

Flossbach von Storch - Bond High Conviction - IT

INVESTMENT STRATEGY

Flossbach von Storch - Bond High Conviction is a globally diversified, flexible and growth-orientated bond fund with an active investment approach that focuses on corporate bonds, government bonds and covered bonds. Investments in convertible bonds (including Coco Bonds) and bonds without maturity are also possible. The offensively orientated fund flexibly exploits the opportunities of the entire bond market. Investments in bonds with investment grade up to sub-investment grade (minimum: CCC rating) are possible; unrated issues are analysed in-house. A maximum of 75 per cent of the portfolio can be invested in bonds without an investment grade rating. Foreign currency risks are taken up to a maximum of 20 per cent of the portfolio. Securities are selected as part of a fundamental research and analysis process. The investment strategy includes in-house valuation models, ESG integration and engagement. Exclusion criteria defined as part of the sub-fund's investment policy are also taken into account.

The sub-fund is actively managed and not based on an index as a reference basis. The composition of the portfolio is determined by the fund manager exclusively in accordance with the criteria defined in the investment policy and is regularly reviewed and adjusted if necessary. The sub-fund is categorised as an Article 8 product within the meaning of the Disclosure Regulation (EU) 2019/2088 (SFDR).

For detailed information on the objectives and investment policy, please refer to the current sales prospectus and the key information document (PRIIP-KID).

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: BONDS AND CONVERTIBLES

Data as per 31 May 2026

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FUND DETAILS

Securities ID No. (WKN)	A419FX
ISIN	LU3072257606
Valor number	145285984
Domicile	Luxembourg
SFDR Category	Article 8
Share class	IT
Fund currency	EUR
Share class currency	EUR
Launch date	30 June 2025
Financial year end	30 September
Income utilisation	Accumulating
Authorised for distribution	BE, CH, DE, ES, LI, LU
Fund type	UCITS / FCP
Fund assets	EUR 140.31 million
Redemption price	EUR 101.34
Minimum initial investment	EUR 1,000,000.00
Minimum subsequent investment	none
Costs ¹	
Ongoing charges	0.64 % p.a.
which includes a management fee of	0.47 % p.a.
Transaction costs	0.04027 % 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

BNP PARIBAS, Succursale de Luxembourg
60, avenue J.F. Kennedy, L-1855 Luxembourg, 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 information document (PRIIP-KID), the sales prospectus, and the most recent annual report.

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TOP 10 GUARANTORS OVERALL FUND LEVEL (IN %)

1. United States of America	11.58 %
2. New Zealand	11.24 %
3. Republic of Germany	3.99 %
4. Alphabet Inc.	2.98 %
5. Amazon.com Inc.	2.68 %
6. Kingdom of Spain	2.68 %
7. Bayerische Motoren Werke AG	2.40 %
8. United Mexican States	2.01 %
9. Deutsche Telekom AG	1.56 %
10. Porsche Automobil Holding SE	1.52 %
Total	42.64 %

Source: Depositary and Flossbach von Storch, status: 31.05.26

The portfolio currently contains 180 securities.

TOP 10 SECTORS (IN %)*

1. Consumer Staples	19.81 %
2. Consumer Discretionary	18.54 %
3. Communication Services	12.80 %
4. Financials	11.82 %
5. Real Estate	8.58 %
6. Energy	7.97 %
7. Materials	7.18 %
8. Industrials	4.90 %
9. Health Care	4.69 %
10. Information Technology	2.84 %
Total	99.13 %

Source: Depositary and Flossbach von Storch, status: 31.05.26

* refer to corporate bonds

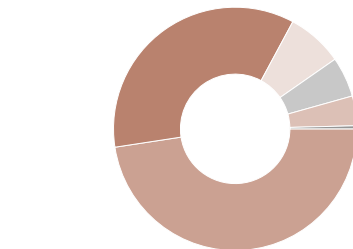
CREDIT RATING FOR BONDS (IN %)

AAA	23.78 %
AA	26.72 %
A	27.80 %
BBB	12.89 %
BB	5.17 %
B	2.98 %
NR	0.66 %

Source: Depositary and Flossbach von Storch, status: 31.05.26

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 %)



- 47.59 % Corporate bonds
- 35.28 % Government bonds
- 7.45 % Convertible bonds
- 5.34 % Cash
- 3.94 % Covered bonds
- 0.41 % Other (incl. derivatives)

Source: Depositary and Flossbach von Storch, status: 31.05.26

KEY FUND FIGURES

Average Yield to Maturity	3.87 %
Duration	11.24 years

Source: Depositary and Flossbach von Storch, status: 31.05.26

MONTHLY COMMENTARY

In May, a marked divergence was observed in the bond markets on both sides of the Atlantic. In the eurozone, yields fell, whilst the yield curve steepened noticeably (the decline in yields was more pronounced for short and medium-term maturities). This development was driven by growing hopes of a swift resolution to the Iran conflict and the resulting decline in inflation expectations. The market's previously extremely restrictive expectations regarding the path of key interest rates were scaled back accordingly over the course of the month.

On the other side of the Atlantic, however, the US yield curve flattened – with a sharp rise in yields for short maturities. The slight decline in US inflation expectations was more than offset here by a rising real interest rate component – driven primarily by hawkish comments from the US Federal Reserve (Fed). The newly appointed Fed Chair, Kevin Warsh, also struck a more restrictive tone (than expected), dashing any hopes of interest rate cuts and even leading the market to price in (almost) a full rate hike by the end of the year.

On a month-on-month basis, the yield on two-year German government bonds was around 11 basis points (bp) lower, whilst the yield on 30-year bonds was around 5 bp lower. For US Treasuries, the yield on two-year bonds climbed by around 13 bp, whereas the yield on 30-year maturities remained virtually unchanged over the month. Spread products (such as corporate bonds) benefited from improved risk sentiment on a month-on-month basis – risk premiums declined accordingly.

In the Fund, we used the improved market sentiment during the wave of new issues in the middle of the month as an opportunity to switch older bonds from the portfolio into new issues on attractive terms. Even on a currency-adjusted basis, attractive switches were available in US dollar-denominated issuers. We also remained very active on the duration front.

FUND MANAGEMENT



Frank Lipowski

at Flossbach von Storch since 2009.

Team Fixed Income

Deputy and operational collaboration is conducted through our Fixed Income Team.

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MONTHLY COMMENTARY - CONTINUED

Due to the rapidly changing volatility landscape, we once again wrote puts on interest rate futures on German Bunds and US Treasuries, later repurchased them, and rolled them into directional futures. Net of these transactions, duration was thus slightly lower at the end of the month. As part of our global diversification strategy, we built up positions in Canadian dollar-denominated interest rate futures, as we believe this offered attractive yield levels alongside virtually cost-free hedging against currency risks – whilst the macro environment was simultaneously favourable from a duration perspective.

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).
- + Increase in potential returns through the use of investment-grade bonds, contingent convertible bonds ('CoCo bonds') and bonds with no maturity date ('Perpetuals').

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. ESG criteria can restrict the selection of target investments in terms of category and number, sometimes considerably.
- 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. The value of the fund may also be negatively impacted to a greater extent by the use of investment-grade bonds. This can affect the fund's risk profile and volatility (tendency for the price to fluctuate).
- The limited use of contingent convertible bonds ('CoCo bonds') and bonds with no maturity date ('Perpetuals') entails specific additional risks. 'CoCo bonds' are typically debt instruments that can be converted into the issuer's equity or redeemed in whole or in part if a predefined trigger event occurs. 'CoCo bonds' increase the complexity of the fund and may present a higher liquidity and market risk. 'Perpetuals' have no fixed maturity and may increase the risk of repayment of the bond.

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.

INVESTOR PROFILE

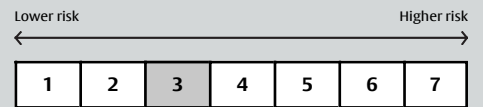
GROWTH-ORIENTED:

The fund is appropriate for growth-oriented investors. Due to the composition of the net sub-fund assets, there is a high degree of risk but also a high 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- to long-term: Minimum 4 years

RISK INDICATOR



The risk indicator assumes you keep the product for 4 years. The actual risk can vary significantly if you cash in at an early stage and you may get back less. The summary risk indicator is a guide to the level of risk of this product compared to other products. It shows how likely it is that the product will lose money because of movements in the markets or because we are not able to pay you. We have classified this product as 3 out of 7, which is a medium-low risk class. This rates the potential losses from future performance at a medium-low level, and poor market conditions are unlikely to impact our capacity to pay you. Unusual market conditions could arise, for example, due to currency, creditworthiness, price, counterparty, liquidity and interest rate risks, as detailed in the sales prospectus.

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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 must 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 must 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 publication and the information contained herein must not be distributed in the USA. The distribution and publication 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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The publication issued in German is legally binding. This English translation is only for the purpose of convenience.

A comprehensive glossary of topics and terms (in German) can also be found at <http://www.flossbachvonstorch.com/glossar/>.

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