Annual report as at 30 September 2024

# Flossbach von Storch III SICAV

**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, as currently amended,
in the legal form of a Société d'Investissement à Capital Variable (SICAV)

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

Flossbach von Storch

# Contents



The sales prospectus with the integrated articles of association, 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 investment company, 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 shares 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 has been published thereafter.

# Report on business operations

Share class R of the Flossbach von Storch III SICAV - Multiple Opportunities II Feeder sub-fund ended the financial year of 1 October 2023 to 30 September 2024 with an 11.2% increase in value. This included a distribution of EUR 0.66 per share in November 2023.

By comparison, the MSCI World global equity index gained 25.6% (taking into account net dividends and calculated in euro). REXP (the German bond index) gained 6.1% in value during the reporting period, while the Bloomberg Global Aggregate (total return, hedged in EUR) global bond index gained 8.7%. The price of gold increased by 35.2% (calculated in euro). The euro rose 5.3% against the US dollar.

During the reporting period, the first negative effects of more restrictive monetary policy were observed on economic growth and the labour market, but a marked recession did not occur (particularly in the US). Against the backdrop of falling inflation rates, central banks signalled the beginning of an interest rate reversal. After interest rates rose temporarily to between 5.25% and 5.50% in the US and to 4.0% in the eurozone, the US Federal Reserve and the European Central Bank each reduced their rates by half a percentage point. The latest meeting of the Federal Reserve showed that the upside risks to inflation have decreased, while the downside risks to employment have increased. The Chair of the Federal Reserve, Jerome Powell, seems to be very conscious of his dual mandate. While the Fed continues to make data-driven decisions and there is no pre-defined path in terms of monetary policy, its attention is turning to potential risks, including the risk of further weakening in the labour market. The aim is to deal with any flashpoints where necessary before they spiral out of control – a reaction function that we know only too well from past crises. The prospect of yields falling further led to the prices of many bonds in the portfolio rising over the reporting period in an environment of comparatively low credit spreads.

The equity markets performed positively during the reporting period. In an environment with somewhat weak economic prospects, this was due in part to the boom in the development of artificial intelligence. Significant price gains in the highly weighted technology equities of Microsoft, Apple, Nvidia, Alphabet, Amazon and Meta had a considerable impact on the development of the MSCI World equity index. At the end of the reporting period, however, these equities had fallen from their all-time highs again.

The price of gold, measured both in euro and in US dollars, reached a new record high. Gold has been trending positively for many years now, especially in times of crisis. We believe that this precious metal will continue to be an important anchor of value in the future in an increasingly complex and fragile world – not least given that public debt is constantly increasing.

Following the investment guidelines of Flossbach von Storch - Multiple Opportunities II (“Master UCITS”), which is part of the Flossbach von Storch Fund, the portfolio management took this capital market environment into account as follows: The sub-fund had around EUR 278 million in assets under management as at 30 September 2024. The five largest equity positions of the Master UCITS were Berkshire Hathaway, Reckitt Benckiser, Deutsche Börse, Mercedes-Benz Group and Unilever, which together accounted for around 16.2% of the sub-fund assets. The exchange rate risks of existing fund positions were not hedged at financial year end. For this reason, positions in put options were built up on the S&P 500 index in the amount of 7.9% (delta-weighted).

The composition of the Master UCITS remained largely unchanged during the reporting period, with the exception of the hedging on the S&P 500. At the end of the financial year the gross equity quota was 68.7%, on a par with the previous year. Some 16.7% of the sub-fund's assets was invested in bonds, with a large portion of those being short-term government bonds. The precious metals quota was 9.5% at financial year end. This allocation is held in the form of ETCs (exchange-traded commodities) by the Master UCITS and is used to diversify and hedge the overall portfolio.

Luxembourg, December 2024

The Fund Manager on behalf of the Board of Directors
of Flossbach von Storch III SICAV

***The information stated in the report is historical and is not representative of future results.***

# Flossbach von Storch III SICAV - Multiple Opportunities II Feeder

## Annual report

**1 October 2023 - 30 September 2024**

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 the unit class MT (ISIN: LU1716948093) of the Master-UCITS Flossbach von Storch - Multiple Opportunities II.

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

The fund is entitled to 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 |
| **Subscription fee:** | up to 5.00% | up to 5.00% |
| **Redemption fee:** | none | none |
| **Management fee:** | 1.53% p.a. | 0.88% p.a. |
| **Minimum Initial Investment:** | none | none |
| **Use of Income:** | distributing | distributing |
| **Currency:** | EUR | EUR |

### Geographical breakdown[1)]

| | |
|---|---|
| Luxembourg | 99.75% |
| **Securities holdings** | **99.75%** |
| Cash at bank | 1.24% |
| Balance of other receivables and payables | -0.99% |
| | **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.

**Flossbach von Storch III SICAV - Multiple Opportunities II Feeder**

## Sector breakdown[1)]

| | |
|---|---|
| Investment fund holdings | 99.75% |
| **Securities holdings** | **99.75%** |
| Cash at bank | 1.24% |
| Balance of other receivables and payables | -0.99% |
| | **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.

## Performance over the last 3 financial years

### Share class R

| Date | Net share class assets EUR millions | Shares outstanding | Net cash inflow EUR thousands | Share value EUR |
|---|---|---|---|---|
| 30.09.2022 | 130.49 | 1,169,742 | -16,956.00 | 111.56 |
| 30.09.2023 | 141.31 | 1,197,582 | 3,147.44 | 117.99 |
| 30.09.2024 | 137.24 | 1,052,383 | -17,953.70 | 130.41 |

### Share class H

| Date | Net share class assets EUR millions | Shares outstanding | Net cash inflow EUR thousands | Share value EUR |
|---|---|---|---|---|
| 30.09.2022 | 148.41 | 1,298,724 | 17,701.49 | 114.27 |
| 30.09.2023 | 156.60 | 1,288,549 | -1,188.52 | 121.53 |
| 30.09.2024 | 141.18 | 1,046,410 | -31,844.56 | 134.92 |

## Composition of net sub-fund assets
as at 30 September 2024

| | EUR |
|---|---|
| Securities holdings | 277,724,357.63 |
| (acquisition cost of securities: EUR 221,633,591.77) | |
| Cash at bank | 3,454,600.68 |
| Interest receivables | 26,884.78 |
| Receivable on subscriptions | 163,635.08 |
| Receivables from securities transactions | 341,621.87 |
| | **281,711,100.04** |
| Payable on redemptions | -400,407.02 |
| Payables from securities transactions | -107,217.50 |
| Other liabilities[1)] | -2,781,937.57 |
| | **-3,289,562.09** |
| **Net sub-fund assets** | **278,421,537.95** |

1) This position consists primarily of performance fee payables and Belgian annual tax („Taxe annuelle sur les organismes de placement collectif“).

**Flossbach von Storch III SICAV - Multiple Opportunities II Feeder**

## Allocation to the share classes

| **Share class R** | |
|---|---|
| Proportion of net sub-fund assets | 137,239,681.89 EUR |
| Number of shares outstanding | 1,052,382.539 |
| Share value | 130.41 EUR |

| **Share class H** | |
|---|---|
| Proportion of net sub-fund assets | 141,181,856.06 EUR |
| Number of shares outstanding | 1,046,410.347 |
| Share value | 134.92 EUR |

## Statement of changes in net sub-fund assets

in the reporting period from 1 October 2023 to 30 September 2024

| | Total EUR | Share class R EUR | Share class H EUR |
|---|---|---|---|
| Net sub-fund assets at the beginning of the reporting period | 297,904,494.69 | 141,307,232.45 | 156,597,262.24 |
| Ordinary net expenditure | -3,975,864.65 | -2,254,251.66 | -1,721,612.99 |
| Income and expense equalisation | -391,651.83 | -109,597.04 | -282,054.79 |
| Cash inflows from subscriptions | 24,654,002.77 | 8,322,716.36 | 16,331,286.41 |
| Cash outflows from redemptions | -74,452,261.13 | -26,276,411.78 | -48,175,849.35 |
| Realised gains | 10,939,010.10 | 5,153,727.06 | 5,785,283.04 |
| Net change in unrealised gains | 25,393,874.71 | 11,880,349.17 | 13,513,525.54 |
| Distributions | -1,650,066.71 | -784,082.67 | -865,984.04 |
| **Net sub-fund assets at the end of the reporting period** | **278,421,537.95** | **137,239,681.89** | **141,181,856.06** |

## Changes in number of shares outstanding

| | Share class R No. of shares | Share class H No. of shares |
|---|---|---|
| Shares outstanding at the beginning of the reporting period | 1,197,582.167 | 1,288,549.443 |
| Shares issued | 66,713.794 | 129,189.129 |
| Shares redeemed | -211,913.422 | -371,328.225 |
| **Shares outstanding at the end of reporting period** | **1,052,382.539** | **1,046,410.347** |

Flossbach von Storch III SICAV - Multiple Opportunities II Feeder

## Statement of income and expenses

in the reporting period from 1 October 2023 to 30 September 2024

| | Total EUR | Share class R EUR | Share class H EUR |
|---|---|---|---|
| **Income** | | | |
| Bank interests | 88,659.05 | 41,416.64 | 47,242.41 |
| Income equalisation | -8,488.24 | -1,853.26 | -6,634.98 |
| **Total income** | **80,170.81** | **39,563.38** | **40,607.43** |
| **Expenses** | | | |
| Interest expense | -0.22 | -0.10 | -0.12 |
| Performance fee | -2,446,357.43 | -1,015,981.31 | -1,430,376.12 |
| Management fee | -1,632,227.33 | -1,212,760.50 | -419,466.83 |
| Depositary fee | -25,913.11 | -12,104.87 | -13,808.24 |
| Central administration agent fee | -10,890.23 | -5,087.21 | -5,803.02 |
| Taxe d'abonnement | -596.11 | -276.48 | -319.63 |
| Publication and auditing costs | -26,269.26 | -12,397.53 | -13,871.73 |
| Typesetting, printing and dispatch costs for the annual and semi-annual reports | -4,040.57 | -1,852.97 | -2,187.60 |
| Registrar and transfer agent fee | -7,838.11 | -3,659.41 | -4,178.70 |
| State fees | -13,818.28 | -6,453.46 | -7,364.82 |
| Other expenses[1)] | -288,224.88 | -134,691.50 | -153,533.38 |
| Expense equalisation | 400,140.07 | 111,450.30 | 288,689.77 |
| **Total expenses** | **-4,056,035.46** | **-2,293,815.04** | **-1,762,220.42** |
| **Ordinary net expenditure** | **-3,975,864.65** | **-2,254,251.66** | **-1,721,612.99** |
| **Ongoing charges as a percentage[2)]** | | **1.71** | **1.10** |

1) This position consists primarily of accruals for Belgian annual tax („Taxe annuelle sur les organismes de placement collectif”) and general administrative expenses.

2) See the notes to the annual report.

**Flossbach von Storch III SICAV - Multiple Opportunities II Feeder**

## Statement of assets as at 30 September 2024

| ISIN | Securities | | Additions in the reporting period | Disposals in the reporting period | Quantity | Price | Market value EUR | % share[1] |
|---|---|---|---|---|---|---|---|---|
| **Investment fund holdings[2]** | | | | | | | | |
| **Luxembourg** | | | | | | | | |
| LU1716948093 | Flossbach von Storch - Multiple Opportunities II MT | EUR | 85,066 | 478,587 | 1,886,074 | 147.2500 | 277,724,357.63 | 99.75 |
| | | | | | | | **277,724,357.63** | **99.75** |
| **Investment fund holdings** | | | | | | | **277,724,357.63** | **99.75** |
| **Securities holdings** | | | | | | | **277,724,357.63** | **99.75** |
| **Cash at bank** | | | | | | | **3,454,600.68** | **1.24** |
| **Balance of other receivables and payables** | | | | | | | **-2,757,420.36** | **-0.99** |
| **Net sub-fund assets in EUR** | | | | | | | **278,421,537.95** | **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 0.65% p.a. is calculated for units held of the target fund.

## Additions and disposals from 1 October 2023 to 30 September 2024

During the reporting period, 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 2024 there were only assets in the sub-fund currency (Euro).

# Notes to the annual report as at 30 September 2024

## 1.) General information

Flossbach von Storch III SICAV (the "investment company", the "investment fund") is an open-ended investment fund, incorporated on 5 December 2017 as a "Société d'Investissement à Capital Variable" for an unlimited period of time. The investment company is governed by the provisions of Part I of the Law of 17 December 2010, as amended, relating to Undertakings for Collective Investments (the "Law of 2010"). Its articles of association were initially published on 27 December 2017 in Mémorial, Recueil des Sociétés et Associations the official journal of the Grand Duchy of Luxembourg ('Mémorial') and updated on 13 November 2020. The investment company is registered in the Luxembourg Trade and Companies Register under registration number R.C.S. Luxembourg B 220220.

The management company of the investment company is 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, 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 sole sub-fund of the investment company is a Feeder-UCITS within the meaning of Article 77 of the Law of 2010, whereas it invests at least 85% of its assets in units of the sub-fund Flossbach von Storch Multiple Opportunities II - MT (the "Master-UCITS"), a legally dependent fund in accordance with Chapter 2 of the Law of 2010. 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 Master-UCITS can be downloaded from the website of the management company (www.fvsinvest.lu).

The fund consists of one sub-fund, the Flossbach von Storch III SICAV - Multiple Opportunities II Feeder, as at 30 September 2024. Consequently, the composition of the net sub-fund assets as at 30 September 2024 , the statement of changes in net sub-fund assets, the statement of income and expenses for the year then ended of Flossbach von Storch III SICAV - Multiple Opportunities II Feeder correspond to the statements of the fund Flossbach von Storch III SICAV.

## 2.) Key accounting and valuation principles

This annual report has been prepared under the responsibility of the board of directors of the investment company in accordance with Luxembourg legal and regulatory requirements under the going concern basis of accounting.

1. The net company assets of the investment company are denominated in euro (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 investment 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. The net asset value per share is calculated and rounded to two decimal places by the investment company or its appointee, 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"). In order to calculate the net asset value per share, the value of the assets of each sub-fund less the

Notes to the annual report as at 30 September 2024 (continued)

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.

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 the 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 investments officially listed on a stock exchange are valued at the latest available trade price on the trading day preceding the valuation day which provides a reliable valuation. If securities, money market instruments, derivative financial instruments (derivatives) and other assets are officially listed on more than one stock exchange, the stock exchange with the highest liquidity will be the definitive one.

b) Securities, money market instruments, derivative financial instruments (derivatives) and other investments not officially listed on a securities exchange (or whose stock exchange rates are not deemed representative, e.g. due to lack of liquidity) but traded on a regulated market, shall be valued at a price no less than the bid price and not more than the offer price of the trading day preceding the valuation day, which the investment 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.

c) OTC derivatives are valued on a daily basis using a method to be determined and validated by the investment company in good faith on the basis of the sale value that is likely to be attainable and using generally accepted and verifiable valuation models.

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 fund shares has been suspended or if no redemption price has been set, these shares and all other assets are valued at their appropriate market values as determined in good faith by the investment company in line with generally accepted and verifiable valuation models.

e) If the relevant prices are not market prices and if no prices have been set in respect of financial instruments other than those mentioned in subsections a) to d), the values of these financial instruments and of any other legally permissible assets are valued at their market prices as determined in good faith by the investment company in line with generally accepted and verifiable valuation models (e.g. using suitable valuation models and taking current market conditions into account).

f) The liquid funds are valued at nominal value plus interest.

g) Receivables, for example, deferred interest claims and liabilities, shall in principle be recognised at their nominal value.

h) The market values of securities, money market instruments, derivative financial instruments (derivatives) and other assets denominated in a currency other than the relevant sub-fund currency are converted into the relevant sub- fund currency at the exchange rate prevailing at 5:00 p.m. (4:00 p.m. GMT/BST) on the trading day preceding the valuation day, as determined via WM/Reuters fixing. Profits and losses from currency transactions will be added or deducted as applicable.

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.

The net asset value per share is calculated separately for each sub-fund according to the criteria listed above. If share classes were created within a given sub-fund, the resulting net asset value per sub-fund is calculated separately for each share class within the sub-fund according to the above criteria.

a) The composition and allocation of assets always occurs separately for each sub-fund.

b) Cash inflows from share issues increase the share of the respective share class as a percentage of the total value of the sub-fund assets. Cash outflows from share redemptions decrease the share of the respective share class as a percentage of the total value of the sub-fund assets.

c) If a distribution is carried out, the value of the shares entitled to distributions is reduced by the amount of the distribution. At the same time it

Notes to the annual report as at 30 September 2024 (continued)

reduces this share class as a percentage of total sub-fund assets, while the share class not entitled to distributions increases as a percentage of total sub-fund assets.

Sub-fund assets are generally valued by the management company, under the supervision of the Board of Directors of the investment company. The management company may delegate the valuation of assets and make use of an external valuation agent that meets the statutory regulations. The latter may not delegate its valuation function to a third party. The management company notifies the relevant supervisory authority if an external valuation agent is appointed. Even if it has appointed an external valuation agent, the management company remains responsible for the proper valuation of sub-fund assets and for calculating and publishing the net asset value. Notwithstanding the preceding sentence, the external valuation agent is liable to the management company for any losses incurred by the management company that can be attributed to the external valuation agent's negligence or intentional non-performance of its duties.

## 3.) Master-feeder structure

The sub-fund of the investment company is a Feeder-UCITS within the meaning of Article 77 of the Law of 2010, whereas it invests at least 85% of its assets in units of the class MT of the sub-fund Flossbach von Storch - Multiple Opportunities II (the "Master-UCITS"), a legally dependent fund in accordance with Chapter 2 of the Law of 2010.

The following table provides details on the master-feeder structure as at 30 September 2024:

| Master-UCITS | Feeder-UCITS sub-fund | Currency | Amount of aggregate charges | Aggregate charges in % | % of ownership of the Master-UCITS |
|---|---|---|---|---|---|
| Flossbach von Storch - Multiple Opportunities II (unit class MT) | Flossbach von Storch III SICAV - Multiple Opportunities II Feeder (share class R) | EUR | 3,430,245.23 | 2.48% | 1.18% |
| Flossbach von Storch - Multiple Opportunities II (unit class MT) | Flossbach von Storch III SICAV - Multiple Opportunities II Feeder (share class H) | EUR | 3,105,332.34 | 1.97% | 1.21% |
| **Flossbach von Storch - Multiple Opportunities II (unit class MT)** | **Flossbach von Storch III SICAV - Multiple Opportunities II Feeder** | **EUR** | **6,535,577.57** | **2.21%** | **2.39%** |

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

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

## 4.) Taxation

### Taxation of the investment company and its sub-fund

The investment company's assets are not subject to taxation on their income and profits in the Grand Duchy of Luxembourg. The investment company's assets are only subject to the "taxe d'abonnement" currently amounting to 0.05% p.a. A reduced "taxe d'abonnement" of 0.01% p.a. is applied to (i) the sub-funds or share classes, the shares of which are issued exclusively to institutional shareholders within the meaning of Article 174 of the Law of 17 December 2010, (ii) sub-funds whose sole purpose is to invest in money market instruments, in time deposits with credit institutions or both. The "taxe d'abonnement" is payable quarterly, based on the investment company'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, inter alia, to the extent that the fund assets are invested in other Luxembourg investment funds, which in turn are already subject to the "taxe d'abonnement".

Income received by the investment company (in particular interest and dividends) may be subject to withholding or investment tax in the countries in which the relevant (sub-)fund assets are invested. The investment company may also be taxed on realised or unrealised capital gains of its investments in the source country. Neither the Depositary nor the Management Company are obliged to collect tax certificates.

Interested parties and investors are recommended to find out about laws and regulations which are applied to

Notes to the annual report as at 30 September 2024 (continued)

the taxation of corporate assets, the subscription, the purchase, the ownership, the redemption or the transfer of shares and to call on the advice of external third parties, especially a tax adviser.

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

Natural persons resident for tax purposes in the Grand Duchy of Luxembourg are subject to Luxembourg progressive income tax.

Companies resident for tax purposes in the Grand Duchy of Luxembourg are subject to corporation tax on the income from the fund shares.

Shareholders who are or were not resident for tax purposes in the Grand Duchy of Luxembourg and do not maintain a permanent establishment or have a permanent representative, are not subject to Luxembourg income tax with respect to their income or capital gains from their shares in the Fund.

Prospective investors and shareholders should inform themselves of the laws and regulations applicable to the purchase, holding and redemption of shares and, where appropriate, seek professional advice.

## 5.) Use of income

The R and H share classes may distribute an 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, 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).

## 6.) Information on fees and expenses

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

For the reporting period ended 30 September 2024 the performance fee charged to the sub-fund is the following:

### Flossbach von Storch III SICAV - Multiple Opportunities II Feeder

| Share class | Performance fee (EUR) | % share[1)] |
|---|---|---|
| R | 1,015,981.31 | 0.74 |
| H | 1,430,376.12 | 1.01 |

1) The figures relate to the share class net asset value.

## 7.) 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 gives the total sum of these costs as a percentage of the average net asset value of the respective share class over 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.

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

All of the investment company'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.

## 9.) 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 shares as part of the subscription price and passed on to the party selling shares in the redemption price.

## 10.) 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

Notes to the annual report as at 30 September 2024 (continued)

and their contribution to the overall risk profile of the investment portfolio of the funds managed by the management company. In accordance with the Law of 17 December 2010 and the applicable supervisory requirements of the Commission de Surveillance du Secteur Financier ("CSSF"), the management company reports regularly to the CSSF on the risk management procedure it applies. As part of its risk management procedure, the management company ensures, through the use of effective and appropriate methods, that the overall risk connected with derivatives in the funds managed does not exceed the total net value of their portfolios.

In accordance with the sales prospectus valid at the end of the financial year, the sub-fund is subject to the following risk management method:

| Sub-fund | Risk management procedure used |
|---|---|
| Flossbach von Storch III SICAV - Multiple Opportunities II Feeder | Commitment approach |

The commitment approach was used between 1 October 2023 and 30 September 2024 to monitor and measure the overall risk associated with derivatives for the sub-fund Flossbach von Storch III SICAV – Multiple Opportunities II Feeder.

Under the commitment approach, positions in derivative financial instruments are converted into their underlying equivalent using the delta method. This takes account of netting and hedging effects between derivative financial instruments and their underlyings. Equivalent to underlyings, their total value must not exceed the total net value of the fund portfolio.

### 11.) Events in the reporting period

During the reporting period, the sales prospectus has been revised and updated.

The first update was made as of 29 December 2023 due to the Delegated Regulation (EU) 2023/363.

In addition the prospectus has been revised and updated with effect from 15 March 2024. The changes are as follows:

- adaptions of the pre-contractual disclosures for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852 to the Master-UCITS.

The Board of Directors has decided to change the depositary from DZ PRIVATBANK S.A. to BNP PARIBAS, Succursale de Luxembourg, with effect from 1 November 2024. In this context, the sales prospectus was updated as at 11 July 2024.

There were no other significant changes or other significant events in the reporting period.

### 12.) Significant events after the reporting period

With effect from 1 November 2024, the functions of the registrar and transfer agent as well as partial functions of the central administration were transferred from DZ PRIVATBANK S.A. to BNP PARIBAS, Succursale de Luxembourg. At the same time, the paying agent function was transferred from DZ PRIVATBANK S.A. to BNP PARIBAS, Succursale de Luxembourg. In the course of the change of service providers, the following changes were also made, which were taken into account in the sales prospectus dated 1 November 2024:

a) Amendments to the fee structure: A central administration agent fee was introduced for the fund, which is charged instead of individual service provider costs and will cover various services. Further information on costs can be found in the currently valid sales prospectus.

b) Amendments to the valuation: Securities, money market instruments, derivative financial instruments (derivatives) and other investments domiciled in Asia or Oceania will be valued on the basis of the last known price at the time of valuation on the valuation day.

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

### 13.) Sustainability-related disclosures obligations

The Flossbach von Storch III SICAV - Multiple Opportunities II Feeder is as an Article 8 product within the meaning of Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November November 2019 on sustainability-related disclosures in the disclosure requirements in the financial services sector ("SFDR", "Disclosure Regulation"). The Information on the environmental and/or social characteristics promoted by the sub-fund is included in the annex of this annual report.

**Audit report**

To the Shareholders of
**Flossbach von Storch III SICAV**

**Our opinion**

In our opinion, the accompanying financial statements give a true and fair view of the financial position of Flossbach von Storch III SICAV (the "Fund") and of each of its sub-funds as at 30 September 2024, and of the results of their operations and changes in their net assets for the year then ended in accordance with Luxembourg legal and regulatory requirements relating to the preparation and presentation of the financial statements.

*What we have audited*

The Fund's financial statements comprise:

- the composition of net sub-fund assets as at 30 September 2024;
- the statement of changes in net sub-fund assets for the year then ended;
- the statement of income and expenses for the year then ended;
- the statement of assets as at 30 September 2024; 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 Fund 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 Fund for the financial statements**

The Board of Directors of the Fund 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 Fund 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 Fund 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 Fund 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 Fund;

- conclude on the appropriateness of the Board of Directors of the Fund’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, 28 January 2025

Urs Kessler

# 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 long-term 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 2023 was 41. The total remuneration of these employees in relation to the present investment company was approx. EUR 30k (excluding employer social security contributions). Of this, approx. 72% was attributable to fixed remuneration components, of which EUR 12k was attributable to risk takers. The proportion of variable remuneration components to staff costs on the whole was approx. 28%, of which EUR 7k was attributable to risk takers. Of a total of 41 employees (excluding Supervisory Board members), 35 employees received variable remuneration.

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

In the 2023 financial year, the total Flossbach von Storch SE staff costs (excluding employer social security contributions and employer contributions to the company pension scheme), in relation to the present fund amounted to EUR 290k. Of this, approx. 72% was attributable to fixed remuneration components. The proportion of variable remuneration components to staff costs on the whole was approx. 28%. In the 2023 financial year, 298 employees out of a total of 324 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 shareholders.

Other Information (unaudited) (continued)

Detailed information on the investment company’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
2, rue Jean Monnet
L-2180 Luxembourg, Luxembourg

### Board of Directors of the Investment Company

Chairman of the Board of Directors
Kurt von Storch
Chairman of the Board of Directors
Flossbach von Storch SE

Member of the Board of Directors
Matthias Frisch
Independent Member of the Board of Directors

Member of the Board of Directors
Carmen Lehr
Independent Member of the Board of Directors

### 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.
2, rue Jean Monnet
L-2180 Luxembourg, Luxembourg

### Supervisory Board of the Management Company

Chairman of the Supervisory Board
Kurt von Storch
Chairman of the Board of Directors
Flossbach von Storch SE

Member of the Supervisory Board
Matthias Frisch
Independent Member

Member of the Supervisory Board
Carmen Lehr
Independent Member

### Executive Board of the Management Company

Christoph Adamy
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

BNP PARIBAS,
Succursale de Luxembourg
(since 1 November 2024)
60, avenue J.F. Kennedy
L-1855 Luxembourg, 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

BNP PARIBAS,
Succursale de Luxembourg
(since 1 November 2024)
60, avenue J.F. Kennedy
L-1855 Luxembourg, Luxembourg

### Paying Agent Grand Duchy of Luxembourg

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

BNP PARIBAS,
Succursale de Luxembourg
(since 1 November 2024)
60, avenue J.F. Kennedy
L-1855 Luxembourg, Luxembourg

### Fund Manager

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

### Additional Information for investors in Belgium

### Information Agent

CACEIS Bank, Belgium Branch
Avenue du Port 86C
Boite 320
B-1000 Brussels, Belgium

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

**Product name:**
**Flossbach von Storch III SICAV - Multiple Opportunities II Feeder**

**Legal entity identifier:**
**529900XU7KKSI9UVXO78**

**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___% 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 III SICAV - Multiple Opportunities II Feeder, 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 indicators perform?".
2) **An engagement policy** was pursued to work towards positive development in the event of particularly **severe negative impacts** on certain sustainability factors. The engagement policy covered the following areas: greenhouse gas emissions and social/employee matters.

At the end of the reporting period, 85.59% 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 III SICAV - Multiple Opportunities II Feeder 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 were 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% of their turnover from controversial weapons,
> 10% of their turnover from producing and/or selling armaments,
> 5% of their turnover from producing tobacco products,
> 30% of their turnover from mining and/or selling coal.

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

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

**Greenhouse gas emissions:**

In order to measure particularly severe negative impacts on certain sustainability factors relating to greenhouse gas emissions, in-house ESG analyses examined 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.

The 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 2024:

- 42 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
- 5 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 examined 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 the reporting period none of the investee companies was found to have committed any particularly serious violation of the above Principles or Guidelines.

**Measures taken:**

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

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

**1) Performance of applied exclusions criteria**

Previous and current reporting period: The sub-fund complied with all applied exclusion criteria.

**2) Adverse sustainability impacts considered**

**Greenhouse gas emissions**

Previous and current reporting period:

**None** of the portfolio companies showed any particularly severe impacts on **greenhouse gas emissions** within the proprietary analysis process.

**Social and employee matters**

Previous reporting period:

**1** of the portfolio companies showed particularly severe impacts on **social and employee matters** within the proprietary analysis process.

Current reporting period:

**None** of the portfolio companies showed any particularly severe impacts on **social and employee matters** within the proprietary analysis process.

- ***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 III SICAV - Multiple Opportunities II Feeder 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 III SICAV - Multiple Opportunities II Feeder did not make any sustainable investments.

  - *How were the indicators for adverse impacts on sustainability factors 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 ("Companies without 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 III SICAV - Multiple Opportunities II Feeder.

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-reward 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 engagement policy:**
In the event of particularly severe negative impacts, the engagement policy attempts to work towards positive development by engaging with prioritised companies. Further details of the measures taken are presented in the section “What actions have been taken to meet the environmental and/or social characteristics during the reference period?”.

**Applied exclusions:**
Compliance with 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”, e.g. (non-exhaustive list):

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

## What were the top 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 2023 – 30 September 2024

The information presented provides an overview of the fifteen top 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.

| Largest investments | Sector | % of assets | Country |
|---|---|---|---|
| Invesco Physical Markets Plc./Gold Unze Zert. v.09(2100) | Gold | 9.69% | United States of America |
| Berkshire Hathaway Inc. | Financials | 3.93% | United States of America |
| Reckitt Benckiser Group Plc. | Consumer Staples | 3.48% | United Kingdom |
| Dte. Börse AG | Financials | 3.36% | Germany |
| Mercedes-Benz Group AG | Consumer Discretionary | 3.00% | Germany |
| Nestlé S.A. | Consumer Staples | 2.80% | Switzerland |
| adidas AG | Consumer Discretionary | 2.73% | Germany |
| Unilever Plc. | Consumer Staples | 2.46% | United Kingdom |
| Bayer. Motoren Werke AG | Consumer Discretionary | 2.39% | Germany |
| Alphabet Inc. | Communication Services | 2.16% | United States of America |
| Amazon.com Inc. | Consumer Discretionary | 2.12% | United States of America |
| Roche Holding AG Genussscheine | Health Care | 2.03% | Switzerland |
| Microsoft Corporation | Information technology | 2.00% | United States of America |
| Abbott Laboratories | Health Care | 1.94% | United States of America |
| Charles Schwab Corporation | Financials | 1.89% | United States of America |

**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 85.59% as at 30 September 2024. 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 III SICAV - Multiple Opportunities II Feeder.

### *What was the asset allocation?*

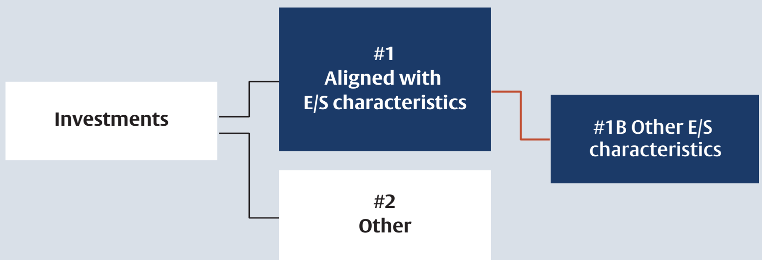
The asset allocation of Flossbach von Storch III SICAV - Multiple Opportunities II Feeder as at 30 September 2024, after a look-through of the assets held by the Master UCITS, was as follows.

**#1 Aligned with E/S characteristics:**

85.59% were 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 (14.41%) related, for example, to liquid assets (esp. cash to service short-term payment obligations), derivatives, 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 | 12.74% |
| Financials | Financial Services | 12.13% |
| Gold | Gold | 9.54% |
| Consumer Discretionary | Automobiles & Components | 8.73% |
| Consumer Staples | Household & Personal Products | 7.98% |
| Health Care | Pharmaceuticals, Biotechnology & Life Sciences | 7.96% |
| Industrials | Capital Goods | 6.82% |
| Consumer Staples | Food, Beverage & Tobacco | 5.54% |
| Consumer Discretionary | Consumer Durables & Apparel | 5.47% |
| Information technology | Software & Services | 5.37% |
| Information technology | Technology Hardware & Equipment | 2.98% |
| Consumer Discretionary | Consumer Discretionary Distribution & Retail | 2.11% |
| Health Care | Health Care Equipment & Services | 1.95% |
| Communication Services | Media & Entertainment | 1.57% |
| Consumer Discretionary | Consumer Services | 1.44% |
| Financials | Banks | 0.98% |
| Materials | Materials | 0.83% |
| Communication Services | Telecommunication Services | 0.49% |
| Financials | Insurance | 0.27% |
| Real Estate | Real Estate Management & Development | 0.19% |
| Utilities | Utilities | 0.04% |
| Other | Others | 4.87% |

0% of the sub-fund assets were invested in the fossil fuels sector.

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

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 III SICAV - Multiple Opportunities II Feeder 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%.

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

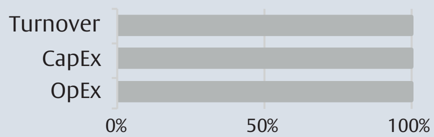
☐ Yes

☐ In fossil gas ☐ In nuclear energy

☒ No

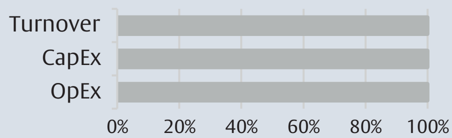
The graphs below show in green the percentage of investments that were aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy alignment of sovereign bonds*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product 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 III SICAV - Multiple Opportunities II Feeder promotes E/S characteristics but is not striving to make sustainable investments. Accordingly, the share of investments in transitional and enabling activities was 0%.

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

Not applicable. Flossbach von Storch III SICAV - Multiple Opportunities II Feeder 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 III SICAV - Multiple Opportunities II Feeder promotes E/S characteristics but does not make sustainable investments.

## What was the share of socially sustainable investments?

Not applicable. Flossbach von Storch III SICAV - Multiple Opportunities II Feeder 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 2024:

- 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 III SICAV - Multiple Opportunities II Feeder:

**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) Engagement 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 4 portfolio companies that have not yet set themselves any climate targets. As at 30 September 2024: The discussions are still ongoing, in the event the engagement with these companies could not be concluded.

**Social and employee matters**

During the reporting period, no portfolio companies were identified by means of in-house analysis as being guilty of particularly serious violations of UNGC principles and OECD guidelines. Accordingly, there was no exposure with any reference to particularly severe negative impacts during the reporting period.

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?

Not applicable. Flossbach von Storch III SICAV - Multiple Opportunities II Feeder promotes E/S characteristics but does not designate an index as a reference benchmark.

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

**Independent Limited Assurance Report on the SFDR periodic reporting**

To the Board of Directors of
**Flossbach von Storch III SICAV**

We have performed a limited assurance engagement with respect to the periodic reporting according to the Regulation (EU) 2019/2088 (SFDR) on sustainability-related disclosures in the financial sector (the “SFDR periodic reporting”) of the sub-fund of Flossbach von Storch III SICAV (the “Fund”) as detailed in the Appendix 1 for the year ended 30 September 2024.

## Criteria

The criteria used by Flossbach von Storch III SICAV to prepare the SFDR periodic reporting is set out in the Appendix 2 (the “Criteria”) which are based on the requirements from the Article 11 of SFDR as well as the requirements of the Article 6 of the Regulation (EU) 2020/852 on the establishment of a framework to facilitate sustainable investment (the “EU Taxonomy”).

## Responsibilities of the Board of Directors

The Board of Directors of the Fund is responsible for the preparation of the SFDR periodic reporting in accordance with the Criteria, including the selection and consistent application of appropriate indicators and calculation methods as well as making assumptions and estimates, which are reasonable in the circumstances. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation of the SFDR periodic reporting that is free from material misstatement, whether due to fraud or error.

## Inherent limitations

The absence of a significant body of established practice on which to draw to evaluate and measure non-financial information allows for different, but acceptable, measures and measurement techniques and can affect comparability between entities. In addition, we do not provide any assurance over the source information that the Fund obtained directly from the investments or third-party experts.

## Our Independence and Quality Management

We have complied with the independence and other ethical requirements of 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 "Commission de Surveillance du Secteur Financier" (CSSF), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Our firm applies International Standard on Quality Management 1, as adopted for Luxembourg by the CSSF, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

## Responsibility of the "Réviseur d'entreprises agréé"

Our responsibility is to express a limited assurance conclusion on the SFDR periodic reporting based on the procedures we have performed and the evidence we have obtained. We conducted our limited assurance engagement in accordance with the International Standard on Assurance Engagements (ISAE) 3000 (Revised) *Assurance Engagements other than Audits or Reviews of Historical Financial Information,* as adopted for Luxembourg by the "Institut des Réviseurs d'Entreprises". This Standard requires that we plan and perform our engagement to obtain limited assurance about whether the SFDR periodic reporting is free from material misstatement.

A limited assurance engagement involves assessing the suitability in the circumstances of the Fund's use of the Criteria as the basis for the preparation of the SFDR periodic reporting, assessing the risks of material misstatement of the SFDR periodic reporting whether due to fraud or error, responding to the assessed risks as necessary in the circumstances, and evaluating the overall presentation of the SFDR periodic reporting. A limited assurance engagement is substantially less in scope than a reasonable assurance engagement in relation to both the risk assessment procedures, including an understanding of internal control, and the procedures performed in response to the assessed risks.

## Summary of work performed

The procedures we performed were based on our professional judgment and included inquiries, observation of processes performed, inspection of documents, analytical procedures, evaluating the appropriateness of quantification methods and reporting policies, and agreeing or reconciling with underlying records.

Given the circumstances of the engagement, in performing the procedures listed above, we:

- gained an understanding of the process of compilation of the SFDR periodic reporting;
- gained an understanding of the Criteria and its suitability for the evaluation of the SFDR periodic reporting;
- gained an understanding of the design and operation of the controls in place in relation to the preparation of the SFDR periodic reporting;
- evaluated the reasonableness of those estimates and judgements made by management in the preparation of the information included in the SFDR periodic reporting, that we considered relevant for the purpose of our limited assurance conclusion;
- performed substantive testing using sampling techniques on the information included in the SFDR periodic reporting, and assessing the related disclosures; and
- reconciled disclosures with the corresponding data in the audited financial statements, when applicable.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had we performed a reasonable assurance engagement. Accordingly, we do not express a reasonable assurance opinion about whether the SFDR periodic reporting has been prepared, in all material respects, in accordance with the Criteria.

## Limited Assurance Conclusion

Based on the procedures we have performed and evidence we have obtained, nothing has come to our attention that causes us to believe that the SFDR periodic reporting for the year ended 30 September 2024 has not been prepared, in all material respects, in accordance with the Criteria.

## Purpose and Restriction on use

This report, including the opinion, has been prepared for and only for the Board of Directors of the Fund in accordance with the terms of our engagement letter and is not suitable for any other purpose. We do not accept any responsibility to any other party to whom it may be distributed.

PricewaterhouseCoopers, Société coopérative
Represented by

Luxembourg, 27 January 2025

Kenny Panjanaden
Réviseur d’entreprises agréé

**Appendix 1**
**List of sub-funds and related SFDR classification**

| Sub-fund's name | SFDR classification |
|---|---|
| Flossbach von Storch III SICAV – Multiple Opportunities II Feeder | Article 8 |

**Appendix 2**
**Criteria**

**General Criteria:**

- Appropriate use of the Annex IV (for Article 8 products) and Annex V (for Article 9 products) of the Regulation 2022/1288 of 6 April 2022 supplementing Regulation (EU) 2019/2088 of the European Parliament and of the Council with regard to regulatory technical standards, as amended (the "RTS");

- Conformity of the client's Sustainable Finance Disclosure Regulation (SFDR) periodic reporting layout vis-à-vis the general principles for the presentation of information stated in the Article 2 of the RTS;

- Appropriate inclusion of the elements outlined in SFDR Regulation 2019/2088, as amended (the "SFDR Regulation") Art. 11 to the disclosure made in the SFDR periodic reporting;

- All relevant sections of either the Annex IV or V of the RTS, and relevant requirements as defined in the RTS, have been included and responded to;

- Consistency of the qualitative statement of sustainable indicators with the evidence obtained for the numeric information on those indicators;

- Appropriate application of the formula according to the RTS in the following questions:

  – What were the top investments of this financial product?

  – What was the proportion of sustainability-related investments?

- Consistency of the information described in the financial information of the annual report with the SFDR Periodic reporting;

- When applicable, consistency of the information described in the SFDR Periodic reporting with the information disclosed in the pre-contractual documents (Prospectus "Investment policy section" & RTS Annex II-III).

**Criteria where at least one Sub-Fund is an article 8 product:**

- Appropriate inclusion of the elements outlined in SFDR Regulation 2019/2088 Art. 11 to the methodology related to the promotion of environmental or social characteristics (the "*Methodology for E/S characteristics*") described in the website disclosure according to SFDR Regulation 2019/2088 Art. 10.1(b);

- Appropriate design of the formulas with the Methodology for E/S characteristics (the "E/S Characteristics Formulas");

- Appropriate application of the E/S Characteristics Formulas.

**Appendix 2**
**Criteria**

**Criteria where at least one Sub-Fund is having sustainable investments according to the Article 2(17) of the SFDR RTS and opt to report a 0% Taxonomy alignment:**

- Appropriate inclusion of the elements outlined in SFDR Regulation 2019/2088 Art. 2(17) to the methodology (the "*Sustainable Investments Methodology*") described in the website disclosure according to SFDR Regulation 2019/2088 Art. 10.1(b);

- Appropriate design of the formula with the Sustainable Investments Methodology (the "SFDR Sustainable Investments Formulas");

- Appropriate application of the SFDR Sustainable Investments Formulas.

**Criteria where at least one Sub-Fund is having sustainable investments according to the Article 3 of the EU Taxonomy Regulation 2020/852 and not per SFDR Article 2(17):**

- Appropriate application of the methodology outlined in EU Taxonomy Regulation 2020/852;

- Appropriate design of the formula with the EU Taxonomy Regulation 2020/852 (the "EU Taxonomy Formulas");

- Appropriate application of the EU Taxonomy Formulas.

**Criteria where at least one Sub-Fund is having sustainable investments according to the Article 2(17) of the SFDR RTS and opt to report following the EU Taxonomy:**

- Appropriate inclusion of the elements outlined in SFDR Regulation 2019/2088 Art. 2(17) to the methodology (the "*Sustainable Investments Methodology*") described in the website disclosure according to SFDR Regulation 2019/2088 Art. 10.1(b);

- Appropriate design of the formula with the Sustainable Investments Methodology (the "SFDR Sustainable Investments Formulas");

- Appropriate application of the methodology outlined in EU Taxonomy Regulation 2020/852;

- Appropriate design of the formula with the EU Taxonomy Regulation 2020/852 (the "EU Taxonomy Formulas");

- Appropriate application of the SFDR Sustainable Investments Formulas and EU Taxonomy Formulas.

**Criteria where at least one Sub-Fund is opting to report the Principal Adverse Impact:**

- Appropriate design of the formulas with the elements outlined in the Annex I supplementing the EU Regulation 2019/2088 (the "PAI formulas");

- Appropriate application of the PAI formulas.

**Criteria where at least one Sub-Fund has designated an index as a reference benchmark:**

- Appropriate inclusion of the elements outlined in SFDR Regulation 2019/2088 Art. 11 1. (b) (ii) to the design of the formulas (the "Benchmark Formulas");

- Appropriate application of the Benchmark Formulas.