



Disclosure Report 2016

within the meaning of CSSF Circular 2010-437 on remuneration policies in the financial sector

1. Introduction

The Circular contains minimum requirements for the remuneration systems of institutions which are aimed at avoiding adverse incentives that lead to excessive risk taking. These rules are therefore aimed at ensuring the stability of the financial institution and, consequently, the stability of the financial market.

As a financial services institution, Flossbach von Storch Invest S.A. is required to have an appropriate remuneration system in accordance with the Circular.

2. Business model

As a management company, Flossbach von Storch Invest S.A. has a total of around EUR 18.1 billion in assets under management (as at 31 December 2016).

The purpose of the management company is the collective portfolio management of one or more Luxembourg and/or foreign undertakings for collective investment. These include undertakings for collective investment in transferable securities (UCITS) pursuant to the Law of 17 December 2010 on undertakings for collective investments, as amended ("Law of 17 December 2010") and alternative investment funds (AIF) in accordance with the Law of 12 July 2013 on Managers of Alternative Investment Funds ("Law of 12 July 2013") and other undertakings for collective investment (UCI) that do not fall within the scope of the regulations mentioned above and for which the management company is subject to a supervisory authority, but whose units are not approved for distribution in other member states of the European Union under the aforementioned regulations. Collective portfolio management takes place on behalf of the unitholders and in accordance with the terms of Chapter 15 of the Law of 2010 and the Law of 2013.

3. Disclosures on compliance with the requirements of Circular 2010-437

3.1 General disclosures on the remuneration system

Flossbach von Storch Invest S.A. aims to offer its employees competitive and fair total compensation. This means that the employees of Flossbach von Storch Invest S.A. who are not covered by collective agreements receive an appropriate fixed basic salary. Performance-related or results-related remuneration (variable remuneration) may be paid optionally in addition to the basic salary.

The remuneration regulations are in line with the strategic objectives of Flossbach von Storch Invest S.A. and do not act contrary to them.



The remuneration system does not create any incentive to assume excessive risk and is reviewed for appropriateness each year during personnel planning in consultation with the human resources department and modified if necessary.

3.2 Design of the remuneration system

Flossbach von Storch Invest S.A. employees receive a fixed basic salary that is in line with the market and appropriate for their positions based on an analytical job evaluation.

Some of the employees – particularly in the market areas and in sales – also receive objective-related or performance-related variable remuneration. As a rule, Flossbach von Storch Invest S.A. must earn a profit for the full year before variable remuneration is paid. No employment contracts provide for guaranteed variable remuneration or contractually fixed severance payments.

The remuneration system does not create any incentive in the control units that would be contrary to the monitoring function of these units. Remuneration is predominantly fixed in these areas. In successful financial years, a bonus that is linked to the profit earned by Flossbach von Storch Invest S.A. for the full year may optionally be paid.

3.3 Relationship between variable remuneration and fixed remuneration

Employees are not significantly dependent on variable remuneration under the existing remuneration system. The fixed and variable components of remuneration have a reasonable relationship to one another.

3.4 Remuneration parameters

The criteria for determining the amount of fixed basic salary include, among other things, relevant professional experience and qualifications, the importance of the role being performed, and the overall level of salaries in the Company.

The primary parameters for variable remuneration are the performance achieved by Flossbach von Storch Invest S.A. (full-year profit) and, if applicable, the achievement of objectives in the employee's area of responsibility. These objectives are based on the overall plans of Flossbach von Storch Invest S.A. and are in line with the strategic objectives of the Company. These objectives are aimed at achieving long-term, sustainable business success. The personal objectives are set jointly by the employees and their managers at the beginning of the year, reviewed during the year and evaluated at the end of the year.

3.5 Method of payment

The fixed salary is paid in 12 equal instalments no later than the 25th day of each month. Any variable remuneration is generally received in a single payment in the first quarter of the following year.



3.6 Executive board remuneration

One out of the three executive board members of Flossbach von Storch Invest S.A., Luxembourg receives a monthly remuneration of EUR 6,000. The other two members of the executive board do not receive any remuneration.

3.7 Supervisory board remuneration

The members of the supervisory board have not received any remuneration for the performance of their duties.

3.8 Involvement of external advisors

The remuneration system was designed without the involvement of external advisors.

3.9 Remuneration data for financial year 2016

Personnel expenses, including social security contributions and company pension contributions, were EUR 1,079,000 for financial year 2016. Around 69% of this amount was for fixed remuneration. Variable remuneration consequently represented around 31% of total personnel expenses.

Six employees (of a total of twelve employees as at 31 December 2016) received variable remuneration for financial year 2016.

As at April 2017