

Annual report as at 30 September 2021

Flossbach von Storch III SICAV

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



Flossbach von Storch

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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.

Report on business operations

Flossbach von Storch III SICAV - Multiple Opportunities II Feeder

Share class R of the Flossbach von Storch - Multiple Opportunities II Feeder sub-fund ended the financial year of 1 October 2020 to 30 September 2021 with a 7.22% increase in value. On 15 October 2020 there was a distribution of EUR 0.19 per share.

By comparison, the MSCI World Index increased by 30.34% taking into account the net dividends in euro. The German government bond index REXP posted a loss of 1.50% during the period under review, while the Bloomberg Global Aggregate (Total Return, Unhedged EUR) increased by 0.26%.

Confidence was high at the beginning of the financial year. When the German company Biontech announced on 9 November 2020 that it had developed a highly effective COVID-19 vaccine in collaboration with its US partner Pfizer, the news prompted a continuation of the stock market rally that had already begun in the previous financial year. Spurred on by the prospect of a speedy return to normality, some equity markets temporarily achieved new all-time highs during the course of the financial year, despite another lockdown during the winter months.

Standing shoulder to shoulder on fiscal and monetary policy, on scale never previously seen, governments introduced far-reaching aid packages that were readily funded by the central banks. Initial fears of a financial crisis proved unfounded, and the sharp economic slump quickly transformed into a strong recovery that continued throughout the financial year. The coronavirus crisis actually accelerated the trend towards digitalisation, and this shift was reflected in stock market prices.

The first cracks in the "post-COVID stock market rally" began to appear towards the end of the financial year. Inflation and interest rate trends became the dominant themes on the capital markets. Rising energy costs and problems with global supply chains in particular led to a sharp rise in inflation rates. In the US, prices rose by more than 5% month on month over the summer period, for instance - a benchmark not reached for more than 20 years. Better economic data and rising prices increased the pressure on the central banks to ease their highly expansionary monetary policy. Towards the end of the financial year, the US Federal Reserve (Fed), for instance, indicated that it was likely to scale back its bond purchases by mid-2022. Bond yields rose markedly during the financial year, while the price of gold fell despite growing concerns about inflation.

The Master-UCITS' investment strategy of retaining assets for the long term and generating attractive returns took into account the investment guidelines in the sales prospectus and this special capital market environment as follows:

In line with our strategic world view for investments, we have for many years now pursued the approach of maintaining the highly expansionary monetary policy of the major central banks and permanently low interest rates, even in the event of sustained higher inflation rates. Against this backdrop, equities appear to us to be the more attractive asset class when compared with bonds. For this reason, we have further increased the equity ratio in the Master-UCITS, from 73.89% on 30 September 2020 to 81.50% at the end of the financial year. We have sold all remaining bonds in the Master-UCITS.

At the individual security level, we again focused on quality companies that were found by our company analyses to offer strong and profitable future growth and predictable earnings levels. We used our

Report on business operations (continued)

proprietary analysis tool CORE to complete the quality review. At the end of the financial year, equities in the basic consumer staples, communications services and information technology sectors, and in industrial businesses, had the highest weightings in the portfolio of the Master-UCITS. We did not make use of derivatives in the equities segment.

The precious metals ratio in the Master-UCITS was close to a weighting of 10% throughout the financial year. The precious metals allocation was 9.57% as at 30 September 2021. Gold was the only precious metal in the allocation and was held in the form of gold certificates. Although the price of this precious metal did not benefit during the financial year from the increased inflation level and the increasing discussion about the potential for a longer-lasting period of increased inflation rates, gold has always been an important component of the Master-UCITS because it offers insurance against consistently diminishing trust in the money system.

The Master-UCITS had a cash position of 10.30% at the end of the financial year. Currency hedges were used for a portion of the Master-UCITS' US dollar holdings.

The sub-fund net assets amounted to EUR 304.20 million as of 30 September 2021.

Luxembourg, October 2021

The Fund Manager on behalf of the Board of Directors
of Flossbach von Storch III SICAV

The information stated in the report is historical and is not representative of future results.

Flossbach von Storch III SICAV - Multiple Opportunities II Feeder

Annual report

1 October 2020 - 30 September 2021

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 for the reporting period:

	Share class R	Share class H
Securities ID No. (WKN):	A2H7AC	A2H7AD
ISIN:	LU1716946634	LU1716946808
Subscription fee:	up to 5.00%	up to 5.00%
Redemption fee:	none	none
Management fee:	up to 1.53% p.a.	up to 0.98% 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	99.32 %
Securities holdings	99.32 %
Cash at bank ²⁾	1.62 %
Balance of other receivables and payables	-0.94 %
	100.00 %

Breakdown by economic sector¹⁾

Investment fund holdings	99.32 %
Securities holdings	99.32 %
Cash at bank ²⁾	1.62 %
Balance of other receivables and payables	-0.94 %
	100.00 %

Performance over the last 3 financial years

Share class R

Date	Net sub-fund assets EUR millions	Shares outstanding	Net cash inflow EUR thousands	Share value EUR
30.09.2019	60.18	552,371	25,408.15	108.94
30.09.2020	114.70	1,000,819	49,236.04	114.61
30.09.2021	159.80	1,302,582	36,404.60	122.68

Share class H

Date	Net sub-fund assets EUR millions	Shares outstanding	Net cash inflow EUR thousands	Share value EUR
30.09.2019	77.19	702,830	39,633.41	109.83
30.09.2020	114.36	984,893	31,758.74	116.11
30.09.2021	144.39	1,155,565	20,950.06	124.96

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

²⁾ See the notes to the annual report.

FLOSSBACH VON STORCH III SICAV - MULTIPLE OPPORTUNITIES II FEEDER

Composition of net sub-fund assets

as at 30 September 2021

	EUR
Securities holdings (acquisition cost of securities: EUR 255,045,503.70)	302,115,684.81
Cash at bank ¹⁾	4,925,224.80
Receivables from the sale of shares	3,481,741.44
Other receivables ²⁾	1,866.92
	310,524,517.97
Payables from the redemption of shares	-28,108.67
Interest payable	-7,217.75
Payables from securities transactions	-3,419,096.29
Other liabilities ³⁾	-2,873,050.71
	-6,327,473.42
Total sub-fund net assets	304,197,044.55

Allocation to the share classes

Share class R

Proportion of sub-fund net assets	159,802,459.44 EUR
Number of shares outstanding	1,302,581.752
Share value	122.68 EUR

Share class H

Proportion of sub-fund net assets	144,394,585.11 EUR
Number of shares outstanding	1,155,564.954
Share value	124.96 EUR

¹⁾ See the notes to the annual report.

²⁾ The position includes capitalised fund launch costs.

³⁾ This position consists primarily of performance fee payables and belgian tax accruals.

FLOSSBACH VON STORCH III SICAV - MULTIPLE OPPORTUNITIES II FEEDER

Change in net sub-fund assets

for the reporting period from 1 October 2020 to 30 September 2021

	Total EUR	Share class R EUR	Share class H EUR
Net sub-fund assets at the beginning of the reporting period	229,060,099.71	114,699,762.16	114,360,337.55
Ordinary net expenditure	-5,152,588.31	-3,102,255.89	-2,050,332.42
Income and expense equalisation	613,217.15	415,342.75	197,874.40
Cash inflows from subscriptions	88,213,767.43	50,684,823.06	37,528,944.37
Cash outflows from redemptions	-30,859,107.36	-14,280,221.05	-16,578,886.31
Realised profits	1,858,587.55	960,837.93	897,749.62
Net change in unrealised profits	20,843,750.73	10,618,097.68	10,225,653.05
Distribution	-380,682.35	-193,927.20	-186,755.15
Net sub-fund assets at the end of the reporting period	304,197,044.55	159,802,459.44	144,394,585.11

Changes in number of shares in circulation

	Share class R No. of shares	Share class H No. of shares
Shares outstanding at the beginning of the reporting period	1,000,818.980	984,893.058
Shares issued	421,610.703	308,416.491
Shares redeemed	-119,847.931	-137,744.595
Shares outstanding at the end of reporting period	1,302,581.752	1,155,564.954

FLOSSBACH VON STORCH III SICAV - MULTIPLE OPPORTUNITIES II FEEDER

Statement of income and expenses

for the reporting period from 1 October 2020 to 30 September 2021

	Total EUR	Share class R EUR	Share class H EUR
Income			
Bank interest	-18,234.23	-9,473.11	-8,761.12
Income equalisation	-1,681.15	-999.70	-681.45
Total income	-19,915.38	-10,472.81	-9,442.57
Expenses			
Interest expenses	-0.04	-0.03	-0.01
Performance fee	-2,490,397.36	-1,259,999.81	-1,230,397.55
Management fee	-1,654,365.25	-1,223,300.70	-431,064.55
Depositary bank fee	-24,242.29	-12,526.58	-11,715.71
Central Administration Agent fee	-10,142.73	-5,241.12	-4,901.61
Taxe d'abonnement	-724.85	-375.43	-349.42
Publication and auditing costs	-13,843.78	-7,094.21	-6,749.57
Typesetting, printing and dispatch costs for the annual and semi-annual reports	-1,491.20	-772.02	-719.18
Registrar and transfer agent fee	-24,748.98	-12,633.19	-12,115.79
State fees	-10,456.99	-5,327.97	-5,129.02
Formation expenses	-1,399.24	-722.30	-676.94
Other expenses ¹⁾	-289,324.22	-149,446.67	-139,877.55
Expense equalisation	-611,536.00	-414,343.05	-197,192.95
Total expenses	-5,132,672.93	-3,091,783.08	-2,040,889.85
Ordinary net expenditure	-5,152,588.31	-3,102,255.89	-2,050,332.42
Total transaction costs in the reporting period²⁾	0.00		
Total expense ratio as a percentage²⁾		1.02	0.47
Performance fee as a percentage²⁾		0.91	0.95
Ongoing charges as a percentage²⁾		1.71	1.17

¹⁾ This position consists primarily of belgian tax accrual and paying agent fees.

²⁾ See the notes to the annual report.

FLOSSBACH VON STORCH III SICAV - MULTIPLE OPPORTUNITIES II FEEDER

Statement of assets as at 30 September 2021

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	500,945	99,568	2,276,853	132.6900	302,115,684.81	99.32
							302,115,684.81	99.32
Investment fund holdings							302,115,684.81	99.32
Securities holdings							302,115,684.81	99.32
Cash at bank³⁾							4,925,224.80	1.62
Balance of other receivables and payables							-2,843,865.06	-0.94
Total sub-fund net assets in EUR							304,197,044.55	100.00

Additions and disposals from 1 October 2020 to 30 September 2021

During the reporting period 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 30 September 2021 there were only assets in the sub-fund currency (Euro).

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.

³⁾ See the notes to the annual report.

Notes to the annual report as at 30 September 2021 (Appendix)

1.) Introduction

Flossbach von Storch III SICAV (the “investment company”) is an open-ended investment fund, incorporated on 5 December 2017 as a “Société d’Investissement à Capital Variable” for an unlimited period of time. The investment company is governed by the provisions of Part I of the Law of 17 December 2010, as amended, relating to Undertakings for Collective Investments (the “Law of 2010”). Its Article of Association were initially published on 27 December 2017 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 management company of the investment company is Flossbach von Storch Invest S.A. (the “management company”), a public limited company under the laws of Luxembourg with its registered office at 2, rue Jean Monnet, L-2180 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 15 November 2019 and was published in Recueil électronique des sociétés et associations („RESA”), the trade and companies register of Luxembourg. The management company is registered in the Luxembourg Trade and Companies Register under registration number R.C.S. Luxembourg B 171513.

The Flossbach von Storch III SICAV fund consists of one sub-fund, the Flossbach von Storch III SICAV - Multiple Opportunities II Feeder, as at 30 September 2021. Consequently, the composition of the net sub-fund assets and the statement of assets as at 30 September 2021 of Flossbach von Storch III SICAV - Multiple Opportunities II Feeder correspond to the combined assets of the fund Flossbach von Storch III SICAV.

Notes to the annual report as at 30 September 2021 (Appendix) (continued)

2.) Master-feeder structure

The respective sub-fund of the investment company is a Feeder-UCITS within the meaning of Article 77 of the Law of 2010, whereas it invests at least 85% of its assets in units of the sub-fund Flossbach von Storch - Multiple Opportunities II - MT (the "Master-UCITS"), a legally dependent fund in accordance with Chapter 2 of the Law of 2010.

The following table provides details on the master-feeder structure as at 30 September 2021:

Master-UCITS	Feeder sub-fund	Currency	Amount of aggregate charges	Aggregate charges in %	% of ownership of the Master-UCITS
Flossbach von Storch - Multiple Opportunities II (unit class MT)	Flossbach von Storch III SICAV - Multiple Opportunities II Feeder (share class R)	EUR	3,662,714.37	2.64%	1.18%
Flossbach von Storch - Multiple Opportunities II (unit class MT)	Flossbach von Storch III SICAV - Multiple Opportunities II Feeder (share class H)	EUR	2,733,972.82	2.11%	1.07%
Flossbach von Storch - Multiple Opportunities II	Flossbach von Storch III SICAV - Multiple Opportunities II Feeder	EUR	6,396,687.19	2.38%	2.25%

The information regarding the description of the master-feeder structure, the investment objective and policy of the Master-UCITS are detailed in the sales prospectus of the investment company.

The current version of the sales prospectus including the management regulations, the most recent audited financial statements and semi-annual report and the key investor information documents of the Master-UCITS can be downloaded from the website of the management company (www.fvsinvest.lu).

3.) 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 annual reports.

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").

Notes to the annual report as at 30 September 2021 (Appendix) (continued)

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 day.

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.

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 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.

Notes to the annual report as at 30 September 2021 (Appendix) (continued)

- 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 respective market values as determined by the management company, to the best of its knowledge, on the basis of generally accepted and verifiable valuation principles. 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 have been 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 their market prices as determined by the management 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 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.).

Costs incurred for the establishment of the fund and the initial issue of shares will be amortised over the first five financial years to the detriment of the assets in the sub-funds that existed on establishment. The formation expenses and the above-mentioned costs, which do not relate solely to the assets of a specific

Notes to the annual report as at 30 September 2021 (Appendix) (continued)

sub-fund, are split between the relevant sub-fund assets on a pro rata basis by the Management Company. Expenses which are incurred in connection with the issue of other sub-funds are charged to the relevant sub-fund assets to which they are attributable and depreciated within a period of a maximum of five years after the sub-funds have been issued.

4.) Taxation

Taxation of the investment company and its sub-fund

The Company's assets are not subject to taxation on their income and profits in the Grand Duchy of Luxembourg. The Company's assets are only subject to the "taxe d'abonnement" currently amounting to 0.05% p.a. A reduced "taxe d'abonnement" of 0.01% p.a. is applied to (i) the sub-funds or share classes, the shares of which are issued exclusively to institutional shareholders within the meaning of Article 174 of the Law of 17 December 2010, (ii) sub-funds whose sole purpose is to invest in money market instruments, in time deposits with credit institutions or both. The "taxe d'abonnement" is payable quarterly, based on the Company's net assets reported at the end of each quarter. The amount of the "taxe d'abonnement" is specified for each sub-fund or share class in the relevant Annex to the Sales Prospectus. An exemption from the "taxe d'abonnement" applies, inter alia, to the extent that the fund assets are invested in other Luxembourg investment funds, which in turn are already subject to the "taxe d'abonnement".

Income received by the investment company (in particular interest and dividends) may be subject to withholding or investment tax in the countries in which the relevant (sub-)fund assets are invested. The investment company may also be taxed on realised or unrealised capital gains of its investments in the source country. Neither the Depositary nor the Management Company are obliged to collect tax certificates.

Interested parties and investors are recommended to find out about laws and regulations which are applied to the taxation of corporate assets, the subscription, the purchase, the ownership, the redemption or the transfer of shares and to call on the advice of external third parties, especially a tax adviser.

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

Natural persons resident for tax purposes in the Grand Duchy of Luxembourg are subject to Luxembourg progressive income tax.

Companies resident for tax purposes in the Grand Duchy of Luxembourg are subject to corporation tax on the income from the fund shares.

Shareholders who are or were not resident for tax purposes in the Grand Duchy of Luxembourg and do not maintain a permanent establishment or have a permanent representative, are not subject to Luxembourg income tax with respect to their income or capital gains from their shares in the Fund.

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

Notes to the annual report as at 30 September 2021 (Appendix) (continued)

5.) Use of income

The R and H share classes may distribute an 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 as the master vehicle, regardless of whether they make distributions themselves). To avoid misunderstandings, 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).

6.) Information on fees and expenses

Details of management, performance and depositary fees can be found in the current sales prospectus.

7.) Transaction costs

Transaction costs include all costs which were accounted for and/or settled separately on account of the fund in the financial year and are directly connected with a purchase or sale of securities, money market instruments, derivatives or other assets. These costs primarily comprise commissions, processing fees and tax.

8.) Total Expense Ratio (TER)

In calculating the total expense ratio (TER), the following BVI calculation method was applied:

$$\text{TER} = \frac{\text{Total cost in fund currency}}{\text{Average fund volume}} \times 100$$

(basis: NFA* calculated daily)

*NFA = net fund assets

The TER indicates the level of expenses charged to the fund assets. In addition to management and depositary fees and the tax d'abonnement, all other costs are included, with the exception of transaction costs incurred by the fund. It shows the total amount of these costs as a percentage of the average fund volume in a financial year. Any performance fees are shown separately in direct relation to the TER.

Notes to the annual report as at 30 September 2021 (Appendix) (continued)

9.) Ongoing charges

"Ongoing charges" is a figure calculated pursuant to Article 10 (2) (b) of Commission Regulation (EU) No. 583/2010 of 1 July 2010 implementing Directive 2009/65/EC of the European Parliament.

The ongoing charges indicate the level of expenses charged to the fund assets in the past financial year. In addition to management and depositary fees and the *taxe d'abonnement*, all other costs are included, with the exception of applicable performance fees. The figure shows the total amount of these charges as a percentage of the average fund volume in the financial year. In the case of investment funds which invest more than 20% of their assets in other fund products / target funds, the charges for the target funds are also included – any retrocession receipts (trailer fees) for these products are off set against the charges.

For share classes without a full financial year, the figure is based on a cost estimate.

10.) 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 shares as part of the subscription price and passed on to the party selling shares in the redemption price.

11.) 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.

12.) Risk management

The management company applies a risk management procedure which enables it to monitor and measure at all times the risk contained in the investment positions and their contribution to the overall risk profile of the investment portfolio of the funds managed by the management company. In accordance with the Law of 17 December 2010 and the applicable supervisory requirements of the Commission de Surveillance du Secteur Financier ("CSSF"), the management company reports regularly to the CSSF on the risk management procedure it applies. As part of its risk management procedure, the management company ensures, through the use of effective and appropriate methods, that the overall risk connected with derivatives in the funds managed does not exceed the total net value of their portfolios. To do this, the management company uses the following methods:

Commitment approach:

Under the commitment approach, positions in derivative financial instruments are converted into their underlying equivalent using the delta method. This takes account of netting and hedging effects between derivative financial instruments and their underlyings. Equivalent to underlyings, their total value must not exceed the total net value of the fund portfolio.

Notes to the annual report as at 30 September 2021 (Appendix) (continued)

Value-at-risk (VaR) approach:

The Value-at-Risk (VaR) figure is a statistical concept and is used as a standard measure of risk in the financial sector. The VaR indicates the potential loss on a portfolio during a given period (the holding period) which has a given probability (the confidence level) of not being exceeded.

Relative VaR approach:

In the relative VaR approach, the VaR for the fund must not exceed the VaR for a reference portfolio by a factor contingent on the level of the fund's risk profile. The maximum factor permitted by the supervisory authorities is 200%. The benchmark portfolio provides a correct representation of the fund's investment policy.

Absolute VaR approach:

In the absolute VaR approach, the VaR for the fund (99% confidence level, 20-day holding period) must not exceed a portion of the fund's assets contingent on the level of the fund's risk profile. The maximum limited permitted by the supervisory authorities is 20% of the fund's assets. For funds which use the VaR approaches to ascertain the total risk, the management company estimates the expected degree of leverage effect. The extent of this leverage effect may deviate from the actual value depending on prevailing market conditions, falling below or exceeding it. Investors' attention is drawn to the fact that no conclusions can be drawn from this information with respect to the risk entailed in the fund. Furthermore, the expected leverage published is explicitly not to be understood as an investment limit. The method used to determine the overall risk and, if applicable the publication of the reference portfolio and the expected degree of leverage, as well as the calculation method, are stated in the fund-specific appendix. In accordance with the Prospectus valid at the end of the financial year, the sub-fund is subject to the following risk management procedure:

Sub-fund	Risk Management Method
Flossbach von Storch III SICAV – Multiple Opportunities II Feeder	Commitment approach

13.) Events during the reporting period

With effect from 30 October 2020, the revised sales prospectus and the Articles of Association it includes came into effect. Editorial changes and model adaptations have been made to the Articles of Association and the address of the Management Company has been deleted from Article 32.

On 30 October 2020, the investment company's headquarters were moved from 6, Avenue Marie-Thérèse, 2132 Luxembourg to 2, rue Jean Monnet, 2180 Luxembourg.

As of 1 November 2020, the Management Company assumed the functions of the central administration unit. Under its responsibility and control, the Management Company has delegated various administrative

Notes to the annual report as at 30 September 2021 (Appendix) (continued)

tasks, in particular the tasks of the Registrar and Transfer agent as well as fund accounting, to DZ PRIVATBANK S.A., based in 4, rue Thomas Edison, 1445 Strassen, Luxembourg. DZ PRIVATBANK S.A. has in turn transferred under its responsibility and control, e.g. the calculation of the net asset values, to Attrax Financial Services S.A. with registered office at 3, Heienhaff, L-1736 Senningerberg.

In addition to editorial changes, the sales prospectus was also revised and updated effective 10 March 2021, including information on the sustainability policy and sustainability risks.

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

14.) Events after the reporting period

The sales prospectus has been revised as of 1 October 2021. In addition to editorial changes and model adaptations of the sales prospectus, the performance fee model has been updated in order to fully comply with the ESMA guidelines on performance fees.

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

15.) Measures taken by Flossbach von Storch Invest S.A. in light of the COVID-19 pandemic (unaudited)

In order to protect against the coronavirus crisis, the Management Company Flossbach von Storch Invest S.A. has taken various measures that involve its employees across various locations and protect its business processes, even in a crisis scenario.

In addition to extensive hygiene measures on the premises and restrictions on business trips and events, further measures have been taken to enable the Management Company to ensure reliable and smooth operation of its business processes in the event of a suspected coronavirus infection within the workforce. By expanding the possibilities for remote working, Flossbach von Storch Invest S.A. has established a work environment where the technology that we now have available does not require employees to be continually present at the respective locations. This significantly reduces the potential risk of the coronavirus being transmitted within the Management Company.

Emergency management is continuously coordinated between Flossbach von Storch Invest S.A. and Flossbach von Storch AG, taking into account the current situation at the various locations. In addition, communications with DZ PRIVATBANK S.A. take place regularly. The measures are constantly reviewed and adjusted as necessary.

16.) Remuneration policy (unaudited)

The approved Flossbach von Storch Invest S.A. remuneration policy applies to all employees and takes into account the local and European requirements regarding UCITS and AIFMD regulations. Due to the structure and size of the company, all employees are classified as risk takers. For the time being, members of the

Notes to the annual report as at 30 September 2021 (Appendix) (continued)

Supervisory Board shall not receive any remuneration for their work for the Flossbach von Storch Invest S.A. Supervisory Board.

The remuneration policy serves to put in place appropriate practices that guarantee solid and effective risk management. An additional objective is to discourage excessive risk-taking and to prevent conflicts of interest. Flossbach von Storch Invest S.A. aims to pay all employees a suitable fixed salary so that the variable components merely constitute additional remuneration and mainly relate to the Company's overall performance. The remuneration policy also aims to ensure an appropriate balance between fixed and variable remuneration components.

The principle of proportionality is applied in accordance with Section 7 of ESMA Guideline 2016/575. This includes the following procedure:

- No remuneration committee shall be appointed.
- The variable remuneration shall not be paid in the management company's AIF/UCITS instruments.
- The payment shall be made subsequently as part of the salary, and no vesting period or deferral shall be applied. However, the management company reserves the right to reclaim parts of the variable remuneration under special circumstances.

The number of remunerated employees at the end of the management company's financial year 2020 was 35. The total remuneration of these employees in relation to the present investment company was approx. EUR 5,495,000. Of this, approx. 67% was attributable to fixed remuneration components. The proportion of variable remuneration components to staff costs on the whole was approx. 33%, which was paid to 28 out of the 35 employees in total. The total remuneration covers the paid remuneration components and the related social security contributions.

The remuneration policy was drawn up without the involvement of external advisors. It is available for download online at www.fvsinvest.lu in the remuneration policy under "Legal Notice".

Management of the Sub-fund's portfolio was outsourced to Flossbach von Storch AG with its registered office in Cologne (Germany). As a financial service institution, Flossbach von Storch AG is required to have an appropriate remuneration system in accordance with Section 25a (1) sentence 6 KWG (Kreditwesengesetz [German Banking Act]) in conjunction with the InstitutsVergV (Ordinance on the Supervisory Requirements for Institutions' Remuneration Systems).

The Company's total assets were well below EUR 15 billion on average over the last three complete financial years. The Company independently established that, on the basis of a risk analysis, it should not be classified as a major institution. For this reason, the Company has not applied the special regulations for major institutions. Flossbach von Storch AG is therefore subject to the Remuneration Ordinance for Institutions' general requirements.

In the 2020 financial year, the total Flossbach von Storch AG staff costs, including social security contributions and occupational pensions, came to EUR 43,685,000. Of this, approx. 64% was attributable to

Notes to the annual report as at 30 September 2021 (Appendix) (continued)

fixed remuneration components. The proportion of variable remuneration components to staff costs on the whole was approx. 36%.

In the 2020 financial year, 183 employees (out of a total of 235 employees as of 31 December 2020) received a variable remuneration. Each of the three executive board members received a bonus.

The Flossbach von Storch AG remuneration provision was drawn up without the involvement of external advisors.

17.) 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 this report for shareholders.

Detailed information on the investment company's investment strategy and the financial instruments used is available in the current sales prospectus.



Audit report

To the Shareholders of
Flossbach von Storch III SICAV

Our opinion

In our opinion, the accompanying financial statements give a true and fair view of the financial position of Flossbach von Storch III SICAV (the "Fund") as at 30 September 2021, and of the results of its operations and changes in its net assets for the year then ended in accordance with Luxembourg legal and regulatory requirements relating to the preparation and presentation of the financial statements.

What we have audited

The Fund's financial statements comprise:

- the composition of net sub-fund assets as at 30 September 2021;
- the change in net sub-fund assets for the year then ended;
- the statement of income and expenses for the year then ended;
- the statement of assets as at 30 September 2021; and
- the notes to the financial statements, which include a summary of significant accounting policies.

Basis for opinion

We conducted our audit in accordance with the Law of 23 July 2016 on the audit profession (Law of 23 July 2016) and with International Standards on Auditing (ISAs) as adopted for Luxembourg by the "Commission de Surveillance du Secteur Financier" (CSSF). Our responsibilities under the Law of 23 July 2016 and ISAs as adopted for Luxembourg by the CSSF are further described in the "Responsibilities of the "Réviseur d'entreprises agréé" for the audit of the financial statements" section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

We are independent of the Fund in accordance with the International Code of Ethics for Professional Accountants, including International Independence Standards, issued by the International Ethics Standards Board for Accountants (IESBA Code) as adopted for Luxembourg by the CSSF together with the ethical requirements that are relevant to our audit of the financial statements. We have fulfilled our other ethical responsibilities under those ethical requirements.

Other information

The Board of Directors of the Fund is responsible for the other information. The other information comprises the information stated in the annual report but does not include the financial statements and our audit report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.



In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors of the Fund for the financial statements

The Board of Directors of the Fund is responsible for the preparation and fair presentation of the financial statements in accordance with Luxembourg legal and regulatory requirements relating to the preparation and presentation of the financial statements, and for such internal control as the Board of Directors of the Fund determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors of the Fund is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors of the Fund either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

Responsibilities of the "Réviseur d'entreprises agréé" for the audit of the financial statements

The objectives of our audit are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an audit report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors of the Fund;



- conclude on the appropriateness of the Board of Directors of the Fund's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our audit report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our audit report. However, future events or conditions may cause the Fund to cease to continue as a going concern;
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

PricewaterhouseCoopers, Société coopérative
Represented by

Luxembourg, 15 December 2021

Björn Ebert

Management, distribution and advisory services

Investment Company	Management Company	Depository
Flossbach von Storch III SICAV	Flossbach von Storch Invest S.A. 2, rue Jean Monnet L-2180 Luxembourg, Luxembourg	DZ PRIVATBANK S.A. 4, rue Thomas Edison L-1445 Strassen, Luxembourg
Registered office		
Flossbach von Storch III SICAV 2, rue Jean Monnet L-2180 Luxembourg, Luxembourg (from 30 October 2020)	Supervisory Board of the Management Company	Registrar and Transfer Agent and various sub-services of Central Administration tasks
6, Avenue Marie-Thérèse L-2132 Luxembourg, Luxembourg (until 29 October 2020)	Chairman of the Supervisory Board Dirk von Velsen Member of the Executive Board Flossbach von Storch AG, D-Cologne, Germany	DZ PRIVATBANK S.A. 4, rue Thomas Edison L-1445 Strassen, Luxembourg
Board of Directors of the Investment Company	Deputy Chairman of the Supervisory Board Julien Zimmer Investment Funds Chief Representative DZ PRIVATBANK S.A., L-Strassen, Luxembourg	Paying Agent Grand Duchy of Luxembourg
Chairman of the Board of Directors Dirk von Velsen Member of the Executive Board Flossbach von Storch AG, D-Cologne, Germany	Member of the Supervisory Board Matthias Frisch Independent Member	DZ PRIVATBANK S.A. 4, rue Thomas Edison L-1445 Strassen, Luxembourg
Member of the Board of Directors Matthias Frisch Independent Member	Executive Board of the Management Company (Management Body)	Fund Manager
Member of the Board of Directors Matthias Schirpke Sous-Directeur IPConcept (Luxembourg) S.A., L-Strassen, Luxembourg	Karl Kempen Markus Müller Christian Schlosser	Flossbach von Storch AG Ottoplatz 1 D-50679 Cologne, Germany
Auditor of the Investment Company	Auditor of the Management Company	Additional Information for Belgium
PricewaterhouseCoopers Société coopérative 2, rue Gerhard Mercator, B.P. 1443 L-1014 Luxembourg, Luxembourg	KPMG Luxembourg Société coopérative 39, Avenue John F. Kennedy L-1855 Luxembourg, Luxembourg	Sales, paying and information agent
		Caceis Belgium S.A. Avenue du Port 86C Boite 320 B-1000 Brussels, Belgium