Audited Annual report as at 30 September 2023

Flossbach von Storch II

R.C.S. Luxembourg K1766
Investment fund under Luxembourg law
An investment fund pursuant to Part I of the Law of 17 December 2010 concerning undertakings for collective investment, as currently amended, in the legal form of a Fonds Commun de Placement (FCP)

MANAGEMENT COMPANY:
Flossbach von Storch Invest S.A.
R.C.S. Luxembourg B 171513

Flossbach von Storch

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The sales prospectus and the management regulations it contains, the Key Information Document and the annual and semi- annual reports of the fund are available free of charge by post 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 Flossbach von Storch II – Defensive Allocation sub-fund closed the past fiscal year from 1 October 2022 to 28 July 2023 with an increase in value of 4.23 %. The fund was dissolved by a merger on 28 July 2023.

By comparison, the global equity benchmark index MSCI World, taking into account net dividends (calculated in euros), rose during the above mentioned period by 16.02 %. By contrast, the German bond index REXP lost 1.25 % in the reporting period, while the global bond index Bloomberg Global Aggregate (Total Return, hedged EUR) increased by 1.82 %. The gold price rose by 5.25 % (in euro terms). The euro appreciated by 12.19 % against the US dollar.

Accordingly, the stock markets performed positively during the reporting period despite the numerous global crises and upheavals. A contributing factor was the overall robust economic development, which had not suffered noticeably from the restrictive monetary policy up to that point. And this despite the fact that we saw a historic increase in interest rates by the major central banks. For example, the U.S. Federal Reserve raised its key interest rates six times in the reporting period alone. At the end of July 2023, the key interest rate was in a range of 5.25 to 5.50 %. The European Central Bank also raised interest rates several times, with the main refinancing rate standing at 4.25 % at the end of the reporting period. In the wake of the interest rate hikes, after years of zero and negative interest rates, the risk-reward ratio of bonds became increasingly attractive during the reporting period, as yields rose sharply across the board. The investment strategy of Flossbach von Storch - Multi Asset - Defensive ("Master-UCITS"), which is part of the Flossbach von Storch fund, took into account the investment guidelines set out in the sales prospectus and this special capital market environment. The following information is based on the portfolio of Flossbach von Storch - Multi Asset - Defensive as at 28 July 2023.
Significant changes to the portfolio primarily included increasing the bond allocation from an initial 52.73 % to 61.28 %, as the asset class was again expected to be a reliable source of returns looking forward due to the sharp rise in yields. Given the environment of rising interest rates, we opted for a defensive bias in the bond portfolio. We did not take any major credit or interest rate risks. At the end of the fiscal year, the average credit rating of the issuers was AA, which is a very high level. Furthermore, we preferred bonds with a short to medium maturity range and additionally further reduced the interest rate sensitivity of the bond portfolio at times during the reporting period by using forward contracts (futures). At the end of the reporting period, however, we had no hedging instruments outstanding and the duration was 2.82; at the beginning, the duration after hedge was at a very similar level of 2.83. The average yield to maturity was 4.05%, 0.95 percentage points above the level at the beginning of the fiscal year.

In contrast to the increase in the bond ratio, the cash ratios were significantly reduced from 11.83 % to 3.89 % in the reporting period and the equity ratios were also reduced somewhat. We started the fiscal year with an equity allocation of 27.42 % (the maximum possible equity allocation is 35 %) and ended it with an equity weighting of 26.55 %. We decided against reducing the equity allocation even further, as the inflation environment also has a positive side for equities. This is because in the current environment of high inflation rates, companies should benefit from rising profits, which should limit valuation pressure that equities are exposed to due to higher interest rates. This is assuming that companies can actually raise prices and keep their margins largely stable in this environment. Therefore, at the individual stock level, we continued to focus on quality companies that stood out in our company analysis as having some pricing power, high and profitable future growth, and good earnings level predictability. We performed the quality review using our proprietary CORE analysis tool. At the end of July 2023, shares in the sectors Finance, Information Technology and Healthcare had the highest portfolio weights. In equities, we used derivatives in the form of S&P 500 puts in certain phases.

Comparatively little change took place in gold ratios (indirect). As of July 31, 2023, this amounted to 6.79 %, with holdings exclusively in the form of gold ETCs. In our view, the precious metal continues to represent an important building block for the diversification of a multi-asset fund.

The asset class convertible bonds had the lowest weighting throughout the reporting period, as in our view only a few securities had a suitable risk-reward profile for the fund. As of July 31, 2023, the convertible bond ratio was only 2.25 %.

Throughout the reporting period, the fund management took into account valuation models that also incorporated ESG issues when selecting portfolio securities. Exclusion criteria were also taken into account. For example, the fund management refrained from investing in companies that were associated with the manufacture and sale of controversial weapons or generated significant sales of armaments, coal or tobacco. Companies with serious violations of the principles of the UN Global Compact (human rights, labor standards, environmental protection and anti-corruption) were also excluded. In addition, the selection of government bonds did not include issuers classified as "not free" by Freedom House.

Flossbach von Storch II - Rentas 2025

Unit class R of the Flossbach von Storch II - Rentas 2025 sub-fund ended the financial year of 1 October 2022 to 30 September 2023 with a value increase of 2.13 %. This included a distribution of EUR 2.00 per fund unit in March 2023. By comparison, REXP (the German bond index) lost 2.13 per cent in value during the reporting period, while the Bloomberg Global Aggregate (total return, hedged in EUR) global index lost 0.42 per cent.

The defining feature of the financial year as a whole was the persistently high volatility on the bond markets.

Through until the end of the second quarter of 2023, the tension caused by stubbornly high core inflation and the associated additional rate hikes on the one hand and the collateral damage in terms of monetary policy on the other resulted in a rather twitchy, "up and down" picture for global bond yields. In October, for instance, the Bank of England was forced to make temporary bond purchases to prop up pension funds in the wake of the extreme turbulence affecting UK government bonds. At the start of March, the US Federal Reserve (Fed) found itself having to respond to the problems with US regional banks by providing emergency liquidity and announcing a pause on interest rate hikes — in Europe meanwhile, the Swiss bank Credit Suisse fell into financial difficulties and was taken over by UBS.

As these tensions subsided, however, central bank rhetoric quickly worsened again.

REPORT ON BUSINESS OPERATIONS (continued)

Driven by the surprisingly resilient US economy and the accompanying higher-for-longer indicators from the Fed, the bond markets then experienced significant yield increases in the third quarter of 2023, resulting in new highs in many cases. In particular, the more positive outlook for the US economy in the Fed's quarterly projections led to yields being revalued at the long end of the US yield curve, i.e. for bonds with long maturities.

At the same time, market participants had their hopes of imminent rate drops dashed. It should be noted that the yield increase was driven not by an increase in inflation expectations but almost entirely by rising real yields (for inflation-linked bonds). The latter are an important catalyst for the wider growth outlook, and in the five years plus maturity range they were not far off the 2.50 per cent mark, which is the highest level since 2007.

At the start of the financial year in October 2022, the credit spreads showed significant stress due to the uncertainties surrounding the British pension fund system — they approached the highs seen during the pandemic back in 2020.

Although they were subject to fluctuations, these spreads gradually decreased over the course of the financial year. Since then, the only factors causing risk parameters to increase were the uncertainties in the spring of 2023 surrounding Silicon Valley Bank and Credit Suisse and the sensitive (real) yield increase at the end of the financial year.

The investment strategy of Flossbach von Storch - Bond Opportunities ("Master-UCITS"), which is part of the Flossbach von Storch fund, took into account the investment guidelines in the sales prospectus and this special capital market environment. Investment guidelines set out in the sales prospectus and the special capital market environment. The following information is based on the portfolio of Flossbach von Storch - Bond Opportunities.

Flossbach von Storch - Bond Opportunities exploited its flexibility during the financial year in relation to interest rate control and allocation changes by applying an anticyclical approach. During the uncertain period in October, the Flossbach von Storch - Bond Opportunities bought predominantly corporate bonds in order to build up the duration from the cautious levels. A tactically more offensive approach to duration was adopted at the end of the 2022 calendar year. This was followed by profit-taking, however, and both the duration and the share of corporate bonds were reduced again after the start of the year. In the spring, there was expansion only in terms of duration. This along with the low allocation of corporate bonds and the omission of subordinated securities from financial institutions created resilience in the portfolio during the period of renewed market weakness in March. Duration was subsequently restructured again to some extent in favour of credit duration, with weakening corporate bonds being acquired again through until May. In the context of cooling economic and inflation data, the portfolio structure was much more offensive over the summer months and through until late summer in order to secure the now high yields for a longer period of time and to position the fund to benefit from any price gains as a result of potentially falling interest rates after the end of the financial year.

The portfolio is broadly diversified and as at 30 September 2023 is invested primarily in government bonds, bonds from government-related issuers and supranational bonds, all with good creditworthiness. As at the reporting date, the duration date had increased to something close to the highest levels seen since the fund was launched.

This is due to the high real and nominal market yields in conjunction with generally cooling inflation and growth data. The extraordinary interest rate cycle appears to be nearing its peak.

REPORT ON BUSINESS OPERATIONS (continued)

By historical comparison, the corporate bonds allocation is moderate to cautious at less than 50 per cent and with little in the way of high-yield bonds; this is the result of the relative valuation and the cautious assessment of future economic developments. Bar a few selective exceptions, much of the corporate bond market is delivering yields close to the alternative options of government bonds, issues from government/multi-government issuers and Pfandbriefe (German covered bonds), which prevents a more offensive alignment in this regard. In the context of the portfolio, the now notably positive current yield provides a solid basis for future fund performance. Furthermore, there is the potential for material price changes if yields fall again. The earning power of the portfolio thus permits an optimistic outlook for the coming months and quarters.

Flossbach von Storch II – Equilibrio 2026

Unit Class R of the Flossbach von Storch II – Equilibrio 2026 sub-fund closed the past fiscal year from 1 October 2022 to 30 September 2023 with an increase in value of 3.27 percent, taking into account a distribution of 2.00 euros per fund unit, which was made in May 2023.

By comparison, the global equity benchmark MSCI World index, taking into account net dividends (calculated in euros), rose by 12.84 percent. By contrast, the German bond index REXP lost 2.13 percent in the reporting period, while the global bond index Bloomberg Global Aggregate (Total Return, hedged EUR) fell by 0.42 %. The gold price rose by 3.03 % (in euro terms). The euro appreciated by 7.87 % against the US dollar.

As a result, the stock markets performed positively in the reporting period despite the numerous global crises and upheavals. This was helped by the overall robust economic development, which had not suffered noticeably from the restrictive monetary policy up to that point. And this despite the fact that we saw a historic increase in interest rates by the major central banks. For example, the U.S. Federal Reserve raised its key interest rates six times in the reporting period alone. At the end of September 2023, the key interest rate was in a range of 5.25 to 5.50 %. The European Central Bank also raised interest rates several times, with the main refinancing rate standing at 4.50 % at the end of the reporting period. In the wake of the interest rate hikes, after years of zero and negative interest rates, the risk-reward ratio of bonds became increasingly attractive over the course of the reporting period, as yields rose sharply across the board. The investment strategy of Flossbach von Storch - Multi Asset - Balanced ("Master-UCITS"), which is part of Flossbach von Storch fund, took into account the investment guidelines set out in the sales prospectus and the special capital market environment. The following information is based on the portfolio of Flossbach von Storch - Multi Asset - Balanced.

Significant changes in the portfolio included, above all, increasing the bond quota from an initial 33.27 % to 44.72 %, as the asset class should once again represent a reliable source of returns looking forward due to the sharp rise in yields.

Given the environment of rising interest rates, we opted for a defensive bias in the bond portfolio. We did not take any major credit risks. We therefore broadly diversified the bond portfolio (as of September 30, 2023, there were 76 individual securities in the portfolio) and focused our selection of securities on issuers with good to very good credit ratings, primarily US government bonds, government or quasi-government issuers from the euro zone, and covered bonds and mortgage bonds. At the end of the fiscal year, 63.80 % of the bond portfolio was invested in securities from this group of issuers, with the remaining 36.20 % in corporate bonds.

REPORT ON BUSINESS OPERATIONS (continued)

The average credit rating of the issuers was AA, which is a very high level. Furthermore, we preferred bonds with a short to medium maturity range and additionally further reduced the interest rate sensitivity of the bond portfolio at times during the fiscal year by using forward contracts (futures). At the end of the fiscal year, however, we had no hedging instruments outstanding and the duration was 2.86; at the beginning, the duration after hedge was slightly lower at 2.74. The average yield to maturity was 4.31 %, 1.19 percentage points above the level at the beginning of the fiscal year. In contrast to the increase in the bond ratio, the cash ratio was significantly reduced from 9.83 % to 4.37 % in the reporting period and the equity ratio was also reduced somewhat. We started the fiscal year with an equity allocation of 47.20 % (the maximum possible equity allocation is 55 %) and ended it with an equity weighting of 41.91 %. We decided against reducing the equity allocation even further as the inflation environment also has a positive side for equities. This is because in the current environment of high inflation rates, companies should benefit from rising profits, which should limit valuation pressure that equities are exposed to due to higher interest rates. This is assuming that companies can actually raise prices and keep their margins largely stable in this environment.
Therefore, at the individual stock level, we continued to focus on quality companies that stood out in our company analysis as having some pricing power, high and profitable future growth, and good earnings level predictability. We performed the quality review using our proprietary CORE analysis tool. At fiscal year-end, equities in financials, the information technology and healthcare sectors had the highest portfolio weights. We used derivatives in the equities sector in phases in the form of S&P 500 puts.

Comparatively little change took place in gold ratio (indirect). As of 30 September 2023, this amounted to 7.90 %, with holdings exclusively in the form of gold ETCs. In our view, the precious metal continues to represent an important building block for the diversification of a multi-asset fund. The asset class convertible bonds had the lowest weighting throughout the reporting period, as in our view only a few securities had a suitable risk-reward profile for the fund. As of 30 September 2023, the convertible bond ratio was only 1.65 %.

Throughout the reporting period, the fund management took into account valuation models that also incorporated ESG issues when selecting portfolio securities. Exclusion criteria were also taken into account. For example, the fund management refrained from investing in companies that were associated with the manufacture and sale of controversial weapons or generated significant sales of armaments, coal or tobacco. Companies with serious violations of the principles of the UN Global Compact (human rights, labor standards, environmental protection and anti-corruption) were also excluded. In addition, the selection of government bonds did not include issuers classified as "not free" by Freedom House.

Luxembourg, January 2024

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 statements of Flossbach von Storch II with the following sub-funds

Flossbach von Storch II – Defensive Allocation 2023[1], Flossbach von Storch II – Rentas 2025 and Flossbach von Storch II – Equilibrio 2026

Combined composition of net fund assets
as at 30 September 2023

	EUR
Securities holdings at market value (Cost of investments: EUR 95,468,377.21)	88,381,581.12
Cash at bank [2]	1,160,450.72
Interest receivable	10,789.34
Receivables from securities transactions	63,737.50
Other assets [3]	255,883.29
	89,872,441.97
Payable on redemptions	-63,737.41
Other liabilities [4]	-47,832.33
	-111,569.74
Net fund assets	**89,760,872.23**

1) The sub-fund Flossbach von Storch II - Defensive Allocation 2023 was merged as of 28 July 2023 in the sub-fund Flossbach von Storch - Multi Asset - Defensive.
2) See the notes to the annual report.
3) This item includes capitalised distribution formation expenses.
4) This position consists primarily of management company fee payables and audit fee payables.

FLOSSBACH VON STORCH II

Combined statement of changes in fund net assets

for the reporting period from 1 October 2022 to 30 September 2023

	EUR
Net-fund assets at the beginning of the reporting period	207,594,354.88
Ordinary net result	-797,745.61
Income and expense equalisation	-634,469.13
Cash inflows from the subscription of units	0.00
Cash outflows from the redemption of units	-98,670,021.54
Realised gains	0.00
Realised losses	-6,169,058.93
Net change in unrealised profits	0.00
Net change in unrealised losses	13,899,000.12
Distribution	-1,528,826.12
Outflows from merger of sub-fund Flossbach von Storch II - Defensive Allocation 2023 [1]	-23,932,361.44
Net fund assets at the end of the reporting period	**89,760,872.23**

[1] The sub-fund Flossbach von Storch II - Defensive Allocation 2023 was merged as of 28 July 2023 in the sub-fund Flossbach von Storch - Multi Asset – Defensive of the Fund Flossbach von Storch.

Combined statement of income and expenses

for the reporting period from 1 October 2022 to 30 September 2023

	EUR
Income	
Bank interest	56,080.59
Income equalisation	-10,714.66
Total income	**45,365.93**
Expenses	
Interest expenses	-0.61
Management fee	-1,228,923.76
Depositary bank fee	-15,789.17
Central administration agent fee	-6,620.51
Distribution fees	-173,562.29
Taxe d'abonnement	-1,138.16
Publication and auditing costs	-34,654.00
Typesetting, printing and dispatch costs for the annual and semi-annual reports	-1,707.13
Registrar- and transfer agent fee	-1,903.68
State fees	-13,048.18
Amortisation of distribution formation expenses	-99.67
Other expenses [1]	-10,848.17
Expense equalisation	645,183.79
Total expenses	**-843,111.54**
Ordinary net result	**-797,745.61**

[1] This position consists primarily of costs linked to the merger of the sub-fund Flossbach von Storch - Defensive Allocation 2023 and general administrative expenses.

Flossbach von Storch II – Defensive Allocation 2023

Annual report
1 October 2022 - 28 July 2023 (date of merger)

The sub-fund Flossbach von Storch II – Defensive Allocation 2023 was merged into the sub-fund Flossbach von Storch - Multi Asset - Defensive on 28 July 2023 (date of merger).

The management company of the fund was 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:	none	none
Management fee:	up to 1.69% p.a.	up to 1.69% p.a.
Minimum initial investment:	none	none
Use of income:	distributing	accumulating
Currency:	EUR	EUR

FLOSSBACH VON STORCH II – DEFENSIVE ALLOCATION 2023

Performance over the last 3 financial years

Unit class R

Date	Net unit class assets EUR millions	Units outstanding	Net proceeds EUR thousands	Unit value EUR
30 September 2021	97.19	1,021,871	-6,574.08	95.11
30 September 2022	79.00	944,709	-7,069.17	83.62
28 July 2023[1]	17.52	201,052	-64,176.37	87.16

Unit class RT

Date	Net unit class assets EUR millions	Units outstanding	Net proceeds EUR thousands	Unit value EUR
30 September 2021	39.52	368,109	-2,860.78	107.36
30 September 2022	32.48	332,716	-3,668.18	97.63
28 July 2023[1]	6.41	62,990	-27,117.05	101.76

[1] Date of merger

FLOSSBACH VON STORCH II – DEFENSIVE ALLOCATION 2023

Statement of changes in sub-fund net assets

for the reporting period from 1 October 2022 to 28 July 2023 (date of merger)

	Total EUR	Unit class R EUR	Unit class RT EUR
Net sub-fund assets at the beginning of the reporting period	111,478,869.58	78,997,183.53	32,481,686.05
Ordinary net result	-189,709.37	-138,902.35	-50,807.02
Income and expense equalisation	-609,040.50	-438,640.67	-170,399.83
Cash inflows from the subscriptions of units	0.00	0.00	0.00
Cash outflows from the redemption of units	-91,293,419.14	-64,176,372.41	-27,117,046.73
Realised gains	0.00	0.00	0.00
Realised losses	-5,483,245.76	-4,011,992.80	-1,471,252.96
Net change in unrealised profits	0.00	0.00	0.00
Net change in unrealised losses	10,028,906.63	7,291,515.08	2,737,391.55
Net sub-fund assets at the end of the reporting period[1)]	**23,932,361.44**	**17,522,790.38**	**6,409,571.06**

Changes in number of units in circulation

	Unit class R No. of units	Unit class RT No. of units
Units outstanding at the beginning of the reporting period	944,708.544	332,716.205
Units issued	0.000	0.000
Units redeemed	-743,657.033	-269,726.676
Units outstanding at the end of the reporting period[1)]	**201,051.511**	**62,989.529**

[1)] The sub-fund was merged into the sub-fund Flossbach von Storch - Multi Asset - Defensive of Flossbach von Storch (absorbing fund) on 28 July 2023.

FLOSSBACH VON STORCH II – DEFENSIVE ALLOCATION 2023

Statement of income and expenses

For the reporting period from 1 October 2022 to 28 July 2023 (date of merger)

	Total EUR	Unit class R EUR	Unit class RT EUR
Income			
Bank interest	14,410.66	10,477.95	3,932.71
Income equalisation	-9,072.03	-6,569.09	-2,502.94
Total income	**5,338.63**	**3,908.86**	**1,429.77**
Expenses			
Interest expenses	-0.18	-0.13	-0.05
Management fee	-767,426.03	-554,748.69	-212,677.34
Depositary bank fee	-7,450.56	-5,384.52	-2,066.04
Central administration agent fee	-3,121.07	-2,255.72	-865.35
Taxe d'abonnement	-203.28	-146.54	-56.74
Publication and auditing costs	-19,139.96	-14,015.29	-5,124.67
Typesetting, printing and dispatch costs for the annual and semi-annual reports	-569.05	-416.98	-152.07
Registrar- and transfer agent fee	-1,063.91	-768.28	-295.63
State fees	-7,406.29	-5,318.90	-2,087.39
Other expenses [1]	-6,780.20	-4,965.92	-1,814.28
Expense equalisation	618,112.53	445,209.76	172,902.77
Total expenses	**-195,048.00**	**-142,811.21**	**-52,236.79**
Ordinary net result	**-189,709.37**	**-138,902.35**	**-50,807.02**
Total transaction costs in the reporting period [2]	**0.00**		
Total expense ratio as a percentage [2]		**0.80**	**0.80**
Ongoing charges as a percentage [2]		**0.97**	**0.96**

1) This position consists primarily of merger costs and general administrative expenses.
2) See the notes to the annual report.

FLOSSBACH VON STORCH II – DEFENSIVE ALLOCATION 2023

Additions and disposals from 1 October 2022 to 28 July 2023 (date of merger)

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 below schedule of assets, were made.

ISIN	Securities		Additions in the reporting period	Disposals in the reporting period
Investment fund units [1]				
Luxembourg				
LU2369861955	Flossbach von Storch - Multi Asset - Defensive	EUR	0	1,211,221

[1] Information about selling fees, redemption fees and the maximum amount of the management fee for target fund units can be obtained on application free of charge from the registered office of the management company, from the custodian bank and the paying agents. No management fee or a reduced one is calculated for units held of a target fund, which are managed directly or on the basis of a transfer from the same management company or from a company with to the management company is related by means of joint management or domination or significant direct or indirect interests.

Exchange rates

As at 28 July 2023 (date of merger) there were only assets in the sub-fund currency (Euro).

Flossbach von Storch II – Rentas 2025

Annual report
1 October 2022 - 30 September 2023

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 assets in units of the sub- fund Flossbach von Storch – Bond Opportunities QT (LU2369862177) of Flossbach von Storch (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 management company of 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:	0.75 %	0.75 %
Management fee:	up to 0.93% p.a.	up to 0.93% p.a.
Minimum initial investment:	none	none
Use of income:	distributing	accumulating
Currency:	EUR	EUR

FLOSSBACH VON STORCH II – RENTAS 2025

Geographical breakdown by country[1)]

Luxembourg	99.06 %
Securities holdings	**99.06 %**
Cash at bank	0.98 %
Balance of other receivables and payables	-0.04 %
	100.00%

Breakdown by economic sector[1)]

Investment fund holdings[2)]	99.06 %
Securities holdings	**99.06 %**
Cash at bank	0.98 %
Balance of other receivables and payables	-0.04 %
	100.00%

1) The figures relate to the net sub-fund assets. Due to rounding differences in individual amounts, totals may differ from the actual value.
2) The top 3 investments of the Master-UCITS Flossbach von Storch - Bond Opportunities were made in the following sectors: States (43.30 %), Banks (14.11 %) and Financial Services (7.40 %).

Performance over the past 3 financial years

Unit class R

Date	Net unit class assets EUR millions	Units outstanding	Net proceeds EUR thousands	Unit value EUR
30 September 2021	54.62	487,146	-2,885.19	112.11
30 September 2022	44.46	461,140	-2,703.76	96.42
30 September 2023	41.84	433,710	-2,713.66	96.47

Unit class RT

Date	Net unit class assets EUR millions	Units outstanding	Net proceeds EUR thousands	Unit value EUR
30 September 2021	12.01	103,212	-873.52	116.38
30 September 2022	9.68	94,921	-910.33	102.02
30 September 2023	9.03	86,726	-866.00	104.14

FLOSSBACH VON STORCH II – RENTAS 2025

Composition of net sub-fund assets

as at 30 September 2023

	EUR
Securities holdings at market value (acquisition cost of securities: EUR 55,790,651.10)	50,390,116.07
Cash at bank [1]	500,944.72
Interest receivable	4,708.61
Receivables from securities transactions	61,737.36
	50,957,506.76
Payable on redemptions	-61,737.31
Other liabilities [2]	-25,050.34
	-86,787.65
Net sub-fund assets	**50,870,719.11**

1) See the notes to the annual report.
2) This position consists primarily of management company fee payables and audit fee payables.

Allocation to the unit classes

Unit class R	
Proportion of net sub-fund assets	41,839,082.66 EUR
Number of units outstanding	433,709.840
Net asset value per unit	96.47 EUR
Unit class RT	
Proportion of net sub-fund assets	9,031,636.45 EUR
Number of units outstanding	86,726.045
Net asset value per unit	104.14 EUR

Statement of changes in sub-fund net assets

for the reporting period from 1 October 2022 to 30 September 2023

	Total EUR	Unit class R EUR	Unit class RT EUR
Net sub-fund assets at the beginning of the reporting period	54,146,669.95	44,462,407.75	9,684,262.20
Ordinary net result	-243,806.16	-200,869.06	-42,937.10
Income and expense equalisation	-7,600.63	-5,794.61	-1,806.02
Cash inflows from the subscription of units	0.00	0.00	0.00
Cash outflows from the redemption of units	-3,579,655.18	-2,713,658.44	-865,996.74
Realised gains	0.00	0.00	0.00
Realised losses	-442,356.35	-364,112.13	-78,244.22
Net change in unrealised profits	0.00	0.00	0.00
Net change in unrealised losses	1,895,110.71	1,558,752.38	336,358.33
Distribution	-897,643.23	-897,643.23	0.00
Net sub-fund assets at the end of the reporting period	**50,870,719.11**	**41,839,082.66**	**9,031,636.45**

FLOSSBACH VON STORCH II – RENTAS 2025

Changes in number of units in circulation

	Unit class R	Unit class RT
	No. of units	No. of units
Units outstanding at the beginning of the reporting period	461,139.577	94,920.641
Units issued	0.000	0.000
Units redeemed	-27,429.737	-8,194.596
Units outstanding at the end of the reporting period	**433,709.840**	**86,726.045**

Statement of income and expenses

for the reporting period from 1 October 2022 to 30 September 2023

	Total	Unit class R	Unit class RT
	EUR	EUR	EUR
Income			
Bank interest	13,116.98	10,788.67	2,328.31
Income equalisation	-262.61	-208.19	-54.42
Total income	**12,854.37**	**10,580.48**	**2,273.89**
Expenses			
Interest expenses	-0.28	-0.23	-0.05
Management fee	-243,363.89	-200,061.74	-43,302.15
Depositary bank fee	-4,734.51	-3,892.03	-842.48
Central administration agent fee	-1,986.93	-1,633.33	-353.60
Taxe d'abonnement	-242.44	-199.50	-42.94
Publication and auditing costs	-7,936.61	-6,523.61	-1,413.00
Typesetting, printing and dispatch costs for the annual and semi-annual reports	-569.04	-468.08	-100.96
Registrar- and transfer agent fee	-435.03	-357.55	-77.48
State fees	-3,236.19	-2,659.12	-577.07
Other expenses [1]	-2,018.85	-1,657.15	-361.70
Expense equalisation	7,863.24	6,002.80	1,860.44
Total expenses	**-256,660.53**	**-211,449.54**	**-45,210.99**
Ordinary net result	**-243,806.16**	**-200,869.06**	**-42,937.10**
Total transaction costs in the reporting period [2]	**0.00**		
Total expense ratio as a percentage [2]		**0.49**	**0.49**
Ongoing charges as a percentage [2]		**0.97**	**0.97**

1) This position consists primarily of paying agency fee and management company fee payable.
2) See the notes to the annual report.

FLOSSBACH VON STORCH II – RENTAS 2025

Statement of assets as at 30 September 2023

ISIN	Securities		Additions in the reporting period	Disposals in the reporting period	Quantity	Price	Market value EUR	% share [1]
Investment fund holdings [2]								
Luxembourg								
LU2369862177	Flossbach von Storch Bond Opportunities QT	EUR	0	52,607	557,907	90.3200	50,390,116.07	99.06
							50,390,116.07	**99.06**
Investment fund holdings							**50,390,116.07**	**99.06**
Securities holdings							**50,390,116.07**	**99.06**
Cash at bank [3]							**500,944.72**	**0.98**
Balance of other receivables and payables							**-20,341.68**	**-0.04**
Net sub-fund assets in EUR							**50,870,719.11**	**100.00**

1) The figures relate to the 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 0.43% p.a. is effective for units held of the target fund.
3) See the notes to the annual report.

Additions and disposals from 1 October 2022 to 30 September 2023

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 statements of assets, were made.

Exchange rates

As at 30 September 2023 there were only assets in the sub-fund currency (Euro).

Flossbach von Storch II – Equilibrio 2026

Annual report
1 October 2022 - 30 September 2023

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

The sub-fund permanently invests at least 85% of the sub-fund's assets in units of the sub-fund Flossbach von Storch – Multi Asset - Balanced QT (LU2369862094) of Flossbach von Storch (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 management company of 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):	A2PYBX	A2PYBY
ISIN:	LU2105777937	LU2105778232
Subscription fee:	none	none
Depreciation adjustment deduction:	0.80%	0.80%
Management fee:	up to 1.28 % p.a.	up to 1.28 % p.a.
Minimum initial investment:	none	none
Use of income:	distributing	accumulating
Currency:	EUR	EUR

FLOSSBACH VON STORCH II – EQUILIBRIO 2026

Geographical breakdown by country [1)]

Luxembourg	97.69 %
Securities holdings	**97.69 %**
Cash at banks	1.70 %
Balance of other receivables and payables	0.61 %
	100.00%

Breakdown by economic sector [1)]

Investment fund holdings[2)]	97.69 %
Securities holdings	**97.69 %**
Cash at banks	1.70 %
Balance of other receivables and payables	0.61 %
	100.00%

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

2) The top 3 investments of the Master-UCITS Flossbach von Storch - Multi Asset - Balanced were made in the following sectors: States (25.03 %), Financial Services (13.78 %) and Gold (7.90 %).

Performance over the past 3 financial years

Unit class R

Date	**Net unit class assets** EUR millions	**Units outstanding**	**Net proceeds** EUR thousands	**Unit value** EUR
30 September 2021	36.39	348,103	-2,043.77	104.53
30 September 2022	31.08	333,455	-1,467.89	93.22
30 September 2023	29.09	308,632	-2,347.63	94.27

Unit class RT

Date	**Net unit class assets** EUR millions	**Units outstanding**	**Net proceeds** EUR thousands	**Unit value** EUR
30 September 2021	12.86	120,756	-324.07	106.53
30 September 2022	10.89	112,310	-867.29	96.92
30 September 2023	9.80	97,875	-1,449.32	100.09

FLOSSBACH VON STORCH II – EQUILIBRIO 2026

Composition of net sub-fund assets

as at 30 September 2023

	EUR
Securities holdings (acquisition cost of securities: EUR 39,677,726.11)	37,991,465.05
Cash at bank [1]	659,506.00
Interest receivable	6,080.73
Receivables from securities transactions	2,000.14
Other assets [2]	255,883.29
	38,914,935.21
Payable on redemptions	-2,000.10
Other liabilities [3]	-22,781.99
	-24,782.09
Net sub-fund assets	**38,890,153.12**

1) See the notes to the annual report.
2) This item includes capitalised distribution formation expenses.
3) This position consists primarily of management company fee payables and audit fee payables.

Allocation to the unit classes

Unit class R	
Proportion of net sub-fund assets	29,093,944.25 EUR
Number of units outstanding	308,632.234
Net asset value per unit	94.27 EUR
Unit class RT	
Proportion of net sub-fund assets	9,796,208.87 EUR
Number of units outstanding	97,875.245
Net asset value per unit	100.09 EUR

Statement of changes in sub-fund net assets

for the reporting period from 1 October 2022 to 30 September 2023

	Total EUR	Unit class R EUR	Unit class RT EUR
Net sub-fund assets at the beginning of the reporting period	41,968,815.35	31,083,371.64	10,885,443.71
Ordinary net result	-364,230.08	-273,390.32	-90,839.76
Income and expense equalisation	-17,828.00	-9,390.28	-8,437.72
Cash inflows from subscription of units	0.00	0.00	0.00
Cash outflows from the redemption of units	-3,796,947.22	-2,347,626.36	-1,449,320.86
Realised gains	0.00	0.00	0.00
Realised losses	-243,456.82	-180,265.89	-63,190.93
Net change in unrealised profits	0.00	0.00	0.00
Net change in unrealised losses	1,974,982.78	1,452,428.35	522,554.43
Distribution	-631,182.89	-631,182.89	0.00
Net sub-fund assets at the end of the reporting period	**38,890,153.12**	**29,093,944.25**	**9,796,208.87**

FLOSSBACH VON STORCH II – EQUILIBRIO 2026

Changes in number of units in circulation

	Unit class R No. of units	Unit class RT No. of units
Units outstanding at the beginning of the reporting period	333,455.145	112,309.960
Units issued	0.000	0.000
Units redeemed	-24,822.911	-14,434.715
Units outstanding at the end of the reporting period	**308,632.234**	**97,875.245**

Statement of income and expenses

for the reporting period from 1 October 2022 to 30 September 2023

	Total EUR	Unit class R EUR	Unit class RT EUR
Income			
Bank interest	28,552.95	21,129.78	7,423.17
Income equalisation	-1,380.02	-729.67	-650.35
Total income	**27,172.93**	**20,400.11**	**6,772.82**
Expenses			
Interest expenses	-0.15	-0.11	-0.04
Management fee	-218,133.84	-161,458.56	-56,675.28
Depositary bank fee	-3,604.10	-2,667.77	-936.33
Central administration agent fee	-1,512.51	-1,119.59	-392.92
Distribution fees	-173,562.29	-128,453.35	-45,108.94
Taxe d'abonnement	-692.44	-512.22	-180.22
Publication and auditing costs	-7,577.43	-5,610.46	-1,966.97
Typesetting, printing and dispatch costs for the annual and semi-annual reports	-569.04	-418.60	-150.44
Registrar- and transfer agent fee	-404.74	-299.63	-105.11
State fees	-2,405.70	-1,777.99	-627.71
Amortisation of distribution formation expenses	-99.67	-74.08	-25.59
Other expenses [1]	-2,049.12	-1,518.02	-531.10
Expense equalisation	19,208.02	10,119.95	9,088.07
Total expenses	**-391,403.01**	**-293,790.43**	**-97,612.58**
Ordinary net result	**-364,230.08**	**-273,390.32**	**-90,839.76**
Total transaction costs in the reporting period [2]	**0.00**		
Total expense ratio as a percentage [2]		**1.00**	**1.00**
Ongoing charges as a percentage [2]		**1.81**	**1.81**

[1] This position consists primarily of paying agency fees and general administrative expenses.
[2] See the notes to the annual report.

FLOSSBACH VON STORCH II – EQUILIBRIO 2026

Statement of assets as at 30 September 2023

ISIN	Securities		Additions in the reporting period	Disposals in the reporting period	Quantity	Price	Market value EUR	% share 1)
Investment fund holdings 2)								
Luxembourg								
LU2369862094	Flossbach von Storch - Multi Asset – Balanced QT	EUR	21,900	45,612	398,902	95.2400	37,991,465.05	97.69
							37,991,465.05	**97.69**
Investment fund holdings							**37,991,465.05**	**97.69**
Securities holdings							**37,991,465.05**	**97.69**
Cash at bank 3)							**659,506.00**	**1.70**
Balance of other receivables and payables							**239,182.07**	**0.61**
Net sub-fund assets in EUR							**38,890,153.12**	**100.00**

1) The figures relate to the 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 effective for units held of the target fund.
3) See the notes to the annual report.

Additions and disposals from 1 October 2022 to 30 September 2023

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 statement of assets, were made.

Exchange rates

As at 30 September 2023 there were only assets in the sub-fund currency (Euro).

Notes to the annual report as at 30 September 2023

1.) General information

Flossbach von Storch II (the "fund") is an investment fund and has been created as a FCP (Fonds Commun de Placement) in the form of an umbrella fund with several sub-funds. The fund is governed by the provisions of Part I of the Law of 17 December 2010, as amended, relating to Undertakings for Collective Investment ("Law of 2010"). The term of the umbrella fund is unlimited. The term of individual sub-funds is however limited; this information can be found in the relevant annex specific to the sub-fund in the sales prospectus. The fund's management regulations first came into force on 3 October 2017 and were published on the same date in the "Recueil électronique des sociétés et associations" ("RESA"), the information platform of the Luxembourg Trade and Companies Register. The latest amendment to the fund's management regulations was published in the RESA platform on 31 July 2023.

The fund is managed by Flossbach von Storch Invest S.A. (the "management company"), a public limited company under the laws of Luxembourg with its registered office at 2, rue Jean Monnet, L-2180 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 RESA. The management company is registered in the Trade and Companies Register of Luxembourg under registration number R.C.S. Luxembourg B 171513.

2.) 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 financial statements.

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 the 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.

Notes to the annual report as at 30 September 2023 (continued)

b) Securities, money market instruments, derivative financial instruments (derivatives) and other investments not officially listed on a securities exchange (or whose market price is not deemed representative, e.g. due to lack of liquidity) but that are traded on a regulated market, shall be valued at a price that is not lower than the bid price and not higher than the offer price of the trading day preceding the valuation day and that the management company considers, to the best of its knowledge, to be the best possible price at which the securities, money market instruments, derivative financial instruments (derivatives) and other investments can be sold. The management company may specify for individual sub-funds that securities, money market instruments, derivative financial instruments (derivatives) and other investments that are not officially listed on a securities exchange (or whose market price is not deemed representative, e. g. due to lack of liquidity) but that are traded on a regulated market shall be valued at the last price available on this market that the management company considers, to the best of its knowledge, to be the best possible price at which the securities, money market instruments, derivative financial instruments (derivatives) and other investments can be sold. Details on this are contained in the annex of the sales prospectus to the sub-fund in question.

c) OTC derivatives are valued daily on a verifiable basis determined by the management company.

d) Units in UCI/UCITS are generally valued at the last redemption price fixed before the valuation day or at the latest available price that affords a reliable valuation. If the 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. 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.

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

6. 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.

7. 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.

Notes to the annual report as at 30 September 2023 (continued)

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.) Master-feeder structure

Flossbach von Storch II is a Feeder-UCITS within the meaning of Article 77 (1) of the Law of 2010, whereas each sub-fund of the Feeder-UCITS invests at least 85% of its assets in units of sub-funds of Flossbach von Storch (the "Master-UCITS"), a legally dependent umbrella fund in accordance with Chapter 2 of the Law of 2010.

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

The current version of the sales prospectus including the management regulations, the most recent audited financial statements and semi-annual report and the key information documents of the individual Master-UCITS can be downloaded from the website of the management company (www.fvsinvest.lu).

The following table provides details on the aggregated expenses as at 30 September 2023:

Master-UCITS sub-fund	Feeder-UCITS sub-fund	Currency of Feeder-UCITS sub-fund	Amount of aggregate charges	Aggregate charges in %	% of ownership of the Master-UCITS
Flossbach von Storch - Multi Asset - Defensive (unit class QT)	Flossbach von Storch II - Defensive Allocation 2023 (unit class R)	EUR	1,107,214.15	1.51%	1.35%
Flossbach von Storch - Multi Asset - Defensive (unit class QT)	Flossbach von Storch II - Defensive Allocation 2023 (unit class RT)	EUR	415,052.55	1.48%	0.49%
Flossbach von Storch - Multi Asset - Defensive (unit class QT)	**Flossbach von Storch II - Defensive Allocation 2023**	**EUR**	**1,522,266.70**	**1.50%**	**1.84%**

Master-UCITS sub-fund	Feeder-UCITS sub-fund	Currency of Feeder-UCITS sub-fund	Amount of aggregate charges	Aggregate charges in %	% of ownership of the Master-UCITS
Flossbach von Storch - Bond Opportunities (unit class QT)	Flossbach von Storch II - Rentas 2025 (unit class R)	EUR	430,590.12	0.97%	0.74%
Flossbach von Storch - Bond Opportunities (unit class QT)	Flossbach von Storch II - Rentas 2025 (unit class RT)	EUR	93,080.63	0.97%	0.16%
Flossbach von Storch - Bond Opportunities (unit class QT)	**Flossbach von Storch II - Rentas 2025**	**EUR**	**523,670.75**	**0.97%**	**0.90%**

Master-UCITS sub-fund	Feeder-UCITS sub-fund	Currency of Feeder-UCITS sub-fund	Amount of aggregate charges	Aggregate charges in %	% of ownership of the Master-UCITS
Flossbach von Storch - Multi Asset - Balanced (unit class QT)	Flossbach von Storch II - Equilibrio 2026 (unit class R)	EUR	799,105.84	2.64%	1.66%
Flossbach von Storch - Multi Asset - Balanced (unit class QT)	Flossbach von Storch II - Equilibrio 2026 (unit class RT)	EUR	190,069.15	1.79%	0.56%
Flossbach von Storch - Multi Asset - Balanced (unit class QT)	**Flossbach von Storch II - Equilibrio 2026**	**EUR**	**989,174.99**	**2.42%**	**2.22%**

Notes to the annual report as at 30 September 2023 (continued)

4.) Taxation of the Feeder-UCITS

Taxation of the investment fund

From a Luxembourg tax perspective, the fund has no legal personality as an investment fund and is tax transparent. The fund is not subject to tax on income or profits from its assets in the Grand Duchy of Luxembourg. The assets of the fund are only subject to the so-called "taxe d'abonnement" in the Grand Duchy of Luxembourg, at a current rate of 0.05% p.a. A reduced "taxe d'abonnement" of 0.01% p.a. is applicable to (i) sub-funds or unit classes whose units are only issued to institutional investors within the meaning of Article 174 of the Law of 17 December 2010, (ii) sub-funds whose only purpose is investing in money market instruments, in term money at financial institutions, or both. The "taxe d'abonnement" is payable quarterly on the sub-fund's net assets reported at the end of each quarter. The amount of the "taxe d'abonnement" is specified for each sub-fund or unit class in Annex 2 to the Sales Prospectus. An exemption from the "taxe d'abonnement" applies to fund assets that are invested in other Luxembourg investment funds that are themselves already subject to the taxe d'abonnement.
Income received from the fund (in particular interest and dividends) could be subject to withholding tax or investment tax in the countries where the fund assets are invested. The fund could also be subject to tax on realised or unrealised capital gains in the source country. Fund distributions, liquidation gains and disposal gains are not subject to withholding tax in the Grand Duchy of Luxembourg. Neither the Depositary nor the Management Company are obliged to obtain tax certificates.
Investors and potential investors are advised to inform themselves about the laws and regulations that apply to taxation of the fund assets and the subscription, purchase, possession, redemption, exchange and transfer of units and to seek advice from outside third parties, in particular from a tax advisor.

Taxation of earnings from fund units held by the investor

Investors that are or were not resident for tax purposes in the Grand Duchy of Luxembourg and do not maintain a business establishment or have a permanent representative there are not subject to Luxembourg income tax on income or disposal gains from their units in the fund. Natural persons who are resident for tax purposes in the Grand Duchy of Luxembourg are subject to the progressive Luxembourg income tax. Companies who are resident for tax puposes in the Grand Duchy of Luxembourg are subject to corporate income tax on the income from the fund units. Investors and potential investors are advised to inform themselves about the laws and regulations that apply to taxation of the fund assets and the subscription, purchase, possession, redemption, exchange and transfer of units and to seek advice from outside third parties, in particular from a tax advisor.

5.) Use of income

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 fees 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:

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

* 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.)

Notes to the annual report as at 30 September 2023 (continued)

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

For unit classes that were liquidated during the year, the percentage of ongoing charges are reported on an annualised basis.

10.) Income and expense equalisation

The ordinary net result includes income- and expense equalisation. These include, during the reporting period, accrued net income and expenses which is paid by the party acquiring units as part of the subscription price and passed on to the party selling units in the redemption price.

11.) Bank accounts (cash at banks and/or liabilities to banks)

All of the sub-fund's bank 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 sub-fund assets. Current accounts in foreign currencies, if applicable, are converted into the currency of the respective sub-fund. Interest are 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 sub-fund's 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 sub-fund's 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 sub-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 sub-fund's assets contingent on the level of the sub-fund's risk profile. The maximum limited permitted by the supervisory authorities is 20% of the fund's assets. For sub- funds which use the VaR approaches to ascertain the total risk, the management company estimates the expected degree of leverage effect. The extent of this leverage effect may deviate from the actual value depending on prevailing market conditions, falling below or exceeding it. Investors' attention is drawn to the fact that no conclusions can be drawn from this information with respect to the risk entailed in the fund. Furthermore, the expected leverage published is explicitly not to be understood as an investment limit. The method used to determine the overall risk and, if applicable the publication of the reference portfolio and the expected degree of leverage, as well as the calculation method, are stated in the fund-specific appendix. In accordance with the sales prospectus valid at the end of the financial year, the sub-funds are subject to the following risk management procedure:

Notes to the annual report as at 30 September 2023 (continued)

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

*until 28 July 2023 (date of merger)

Absolute VaR approach for the Flossbach von Storch II - Rentas 2025 sub-fund

The absolute VaR approach was used to monitor and measure the total risk associated with the use of derivatives during the period from 1 October 2022 to 30 September 2023. 10% was used as an internal upper limit. VaR utilisation during the applicable period was a minimum of 2.93%, a maximum of 6.80% and an average of 5.21% relative to this internal upper limit. The VaR was calculated using a (parametric) variancecovariance method with a 99% one-sided confidence interval, a holding period of 20 days and a (historical) observation period of 1 year (252 trading days).

Leverage for the Flossbach von Storch II - Rentas 2025 sub-fund

Leverage had the following values during the period from 1 October 2022 to 30 September 2023:

Minimum: 0.00%
Maximum: 0.00%
Average (Median): 0.00% (0,00%)
Calculation method: nominal value method

13.) Significant events during reporting period

With effect from 30 December 2022, the sales prospectus has been revised and updated due to Regulation (EU) 2022/1288.
The following unit classes were merged based on the latest fund price calculation on 28 July 2023 (date of merger) with effect from 31 July 2023:

- Flossbach von Storch II - Defensive Allocation 2023 - R (absorbed unit class) was merged into Flossbach von Storch - Multi Asset - Defensive - E (receiving unit class)
  (Exchange Ratio: 1 : 0,865627)
- Flossbach von Storch II - Defensive Allocation 2023 - RT (absorbed unit class) was merged into Flossbach von Storch - Multi Asset - Defensive - ET (receiving unit class)
  (Exchange Ratio: 1 : 0,948104)

The sales prospectus has been revised effective 31 July 2023 with respect to the following:

- Removal of the sub-fund Flossbach von Storch II - Defensive Allocation 2023 due to the merger

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

14.) Significant events subsequent to the reporting period

Mr Julien Zimmer resigned from the Supervisory Board of Flossbach von Storch Invest S.A. with effect from 19 December 2023. Mr Dirk von Velsen has resigned from the Supervisory Board of Flossbach von Storch Invest S.A. with effect from 31 December 2023. The vacant position will be filled by Mr Kurt von Storch.

15.) Sustainability-related disclosures

All sub-funds of Flossbach von Storch II are classified as Article-8-products under the Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector ("SFDR", "Disclosure Regulation"). Information on the promoted environmental and social characteristics with the sub-funds can be found in the annex to this annual report.

Additional information

Combined Statements

The accounts of the fund are expressed in EUR and the accounts of the sub-fund are kept in the currency of each sub-fund. The combined statement of net assets and the combined statement of operations and changes in net assets are the sum of the statement of net assets, the statement of operations and changes in net assets of each sub-fund converted into the currency of the fund using the exchange rates prevailing at year-end.

This annual report was prepared on the basis of the net asset value as at 29 September 2023 using the last available prices as at 29 September 2023 and taking into account all events affecting the accounting as at the balance sheet date on 30 September 2023 were prepared.

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 2023, and of the results of their operations and changes in their net assets for the year then ended in accordance with Luxembourg legal and regulatory requirements relating to the preparation and presentation of the financial statements.

What we have audited

The Fund's financial statements comprise:

- the combined composition of fund net assets for the Fund and the composition of net sub-fund assets for each of the sub-funds as at 30 September 2023;
- the combined statement of changes in net fund assets for the Fund and the statement of changes in net sub-fund assets for each of the sub-funds for the year then ended;
- the combined statement of income and expenses for the Fund and the statement of income and expenses for each of the sub-funds for the year then ended;
- the statement of assets for each of the sub-funds as at 30 September 2023; 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 Code of Ethics for Professional Accountants, including International Independence Standards, issued by the International Ethics Standards Board for 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.

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, 30 January 2024

Björn Ebert

Other information (unaudited)

1) Information on the remuneration policy

The Flossbach von Storch Group has established an appropriate remuneration system for all employees that takes into account relevant functions and is consistent with the Flossbach von Storch Group business and risk strategy and objectives and values as well as the company's long-term interests and measures in relation to handling conflicts of interest. The policy surrounding remuneration is adapted to the companies' risk profile and incorporates sustainability risks, i.e. events or conditions relating to the environment, social affairs or corporate governance that could have a negative impact on the company's financial situation or profits, or on the reputation of Flossbach von Storch. It takes into account the longterm and sustainable performance of the Flossbach von Storch Group as well as the interests of the company's employees, customers, investors and owners, and is thus designed to avoid conflicts of interest.

An employee's total remuneration may be composed of both a fixed and a variable component.
Fixed remuneration is defined as the contractually agreed fixed salary, usually paid monthly, as well any financial benefits or benefits in kind within the meaning of the law that are based on a previously established, general, permanent and non-discretionary Flossbach von Storch regulation. Variable remuneration is granted by Flossbach von Storch as a performance-related bonus in return for an employee's sustained and risk-adjusted performance based on an assessment of the individual performance, the performance of the division or business unit in question and the overall financial performance of Flossbach von Storch; payment of variable remuneration and the amount thereof will be based on merit and be at the discretion of Flossbach von Storch. Qualitative and quantitative criteria should be taken into account in the determination of variable remuneration.
The variable and fixed remuneration must be appropriately balanced, with a view to avoiding excessive risk assumption.
The annual review of the remuneration policy did not result in any significant changes. Details regarding the Flossbach von Storch Group's remuneration policy, including a description of how the remuneration and the other benefits are calculated, and the responsibilities for allocating the remuneration and other benefits, are available free of charge on the Management Company's website at www.fvsinvest.lu.

The number of remunerated employees at the end of the management company's financial year 2022 was 40. The total remuneration of these employees in relation to the present fund was approx. EUR 17k (excluding employer social security contributions). Of this, approx. 73% was attributable to fixed remuneration components, of which EUR 6k was attributable to risk takers. The proportion of variable remuneration components to staff costs on the whole was approx. 27%, of which EUR 4k was attributable to risk takers. Of a total of 37 employees (excluding Supervisory Board members), 30 employees received variable remuneration.

The portfolio management of the sub-funds was delegated to Flossbach von Storch AG, based in Cologne (Germany).

In the 2022 financial year, the total Flossbach von Storch AG staff costs (excluding employer social security contributions and employer contributions to the company pension scheme), in relation to the present fund amounted to EUR 194k. Of this, approx. 70% was attributable to fixed remuneration components. The proportion of variable remuneration components to staff costs on the whole was approx. 30%.

In the 2022 calendar year, 276 employees out of a total of 322 employees (excluding Supervisory Board members) received a variable remuneration.

2) Transparency of securities financing transactions and their reuse

No securities financing transactions or total return swaps as defined in the 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) were used during the reporting period. Consequently, none of the disclosures specified in Article 13 of this Regulation must be provided in this 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.
2, rue Jean Monnet
L-2180 Luxembourg,
Luxembourg

Supervisory Board of the Management Company

Chairman of the Supervisory Board
Dirk von Velsen
Member of the Executive Board
Flossbach von Storch AG

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

Member of the Supervisory Board
Matthias Frisch
Independent Member

Carmen Lehr
(since 1 July 2023)
Independent Member

Executive Board of the Management Company (management body)

Christoph Adamy
(since 15 March 2023
Karl Kempen
(until 30 November 2023)
Markus Müller
Christian Schlosser

Auditor of the Management Company

KPMG Audit S.à r.l.
39, Avenue John F. Kennedy
L-1855 Luxembourg,
Luxembourg

Depositary

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

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

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

Paying Agent

Grand Duchy of Luxembourg

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

Fund Manager

Flossbach von Storch AG
Ottoplatz 1
D-50679 Cologne, Germany

Fund Auditor

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

Additional Information for Spain

Information Agent

Allfunds Bank SAU
Calle de los Padres Dominicos, 7
28050 Madrid, Spain

Branch

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

ANNEX

Periodic disclosure for the financial products referred to in Article 8 (1), (2) and (2a) of Regulation (EU) 2019/2088 and Article 6 (1) of Regulation (EU) 2020/852 (**UNAUDITED**)

Product name:
Flossbach von Storch II - Defensive Allocation 2023

Legal entity identifier:
529900J8EHUMRP4M2F19

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852 establishing a list of **environmentally sustainable economic activities.** That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Environmental and/or social characteristics

Did this financial product have a sustainable investment objective?

☐ **Yes**	☒ **No**
☐ It made **sustainable investments with an environmental objective:**_%	☐ It **promoted Environmental/Social (E/S) characteristics** and while it did not have as its objective a sustainable investment, it had a proportion of___% per cent of sustainable investments
☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy	☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy	☐ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
	☐ with a social objective
☐ It made **sustainable investments with a social** objective: _%	☒ It promoted E/S characteristics, but **did not make any sustainable investments**

The information on Flossbach von Storch II - Defensive Allocation 2023 is based on the sub-fund's portfolio as at 28 July 2023.

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

To what extent were the environmental and/or social characteristics promoted by this financial product met?

In order to achieve the environmental and social characteristics promoted by the Master UCITS and thus the Flossbach von Storch II - Defensive Allocation 2023, the following sustainability indicators were taken into account at Master UCITS level during the reporting period:

1) **Exclusion criteria** with social and environmental characteristics were implemented. These criteria included, for example, excluding investments in companies with certain business models. A list of the pertinent exclusion criteria can be found in the section "How did the sustainability factors perform?".
2) A **participation policy** was pursued to work towards positive development in the event of particularly **severe negative impacts** on certain sustainability factors. The participation policy covers the following areas: greenhouse gas emissions and social/employee matters.

At the end of the reporting period, 88.99 per cent of the sub-fund assets was allocated to investments with environmental or social characteristics.

How did the sustainability indicators perform?

Performance of the promoted environmental and social characteristics of the Master UCITS and thus the Flossbach von Storch II - Defensive Allocation 2023 was as follows:

1) **Applied exclusions at Master UCITS level:**

In order to achieve the environmental and social characteristics promoted by the master UCITS and therefore also by the feeder UCITS, the following sustainability indicators are taken into account.
The fulfillment of the exclusions applied at the level of the master UCITS is based on turnover thresholds. No investments were made in companies that generate

> 0 per cent of their turnover from controversial weapons,
> 10 per cent of their turnover from producing and/or selling armaments,
> 5 per cent of their turnover from producing tobacco products,
> 30 per cent of their turnover from mining and/or selling coal.

In addition, an in-house review did not identify any investments in companies guilty of serious violations of the Principles of the UN Global Compact (UNGC) with no positive prospects. Furthermore, no investments were made in state issuers that are rated "not free" in the Freedom House Index.

2) **Participation policy at Master UCITS level in the event of particularly severe negative impacts:**

Greenhouse gas emissions:

To measure particularly severe negative impacts on certain sustainability factors relating to greenhouse gas emissions, in-house ESG analyses studied the following indicators and prioritised them by relevance, severity of potential negative impacts, approach to dealing with them and data availability: Greenhouse gas emissions (Scope 1 and 2), greenhouse gas emission intensity and carbon footprint based on Scope 1 and 2, as well as the consumption of non-renewable energy sources.

During the reporting period, no portfolio companies were identified by means of in-house analysis as having particularly severe negative impacts on greenhouse gas emissions.

Proactive initiative to engage on climate targets: To promote the increasingly positive greenhouse gas performance of the portfolio companies, we have started to engage directly with companies that have not yet set climate targets and have presumably not yet implemented any systematic measures for reducing greenhouse gases. Although there is no evidence of particularly severe negative impacts in these instances, by actively engaging we hope to raise awareness of the importance of reducing greenhouse gas emissions and switching to renewable energies.

Analysis of all Master UCITS portfolio companies in respect of whether defined climate targets are consistent with the Paris Climate Agreement produced the following result as at 30 September 2023:

- 76 companies have set climate targets in line with the Paris Climate Agreement
- 5 companies have set climate targets that are not consistent with the Paris Climate Agreement or have committed to publishing climate targets soon
- 3 companies have not set climate targets, nor have they committed to implementing any measures aimed at reducing greenhouse gas emissions

Social and employee matters:

To measure particularly severe negative impacts on certain sustainability factors relating to social/employee matters, in-house ESG analyses studied in detail the following indicators and prioritised them by relevance, severity of potential negative impacts, approach to dealing with them and data availability: Violations of the Principles of the UN Global Compact, violations of the OECD Guidelines for Multinational Enterprises and the measures and processes in place to comply with the Principles and Guidelines.

In order to work towards a responsible approach to the **UNGC Principles and OECD Guidelines** , targeted engagement activities were conducted with the companies guilty of particularly serious violations.

- **Activision Blizzard** was found to have violated Principle 6 of the UN Global Compact "Businesses should uphold the elimination of discrimination in respect of employment and occupation".

Measures taken:

The measures taken during the reference period to meet environmental and social characteristics are presented in the section “What measures were taken during the reference period to meet environmental and/or social characteristics?”

- ***...and compared to previous periods?***

  Not applicable, as this is the first reporting cycle.

- ***What were the objectives of the sustainable investments that the financial product partially made and how did the sustainable investment contribute to such objectives?***

  Not applicable. Flossbach von Storch II - Defensive Allocation 2023 did not make any sustainable investments.

Principal adverse impacts are the most significantly negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

- ***How did the sustainable investments that the financial product partially made not cause significant harm to any environmental or social sustainable investment objective?***

  Not applicable. Flossbach von Storch II - Defensive Allocation 2023 did not make any sustainable investments.

  - *How have the indicators for adverse impacts on sustainability factors been taken into account?*

    Not applicable.

  - *Were sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:*

    Not applicable.

The information on Flossbach von Storch II - Defensive Allocation 2023 is based on the sub-fund's portfolio as at 28 July 2023.

The EU Taxonomy sets out a "do no significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.

The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.

How did this financial product consider principal adverse impacts on sustainability factors?

The Master UCITS considered the principal adverse impacts (PAIs or PAI indicators) of the investment decision on sustainability factors in accordance with Article 7(1)(a) of Regulation (EU) 2019/2088 (Disclosure Regulation), as well as an additional climate-related indicator ("No carbon emission reduction initiatives") and two additional social indicators ("Lack of a human rights policy" and "Lack of anti-corruption and anti-bribery policies") in an in-house investment process with particular focus on certain PAI indicators. The focal PAIs in the investment strategy were as follows: Greenhouse gas emissions (Scope 1 and 2), greenhouse gas emission intensity and carbon footprint based on Scope 1 and 2, as well as the consumption of non-renewable energy sources. In addition, attention was paid to violations of the principles of the UN Global Compact, violations of the OECD Guidelines for Multinational Enterprises and the measures and processes in place to comply with the Principles and Guidelines. The consideration of PAIs also served to achieve the environmental and social characteristics promoted by Flossbach von Storch II - Defensive Allocation 2023.

The identification, prioritisation and assessment of the PAIs was performed as part of the in-house analysis process using ESG analyses that were specifically prepared for the individual investee issuers/guarantors and taken into account in the risk-return profile of the company analyses. The PAI indicators were prioritised according to relevance, severity of negative impacts, and data availability. The evaluation was not based on rigid bandwidths or thresholds that companies had to meet or achieve; rather, the focus was on whether there is a positive development in how they are managing the PAI indicators.

Primary data published by the portfolio companies was collected as part of the in-house analysis process for identifying the focal PAIs, e.g. as part of the sustainability report. This allowed the best possible examination of the data and data quality and assessment of the portfolio companies' handling of the factors considered. Due to insufficient quality and coverage of individual data points, Flossbach von Storch has used engagement activities to work towards improvement.

Applied participation policy:
The participation policy aimed to influence the positive development of particularly severe negative impacts by engaging with prioritised companies. Further details of the measures taken are presented in the section "What measures were taken during the reference period to meet environmental and/or social characteristics?".

Applied exclusions:
Compliance with the following exclusions contributed to a reduction or avoidance of PAI indicator 10 “Violations of UN Global Compact Principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises”, PAI indicator 14 “Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)” and PAI indicator 4 “Exposure to companies active in the fossil fuel sector”:

- the exclusion of the extraction and/or distribution of coal
- the exclusion of companies with serious violations of the UNGC Principles (without positive prospects) and
- the exclusion of controversial weapons.

What are the main investments of this financial product?

The information presented provides an overview of the fifteen main investments of the sub-fund (top 15 positions).

All the main investments are presented in aggregated form. They are determined based on a look-through of the securities held by the Master-UCITS and their respective security identification numbers (WKN/ISIN). To comply with regulatory provisions, the largest weightings are based on the average of three quarterly closing dates in the reference period. All values are shown in euro to facilitate comparison and analysis.

The table also provides information on the sector and the issuer’s headquarters.

The list includes the following investments constituting **the greatest proportion of investments** of the financial product during the reference period: 01 October 2022 – 30 September 2023

Largest investments	Sector	% Assets	Country
Invesco Physical Markets Plc./Gold Unze Zert. v.09(2100)	Gold	5.29%	United States of America
Bundesrepublik Deutschland Reg.S. v.14(2024)	States	3.72%	Germany
Bundesrepublik Deutschland Reg.S. v.14(2024)	States	3.40%	Germany
Bundesrepublik Deutschland Reg.S. v.14(2024)	States	2.91%	Germany
Europäische Union Reg.S. Social Bond v.21(2028)	States	1.67%	European union
LVMH Moët Hennessy Louis Vuitton SE EMTN Reg.S. v.20(2024)	Consumer Discretionary	1.04%	France
AT & T Inc. Fix-to-Float Perp.	Communication Services	0.99%	United States of America
Constellation Software Inc.	Information technology	0.89%	Canada
Alphabet Inc.	Communication Services	0.88%	United States of America
European Financial Stability Facility [EFSF] Reg.S. v.19(2024)	States	0.87%	European institutions
Microsoft Corporation	Information technology	0.84%	United States of America
Berkshire Hathaway Inc.	Financials	0.83%	United States of America
Bundesrepublik Deutschland Reg.S. v.22(2024)	States	0.80%	Germany
Apple Inc. v.20(2030)	Information technology	0.80%	United States of America
Siemens Financieringsmaatschappij NV EMTN Reg.S. v.22(2025)	Industrials	0.79%	Netherlands

The information on Flossbach von Storch II - Defensive Allocation 2023 is based on the sub-fund's portfolio as at 28 July 2023.

Asset allocation describes the share of investments in specific assets.

What was the proportion of sustainability-related investments?

The proportion of sustainability-related investments was 88.99 per cent as at 30 September 2023. Sustainability-related investments are those investments that are consistent with the environmental and social characteristics of the Master UCITS and thus also Flossbach von Storch II - Defensive Allocation 2023.

- *What was the asset allocation?*

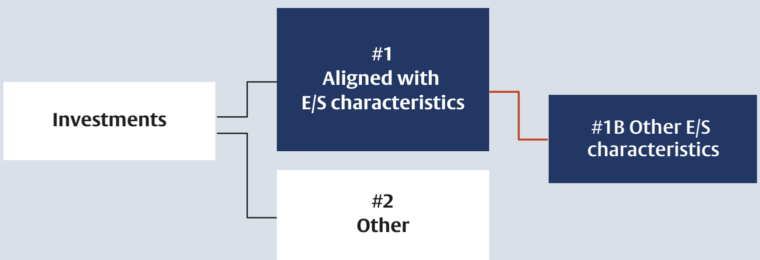
The asset allocation of Flossbach von Storch II - Defensive Allocation 2023 as at 30 September 2023, after a look-through of the assets held by the Master UCITS, was as follows.

#1 Aligned with E/S characteristics:

88.99 per cent was invested in securities and money market instruments that are subject to ongoing screening in respect of the aforementioned exclusion criteria and the principle adverse impacts on sustainability factors.

#2 Other:

The remaining investment portion (11.01 per cent) related, for example, to liquid assets (esp. cash to service short-term payment obligations), derivatives (esp. forward exchange transactions for hedging purposes) and, for further diversification, indirect investments in precious metals, solely gold certificates.



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2 Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:

- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

The information on Flossbach von Storch II - Defensive Allocation 2023 is based on the sub-fund's portfolio as at 28 July 2023.

In which economic sectors were the investments made?

Sector	Sub-sector	% share
States	States	28.83 %
Financials	Financial Services	10.71 %
Financials	Banks	7.43 %
Gold	Gold	6.86 %
Health Care	Pharmaceuticals, Biotechnology & Life Sciences	4.63 %
Information Technology	Software & Services	4.57 %
Others	Others	4.16 %
Industrials	Capital Goods	3.75 %
Consumer Discretionary	Automobiles & Components	3.72 %
Consumer Staples	Consumer Staples Distribution & Retail	2.39 %
Real Estate	Real Estate Management & Development	2.26 %
Communication Services	Telecommunication Services	1.94 %
Communication Services	Media & Entertainment	1.86 %
Information Technology	Technology Hardware & Equipment	1.85 %
Consumer Staples	Household & Personal Products	1.83 %
Consumer Discretionary	Consumer Durables & Apparel	1.73 %
Health Care	Health Care Equipment & Services	1.73 %
Utilities	Utilities	1.70 %
Materials	Materials	1.42 %
Consumer Discretionary	Consumer Discretionary Distribution & Retail	1.34 %
Information Technology	Semiconductors & Semiconductor Equipment	1.14 %
Industrials	Commercial & Professional Services	1.12 %
Consumer Staples	Food, Beverage & Tobacco	1.04 %
Consumer Discretionary	Consumer Services	0.46 %
Industrials	Transportation	0.44 %
Investment fund	Investment fund	0.39 %
Financials	Insurance	0.36 %
Energy	Energy	0.34 %

0 per cent of the sub-fund assets was invested in the fossil fuels sector.

The information is based on a look-through of the securities held by the Master UCITS. Due to rounding differences in individual amounts, totals may differ from the actual value.

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to fully renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

Taxonomy-aligned activities are expressed as a share of: **turnover** reflecting the share of revenue from the green activities of investee companies **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy **operational expenditure** (OpEx) reflecting green operational activities of investee companies.

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

To what extent were the sustainable investments with an environmental objective aligned with the EU Taxonomy?

Flossbach von Storch II - Defensive Allocation 2023 has promoted environmental and social characteristics, but has not sought to make any taxonomy-aligned investments. The investments did not contribute to achieving any of the environmental objectives specified in Article 9 of Regulation (EU) 2020/852 (EU Taxonomy). The share of environmentally sustainable investments made in accordance with the EU taxonomy was therefore 0 per cent.

- ***Did the financial product invest in fossil gas and/or nuclear energy related activities complying with the EU Taxonomy[1]?***

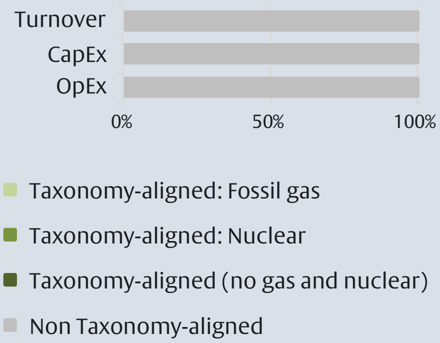
☐ Yes

☐ In fossil gas ☐ In nuclear energy

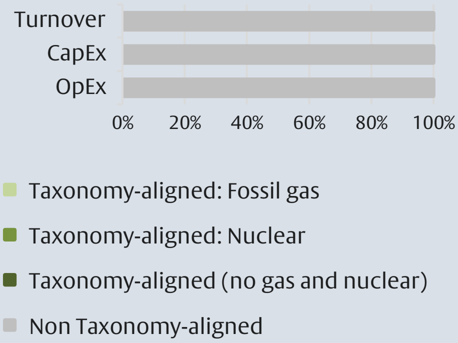
☒ No

The graphs below show in green the minimum percentage of investments that were aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy alignment of sovereign bonds*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.

1. Taxonomy-alignment of investments **including sovereign bonds***



2. Taxonomy-alignment of investments **excluding sovereign bonds***



This graph represents 100% of the total investments.

* For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures.

- **What was the share of investments made in transitional and enabling activities?**

Not applicable. Flossbach von Storch II - Defensive Allocation 2023 promotes E/S characteristics but is not striving to make sustainable investments. Accordingly, the share of investments in transitional and enabling activities was zero per cent.

- **How did the percentage of investments that were aligned with the EU Taxonomy compare with previous reference periods?**

Not applicable. Flossbach von Storch II - Defensive Allocation 2023 promotes E/S characteristics but is not striving to make sustainable investments.

The information on Flossbach von Storch II - Defensive Allocation 2023 is based on the sub-fund's portfolio as at 28 July 2023.

[1] Fossil gas and/or nuclear related activities only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective – see explanatory note in the left-hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Com-mission Delegated Regulation (EU) 2022/1214.

are sustainable investments with an environmental objective that do not take into account the criteria for environmentally sustainable economic activities under the EU Taxonomy.

What was the share of sustainable investments with an environmental objective not aligned with the EU Taxonomy?

Not applicable. Flossbach von Storch II - Defensive Allocation 2023 promotes E/S characteristics but does not make sustainable investments.

What was the share of socially sustainable investments?

Not applicable. Flossbach von Storch II - Defensive Allocation 2023 promotes E/S characteristics but does not make sustainable investments.

What investments were included under "other", what was their purpose and were there any minimum environmental or social safeguards?

The following investments were classified as "#2 Other" as at 30 September 2023:

- Liquid assets, primarily in the form of cash, to service short-term payment obligations with no minimum environmental or social safeguards.

What actions have been taken to meet the environmental and/or social characteristics during the reference period?

The following actions were taken at Master UCITS level to meet the environmental and/or social characteristics of Flossbach von Storch II - Defensive Allocation 2023:

1) Applied exclusions:

The exclusion criteria listed in the section "How did the sustainability indicators perform?" were constantly reviewed and updated on the basis of internal and external ESG research data. Compliance with the exclusion criteria was monitored both before an investment was made and during the subsequent holding period.

2) Participation policy in the event of particularly severe negative impacts:

Greenhouse gas emissions

During the reporting period, no portfolio companies were identified by means of in-house analysis as having particularly severe negative impacts on greenhouse gas emissions. Accordingly, there was no exposure with any reference to particularly severe negative impacts during the reporting period.

To drive improvements in respect of **greenhouse gas emissions**, the sub-fund actively engaged with 2 portfolio companies that have not yet set themselves any climate targets. As at 30 September 2023: the engagement with these companies is still ongoing.

Social and employee matters

In order to work towards a responsible approach to the **UNGC principles and OECD guidelines** , targeted engagement activities were conducted with the companies that showed particularly serious violations.

- **Activision Blizzard**: A number of engagement calls were held with the company during the reporting period in order to work towards positive development and rectify the violations. Clear requirements were formulated to closely follow the measures taken to improve the situation and create more transparency in reporting so that investors can understand the developments in the company better. As at 30 September 2023: the engagement was successfully completed. The company has taken comprehensive measures to improve the situation and has met the transparency requirements. Developments in the measures taken will be monitored further as part of the regular ESG analysis.

Flossbach von Storch also reports on activities performed as an active owner in the annual Active Ownership report, which is published on the website together with sustainability-related disclosures.

The information on Flossbach von Storch II - Defensive Allocation 2023 is based on the sub-fund's portfolio as at 28 July 2023.

How did this financial product perform compared to the reference benchmark?

Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

Not applicable. Flossbach von Storch II - Defensive Allocation 2023 promotes E/S characteristics but does not designate an index as a reference benchmark.

- *How does the reference benchmark differ from a broad market index?*

  Not applicable.

- *How did this financial product perform with regard to the sustainability indicators to determine the alignment of the reference benchmark with the environmental or social characteristics promoted?*

  Not applicable.

- *How did this financial product perform compared with the reference benchmark?*

  Not applicable.

- *How did this financial product perform compared with the broad market index?*

  Not applicable.

The information on Flossbach von Storch II - Defensive Allocation 2023 is based on the sub-fund's portfolio as at 28 July 2023.

ANNEX

Periodic disclosure for the financial products referred to in Article 8 (1), (2) and (2a) of Regulation (EU) 2019/2088 and Article 6 (1) of Regulation (EU) 2020/852 (**UNAUDITED**)

Product name:
Flossbach von Storch II - Rentas 2025

Legal entity identifier:
529900PHJE8MCVE9IG64

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852 establishing a list of **environmentally sustainable economic activities.** That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Environmental and/or social characteristics

Did this financial product have a sustainable investment objective?

☐ **Yes**	☒ **No**
☐ It made **sustainable investments with an environmental objective:**_% ☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy ☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy	☐ It **promoted Environmental/Social (E/S) characteristics** and while it did not have as its objective a sustainable investment, it had a proportion of___% per cent of sustainable investments ☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy ☐ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy ☐ with a social objective
☐ It made **sustainable investments with a social** objective: _%	☒ It promoted E/S characteristics, but **did not make any sustainable investments**

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

To what extent were the environmental and/or social characteristics promoted by this financial product met?

In order to achieve the environmental and social characteristics promoted by the Master UCITS and thus the Flossbach von Storch II - Rentas 2025, the following sustainability indicators were taken into account at Master UCITS level during the reporting period:

1) **Exclusion criteria** with social and environmental characteristics were implemented. These criteria included, for example, excluding investments in companies with certain business models. A list of the pertinent exclusion criteria can be found in the section "How did the sustainability factors perform?".
2) A **participation policy** was pursued to work towards positive development in the event of particularly **severe negative impacts** on certain sustainability factors. The participation policy covers the following areas: greenhouse gas emissions and social/ employee matters.

At the end of the reporting period, 94.96 per cent of the sub-fund assets was allocated to investments with environmental or social characteristics.

- ***How did the sustainability indicators perform?***

Performance of the promoted environmental and social characteristics of the Master UCITS and thus the Flossbach von Storch II - Rentas 2025 was as follows:

1) **Applied exclusions at Master UCITS level:**

In order to achieve the environmental and social characteristics promoted by the master UCITS and therefore also by the feeder UCITS, the following sustainability indicators are taken into account.
The fulfillment of the exclusions applied at the level of the master UCITS is based on turnover thresholds. No investments were made in companies that generate

> 0 per cent of their turnover from controversial weapons,
> 10 per cent of their turnover from producing and/or selling armaments,
> 5 per cent of their turnover from producing tobacco products,
> 30 per cent of their turnover from mining and/or selling coal.

In addition, an in-house review did not identify any investments in companies guilty of serious violations of the Principles of the UN Global Compact (UNGC) with no positive prospects. Furthermore, no investments were made in state issuers that are rated "not free" in the Freedom House Index.

2) **Participation policy at Master UCITS level in the event of particularly severe negative impacts:**

Greenhouse gas emissions:

To measure particularly severe negative impacts on certain sustainability factors relating to greenhouse gas emissions, in-house ESG analyses studied the following indicators and prioritised them by relevance, severity of potential negative impacts, approach to dealing with them and data availability: Greenhouse gas emissions (Scope 1 and 2), greenhouse gas emission intensity and carbon footprint based on Scope 1 and 2, as well as the consumption of non-renewable energy sources.

During the reporting period, no portfolio companies were identified by means of in-house analysis as having particularly severe negative impacts on greenhouse gas emissions.

Proactive initiative to engage on climate targets: To promote the increasingly positive greenhouse gas performance of the portfolio companies, we have started to engage directly with companies that have not yet set climate targets and have presumably not yet implemented any systematic measures for reducing greenhouse gases. Although there is no evidence of particularly severe negative impacts in these instances, by actively engaging we hope to raise awareness of the importance of reducing greenhouse gas emissions and switching to renewable energies.

Analysis of all Master UCITS portfolio companies in respect of whether defined climate targets are consistent with the Paris Climate Agreement produced the following result as at 30 September 2023:

- 62 companies have set climate targets in line with the Paris Climate Agreement
- 7 companies have set climate targets that are not consistent with the Paris Climate Agreement or have committed to publishing climate targets soon
- 3 companies have not set climate targets, nor have they committed to implementing any measures aimed at reducing greenhouse gas emissions

Social and employee matters:

To measure particularly severe negative impacts on certain sustainability factors relating to social/employee matters, in-house ESG analyses studied in detail the following indicators and prioritised them by relevance, severity of potential negative impacts, approach to dealing with them and data availability: Violations of the Principles of the UN Global Compact, violations of the OECD Guidelines for Multinational Enterprises and the measures and processes in place to comply with the Principles and Guidelines.

In order to work towards a responsible approach to the **UNGC Principles and OECD Guidelines** , targeted engagement activities were conducted with the companies guilty of particularly serious violations.

- **Activision Blizzard** was found to have violated Principle 6 of the UN Global Compact "Businesses should uphold the elimination of discrimination in respect of employment and occupation".

Measures taken:

The measures taken during the reference period to meet environmental and social characteristics are presented in the section “What measures were taken during the reference period to meet environmental and/or social characteristics?”

- ***...and compared to previous periods?***

  Not applicable, as this is the first reporting cycle.

- ***What were the objectives of the sustainable investments that the financial product partially made and how did the sustainable investment contribute to such objectives?***

  Not applicable. Flossbach von Storch II - Rentas 2025 did not make any sustainable investments.

Principal adverse impacts are the most significantly negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

- ***How did the sustainable investments that the financial product partially made not cause significant harm to any environmental or social sustainable investment objective?***

  Not applicable. Flossbach von Storch II - Rentas 2025 did not make any sustainable investments.

  - *How have the indicators for adverse impacts on sustainability factors been taken into account?*

    Not applicable.

  - *Were sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:*

    Not applicable.

The EU Taxonomy sets out a "do no significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.

The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.

How did this financial product consider principal adverse impacts on sustainability factors?

The Master UCITS considered the principal adverse impacts (PAIs or PAI indicators) of the investment decision on sustainability factors in accordance with Article 7(1)(a) of Regulation (EU) 2019/2088 (Disclosure Regulation), as well as an additional climate-related indicator ("No carbon emission reduction initiatives") and two additional social indicators ("Lack of a human rights policy" and "Lack of anti-corruption and anti-bribery policies") in an in-house investment process with particular focus on certain PAI indicators. The focal PAIs in the investment strategy were as follows: Greenhouse gas emissions (Scope 1 and 2), greenhouse gas emission intensity and carbon footprint based on Scope 1 and 2, as well as the consumption of non-renewable energy sources. In addition, attention was paid to violations of the principles of the UN Global Compact, violations of the OECD Guidelines for Multinational Enterprises and the measures and processes in place to comply with the Principles and Guidelines. The consideration of PAIs also served to achieve the environmental and social characteristics promoted by Flossbach von Storch II - Rentas 2025.

The identification, prioritisation and assessment of the PAIs was performed as part of the in-house analysis process using ESG analyses that were specifically prepared for the individual investee issuers/guarantors and taken into account in the risk-return profile of the company analyses. The PAI indicators were prioritised according to relevance, severity of negative impacts, and data availability. The evaluation was not based on rigid bandwidths or thresholds that companies had to meet or achieve; rather, the focus was on whether there is a positive development in how they are managing the PAI indicators.

Primary data published by the portfolio companies was collected as part of the in-house analysis process for identifying the focal PAIs, e.g. as part of the sustainability report. This allowed the best possible examination of the data and data quality and assessment of the portfolio companies' handling of the factors considered. Due to insufficient quality and coverage of individual data points, Flossbach von Storch has used engagement activities to work towards improvement.

Applied participation policy:
The participation policy aimed to influence the positive development of particularly severe negative impacts by engaging with prioritised companies. Further details of the measures taken are presented in the section "What measures were taken during the reference period to meet environmental and/or social characteristics?".

Applied exclusions:
Compliance with the following exclusions contributed to a reduction or avoidance of PAI indicator 10 “Violations of UN Global Compact Principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises”, PAI indicator 14 “Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)” and PAI indicator 4 “Exposure to companies active in the fossil fuel sector”:

- the exclusion of the extraction and/or distribution of coal
- the exclusion of companies with serious violations of the UNGC Principles (without positive prospects) and
- the exclusion of controversial weapons.

What are the main investments of this financial product?

The information presented provides an overview of the fifteen main investments of the sub-fund (top 15 positions).

All the main investments are presented in aggregated form. They are determined based on a look-through of the securities held by the Master-UCITS and their respective security identification numbers (WKN/ISIN). To comply with regulatory provisions, the largest weightings are based on the average of four quarterly closing dates in the reference period. All values are shown in euro to facilitate comparison and analysis.

The table also provides information on the sector and the issuer’s headquarters.

The list includes the following investments constituting **the greatest proportion of investments** of the financial product during the reference period: 01 October 2022 – 30 September 2023

Largest investments	Sector	% Assets	Country
Vereinigte Staaten von Amerika ILB v.10(2040)	States	2.49%	United States of America
Vereinigte Staaten von Amerika ILB v.13(2043)	States	2.41%	United States of America
Vereinigte Staaten von Amerika ILB v.22(2032)	States	1.65%	United States of America
Kreditanstalt für Wiederaufbau EMTN Reg.S. v.21(2028)	States	1.51%	Germany
Vereinigte Staaten von Amerika ILB v.23(2033)	States	1.43%	United States of America
Bundesrepublik Deutschland Reg.S. v.22(2023)	States	1.33%	Germany
European Financial Stability Facility [EFSF] Reg.S. v.23(2026)	States	1.15%	European institutions
Bundesrepublik Deutschland Reg.S. v.22(2023)	States	1.09%	Germany
Vereinigte Staaten von Amerika v.23(2025)	States	1.09%	United States of America
Bundesrepublik Deutschland Reg.S. v.22(2023)	States	1.05%	Germany
Bundesrepublik Deutschland Reg.S. v.22(2023)	States	1.02%	Germany
Kreditanstalt für Wiederaufbau EMTN Reg.S. v.21(2031)	States	0.99%	Germany
Europäische Union Reg.S. v.21(2031)	States	0.91%	European union
Europäische Union Reg.S. v.22(2025)	States	0.90%	European union
Österreich Reg.S. v.23(2033)	States	0.85%	Austria

Asset allocation describes the share of investments in specific assets.

What was the proportion of sustainability-related investments?

The proportion of sustainability-related investments was 94.96 per cent as at 30 September 2023. Sustainability-related investments are those investments that are consistent with the environmental and social characteristics of the Master UCITS and thus also Flossbach von Storch II - Rentas 2025.

- *What was the asset allocation?*

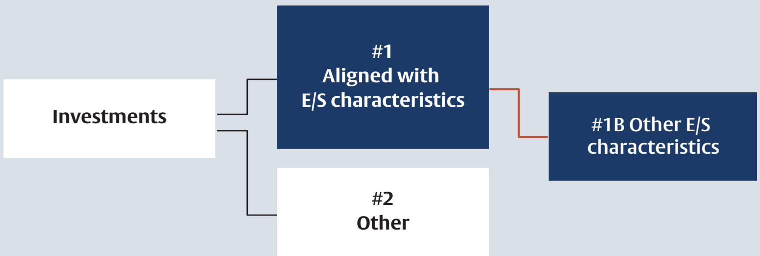
The asset allocation of Flossbach von Storch II - Rentas 2025 as at 30 September 2023, after a look-through of the assets held by the Master UCITS, was as follows.

#1 Aligned with E/S characteristics:

94.96 per cent was invested in securities and money market instruments that are subject to ongoing screening in respect of the aforementioned exclusion criteria and the principle adverse impacts on sustainability factors.

#2 Other:

The remaining investment portion (5.04 per cent) related, for example, to liquid assets (esp. cash to service short-term payment obligations), derivatives (esp. forward exchange transactions for hedging purposes) and, for further diversification, indirect investments in precious metals, solely gold certificates.



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2 Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:

- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

In which economic sectors were the investments made?

Sector	Sub-sector	% share
States	States	43.40 %
Financials	Banks	13.43 %
Financials	Financial Services	7.34 %
Communication Services	Telecommunication Services	5.26 %
Others	Others	5.04 %
Consumer Discretionary	Automobiles & Components	4.92 %
Real Estate	Real Estate Management & Development	4.69 %
Real Estate	Equity Real Estate Investment Trusts (REITs)	2.75 %
Health Care	Pharmaceuticals, Biotechnology & Life Sciences	1.63 %
Consumer Discretionary	Consumer Services	1.26 %
Industrials	Transportation	1.21 %
Consumer Staples	Food, Beverage & Tobacco	1.15 %
Consumer Discretionary	Consumer Discretionary Distribution & Retail	1.10 %
Energy	Energy	1.09 %
Materials	Materials	1.09 %
Utilities	Utilities	1.01 %
Health Care	Health Care Equipment & Services	0.97 %
Industrials	Capital Goods	0.80 %
Communication Services	Media & Entertainment	0.74 %
Consumer Staples	Consumer Staples Distribution & Retail	0.57 %
Consumer Staples	Household & Personal Products	0.34 %
Industrials	Commercial & Professional Services	0.21 %

0.01 per cent of the sub-fund assets was invested in the fossil fuels sector.

The information is based on a look-through of the securities held by the Master-UCITS. Due to rounding differences in individual amounts, totals may differ from the actual value.

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to fully renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

Taxonomy-aligned activities are expressed as a share of: **turnover** reflecting the share of revenue from the green activities of investee companies **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy **operational expenditure** (OpEx) reflecting green operational activities of investee companies.

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

To what extent were the sustainable investments with an environmental objective aligned with the EU Taxonomy?

Flossbach von Storch II - Rentas 2025 has promoted environmental and social characteristics, but has not sought to make any taxonomy-aligned investments. The investments did not contribute to achieving any of the environmental objectives specified in Article 9 of Regulation (EU) 2020/852 (EU Taxonomy). The share of environmentally sustainable investments made in accordance with the EU taxonomy was therefore 0 per cent.

- ***Did the financial product invest in fossil gas and/or nuclear energy related activities complying with the EU Taxonomy[1]?***

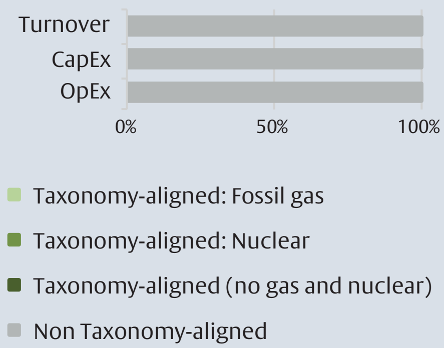
☐ Yes

☐ In fossil gas ☐ In nuclear energy

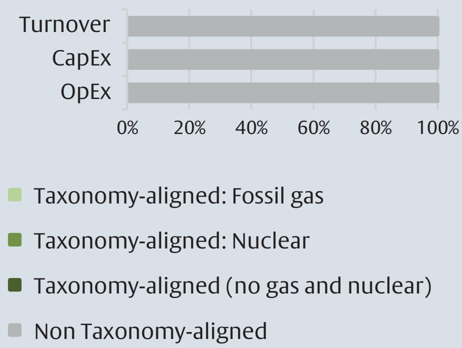
☒ No

The graphs below show in green the minimum percentage of investments that were aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy alignment of sovereign bonds*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.

1. Taxonomy-alignment of investments **including sovereign bonds***



2. Taxonomy-alignment of investments **excluding sovereign bonds***



This graph represents 100% of the total investments.

* For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures.

- **What was the share of investments made in transitional and enabling activities?**

Not applicable. Flossbach von Storch II - Rentas 2025 promotes E/S characteristics but is not striving to make sustainable investments. Accordingly, the share of investments in transitional and enabling activities was zero per cent.

- **How did the percentage of investments that were aligned with the EU Taxonomy compare with previous reference periods?**

Not applicable. Flossbach von Storch II - Rentas 2025 promotes E/S characteristics but is not striving to make sustainable investments.

[1] Fossil gas and/or nuclear related activities only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective – see explanatory note in the left-hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

are sustainable investments with an environmental objective that do not take into account the criteria for environmentally sustainable economic activities under the EU Taxonomy.

What was the share of sustainable investments with an environmental objective not aligned with the EU Taxonomy?

Not applicable. Flossbach von Storch II - Rentas 2025 promotes E/S characteristics but does not make sustainable investments.

What was the share of socially sustainable investments?

Not applicable. Flossbach von Storch II - Rentas 2025 promotes E/S characteristics but does not make sustainable investments.

What investments were included under "other", what was their purpose and were there any minimum environmental or social safeguards?

The following investments were classified as "#2 Other" as at 30 September 2023:

- Liquid assets, primarily in the form of cash, to service short-term payment obligations with no minimum environmental or social safeguards.

What actions have been taken to meet the environmental and/or social characteristics during the reference period?

The following actions were taken at Master UCITS level to meet the environmental and/or social characteristics of Flossbach von Storch II - Rentas 2025:

1) Applied exclusions:

The exclusion criteria listed in the section "How did the sustainability indicators perform?" were constantly reviewed and updated on the basis of internal and external ESG research data. Compliance with the exclusion criteria was monitored both before an investment was made and during the subsequent holding period.

2) Participation policy in the event of particularly severe negative impacts:

Greenhouse gas emissions

During the reporting period, no portfolio companies were identified by means of in-house analysis as having particularly severe negative impacts on greenhouse gas emissions. Accordingly, there was no exposure with any reference to particularly severe negative impacts during the reporting period.

To drive improvements in respect of **greenhouse gas emissions**, the sub-fund actively engaged with 1 portfolio companies that have not yet set themselves any climate targets. As at 30 September 2023: the engagement with these companies is still ongoing.

Social and employee matters
In order to work towards a responsible approach to the **UNGC principles and OECD guidelines** , targeted engagement activities were conducted with the companies that showed particularly serious violations.

- **Activision Blizzard**: A number of engagement calls were held with the company during the reporting period in order to work towards positive development and rectify the violations. Clear requirements were formulated to closely follow the measures taken to improve the situation and create more transparency in reporting so that investors can understand the developments in the company better. As at 30 September 2023: the engagement was successfully completed. The company has taken comprehensive measures to improve the situation and has met the transparency requirements. Developments in the measures taken will be monitored further as part of the regular ESG analysis.

Flossbach von Storch also reports on activities performed as an active owner in the annual Active Ownership report, which is published on the website together with sustainability-related disclosures.

Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

How did this financial product perform compared to the reference benchmark?

Not applicable. Flossbach von Storch II - Rentas 2025 promotes E/S characteristics but does not designate an index as a reference benchmark.

- *How does the reference benchmark differ from a broad market index?*

  Not applicable.

- *How did this financial product perform with regard to the sustainability indicators to determine the alignment of the reference benchmark with the environmental or social characteristics promoted?*

  Not applicable.

- *How did this financial product perform compared with the reference benchmark?*

  Not applicable.

- *How did this financial product perform compared with the broad market index?*

  Not applicable.

ANNEX

Periodic disclosure for the financial products referred to in Article 8 (1), (2) and (2a) of Regulation (EU) 2019/2088 and Article 6 (1) of Regulation (EU) 2020/852 (**UNAUDITED**)

Product name:
Flossbach von Storch II - Equilibrio 2026

Legal entity identifier:
529900NR60U6WYA5RC41

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852 establishing a list of **environmentally sustainable economic activities.** That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Environmental and/or social characteristics

Did this financial product have a sustainable investment objective?

☐ **Yes**	☒ **No**
☐ It made **sustainable investments with an environmental objective:**_%	☐ It **promoted Environmental/Social (E/S) characteristics** and while it did not have as its objective a sustainable investment, it had a proportion of___% per cent of sustainable investments
☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy	☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy	☐ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
	☐ with a social objective
☐ It made **sustainable investments with a social** objective: _%	☒ It promoted E/S characteristics, but **did not make any sustainable investments**

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

To what extent were the environmental and/or social characteristics promoted by this financial product met?

In order to achieve the environmental and social characteristics promoted by the Master UCITS and thus the Flossbach von Storch II - Equilibrio 2026, the following sustainability indicators were taken into account at Master UCITS level during the reporting period:

1) **Exclusion criteria** with social and environmental characteristics were implemented. These criteria included, for example, excluding investments in companies with certain business models. A list of the pertinent exclusion criteria can be found in the section "How did the sustainability factors perform?".
2) A **participation policy** was pursued to work towards positive development in the event of particularly **severe negative impacts** on certain sustainability factors. The participation policy covers the following areas: greenhouse gas emissions and social/ employee matters.

At the end of the reporting period, 86.81 per cent of the sub-fund assets was allocated to investments with environmental or social characteristics.

- ***How did the sustainability indicators perform?***

Performance of the promoted environmental and social characteristics of the Master UCITS and thus the Flossbach von Storch II - Equilibrio 2026 was as follows:

1) **Applied exclusions at Master UCITS level:**

In order to achieve the environmental and social characteristics promoted by the master UCITS and therefore also by the feeder UCITS, the following sustainability indicators are taken into account.
The fulfillment of the exclusions applied at the level of the master UCITS is based on turnover thresholds. No investments were made in companies that generate

> 0 per cent of their turnover from controversial weapons,
> 10 per cent of their turnover from producing and/or selling armaments,
> 5 per cent of their turnover from producing tobacco products,
> 30 per cent of their turnover from mining and/or selling coal.

In addition, an in-house review did not identify any investments in companies guilty of serious violations of the Principles of the UN Global Compact (UNGC) with no positive prospects. Furthermore, no investments were made in state issuers that are rated "not free" in the Freedom House Index.

2) **Participation policy at Master UCITS level in the event of particularly severe negative impacts:**

Greenhouse gas emissions:

To measure particularly severe negative impacts on certain sustainability factors relating to greenhouse gas emissions, in-house ESG analyses studied the following indicators and prioritised them by relevance, severity of potential negative impacts, approach to dealing with them and data availability: Greenhouse gas emissions (Scope 1 and 2), greenhouse gas emission intensity and carbon footprint based on Scope 1 and 2, as well as the consumption of non-renewable energy sources.

During the reporting period, no portfolio companies were identified by means of in-house analysis as having particularly severe negative impacts on greenhouse gas emissions.

Proactive initiative to engage on climate targets: To promote the increasingly positive greenhouse gas performance of the portfolio companies, we have started to engage directly with companies that have not yet set climate targets and have presumably not yet implemented any systematic measures for reducing greenhouse gases. Although there is no evidence of particularly severe negative impacts in these instances, by actively engaging we hope to raise awareness of the importance of reducing greenhouse gas emissions and switching to renewable energies.

Analysis of all Master UCITS portfolio companies in respect of whether defined climate targets are consistent with the Paris Climate Agreement produced the following result as at 30 September 2023:

- 73 companies have set climate targets in line with the Paris Climate Agreement
- 5 companies have set climate targets that are not consistent with the Paris Climate Agreement or have committed to publishing climate targets soon
- 3 companies have not set climate targets, nor have they committed to implementing any measures aimed at reducing greenhouse gas emissions

Social and employee matters:

To measure particularly severe negative impacts on certain sustainability factors relating to social/employee matters, in-house ESG analyses studied in detail the following indicators and prioritised them by relevance, severity of potential negative impacts, approach to dealing with them and data availability: Violations of the Principles of the UN Global Compact, violations of the OECD Guidelines for Multinational Enterprises and the measures and processes in place to comply with the Principles and Guidelines.

In order to work towards a responsible approach to the **UNGC Principles and OECD Guidelines** , targeted engagement activities were conducted with the companies guilty of particularly serious violations.

- **Activision Blizzard** was found to have violated Principle 6 of the UN Global Compact "Businesses should uphold the elimination of discrimination in respect of employment and occupation".

Measures taken:

The measures taken during the reference period to meet environmental and social characteristics are presented in the section "What measures were taken during the reference period to meet environmental and/or social characteristics?"

- ***...and compared to previous periods?***

  Not applicable, as this is the first reporting cycle.

- ***What were the objectives of the sustainable investments that the financial product partially made and how did the sustainable investment contribute to such objectives?***

  Not applicable. Flossbach von Storch II - Equilibrio 2026 did not make any sustainable investments.

Principal adverse impacts are the most significantly negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

- ***How did the sustainable investments that the financial product partially made not cause significant harm to any environmental or social sustainable investment objective?***

  Not applicable. Flossbach von Storch II - Equilibrio 2026 did not make any sustainable investments.

  - *How have the indicators for adverse impacts on sustainability factors been taken into account?*

    Not applicable.

  - *Were sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:*

    Not applicable.

The EU Taxonomy sets out a "do no significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.

The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.

How did this financial product consider principal adverse impacts on sustainability factors?

The Master UCITS considered the principal adverse impacts (PAIs or PAI indicators) of the investment decision on sustainability factors in accordance with Article 7(1)(a) of Regulation (EU) 2019/2088 (Disclosure Regulation), as well as an additional climate-related indicator ("No carbon emission reduction initiatives") and two additional social indicators ("Lack of a human rights policy" and "Lack of anti-corruption and anti-bribery policies") in an in-house investment process with particular focus on certain PAI indicators. The focal PAIs in the investment strategy were as follows: Greenhouse gas emissions (Scope 1 and 2), greenhouse gas emission intensity and carbon footprint based on Scope 1 and 2, as well as the consumption of non-renewable energy sources. In addition, attention was paid to violations of the principles of the UN Global Compact, violations of the OECD Guidelines for Multinational Enterprises and the measures and processes in place to comply with the Principles and Guidelines. The consideration of PAIs also served to achieve the environmental and social characteristics promoted by Flossbach von Storch II - Equilibrio 2026.

The identification, prioritisation and assessment of the PAIs was performed as part of the in-house analysis process using ESG analyses that were specifically prepared for the individual investee issuers/guarantors and taken into account in the risk-return profile of the company analyses. The PAI indicators were prioritised according to relevance, severity of negative impacts, and data availability. The evaluation was not based on rigid bandwidths or thresholds that companies had to meet or achieve; rather, the focus was on whether there is a positive development in how they are managing the PAI indicators.

Primary data published by the portfolio companies was collected as part of the in-house analysis process for identifying the focal PAIs, e.g. as part of the sustainability report. This allowed the best possible examination of the data and data quality and assessment of the portfolio companies' handling of the factors considered. Due to insufficient quality and coverage of individual data points, Flossbach von Storch has used engagement activities to work towards improvement.

Applied participation policy:
The participation policy aimed to influence the positive development of particularly severe negative impacts by engaging with prioritised companies. Further details of the measures taken are presented in the section "What measures were taken during the reference period to meet environmental and/or social characteristics?".

Applied exclusions:
Compliance with the following exclusions contributed to a reduction or avoidance of PAI indicator 10 "Violations of UN Global Compact Principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises", PAI indicator 14 "Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)" and PAI indicator 4 "Exposure to companies active in the fossil fuel sector":

- the exclusion of the extraction and/or distribution of coal
- the exclusion of companies with serious violations of the UNGC Principles (without positive prospects) and
- the exclusion of controversial weapons.

What are the main investments of this financial product?

The list includes the following investments constituting **the greatest proportion of investments** of the financial product during the reference period: 01 October 2022 – 30 September 2023

The information presented provides an overview of the fifteen main investments of the sub-fund (top 15 positions).

All the main investments are presented in aggregated form. They are determined based on a look-through of the securities held by Master UCITS, and their respective security identification numbers (WKN/ISIN). To comply with regulatory provisions, the largest weightings are based on the average of four quarterly closing dates in the reference period. All values are shown in euro to facilitate comparison and analysis.

The table also provides information on the sector and the issuer's headquarters.

Largest investments	Sector	% Assets	Country
Invesco Physical Markets Plc./Gold Unze Zert. v.09(2100)	Gold	7.76%	United States of America
Bundesrepublik Deutschland Reg.S. v.14(2024)	States	3.34%	Germany
Bundesrepublik Deutschland Reg.S. v.14(2024)	States	3.02%	Germany
Bundesrepublik Deutschland Reg.S. v.14(2024)	States	2.96%	Germany
Constellation Software Inc.	Information technology	1.92%	Canada
Alphabet Inc.	Communication Services	1.88%	United States of America
Berkshire Hathaway Inc.	Financials	1.80%	United States of America
Microsoft Corporation	Information technology	1.77%	United States of America
Europäische Union Reg.S. Social Bond v.21(2028)	States	1.59%	European union
Danaher Corporation	Health Care	1.40%	United States of America
Unilever Plc.	Consumer Staples	1.38%	Great Britain
Johnson & Johnson	Health Care	1.36%	United States of America
Reckitt Benckiser Group Plc.	Consumer Staples	1.27%	Great Britain
Dollar General Corporation	Consumer Staples	1.18%	United States of America
Bundesrepublik Deutschland Reg.S. v.22(2027)	States	1.17%	Germany

What was the proportion of sustainability-related investments?

The proportion of sustainability-related investments was 86.81 per cent as at 30 September 2023. Sustainability-related investments are those investments that are consistent with the environmental and social characteristics of the Master UCITS and thus also Flossbach von Storch II - Equilibrio 2026.

Asset allocation describes the share of investments in specific assets.

- *What was the asset allocation?*

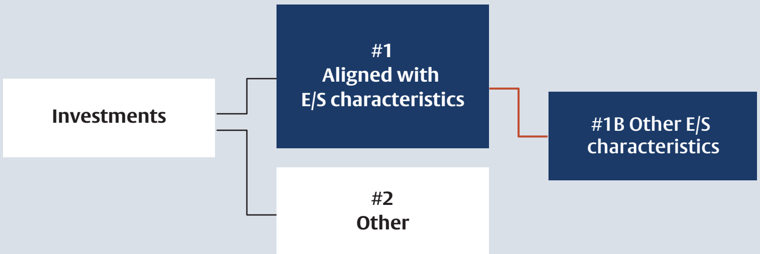
The asset allocation of Flossbach von Storch II - Equilibrio 2026 as at 30 September 2023, after a look-through of the assets held by the Master UCITS, was as follows.

#1 Aligned with E/S characteristics:

86.81 per cent was invested in securities and money market instruments that are subject to ongoing screening in respect of the aforementioned exclusion criteria and the principle adverse impacts on sustainability factors.

#2 Other:

The remaining investment portion (13.19 per cent) related, for example, to liquid assets (esp. cash to service short-term payment obligations), derivatives (esp. forward exchange transactions for hedging purposes) and, for further diversification, indirect investments in precious metals, solely gold certificates.



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2 Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:

- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

In which economic sectors were the investments made?

Sector	Sub-sector	% share
States	States	24.44 %
Financials	Financial Services	13.46 %
Gold	Gold	7.72 %
Information Technology	Software & Services	6.42 %
Health Care	Pharmaceuticals, Biotechnology & Life Sciences	6.38 %
Others	Others	5.46 %
Financials	Banks	4.20 %
Industrials	Capital Goods	3.64 %
Consumer Staples	Household & Personal Products	3.35 %
Consumer Discretionary	Automobiles & Components	2.96 %
Communication Services	Media & Entertainment	2.33 %
Health Care	Health Care Equipment & Services	2.31 %
Information Technology	Technology Hardware & Equipment	2.01 %
Consumer Discretionary	Consumer Discretionary Distribution & Retail	1.98 %
Materials	Materials	1.90 %
Consumer Staples	Consumer Staples Distribution & Retail	1.79 %
Consumer Staples	Food, Beverage & Tobacco	1.74 %
Real Estate	Real Estate Management & Development	1.66 %
Communication Services	Telecommunication Services	1.54 %
Industrials	Commercial & Professional Services	1.03 %
Information Technology	Semiconductors & Semiconductor Equipment	0.81 %
Industrials	Transportation	0.65 %
Investment fund	Investment fund	0.60 %
Financials	Insurance	0.52 %
Utilities	Utilities	0.40 %
Energy	Energy	0.38 %
Consumer Discretionary	Consumer Services	0.32 %

0 per cent of the sub-fund assets was invested in the fossil fuels sector.

The information is based on a look-through of the securities held by the Master UCITS. Due to rounding differences in individual amounts, totals may differ from the actual value.

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to fully renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

Taxonomy-aligned activities are expressed as a share of: **turnover** reflecting the share of revenue from the green activities of investee companies **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy **operational expenditure** (OpEx) reflecting green operational activities of investee companies.

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

To what extent were the sustainable investments with an environmental objective aligned with the EU Taxonomy?

Flossbach von Storch II - Equilibrio 2026 has promoted environmental and social characteristics, but has not sought to make any taxonomy-aligned investments. The investments did not contribute to achieving any of the environmental objectives specified in Article 9 of Regulation (EU) 2020/852 (EU Taxonomy). The share of environmentally sustainable investments made in accordance with the EU taxonomy was therefore 0 per cent.

- ***Did the financial product invest in fossil gas and/or nuclear energy related activities complying with the EU Taxonomy[1]?***

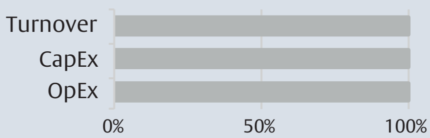
☐ Yes

☐ In fossil gas ☐ In nuclear energy

☒ No

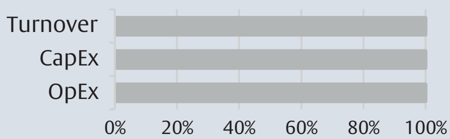
The graphs below show in green the minimum percentage of investments that were aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy alignment of sovereign bonds*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.

1. Taxonomy-alignment of investments **including sovereign bonds***



- Taxonomy-aligned: Fossil gas
- Taxonomy-aligned: Nuclear
- Taxonomy-aligned (no gas and nuclear)
- Non Taxonomy-aligned

2. Taxonomy-alignment of investments **excluding sovereign bonds***



- Taxonomy-aligned: Fossil gas
- Taxonomy-aligned: Nuclear
- Taxonomy-aligned (no gas and nuclear)
- Non Taxonomy-aligned

This graph represents 100% of the total investments.

* For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures.

- **What was the share of investments made in transitional and enabling activities?**

Not applicable. Flossbach von Storch II - Equilibrio 2026 promotes E/S characteristics but is not striving to make sustainable investments. Accordingly, the share of investments in transitional and enabling activities was zero per cent.

- **How did the percentage of investments that were aligned with the EU Taxonomy compare with previous reference periods?**

Not applicable. Flossbach von Storch II - Equilibrio 2026 promotes E/S characteristics but is not striving to make sustainable investments.

[1] Fossil gas and/or nuclear related activities only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective – see explanatory note in the left-hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

are sustainable investments with an environmental objective that do not take into account the criteria for environmentally sustainable economic activities under the EU Taxonomy.

What was the share of sustainable investments with an environmental objective not aligned with the EU Taxonomy?

Not applicable. Flossbach von Storch II - Equilibrio 2026 promotes E/S characteristics but does not make sustainable investments.

What was the share of socially sustainable investments?

Not applicable. Flossbach von Storch II - Equilibrio 2026 promotes E/S characteristics but does not make sustainable investments.

What investments were included under “other”, what was their purpose and were there any minimum environmental or social safeguards?

The following investments were classified as “#2 Other” as at 30 September 2023:

- Liquid assets, primarily in the form of cash, to service short-term payment obligations with no minimum environmental or social safeguards.

What actions have been taken to meet the environmental and/or social characteristics during the reference period?

The following actions were taken at Master UCITS level to meet the environmental and/or social characteristics of Flossbach von Storch II - Equilibrio 2026:

1) Applied exclusions:

The exclusion criteria listed in the section “How did the sustainability indicators perform?” were constantly reviewed and updated on the basis of internal and external ESG research data. Compliance with the exclusion criteria was monitored both before an investment was made and during the subsequent holding period.

2) Participation policy in the event of particularly severe negative impacts:

Greenhouse gas emissions

During the reporting period, no portfolio companies were identified by means of in-house analysis as having particularly severe negative impacts on greenhouse gas emissions. Accordingly, there was no exposure with any reference to particularly severe negative impacts during the reporting period.

To drive improvements in respect of **greenhouse gas emissions**, the sub-fund actively engaged with 2 portfolio companies that have not yet set themselves any climate targets. As at 30 September 2023: the engagement with these companies is still ongoing.

Social and employee matters
In order to work towards a responsible approach to the **UNGC principles and OECD guidelines** , targeted engagement activities were conducted with the companies that showed particularly serious violations.

- **Activision Blizzard**: A number of engagement calls were held with the company during the reporting period in order to work towards positive development and rectify the violations. Clear requirements were formulated to closely follow the measures taken to improve the situation and create more transparency in reporting so that investors can understand the developments in the company better. As at 30 September 2023: the engagement was successfully completed. The company has taken comprehensive measures to improve the situation and has met the transparency requirements. Developments in the measures taken will be monitored further as part of the regular ESG analysis.

Flossbach von Storch also reports on activities performed as an active owner in the annual Active Ownership report, which is published on the website together with sustainability-related disclosures.

How did this financial product perform compared to the reference benchmark?

Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

Not applicable. Flossbach von Storch II - Equilibrio 2026 promotes E/S characteristics but does not designate an index as a reference benchmark.

- *How does the reference benchmark differ from a broad market index?*

  Not applicable.

- *How did this financial product perform with regard to the sustainability indicators to determine the alignment of the reference benchmark with the environmental or social characteristics promoted?*

  Not applicable.

- *How did this financial product perform compared with the reference benchmark?*

  Not applicable.

- *How did this financial product perform compared with the broad market index?*

  Not applicable.