



Flossbach von Storch - Der erste Schritt - RT

Flossbach von Storch investment sub-fund under Luxembourg law (mutual fund) and authorised for distribution in Portugal.

INVESTMENT STRATEGY

The Flossbach von Storch – Der erste Schritt fund is a globally diversified, defensive balanced fund with an active investment approach. The fund is flexible enough to take advantage of opportunities arising from the entire bond market and, to a limited extent, from the equity market. The goal is to generate as stable earnings as possible over time. The focus of the fund is on government bonds, covered bonds and corporate bonds, as well as equities, whose quota is limited to a maximum of 15 per cent. Foreign currency risks are largely hedged. Securities are selected as part of a fundamental analysis process. Fund managers Frank Lipowski and Elmar Peters rely on research tools developed in-house.

For detailed information on the objectives and investment policy, please refer to the most recent sales prospectus and the Key Investor Information Document (KIID).

In accordance with regulatory requirements, we are not permitted to provide performance figures for this share class, as it has been active for less than a year.

CATEGORY: MULTI ASSET
Data as per 31 January 2019

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FUND DETAILS

| | |
|------------------------------------|---|
| ISIN | LU1790934050 |
| Bloomberg code | FVSDERT LX |
| Domicile | Luxembourg |
| Share class | RT |
| Fund currency | EUR |
| Launch date | 5 April 2018 |
| Financial year end | 30 September |
| Income utilisation | Accumulating |
| Authorised for distribution | AT, CH, DE, ES, LU, PT |
| Fund type | UCITS / FCP |
| Fund assets | 215.87 million EUR |
| Redemption price | 99.48 EUR |
| Minimum initial investment | none |
| Minimum subsequent investment | none |
| Costs ¹ | |
| Ongoing charges | ca. 0.96 % (Estimation because of launch) |
| which includes a management fee of | 0.83 % p.a. |
| Performance fee | none |
| Redemption fee | 0.00 % |
| Exchange commission | up to 1.00 % (based on the unit value of the units to be purchased for the benefit of the relevant intermediary) |
| Subscription fee | up to 1.00 % |

MANAGEMENT COMPANY

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

DEPOSITARY

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

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



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TOP 10 GUARANTORS (IN %)

| | |
|-----------------------------------|---------|
| 1. Italian Republic | 4.19 % |
| 2. Porsche Automobil Holding SE | 3.23 % |
| 3. Booking Holdings Inc. | 2.79 % |
| 4. Groupe Bruxelles Lambert S.A. | 2.73 % |
| 5. Philip Morris International In | 2.49 % |
| 6. Fastighets AB Balder | 2.47 % |
| 7. Ferrari N.V. | 2.33 % |
| 8. Stryker Corp. | 2.30 % |
| 9. Vonovia SE | 2.28 % |
| 10. JAB Holding Company S.à.r.l | 2.26 % |
| | 27.07 % |

Source: Depository and Flossbach von Storch, status: 31.01.19

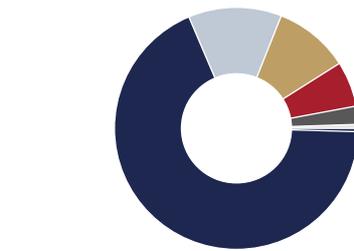
CREDIT RATING FOR BONDS (IN %)

| | |
|-----|---------|
| AAA | 1.46 % |
| AA | 2.42 % |
| A | 17.19 % |
| BBB | 51.17 % |
| BB | 17.29 % |
| NR | 10.47 % |

Source: Depository and Flossbach von Storch, status: 31.01.19

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

ASSET ALLOCATION (IN %)



- 68.63 % Corporate bonds
- 12.36 % Cash
- 10.00 % Equities
- 6.06 % Government bonds
- 2.43 % Covered Bonds
- 0.97 % Convertible bonds
- 0.44 % Other (incl. derivatives)

Source: Depository and Flossbach von Storch, status: 31.01.19

TOP 10 SECTORS FOR EQUITIES (AS % SOLELY RELATING TO THE EQUITY PORTION)

| | |
|---|---------|
| 1. Materials | 23.82 % |
| 2. Media & Entertainment | 11.73 % |
| 3. Telecommunication Services | 10.53 % |
| 4. Food, Beverage & Tobacco | 9.82 % |
| 5. Utilities | 9.54 % |
| 6. Automobiles & Components | 9.24 % |
| 7. Insurance | 6.02 % |
| 8. Transportation | 5.95 % |
| 9. Pharmaceuticals, Biotechnology & Life Sciences | 5.34 % |
| 10. Software & Services | 4.33 % |

Source: Depository and Flossbach von Storch, status: 31.01.19

KEY FUND FIGURES

| | |
|------------------------|------------|
| Yield to maturity | 2.50 % |
| Duration | 4.69 years |
| Average dividend yield | 3.78 % |

Source: Depository and Flossbach von Storch, status: 31.01.19

MONTHLY COMMENTARY

January was a good month for bonds. The market turned around after the sell-off in previous months and corporate bond prices rose across a broad front. Demand was also positively affected by the shortage of supply, with some issuers deferring their placements following the weak phase in 2018. The recovery came in two waves. In the first half of the month, demand mainly rose for low quality (high yield) bonds and subordinated (hybrid) bonds. Prices of high quality (investment grade) bonds then also rose during the second half of the month. German government bonds (Bunds) and US Treasuries strengthened somewhat, with moderate reductions in yields. Equities performed even better. Following a weak stock market year in 2018, the MSCI World and US S&P 500 equity indices rose more than 7% in January and the Euro Stoxx 50 gained more than 5%. Profit-taking began in January. Starting the middle of the month, holdings of high-yield bonds were decreased by more than half and hybrid-bond holdings were significantly reduced. Profits were also taken on equities and selected investment-grade bonds towards the end of the month. The portfolio is now more defensive and, in our view, more robust. The cash position of around 10% provides the flexibility needed for the near future. The fund price rose as a reward for strictly adhering to our defensive investment strategy.

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FUND MANAGER



Frank Lipowski

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



Elmar Peters

- » Co-management of the Multi-Asset Team since April 2016
- » Head of Institutional Asset Management and Senior Portfolio Manager at Flossbach von Storch AG (2010–2016)
- » Support and management of equity mandates for institutional clients at Bankhaus Lampe KG in Düsseldorf (2001–2010)
- » Securities Trader and Investment Adviser at Commerzbank AG in Düsseldorf (1993–2001)
- » Investment Adviser and Bank Trainee at Bankhaus Delbrück & Co. in Aachen/Cologne (1988–1993)



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OPPORTUNITIES

- + Participate in global bond market growth.
- + Income can be generated from regular interest payments.
- + Active interest rate, currency and risk management (e.g. from the use of derivatives).
- + Risk is broadly diversified by investing in a range of asset classes (e.g. equities, bonds, convertible bonds etc.) Market potential can be exploited by investing across a wide range.

RISKS

- The securities in which the Management Company invests the sub-fund assets present opportunities for gain but also the possibility of risk. If a sub-fund invests directly or indirectly in securities and other assets, it is subject to many general trends and tendencies, which are sometimes attributable to irrational factors on the markets particularly on the securities markets. Losses can occur when the market value of the assets decreases as against the cost price. If a unitholder sells units of the sub-fund at a time at which the value of assets in the sub-fund has decreased compared with the time of the unit purchase, he will not receive the full amount he has invested in the sub-fund. Despite the fact that each sub-fund aspires constant growth, this cannot be guaranteed.
- Country, credit and issuer liquidity risk. Also potential exchange rate risks. If securities are illiquid (i.e. thinly traded), there is a risk that it may either not be possible to sell the assets at all or only by accepting a significant discount on the sale price.
- Investing in bonds may entail price risks, especially in case of rising interest rates on the capital markets.
- Where used, derivatives can have a greater negative impact on the fund value than would be the case if the assets were acquired directly. This can affect the fund's risk profile and volatility (tendency for the price to fluctuate).

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

The Risk and Return profil of this sub-fund is included on page 3 of this factsheet.

GLOSSARY

Yield to maturity (YTM)

Yield on a bond held until maturity, taking into account interest payments and any differences between the issue price and the redemption amount.

Duration

Indicates how long capital invested is bound in a bond. It is shorter than the maturity of a bond since regular interests paid out to investors, are considered. For Zero-Bonds, duration and maturity is the same. Interests are due at maturity date.

Average dividend yield

Ratio of dividend to share price. It is shown as a per cent and provides information about how a share bears interest.

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INVESTOR PROFILE

CONSERVATIVE:

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

INVESTMENT HORIZONT:

Medium-term: 3 to 5 years

RISK/RETURN PROFILE



| | | | | | | |
|---|---|---|---|---|---|---|
| 1 | 2 | 3 | 4 | 5 | 6 | 7 |
|---|---|---|---|---|---|---|

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



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LEGAL NOTICE

One of the purposes of this document is to serve as advertising material.

The information contained in this document pertains to a sub-fund of Flossbach von Storch, a collective investment scheme registered with the Portuguese National Stock Market (Commission Comissão do Mercado de Valores Mobiliários) (CMVM).

This document does not constitute an offer to sell, purchase or subscribe to securities or other assets. The information and estimates contained herein do not constitute investment advice or any other form of recommendation. Detailed information about the fund(s) can be found in the sales prospectus as well as in the articles of association, management regulations or contract conditions, in conjunction with the latest respective audited annual report and semi-annual report, if the latter is published later than the most recent annual report. These documents form the sole binding basis for any purchase. The said documents and the Key Investor Information are available free of charge in English and Portuguese from the respective management company or the custodian/depositary or from agents in those countries where the funds have been licensed for distribution.

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

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

Past performance is not a reliable indicator of future performance.

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CONTACTS FOR INVESTORS

Paying agent in Portugal

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