



# Flossbach von Storch - Foundation Defensive - CHF-R

## INVESTMENT STRATEGY

The Flossbach von Storch - Foundation Defensive Sub-Fund offers professional asset management to foundations and other sustainability-oriented investors. The defensive multi-asset strategy is designed to generate a reasonable increase in value while preserving the substance of the assets over the medium term. The fund management invests globally in equities (maximum 35 per cent), bonds, convertible bonds, currencies, gold (indirectly) and investment funds according to the principle of risk diversification. Derivatives may be used to hedge or optimise returns. The selection of individual securities is based on in-house valuation models that also include ESG issues. In addition, exclusion criteria are taken into account that are based on a broad consensus of values. For example, the fund management refrains from investing in companies that are associated with the production and distribution of controversial weapons, or that generate significant revenues from military weapons, thermal coal, tobacco, alcohol and gambling. Also excluded are companies that seriously violate the principles of the UN Global Compact initiative these include human rights, labour standards, environmental protection, and anti-corruption. When selecting government bonds, no issuers are considered that are classified as "not free" by Freedom House. The Sub-Fund is actively managed and not benchmarked against an index.

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 March 2021

CH LI ADVERTISEMENT | Page 1 of 4

## FUND DETAILS

WKN	A2QFWX
ISIN	LU2243568545
Valor number	57894592
Domicile	Luxembourg
Share class	CHF-R
Fund currency	EUR
Share class currency	CHF
Launch date	5 January 2021
Financial year end	30 September
Income utilisation	Distribution
Authorised for distribution	AT, CH, DE, LI, LU
Fund type	UCITS / FCP
Fund assets <sup>1</sup>	767.40 million CHF
Redemption price	99.81 CHF
Minimum initial investment	none
Minimum subsequent investment	none
Costs <sup>2</sup>	
Ongoing charges	ca. 1.66 % (Estimation because of launch)
which includes a management fee of	1.56 % 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 Distributor)
Subscription fee	up to 3.00 %

### Management company

Flossbach von Storch Invest S.A.  
2, rue Jean Monnet  
2180 Luxembourg, Luxembourg  
www.fvsinvest.lu

### Depositary

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

<sup>1</sup> Conversion into the share class currency is based on the exchange rate on the day.

<sup>2</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.



# Flossbach von Storch - Foundation Defensive - CHF-R

## TOP 10 SECTORS FOR EQUITIES (IN %)

1. Industrials	17.36 %
2. Consumer Staples	16.63 %
3. Information Technology	15.47 %
4. Financials	14.31 %
5. Health Care	10.18 %
6. Communication Services	8.98 %
7. Real Estate	7.09 %
8. Materials	5.19 %
9. Consumer Discretionary	4.79 %

Source: Depositary and Flossbach von Storch,  
status: 31.03.21

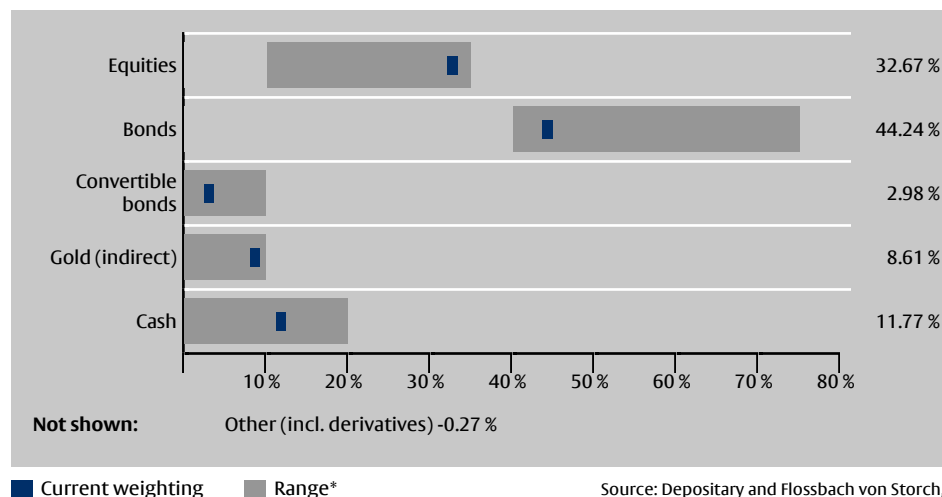
## CREDIT RATING FOR BONDS (IN %)

AAA	47.81 %
AA	11.27 %
A	8.40 %
BBB	20.37 %
BB	8.42 %
NR	3.73 %

Source: Depositary and Flossbach von Storch,  
status: 31.03.21

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 AND FLUCTUATION MARGIN (IN %)



\* Fluctuation margins partly represent our in-house investment limits.

## MONTHLY COMMENTARY

The optimism on the stock markets continued in March. A committed vaccination campaign in the USA and positive economic expectations boosted the markets. The global MSCI World equity index gained 6.7 per cent in euro terms, whereby the recently stronger US dollar also had a positive effect on investors from the euro area. Further sharp rises in interest rates in the USA caused prices to fall, especially for bonds with long maturities. The gold price lost 1.5 per cent (calculated in US dollars), while the precious metal was 1.3 per cent steadier in euro terms. In this environment, the Fund recorded a strong increase in value over 2.26 %. Equities delivered the highest value contributions by far. But bonds also made a small contribution to the pleasing performance. The bond result benefited strongly from the appreciation of many foreign currencies (especially the US dollar), which we had only partially hedged through forward transactions. In March, we completely sold our holdings in United Internet. Conversely, we built up new positions in Berkshire Hathaway and Fortive. At the end of the month, the equity ratio was almost unchanged from the previous month at 32.7 %. On the fixed income side, we subscribed to new US dollar issues from Siemens and MSCI, amongst others, and increased our holdings in a euro-denominated hybrid bond from AT&T. On the other hand, we sold a euro hybrid bond from Tennet. On balance, the bond quota decreased slightly to 44.2 %. In addition, we are taking advantage of the now much more attractive interest-rate level in the USA to gradually extend the duration of US bonds. While widespread investor optimism due to the anticipated pandemic response, the large US fiscal package and rising inflation expectations is currently supporting the upward trend in yields, we expect this trend to lose steam over the course of the year, making longer-dated US dollar bonds increasingly attractive. On the other hand, as we significantly shortened the duration of euro bonds at the same time, the total duration in the bond segment fell to 7.0 years. In addition, we sold the portfolio of a RAG Foundation security in convertible bonds, which slightly reduced the weighting of this asset class to 3.0 %. Liquidity increased during the month to 11.8 %.

CATEGORY: MULTI ASSET  
Data as per 31 March 2021

CH LI ADVERTISEMENT | Page 2 of 4

## FUND MANAGER



### 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)



### Stephan Scheeren

- » Portfolio Manager and Analyst at Flossbach von Storch AG since July 2008
- » Portfolio Manager and Fund Analyst at Bankhaus Lampe KG, Düsseldorf (2006–2008)
- » Studied Banking and Finance at the University of Applied Sciences in Cologne, Private Banking Adviser to corporate clients and traineeship at Sparkasse KölnBonn (1997 – 2006)



# Flossbach von Storch - Foundation Defensive - CHF-R

OPPORTUNITIES

- + Flexible investment policy without benchmarking.
- + Risk is broadly diversified by investing in a range of asset classes (e.g. equities, bonds, convertible bonds, and precious metals [indirect]). Market potential can be exploited by investing across a wide range.
- + Investing in assets denominated in a foreign currency can have a positive impact on unit values as a result of exchange-rate movements.
- + Derivatives can be used to increase potential yields.
- + Precious metals [indirect] (e.g. in the form of gold) can be used to increase potential yields.

RISKS

- Market risks: the securities in which the Management Company invests the sub-fund assets present opportunities for gain but also the possibility of risk. The ESG criteria for sustainable financial instruments restrict the selection of target investments in terms of category and number, sometimes considerably. If a sub-fund invests directly or indirectly in securities and other assets, it is subject to many general trends and tendencies on the markets, which are sometimes attributable to irrational factors, particularly on the securities markets. Losses can occur when the market value of the assets decreases against the cost price. If a unit holder disposes of units in a sub-fund at a time when the quoted price of the sub-fund assets is less than at the time of investment, then the unit holder will not recover the full value of the investment. While each sub-fund constantly strives to achieve growth, growth cannot be guaranteed. The risk exposure of the investor is, however, limited to the sum invested. There is no obligation to make additional capital contributions beyond investors' investments.
- Currency risks: if a sub-fund holds assets which are denominated in foreign currencies, it shall be subject to currency risk. In the event of a devaluation of the foreign currency against the reference currency of the sub-fund, the value of the assets held in foreign currencies shall fall.
- Credit risks: the fund may invest part of its assets in bonds. The issuers of these bonds could become insolvent, causing the bonds to lose some or all of their value.
- Interest-change risks: investing in securities at a fixed rate of interest is connected with the possibility that the current interest rate at the time of issuance of a security could change. If the current interest rate increases as against the interest at the time of issue, fixed-rate securities will generally decrease in value. Conversely, if the current interest rate falls, fixed-rate securities will increase.
- Risks relating to the use of derivatives: the fund may enter into derivative transactions for the purposes listed in the KIID and the sales prospectus. This means increased opportunities, but also increased risk of losses. The use of derivatives to hedge against losses may also reduce the profit opportunities of the fund.
- Risks of precious metals and commodities: precious metals and commodities may be subject to greater price fluctuations. Trading prices may also fall.

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.

CATEGORY: MULTI ASSET  
Data as per 31 March 2021

CH LI ADVERTISEMENT | Page 3 of 4

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 HORIZON:

Medium-term: 3 to 5 years

RISK/RETURN PROFILE



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 medium fluctuation, therefore the profit potential and loss exposure may be 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.



# Flossbach von Storch - Foundation Defensive - CHF-R

## LEGAL NOTICE

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

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 German from the respective management company or the custodian/depositary or from agents in those countries where the funds have been licensed for distribution.

The information contained and opinions expressed in this document reflect the views of Flossbach von Storch at the time of publication and are subject to change without prior notice. Forward-looking statements reflect the judgement and future expectations of Flossbach von Storch. Actual performance and results may, however, differ materially from such expectations. All information has been compiled with care. However, no guarantee is given as to the accuracy and completeness of information and no liability is accepted. The value of any investment can fall as well as rise and you may not recoup the amount you invested. In connection with the brokerage of fund units/shares, Flossbach von Storch and/or its distribution partners may receive reimbursements from costs charged to the fund by the management company in accordance with the relevant sales prospectus. The tax treatment of the investment depends on the investor's personal circumstances and may be subject to change. For more information please consult your professional tax adviser.

**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.**

The document issued in German is legally binding. This English translation is only for the purpose of convenience.

© 2021 Flossbach von Storch. All rights reserved.

CATEGORY: MULTI ASSET  
Data as per 31 March 2021

CH LI ADVERTISEMENT | Page 4 of 4

## CONTACTS FOR INVESTORS

### Sales and information agent in Germany

Flossbach von Storch AG  
Ottoplatz 1, 50679 Cologne  
Germany  
Phone: +49.221.33.88-290  
E-Mail: [info@fvsag.com](mailto:info@fvsag.com)  
Web: [www.flossbachvonstorch.de](http://www.flossbachvonstorch.de)

### Paying agent in Austria

Erste Bank der oesterreichischen Sparkassen AG  
("Erste Bank")  
Am Belvedere 1, 1100 Vienna  
Austria

### Contact in Switzerland

Flossbach von Storch AG  
Fraumünsterstrasse 21, 8001 Zurich  
Switzerland  
Phone: +41 44 217 37 00  
E-Mail: [info.ch@fvsag.com](mailto:info.ch@fvsag.com)  
Web: [www.flossbachvonstorch.ch](http://www.flossbachvonstorch.ch)

### Representative in Switzerland

IPConcept (Schweiz) AG  
Münsterhof 12, 8001 Zurich  
Switzerland  
Phone: +41 44 224 32 00  
E-Mail: [fondsvertretung.ch@ipconcept.com](mailto:fondsvertretung.ch@ipconcept.com)  
Fax: +41 44 224 32 28

### Paying agent in Switzerland

DZ PRIVATBANK (Schweiz) AG  
Münsterhof 12, 8001 Zurich  
Switzerland

### Paying agent in Liechtenstein

VP Bank AG  
Aeulestrasse 6, 9490 Vaduz  
Liechtenstein