals, Biotechnology & Life Sciences	6.22 %
7. Banks	6.09 %
8. Insurance	5.92 %
9. Energy	5.88 %
10. Real Estate	5.68 %
<b>Total</b>	<b>78.18 %</b>

Source: Depository and Flossbach von Storch, status: 31.10.19

\* refer to corporate bonds

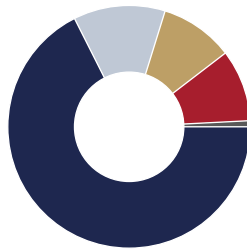
## CREDIT RATING FOR BONDS\* (IN %)

AAA	15.41 %
AA	11.52 %
A	29.02 %
BBB	32.82 %
BB	7.59 %
NR	3.65 %

Source: Depository and Flossbach von Storch, status: 31.10.19

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

## ASSET ALLOCATION (IN %)



- 67.56 % Corporate bonds
- 12.23 % Government bonds
- 9.80 % Cash
- 9.60 % Covered Bonds
- 0.81 % Other (incl. derivatives)

Source: Depository and Flossbach von Storch, status: 31.10.19

## KEY FUND FIGURES

average return	1.09 %
Duration	5.05 years

Source: Depository and Flossbach von Storch, status: 31.10.19

## MONTHLY COMMENTARY

The risk appetite of many market participants fell at the beginning of October. The valuation of some securities appear quite high. Given the highly profitable year for bonds, profits were realised. Increasingly positive news, such as progress in the trade conflict between the USA and China, created a more positive environment in the second half of the month. While there was a further narrowing of credit spreads for bonds from low quality issuers, the market correction towards higher interest rates continued. Yield curves moved from a very flat level to become steeper again. While Mario Draghi's final Governing Council meeting as President of the European Central Bank (ECB) produced almost nothing newsworthy, the US Federal Reserve (Fed) reduced its key interest rate for the third time in a row to a range of 1.5-1.75 per cent. Fed Chair Jerome Powell signalled there may be a pause before interest rates are adjusted again. We used derivatives in the portfolio to limit fluctuations in the price of the Fund. Our focus was on hedging our positions in bonds with long and very long maturities, which are particularly affected when yield curves become steeper. The corporate bond allocation was reduced slightly during the reporting period in favour of cash and government bonds. The market hardly reflected any difference between the risks of good and poor quality bonds in October. We therefore further reduced holdings of bonds from poor-quality issuers (high-yield bonds) during strong market phases and realised profits.

## AWARDS

Morningstar Rating™ overall\*: ★★★★★

\* Morningstar Rating™ overall: © (2019) Morningstar Inc. All rights reserved. The information contained herein: (1) is protected by copyright for Morningstar and / or its content providers; (2) may not be copied or distributed, and (3) is not guaranteed with regard to its accuracy, completeness, or timeliness. Neither Morningstar nor its content providers are liable for any damages or losses that may result from the use of this information. Ratings refer to the previous month.

For more information on Morningstar's ratings, please visit: <http://www.morningstar.co.uk/uk/help/Methodology.aspx>

status: 31.10.19

## FUND MANAGER



### Frank Lipowski

- » Portfolio Manager and Analyst at Flossbach von Storch since 2009
- » Portfolio management and execution desk at Partners Group AG, Switzerland (2007 - 2008)
- » Portfolio management trainee at Lupus alpha Asset Management GmbH, Frankfurt (2003 - 2007)
- » Obtained a degree in Business Administration at the Frankfurt School of Finance & Management and the University of Colorado (2003 - 2007)



# Flossbach von Storch - Bond Opportunities - R

## OPPORTUNITIES

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

## RISKS

- Country, credit and issuer liquidity risk. Also potential exchange rate risks. If securities are illiquid (i.e. thinly traded), there is a risk that it may either not be possible to sell the assets at all or only by accepting a significant discount on the sale price.
- Investing in bonds may entail price risks, especially in case of rising interest rates on the capital markets.
- Where used, derivatives can have a greater negative impact on the fund value than would be the case if the assets were acquired directly. This can affect the fund's risk profile and volatility (tendency for the price to fluctuate).

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

## INVESTOR PROFILE

### CONSERVATIVE:

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

### INVESTMENT HORIZONT:

Medium-term: 3 to 5 years

## RISK/RETURN PROFILE



1	2	3	4	5	6	7
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The historical data used for calculating the synthetic indicator is not a reliable indication of the future risk and reward profile of the share class. The category shown is not guaranteed to remain unchanged and may shift over time. Even the lowest category does not mean a risk-free investment. This share class has been placed in the aforementioned risk class because its unit price is subject to little to medium fluctuation, therefore the profit potential and loss exposure may be low to moderate. Because of the calculation model used, all risks may not be taken into consideration when placing the share class in a risk class. Detailed information can be found in the section entitled "Risks" of the prospectus.



# Flossbach von Storch - Bond Opportunities - R

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

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

**Past performance is not a reliable indicator of future performance.**

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Web: [www.flossbachvonstorch.de](http://www.flossbachvonstorch.de)

### Paying agent in Austria

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