

Unaudited semi-annual report as at 31 March 2019

Flossbach von Storch II



Flossbach von Storch

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

CONTENTS

CONSOLIDATED COMPOSITION OF NET FUND ASSETS	2
FLOSSBACH VON STORCH II – DEFENSIVE ALLOCATION 2023 SUB-FUND	3
Geographical breakdown by country	4
Breakdown by economic sector	4
Composition of net sub-fund assets	4
Statement of assets as at 31 March 2019	5
FLOSSBACH VON STORCH II – RENTAS 2025 SUB-FUND	6
Geographical breakdown by country	7
Breakdown by economic sector	7
Composition of net sub-fund assets	7
Statement of assets as at 31 March 2019	8
NOTES TO THE SEMI-ANNUAL REPORT AS AT 31 March 2019	9
MANAGEMENT, DISTRIBUTION AND ADVISORY SERVICES	14

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.

Flossbach von Storch II

Consolidated semi-annual report of Flossbach von Storch II with the sub-funds

Flossbach von Storch II – Defensive Allocation 2023 and Flossbach von Storch II – Rentas 2025

Consolidated composition of net fund assets

as at 31 March 2019

	EUR
Securities holdings at market value (acquisition cost of securities: EUR 222,142,195.56)	227,460,337.29
Cash at bank	1,497,189.53
Receivable from securities transactions	250,108.26
Other assets ¹⁾	4,703.72
	229,212,338.80
Payables from the redemption of units	-250,243.11
Interest payable	-1,618.90
Other liabilities ²⁾	-126,272.67
	-378,134.68
Total fund assets	228,834,204.12

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

Semi-annual report

1 October 2018 - 31 March 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:

	Unit class R	Unit class RT
Securities ID No. (WKN):	A2DRVX	A2DRVY
ISIN:	LU1600702853	LU1600703828
Subscription fee:	none	none
Redemption fee:	2.00% p.a.	2.00% p.a.
Actual Management fee:	0.92% p.a.	0.92% 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 country¹⁾

Luxembourg	99.35%
Securities holdings	99.35%
Cash at bank	0.73%
Balance of other receivables and payables	-0.08%
	100.00%

Breakdown by economic sector¹⁾

Investment fund holdings	99.35%
Securities holdings	99.35%
Cash at bank	0.73%
Balance of other receivables and payables	-0.08%
	100.00%

Composition of net sub-fund assets

as at 31 March 2019

	EUR
Securities holdings at market value (acquisition cost of securities: EUR 155,247,177.98)	159,297,424.89
Cash at bank	1,165,930.68
Receivable from securities transactions	238,497.06
Other assets ²⁾	4,703.72
	160,706,556.35
Payables from the redemption of units	-238,586.95
Interest payable	-1,490.78
Other liabilities ³⁾	-121,876.29
	-361,954.02
Net sub-fund assets	160,344,602.33

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

²⁾ This item includes capitalised fund launch costs.

³⁾ This item mainly comprises management fees and auditing costs.

FLOSSBACH VON STORCH II – DEFENSIVE ALLOCATION 2023

Allocation to the unit classes

Unit class R	
Proportion of net sub-fund assets	114,481,938.92 EUR
Units in circulation	1,169,855.160
Unit value	97.86 EUR
Unit class RT	
Proportion of net sub-fund assets	45,862,663.41 EUR
Units in circulation	454,639.601
Unit value	100.88 EUR

Statement of assets as at 31 March 2019

ISIN	Securities		Additions in the reporting period	Disposals in the reporting period	Quantity	Price	Market Value EUR	% share of NSFA ¹⁾
Investment fund holdings²⁾								
Luxembourg								
LU1245470080	Flossbach von Storch - Multi Asset - Defensive IT	EUR	0	43,379	1,421,030	112.1000	159,297,424.89	99.35
							159,297,424.89	99.35
Investment fund holdings							159,297,424.89	99.35
Securities holdings							159,297,424.89	99.35
Cash at bank							1,165,930.68	0.73
Balance of other receivables and payables							-118,753.24	-0.08
Net sub-fund assets in EUR							160,344,602.33	100.00

Additions and disposals from 1 October 2018 to 31 March 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 31 March 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 shares. A management fee of 0.78% p.a. is calculated for units held of the target fund.

Flossbach von Storch II – Rentas 2025

Semi-annual report

26 February 2019 (date of inception) - 31 March 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 – 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 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:

	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.
Actual Management fee:	0.05% p.a.	0.05% 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 country¹⁾

Luxembourg	99.52%
Securities holdings	99.52%
Cash at bank	0.48%
Balance of other receivables and payables	0.00%
	100.00%

Breakdown by economic sector¹⁾

Investment fund holdings	99.52%
Securities holdings	99.52%
Cash at bank	0.48%
Balance of other receivables and payables	0.00%
	100.00%

Composition of net sub-fund assets

as at 31 March 2019

	EUR
Securities holdings at market value (acquisition cost of securities: EUR 66,895,017.58)	68,162,912.40
Cash at bank	331,258.85
Receivable from securities transactions	11,611.20
	68,505,782.45
Payables from the redemption of units	-11,656.16
Interest payable	-128.12
Other liabilities ²⁾	-4,396.38
	-16,180.66
Net sub-fund assets	68,489,601.79

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

²⁾ This item mainly comprises management fees and auditing costs.

FLOSSBACH VON STORCH II – RENTAS 2025

Allocation to the unit classes

Unit class R	
Proportion of net sub-fund assets	56,672,997.47 EUR
Units in circulation	556,319.891
Unit value	101.87 EUR
Unit class RT	
Proportion of net sub-fund assets	11,816,604.32 EUR
Units in circulation	115,995.484
Unit value	101.87 EUR

Statement of assets as at 31 March 2019

ISIN	Securities		Additions in the reporting period	Disposals in the reporting period	Quantity	Price	Market Value EUR	% share of NSFA ¹⁾
Investment fund holdings²⁾								
Luxembourg								
LU1481584016	Flossbach von Storch – Bond Opportunities IT	EUR	637,954	798	637,156	106.9800	68,162,912.40	99.52
							68,162,912.40	99.52
Investment fund holdings							68,162,912.40	99.52
Securities holdings							68,162,912.40	99.52
Cash at bank							331,258.85	0.48
Balance of other receivables and payables							-4,569.46	0.00
Net sub-fund assets in EUR							68,489,601.79	100.00

Additions and disposals from 26 February 2019 (date of inception) to 31 March 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 31 March 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 shares. A management fee of 0.60% p.a. is calculated for units held of the target fund.

Notes to the semi-annual report as at 31 March 2019

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 management regulations were last amended on 22 November 2018 and published in the Recueil électronique des sociétés et associations (“RESA”).

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 sub-fund 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 share 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 6 May 2015 and was published in Mémorial on 3 June 2015. 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).

2.) Key accounting and valuation principles

This 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 units 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 can 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 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 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 transactions will be added or deducted as appropriate.

NOTES (continued)

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 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.).

3.) 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.

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 enquire about the laws and regulations that apply to the purchase, possession and redemption of units and, where necessary, seek professional advice.

4.) 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.

5.) Information on fees and expenses

Details of management and depositary fees are given in the current sales prospectus.

6.) 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.

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

All the current accounts of a sub-fund (including those in different currencies) that are actually and legally only part of a single current account are shown as a single current account in the composition of net sub-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.

8.) Events in the reporting period

A new sub-fund Flossbach von Storch II – Rentas 2025 was launched on 26 February 2019.

9.) Events after the reporting period

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

10.) 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 semi-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.

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
Kurt von Storch
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
Bernd Model
Managing Director
Flossbach von Storch AG, Zürich

Executive Board of the Management Company (management body)

Dirk von Velsen
Karl Kempen
Markus Müller

Auditor of the Management Company

Deloitte Audit S.à r.l.
560, rue de Neudorf
L-2220 Luxembourg

Depository

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

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