



# Flossbach von Storch - Bond Opportunities - R

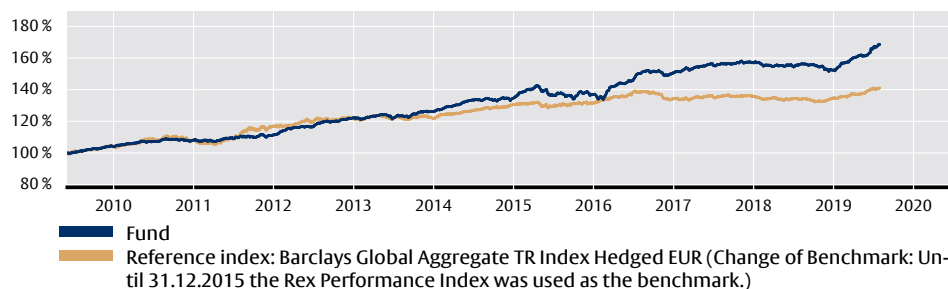
Flossbach von Storch investment sub-fund under Luxembourg law (mutual fund) and authorised for distribution in Portugal.

## INVESTMENT STRATEGY

The investment objective of the Flossbach von Storch - Bond Opportunities sub-fund is to achieve reasonable growth while taking account of investment risk. In accordance with the principle of risk diversification, the sub-fund's assets are mainly invested internationally in fixed-interest securities and money market instruments. The sub-fund invests in fixed-interest securities (including corporate bonds), money market instruments, all types of bond, units of investment funds („target funds“), fixed-term deposits, certificates, other structured products (e.g. reverse convertible bonds, option bonds, convertible bonds) and cash.

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

## PERFORMANCE IN EUR SINCE 4 JUNE 2009 (In %)



## ACCUMULATED PERFORMANCE IN EUR (IN %)

	2014	2015	2016	2017	2018	YTD 2019
Funds	+6.77 %	+1.71 %	+10.09 %	+4.25 %	-3.01 %	+10.56 %

Source: Depositary and SIX Financial Information, status: 31.07.19

## EXPLANATORY NOTES REGARDING PERFORMANCE

**Past performance is not a reliable indicator of future performance.** Performance is calculated based on the net asset value (NAV). The subscription fee, as well as other fees, are not taken into account and therefore have a negative effect on the performance of the investment. Example calculation (subscription fee included): An investor wishes to buy shares with capital of €1,000. Based on a maximum subscription fee of 5%, €50 will be deducted from their investment as a one off initial charge. In addition, custody fees may be applied.

**Please refer to the cost details presented in this document to determine the maximum subscription fee for the share class of the sub-fund.**

The reference index is merely informative. It does not constitute any obligation to track the index or achieve the same performance for the fund manager.

## CATEGORY: BONDS AND CONVERTIBLES

Data as per 31 July 2019

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## FUND DETAILS

ISIN	LU0399027613
Bloomberg code	FVSBDOPLX
Domicile	Luxembourg
Share class	R
Fund currency	EUR
Launch date	4 June 2009
Financial year end	30 September
Income utilisation	Distribution
Authorised for distribution	AT, CH, DE, LU, PT
Fund type	UCITS / FCP
Fund assets	1.38 billion EUR
Redemption price	134.27 EUR
Minimum initial investment	none
Minimum subsequent investment	none
Costs <sup>1</sup>	
Ongoing charges	1.05 %
which includes a management fee of	0.93 % p.a.
Performance fee	none
Redemption fee	0.00 %
Exchange commission	up to 3.00 %
(based on the unit value of the units to be purchased for the benefit of the relevant intermediary)	
Subscription fee	up to 3.00 %

## 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

<sup>1</sup> 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. Republic Poland	3.90 %
2. Philip Morris International In	3.21 %
3. Republic of Germany	3.19 %
4. Japan	3.04 %
5. Italian Republic	2.99 %
6. Svenska Handelsbanken AB	2.80 %
7. Medtronic PLC	2.71 %
8. North Rhine-Westphalia	2.66 %
9. Intrum AB	2.46 %
10. Capital One Financial Corp.	2.41 %
	29.37 %

Source: Depositary and Flossbach von Storch,  
status: 31.07.19

The portfolio currently contains 83 securities.

## TOP 10 SECTORS (IN %)\*

1. Food, Beverage & Tobacco	14.51 %
2. Diversified Financials	12.35 %
3. Software & Services	9.08 %
4. Telecommunication Services	8.72 %
5. Banks	6.34 %
6. Energy	6.29 %
7. Real Estate	5.97 %
8. Health Care Equipment & Services	5.80 %
9. Automobiles & Components	5.02 %
10. Consumer Durables & Apparel	4.66 %
	78.74 %

Source: Depositary and Flossbach von Storch,  
status: 31.07.19

\* refer to corporate bonds

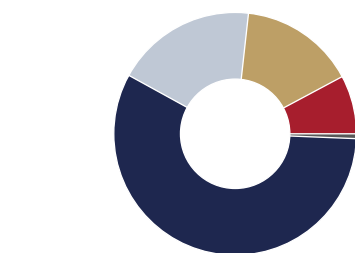
## CREDIT RATING FOR BONDS\* (IN %)

AAA	17.74 %
AA	12.34 %
A	20.34 %
BBB	31.42 %
BB	13.05 %
NR	5.11 %

Source: Depositary and Flossbach von Storch,  
status: 31.07.19

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 %)



57.99 % Corporate bonds  
18.76 % Government bonds  
15.43 % Covered Bonds  
8.45 % Cash  
-0.64 % Other (incl. derivatives)

Source: Depositary and Flossbach von Storch,  
status: 31.07.19

## KEY FUND FIGURES

average return	1.33 %
Duration	5.89 years

Source: Depositary and Flossbach von Storch,  
status: 31.07.19

## MONTHLY COMMENTARY

Monetary policy is becoming even more expansive. For the first time since the financial crisis, the US Federal Reserve (Fed) lowered its already low key interest rates – by 0.25 percentage points to 2.0 to 2.25 per cent. The Fed thus bowed to pressure from the markets and politics, but did not wish to fully comply with their expectations. The European Central Bank (ECB) proved creative. The EU's inflation target, which is actually defined in its treaties as "below, but close to, two per cent", is now being reinterpreted by the ECB. It now seems to be "symmetrical", with an inflation rate of one per cent being ultimately as desirable or undesirable as that of three per cent. German government bonds (Bunds) with a maturity of up to 23 years had a negative yield and those with 10-year maturities fell below -0.4 per cent – the lowest they have ever been. In the weeks preceding the actions of the central banks, we gradually reduced the share of corporate bonds and increased the average credit quality in the portfolio. At the outset, securities from the more cyclical segments in particular, including high-yield bonds and subordinated bonds, were reduced and reallocated to government bonds, covered bonds and German covered bonds. After the interest rates fell again from mid-July, we shortened the Fund duration somewhat, by swapping long-term issues in corporate bonds for short-term issues to a manageable extent. The announcements of the central banks were disappointing compared to the market's high expectations. The yield curve did not become steeper – also because inflation expectations were not raised. Throughout the month, we managed the Fund duration as in the previous months, including financial contracts (options) for forward transactions (interest rate futures). In our view, the costs of this type of hedging in the current environment of declining interest rates are moderate, but in the event of rising interest rates, they may help to stabilise the Fund price.

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## AWARDS

Morningstar Rating™ overall\*: ★★★★★

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For more information on Morningstar's ratings, please visit:  
<http://www.morningstar.co.uk/uk/help/Methodology.aspx>

status: 30.06.19

## 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)



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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).

RISKS

- 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.

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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
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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.**

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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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