

DB Platinum IV Platow Fund – February 2017 Report

For the first time in its history, SDAX closed above 10,000 points in mid-February. While the blue-chip index DAX drew plenty of media attention when it reached that milestone in 2014, the SDAX record received little coverage. It did however prove to investors that smaller companies can generate big yields. The starting point was set at 1,000 in 1988 for both indices, after all—in real terms in the DAX's case, and on the basis of a back-calculation in the case of the SDAX.

The DB Platinum IV Platow Fund's investors also had good reason to break out the champagne in February. Both the tranche for institutional investors launched in February (LU1239760371) and the tranche for retail investors that was launched in 2007 (LU1239760025) reached new all-time highs. The same goes for the „Platow certificate“ (DE000DB0PLA8).

All three products managed to beat the yield in the SDAX, which is the most closely comparable benchmark index, and increased their outperformance since their inception. Helma Eigenheimbau issued a sales and profit warning just before the end of the month, which caused the stock to drop and prevented an even better performance of the Platow Fund. Due to the drop in value and the sale of a part of that position, Helma Eigenheimbau is no longer on the list of top ten positions in the fund.

Otherwise, good news and rising stocks were the norm in February. Adva Optical and Datagroup were standouts, ahead even of Stada Arzneimittel. That is especially remarkable because three potential buyers expressed interest in acquiring Stada, a maker of brand

name and generic drugs. Stada consequently rallied, as is common in takeover targets, and made it onto our list of top ten positions in the Platow Fund. Stada is the fourth MDAX company on the top ten list.

On the whole, the Platow Fund's make-up is a different one: About one fifth of the fund's assets is invested in SDAX companies, while a third is in small caps that are not listed in any of the four DAX indices. Even the TecDAX makes up a larger portion of the portfolio than the MDAX.

This is not a breakdown we targeted actively. It rather emerged from our strict investment principles which are based entirely on upside and downside risks and disregard fickle aspects like index affiliation or weighting. Washtec, for example, just recently advanced into the SDAX, but has been one of the fund's biggest positions for months.

Thanks to this stock-picking approach, the double digit increases in lesser-known companies like Indus, Jenoptik, Paragon, Steico, Villeroy & Boch and Washtec made a measurable difference to the fund's overall performance. You can find more information at www.pfp-advisory.de.

Top Ten Holdings

Bechtle
Cancom
Fresenius
Jungheinrich Vz.
KION
Sixt Vz.
Stada
Südzucker
Washtec
Zooplus

28.02.2017, in alphabetical order

Investment objective and strategy

The DB Platinum IV Platow Fund (LU1239760371 and LU1239760025) is a mutual fund focusing on German equity. It was launched by Deutsche Bank securities. Until August 2016, advising was carried out via the Platow Medien GmbH. pfp Advisory has taken over advising responsibilities since September 2016. An in-depth analysis of the entire German stock market is the basis for all investment processes. Important elements include a tried and tested stock-picking process developed by Christoph Frank, careful balance sheet analysis and hundreds of conversations with executives and other company insiders every year. The opportunities and risks presented by individual companies' equity are crucial, while macroeconomic considerations and inclusion in a stock index are mostly immaterial. That is why the DB Platinum IV Platow Fund's portfolio usually differs substantially from the composition of major stock indices.

pfp Advisory in portrait

pfp Advisory is an investment fund advisory firm located near the Frankfurt Stock Exchange that specializes in the analysis of equity and other securities. The customers are investment funds and professional investors. At the heart of the investment strategy is a systematic and extensive stock analysis that is focused on identifying the opportunities and risks of individual securities („Stock-Picking“). pfp uses a combination of key ratio analysis, knowledge of listed firms and stringent long-term investment principles. The pfp's directors Christoph Frank and Roger Peeters each possess over 20 years of market experience and they have used their expertise to advise the DB Platinum IV Platow Fund.

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