

Unaudited semi-annual report as at 31 March 2019

Flossbach von Storch III SICAV



Flossbach von Storch

R.C.S. Luxembourg B 220220

Investment fund under Luxembourg law

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

MANAGEMENT COMPANY:

Flossbach von Storch Invest S.A.

R.C.S. Luxembourg B 171513

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

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

Flossbach von Storch III SICAV - Multiple Opportunities II Feeder

Unaudited semi-annual report 1 October 2018 - 31 March 2019

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

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

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

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

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

FLOSSBACH VON STORCH III SICAV - MULTIPLE OPPORTUNITIES II FEEDER

Geographical breakdown by country¹⁾

Luxembourg	99.47%
Securities holdings	99.47%
Cash at banks	0.91%
Balance of other receivables and payables	-0.38%
	100.00%

Breakdown by economic sector¹⁾

Investment fund holdings	99.47%
Securities holdings	99.47%
Cash at banks	0.91%
Balance of other receivables and payables	-0.38%
	100.00%

Composition of net sub-fund assets

as at 31 March 2019

	EUR
Securities holdings	98,404,780.41
(cost of acquisition of securities: EUR 93,061,731.19)	
Cash at banks	897,208.42
Receivables from the sales of shares	822,540.88
Other receivables ²⁾	5,378.42
	100,129,908.13
Payables from the redemption of shares	-335,905.46
Interest payable	-897.47
Payables from securities transactions	-481,768.97
Other liabilities ³⁾	-383,070.60
	-1,201,642.50
Net sub-fund assets	98,928,265.63

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

²⁾ This item includes capitalised fund launch costs.

³⁾ This position consists primarily of performance fee payables and management company fee payables.

FLOSSBACH VON STORCH III SICAV - MULTIPLE OPPORTUNITIES II FEEDER

Allocation to the share classes

Share class R	
Proportion of net sub-fund assets	38,110,079.56 EUR
Shares in circulation	368,004.287
Share value	103.56 EUR
Share class H	
Proportion of net sub-fund assets	60,818,186.07 EUR
Shares in circulation	584,019.989
Share value	104.14 EUR

Statement of assets as at 31 March 2019

ISIN	Securities		Additions in the reporting period	Disposals in the reporting period	Quantity	Price	Market Value EUR	% share of NSFA ¹⁾
Investment fund holdings²⁾								
Luxembourg								
LU1716948093	Flossbach von Storch - Multiple Opportunities II MT	EUR	334,178	15,729	930,718	105.7300	98,404,780.41	99.47
							98,404,780.41	99.47
Investment fund holdings							98,404,780.41	99.47
Securities holdings							98,404,780.41	99.47
Cash at banks							897,208.42	0.91
Balance of other receivables and payables							-373,723.20	-0.38
Net sub-fund assets in EUR							98,928,265.63	100.00

Additions and disposals from 1 October 2018 to 31 March 2019

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

Exchange rates

As at 31 March 2019 there were only assets in the sub-fund currency (EUR).

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

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

Notes to the semi-annual report as at 31 March 2019

1.) Introduction

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

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

The management company of the investment company is Flossbach von Storch Invest S.A. (the “management company”), a public limited company (Aktiengesellschaft) under the law of the Grand Duchy of Luxembourg with its registered office at 6, Avenue Marie-Thérèse, L-2132 Luxembourg, Luxembourg. The management company was incorporated for an indefinite period on 13 September 2012. Its articles of association were published in the Mémorial on 5 October 2012. The most recent amendment to the articles of association came into force on 6 May 2015 and was published in the Mémorial on 3 June 2015. The management company is registered in the Luxembourg Trade and Companies Register under registration number R.C.S. Luxembourg B 171513. The management company’s financial year ends on 31 December of each year.

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

2.) Key accounting and valuation principles

This report has been prepared under the responsibility of the management company in conformity with the legal provisions and regulations prevailing in Luxembourg for the preparation and presentation of reports.

NOTES (continued)

1. The net company assets of the investment company are denominated in euros (EUR) (“reference currency”).
2. The value of a share (“net asset value per share”) is denominated in the currency laid down in the annex to the sales prospectus (“sub-fund currency”) unless a currency other than the sub-fund currency has been specified in the relevant annex to the sales prospectus in relation to any other share classes which may exist (“share class currency”).
3. The net asset value per share is calculated on each valuation day by the management company or a third party appointed for this purpose under the supervision of the depositary. The board of directors may decide to apply different rules to individual funds, but the net asset value per share must be calculated at least twice per month.
4. In order to calculate the net asset value per share, the value of the assets of each sub-fund less the liabilities of each sub-fund (“net sub-fund assets”) is determined on each valuation day and divided by the number of shares in circulation on the valuation date.
5. To the extent that information on the situation of the net assets of the company must be provided in the annual or semi-annual reports and/or other financial statistics in accordance with the applicable legislative provisions or in accordance with the conditions of these articles of association, the value of the assets of each sub-fund will be converted to the reference currency. Net sub-fund assets are calculated according to the following principles:
 - a) Securities, money market instruments, derivative financial instruments (derivatives) and other assets officially listed on a stock exchange are valued at the most recently available closing price that provides a reliable valuation. If securities, money market instruments, derivative financial instruments or other assets are officially listed on more than one stock exchange, the price quoted on the exchange with the most liquidity is used.
 - b) Securities, money market instruments, derivative financial instruments (derivatives) and other assets that are not officially listed on a stock exchange (or whose market price is not deemed representative, e.g. due to lack of liquidity) but that are traded on a regulated market shall be valued at a price that is not lower than the bid price and not higher than the offer price on the trading day preceding the valuation day and that the management company considers, to the best of its knowledge, to be the best possible price at which the securities, money market instruments, derivative financial instruments (derivatives) or other assets can be sold. The management company may

However, the management company can decide to calculate the net asset value per share on 24 and 31 December of a year without the calculation representing the net asset value per share on a valuation day as defined by the previous sentence 1 of this clause 4. As a result, shareholders may not request the issue, redemption and/or conversion of shares on the basis of a net asset value per share calculated on 24 and/or 31 December of a given year.

NOTES (continued)

specify for individual sub-funds that securities, money market instruments, derivative financial instruments (derivatives) and other assets that are not officially listed on a stock exchange (or whose market price is not deemed representative, e.g. due to lack of liquidity) but that are traded on a regulated market shall be valued at the last price available on this market that the management company considers, to the best of its knowledge, to be the best possible price at which the securities, money market instruments, derivative financial instruments (derivatives) or other assets can be sold. Details on this are contained in the annex to the sub-fund in question.

- c) OTC derivatives are valued on a daily basis on a verifiable basis determined by the management company.
- d) Shares in UCI/UCITS are generally valued at the last redemption price fixed before the valuation day or at the latest available price that affords a reliable valuation. If the redemption of investment shares has been suspended or if no redemption price has been set, these shares and all other assets are valued at their appropriate market values as determined in good faith by the management company in line with generally accepted and verifiable valuation models. If the fund is structured as a feeder UCITS, the shares of the master UCITS are valued at the redemption price of the Master UCITS on the valuation day.
- e) If the relevant prices are not market prices, if the financial instruments listed under b) are not traded on a

regulated market and if no prices are set for financial instruments other than those listed under a) to d), these financial instruments and the other legally permissible assets will be valued at the market value established by the investment company, to the best of its knowledge, on the basis of generally accepted, verifiable valuation models (e.g. suitable valuation models taking account of current market conditions).

- f) Liquid funds are valued at their nominal value plus interest.
- g) Amounts due, such as deferred interest claims and liabilities, shall in principle be rated at the nominal value.
- h) The market value of securities, money market instruments, derivative financial instruments (derivatives) and other assets denominated in a currency other than the relevant sub-fund currency shall be converted into the relevant sub-fund currency at the exchange rate determined using WM/Reuters fixing at 5:00 p.m. (4:00 p.m. London time) on the trading day preceding the valuation day. Profits and losses from currency transactions will be added or deducted as applicable. The management company can stipulate for individual sub-funds that securities, money market instruments, derivative financial instruments (derivatives) and other assets denominated in a currency other than the relevant sub-fund currency shall be converted into the relevant sub-fund currency at the exchange rate prevailing on the valuation day. Profits and losses from currency transactions will be added or

NOTES (continued)

deducted as applicable. Details on this are contained in the annex to the sub-fund in question.

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

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

3.) Taxation of the master UCITS

Taxation of the investment company and its sub-funds

The company's and sub-funds' assets are subject to a tax known as the "taxe d'abonnement" in the Grand Duchy of Luxembourg, which is currently levied at a rate of 0.05% p.a., which is payable at the end of each quarter on the stated net assets of the company. Insofar as a sub-fund's assets or a part of a sub-fund's assets are invested in other Luxembourg investment funds that are already subject to the taxe d'abonnement, the portion of such assets is exempt from the tax.

The income of the investment company or its sub-funds from investing its assets is not taxed in the Grand Duchy of Luxembourg. However,

such income may be subject to taxation at source in countries in which sub-fund assets are invested. In such cases, neither the depositary nor the investment company is obliged to obtain tax certificates.

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

Investors who are not resident in and/or do not maintain a business establishment in the Grand Duchy of Luxembourg are not required to pay any further income, inheritance or wealth tax in the Grand Duchy of Luxembourg in respect of their shares or of income deriving from their shares. These parties are subject to their own countries' tax regulations.

Since 1 January 2017, natural persons who are resident in the Grand Duchy of Luxembourg and are not resident in another state for tax purposes are required to pay a withholding tax of 20% on interest income accrued in Luxembourg in accordance with the Luxembourg law implementing the Directive. Under certain circumstances, investment fund interest income may also be subject to the withholding tax.

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

4.) Use of income

The R and H share classes make a yearly payout (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

NOTES (continued)

as the master vehicle, regardless of whether they make distributions themselves). To avoid misunderstandings, it should be made clear that income from claims within the meaning of the BTIS regime in its currently valid version includes the sum of both interest and capital gains and capital losses on claims.

Detailed information regarding the use of income will, in principle, be published on the management company's website (www.fvsinvest.lu).

5.) Information on fees and expenses

Details of management and depositary fees are given in the current sales prospectus.

6.) Income and expense equalisation

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

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

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

8.) Events during the reporting period

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

9.) Events after the reporting period

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

10.) Transparency of securities financing transactions and their reuse (unaudited)

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

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

Detailed information on the investment 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
6, Avenue Marie-Thérèse
L-2132 Luxembourg,
Luxembourg

Board of Directors of the Investment Company

Chairman of the Board of Directors
Bernd Model
Managing Director
Flossbach von Storch AG,
CH- Zurich

Member of the Board of Directors
Matthias Frisch
Independent Member

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

Auditor of the Investment Company

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

Management Company

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

Supervisory Board of the Management Company

Chairman of the Supervisory Board
Kurt von Storch
Member of the Executive Board
Flossbach von Storch AG,
D- Cologne, Germany

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

Member of the Supervisory Board
Bernd Model
Managing Director
Flossbach von Storch AG,
CH-Zurich

Executive Board of the Management Company (Management Body)

Karl Kempen
Markus Müller
Dirk von Velsen

Auditor of the Management Company

Deloitte Audit S.à r.l.
560, rue de Neudorf
L-2220 Luxembourg,
Luxembourg

Depository

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

Central Administration Agent, Registrar and Transfer Agent

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

Paying Agent

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

Fund Manager

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

Additional Information for Belgium

Sales, paying and information agent

Caceis Belgium S.A.
Avenue du Port 86C
Boite 320
B-1000 Brussels, Belgium