

Unaudited semi-annual report as at 31 March 2020

Flossbach von Storch III SICAV



Flossbach von Storch

R.C.S. Luxembourg B 220220

Investment fund under Luxembourg law

An investment fund pursuant to Part I of the law of 17 December 2010 concerning undertakings for collective investment, in the legal form of a Société d'Investissement à Capital Variable (SICAV), as currently amended

MANAGEMENT COMPANY:

Flossbach von Storch Invest S.A.

R.C.S. Luxembourg B 171513

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

Subscriptions for fund shares are only valid if based on the latest edition of the sales prospectus, including its annexes in conjunction with the most recently available annual report or semi-annual report if one has been published thereafter.

Flossbach von Storch III SICAV – Multiple Opportunities II Feeder Sub-Fund

Unaudited semi-annual report

1 October 2019 - 31 March 2020

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

The sub-fund permanently invests at least 85% of the sub-fund's net assets in shares of the fund Flossbach von Storch – Multiple Opportunities II MT (ISIN: LU1716948093), the Master-UCITS.

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

The company is entitled to create share classes with different rights in relation to the shares. Details of the current share classes are as follows for the reporting period:

	Share class R	Share class H
Securities ID No. (WKN):	A2H7AC	A2H7AD
ISIN:	LU1716946634	LU1716946808
Issue surcharge:	up to 5.00 %	up to 5.00 %
Redemption fee:	none	none
Management fee:	0.88 % p.a.	0.33 % p.a.
Minimum initial investment:	none	none
Minimum subsequent investment:	none	none
Use of income:	distributing	distributing
Currency:	EUR	EUR

FLOSSBACH VON STORCH III SICAV – MULTIPLE OPPORTUNITIES II FEEDER

Geographical breakdown by country ¹⁾

Luxembourg	99.33%
Securities holdings	99.33%
Cash at banks	0.75%
Balance of other receivables and payables	-0.08%
	100.00%

Breakdown by economic sector ¹⁾

Investment fund holdings	99.33%
Securities holdings	99.33%
Cash at banks	0.75%
Balance of other receivables and payables	-0.08%
	100.00%

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

FLOSSBACH VON STORCH III SICAV – MULTIPLE OPPORTUNITIES II FEEDER

Composition of net sub-fund assets

as at 31 March 2020

	EUR
Securities holdings	171,357,618.02
(cost of acquisition of securities: EUR 166,791,046.48)	
Cash at banks	1,291,834.21
Receivables from the sales of shares	307,170.09
Other receivables ¹⁾	3,967.69
	172,960,590.01
Payables from share redemptions	-10,673.49
Interest payable	-1,669.98
Payables from securities transactions	-293,531.54
Other liabilities ²⁾	-134,897.02
	-440,772.03
Net sub-fund assets	172,519,817.98

Allocation to the share classes

Share class R	
Proportion of net sub-fund assets	84,641,359.97 EUR
Shares in circulation	820,104.843
Share value	103.21 EUR
Share class H	
Proportion of net sub-fund assets	87,878,458.01 EUR
Shares in circulation	842,365.569
Share value	104.32 EUR

¹⁾ The position includes amortisation of formation expenses.

²⁾ This position consists primarily of management company fees payables fee payables and taxe annuelle.

FLOSSBACH VON STORCH III SICAV – MULTIPLE OPPORTUNITIES II FEEDER

Statement of assets as at 31 March 2020

ISIN	Securities		Additions in the reporting period	Disposals in the reporting period	Quantity	Price	Market Value EUR	% share of NSFA ¹⁾
Investment fund holdings ²⁾								
Luxembourg								
LU1716948093	Flossbach von Storch - Multiple Opportunities II MT	EUR	392,944	28,699	1,581,811	108.3300	171,357,618.02	99.33
							171,357,618.02	99.33
Investment fund holdings							171,357,618.02	99.33
Securities holdings							171,357,618.02	99.33
Bank balances current account							1,291,834.21	0.75
Balance of other receivables and payables							-129,634.25	-0.08
Net sub-fund assets in EUR							172,519,817.98	100.00

Additions and disposals from 1 October 2019 to 31 March 2020

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

Exchange rates

As at 31 March 2020 there were only assets in the sub-fund currency (EUR).

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

²⁾ Neither subscription fees nor redemption fees are charged for target fund shares. A management fee of 0.65% p.a. is calculated for units held of the target fund.

Notes to the semi-annual report as at 31 March 2020 (Appendix)

1.) Introduction

The Flossbach von Storch III SICAV investment fund is a Luxembourg investment company (“société d’investissement à capital variable”) that has been established in the form of an undertaking for collective investment in transferable securities (“UCITS”), in the form of an umbrella fund with one or more sub-funds in accordance with the UCITS Directive and in accordance with Part I of the Luxembourg Law of 17 December 2010 on undertakings for collective investment (the “Law of 17 December 2010”), as amended. The investment company was founded on 5 December 2017 and its Article of Association were published on 27 December 2017 in Mémorial, Recueil des Sociétés et Associations the official journal of the Grand Duchy of Luxembourg (‘Mémorial’). The investment company is registered in the Luxembourg Trade and Companies Register under registration number R.C.S. Luxembourg B 220220. The term of the umbrella fund is unlimited. The term of individual sub-funds may, however, be limited; this information can be found in the relevant annex specific to the sub-fund in the prospectus. The respective sub-funds are feeder UCITS within the meaning of Article 77 of the Law of 17 December 2010. The objective of the investment policy of the sub-fund Flossbach von Storch III SICAV – Multiple Opportunities II Feeder (“sub-fund”) is to reflect as far as possible as a feeder UCITS the performance of the Flossbach von Storch – Multiple Opportunities II (MT share class) (“Master-UCITS”), a legally dependent fund in accordance with Chapter 2 of the Law of

17 December 2010, in the form of an umbrella fund.

The management company of the investment company is Flossbach von Storch Invest S.A. (the “management company”), a public limited company (Aktiengesellschaft) under the law of the Grand Duchy of Luxembourg with its registered office at 6, Avenue Marie-Thérèse, L-2132 Luxembourg, Luxembourg. The management company was incorporated for an indefinite period on 13 September 2012. Its articles of association were published in the Mémorial on 5 October 2012. The most recent amendment to the articles of association came into force on 15 November 2019 and was published in Recueil électronique des sociétés et associations („RESA”), the trade and companies register of Luxembourg. The management company is registered in the Luxembourg Trade and Companies Register under registration number R.C.S. Luxembourg B 171513. The management company’s financial year ends on 31 December of each year.

The current version of the sales prospectus with integrated management regulations, the most recent annual and semi-annual reports and the key investor information documents of the individual Master-UCITS can be downloaded from the website of the management company (www.fvsinvest.lu).

2.) Key accounting and valuation principles

This report has been prepared under the responsibility of the management company in conformity with the legal provisions and

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regulations prevailing in Luxembourg for the preparation and presentation of reports.

1. The net company assets of the investment company are denominated in euros (EUR) (“reference currency”).
2. The value of a share (“net asset value per share”) is denominated in the currency laid down in the 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 share classes which may exist (“share class currency”).
3. The net asset value per share is calculated on each valuation day by the management company or a third party appointed for this purpose under the supervision of the depositary. The Board of Directors may decide to apply different rules to individual funds, but the net asset value per share must be calculated at least twice per month.
4. In order to calculate the net asset value per share, the value of the assets of each sub-fund less the liabilities of each sub-fund (“net sub-fund assets”) is determined on each valuation day and divided by the number of shares in circulation on the valuation day.

However, the management company can decide to calculate the net asset value per share on 24 and 31 December of a year without the calculation representing the net asset value per share on a valuation day as defined by the previous sentence 1 of this clause 3. As a result, shareholders may not request the issue, redemption and/or conversion of shares on the basis of a net asset value per share

calculated on 24 and/or 31 December of a given year.

5. To the extent that information on the situation of the net assets of the company must be provided in the annual or semi-annual reports and/or other financial statistics in accordance with the applicable legislative provisions or in accordance with the conditions of these articles of association, the value of the assets of each sub-fund will be converted to the reference currency. Net sub-fund assets are calculated according to the following principles:
 - a) Securities, money market instruments, derivative financial instruments (derivatives) and other assets officially listed on a stock exchange are valued at the most recently available closing price that provides a reliable valuation. If securities, money market instruments, derivative financial instruments or other assets are officially listed on more than one stock exchange, the price quoted on the exchange with the most liquidity is used.
 - b) Securities, money market instruments, derivative financial instruments (derivatives) and other assets that are not officially listed on a stock 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 on 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,

NOTES (continued)

- derivative financial instruments (derivatives) or other assets can be sold. The management company may specify for individual sub-funds that securities, money market instruments, derivative financial instruments (derivatives) and other assets that are not officially listed on a stock 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) or other assets can be sold. Details on this are contained in the annex to the sub-fund in question.
- c) OTC derivatives are valued daily on a verifiable basis determined by the management company.
- d) Shares in UCI/UCITS are generally valued at the last redemption price fixed before the valuation day or at the latest available price that affords a reliable valuation. If the redemption of investment shares has been suspended or if no redemption price has been set, these shares and all other assets are valued at their respective market values as determined by the management company, to the best of its knowledge, on the basis of generally accepted and verifiable valuation principles. If the fund is structured as a feeder UCITS, the shares of the Master-UCITS are valued at the redemption price of the Master-UCITS on the valuation day.
- e) If the relevant 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 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, on the basis of generally accepted, verifiable valuation models (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, such as 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 denominated in a currency other than the relevant sub-fund currency shall be converted into the relevant sub-fund currency at the exchange rate determined using WM/Reuters fixing at 5:00 p.m. (4:00 p.m. London time) on the trading day preceding the valuation day. Profits and losses from currency transactions will be added or deducted as applicable. The management company can stipulate for individual sub-funds that securities, money market instruments, derivative financial instruments (derivatives) and other assets denominated in a currency other than the relevant sub-fund currency shall be converted into

NOTES (continued)

the relevant sub-fund currency at the exchange rate prevailing on the valuation day. Profits and losses from currency transactions will be added or deducted as applicable. Details on this are contained in the annex to the sub-fund in question.

6. The various net sub-fund assets will be reduced by the amount of any distributions paid out to shareholders in the relevant sub-fund.
7. The net asset value per share is calculated separately for each sub-fund on the basis of the criteria provided above. However, if there are different share classes within a sub-fund, the resulting net asset value per share is calculated separately for each share class within this sub-fund on the basis of the criteria provided above. The composition and allocation of assets always occurs separately for each sub-fund.

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

Costs incurred for the establishment of the fund and the initial issue of shares 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.

3.) Taxation of the Master-UCITS

Taxation of the investment company and its sub-funds

The company is not subject to tax on income or profits from its assets in the Grand Duchy of Luxembourg. The assets of the company 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 share classes whose shares are only issued to institutional shareholders 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 share class in the relevant annex to the Sales Prospectus. An exemption from the “taxe d’abonnement” applies to sub-fund assets that are invested in other Luxembourg investment funds that are themselves already

Income received from the Investment Company (in particular interest and dividends) could be subject to withholding tax or investment tax in the countries where the (sub-)fund assets concerned are invested. The Investment Company could also be subject to tax on realised or unrealised capital gains in the source country. Neither the Depositary nor the Management Company is obliged to obtain tax certificates.

Taxation of earnings from shares in the investment company held by the shareholder

Natural persons who are resident for tax purposes in the Grand Duchy of Luxembourg

NOTES (continued)

are subject to the progressive Luxembourg income tax.

Companies that are resident for tax purposes in the Grand Duchy of Luxembourg are subject to corporate tax on income from the Fund shares.

Shareholders 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 shares in the Fund.

Shareholders and potential investors are advised to inform themselves about the laws and regulations that apply to taxation of the company assets and the subscription, purchase, possession, redemption or transfer of shares and to seek advice from outside third parties, in particular from a tax advisor.

4.) Use of income

The R and H share classes make per year up to two yearly pay-outs (annual dividend) in accordance with Article 35 (6) of the Articles of Association. In this context, income may arise from claims within the meaning of the Belgian regime of taxable income per share (abbreviation: BTIS regime) not only directly but also indirectly (i.e. via holding shares in investment companies or units in investment funds such as the master vehicle, regardless of whether they make distributions themselves). To avoid misunderstandings, it should be made clear that income from claims within the meaning of the BTIS regime in its currently valid version includes the sum of both interest and capital gains and capital losses on claims.

Detailed information regarding the use of income will, in principle, be published on the

management company's website (www.fvsinvest.lu).

5.) Information on fees and expenses

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

6.) Income and expense equalisation

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

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

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

8.) Events during the reporting period

The prospectus was changed, effective 1 January 2020, including editorial amendments and changes in the use of income. The calculation of the Performance Fee also changed since 1 January 2020:

The Fund Manager receives a performance fee from the net assets of the R and H share classes in the amount of up to 10% of the gross share value performance if the gross share value at the end of an accounting period exceeds the share value at the end of the preceding accounting periods from the last

NOTES (continued)

five years (“high-water mark principle”) but does not total more than 2.5% of the average net asset value of the sub-fund in the accounting period of the relevant share class. If the share value at the start of the accounting period is lower than the maximum of the share value of the relevant share class, as achieved at the end of the five preceding accounting periods (hereinafter referred to as the “high-water mark”), the high-water mark replaces the share value at the start of the accounting period for the purposes of calculating the share performance. If there are not full accounting periods for the sub-fund for the past five years, all previous accounting periods are taken into account when calculating the fee claim. For the first accounting period of the sub-fund, the share value replaces the high-water mark at the start of the first accounting period. The performance fee attributed to and accrued for share redemptions at the time of outperformance of the share class during the year is retained for these shares (“crystallisation”) and paid to the Management Company at the end of the accounting period.

Accounting period: The accounting period commences on 1 October and ends on 30 September of each calendar year. The accounting period may be reduced in the event of mergers, short financial years or the dissolution of the sub-fund. As a result of the mid-year conversion of the performance fee calculation on 1 January 2020, there will be a shortened accounting period from 1 January 2020 to 30 September 2020. When the performance fee calculation is converted as at 1 January 2020, the historical high-water mark since the creation of the sub-fund will be carried over for the respective share class as the first high-water mark for the new calculation.

The performance fee for the respective share class is calculated on each valuation date by comparing the current share value plus the performance amount contained in the current share value for each share (gross share value) to the highest share value at the end of the previous accounting periods (high-water mark) on the basis of the shares currently in circulation. In order to determine the share value performance, any distributions made in the meantime will be taken into account accordingly.

On the valuation dates on which the gross share value exceeds the high-water mark, the accrued total amount changes. On the valuation dates on which the gross share value falls below the high-water mark, the total amount accrued in the respective share class will be dissolved. The performance fee amount that has already been crystallised for share redemptions over the course of a year is also retained in the event of a future negative gross value performance.

The performance fee amount accrued on the last valuation date of the accounting period for the current shares in circulation and the crystallised assets may be taken from the sub-fund at the expense of the relevant share class at the end of the accounting period.

This fee is subject to value-added tax, if applicable.

Since the beginning of the year, the coronavirus Covid-19 has spread to most continents; in the meantime, Covid-19 has been classified as a pandemic by the WHO. It is not yet possible to predict the future impact of the resulting risk on the assets and liabilities in the portfolio. However, global economic activity is likely to be significantly affected. The Management Company and the Management are closely monitoring the measures taken to contain the virus and the economic impact. At

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present, there are no indications that speak against the continuation of the Fund.

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

9.) Events after the reporting period

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

10.) Transparency of securities financing transactions and their reuse

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

No securities financing transactions or total return swaps as defined in this Regulation were used during the investment company's financial year. Consequently, none of the disclosures specified in Article 13 of this Regulation must be provided in the annual report for shareholders.

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

Investment Company

Flossbach von Storch III SICAV

Registered office

Flossbach von Storch III SICAV
6, Avenue Marie-Thérèse
L-2132 Luxembourg, Luxembourg

Board of Directors of the Investment Company

Chairman of the Board of Directors
Dirk von Velsen
(from 1 October 2019)
Member of the Executive Board
Flossbach von Storch AG,
D- Cologne, Germany

Bernd Model
(until 30 September 2019)
Authorized signatory
Flossbach von Storch AG,
CH- Zurich, Switzerland

Member of the Board of Directors
Matthias Frisch
Independent Member

Member of the Board of Directors
Matthias Schirpke
Sous Directeur
IPConcept (Luxembourg) S.A.,
L-Strassen, Luxembourg

Auditor of the Investment Company

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

Management Company

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

Supervisory Board of the Management Company

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

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

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

Member of the Supervisory Board
Matthias Frisch
(from 1 October 2019)
Independent Member

Bernd Model
(until 30 September 2019)
Authorized signatory
Flossbach von Storch AG,
CH-Zurich, Switzerland

Executive Board of the Management Company (management body)

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

Auditor of the Management Company

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

Depositary

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

Central Administration Agent, Registrar and Transfer Agent

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

Paying Agent

Grand Duchy of Luxembourg

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

MANAGEMENT, DISTRIBUTION AND ADVISORY SERVICES (continued)

Fund Manager

Flossbach von Storch AG

Ottoplatz 1

D-50679 Cologne, Germany

**Additional Information for
Belgium**

**Sales, paying and information
agent**

Caceis Belgium S.A.

Avenue du Port 86C

Boite 320

B-1000 Brussels, Belgium