

DB Platinum IV Platow Fund – May 2017 Report

By end of May, it was clear that the DB Platinum IV Platow Fund would extend its uninterrupted winning streak by a sixth month. The fund focused on German stock has thus concluded every month of the current year on the plus side. Not only since the beginning of the year, but also specifically in the month of May, the fund managed to outperform Germany's benchmark DAX as well as the small-cap index SDAX.

After a recent string of record highs, this outperformance as compared to the DAX and SDAX indices is another pleasant gift for investors in the fund or the „Platow Certificate“ (DE00DB0PLA8) on the occasion of the fund's 11th birthday. This additional yield is the value created by the DB Platinum IV Platow Fund (LU1239760025, LU1239760371) that sets it apart from passive investment strategies like index funds linked to the DAX or SDAX indices. For Platow investors, claims that exchange-traded funds are fundamentally superior to managed products ring hollow thanks to this track record.

The month of May proves as much: Only a small number of investments from the portfolio concluded in the red, such as Covestro and Koenig & Bauer. The list of strong performers is all the longer, with m-u-t and Einhell leading the way. These positions unfortunately are relatively small, so that their exorbitant gains had only limited influence on the fund's overall performance. Gains in other small-caps like Technotrans, Datagroup and Adesso had a greater effect, as did Bechtle thanks to its price gains and high weighting.

The reasons for price increases in individual companies are not always clear, not least because investors were showered with corporate news last month. May is typically the peak season for annual shareholder meetings and quarterly reports. Almost every company the Platow Fund invests in presented a

quarterly report in May, unless it already did so in April or does not fall under such reporting requirements.

Datagroup, Einhell and Stabilus announced improved outlooks along with their quarterly results, while Energiekontor is planning a share buyback program and S&T published the exchange ratio for Kontron shares. KION successfully completed a capital increase, which barely rattled investors. General Reinsurance AG, a part of Warren Buffett's Berkshire Hathaway empire, caused some chatter with the news that it now owns over three percent in Lanxess.

Top Ten Holdings
Adesso
Bechtle
Cancom
Datagroup
Fresenius
Jenoptik
S&T
Technotrans
Washtec
Zooplus
31.05.2017, in alphabetical order

In other notable news, the volume of directors' dealings has gone up significantly, both on the buy side (e.g. Adidas, Covestro, Lanxess) and on the sell side (Cenit, Dürr, Zooplus). This is a development to keep under observation, since a growing wave of stock sales by members of the boardroom can point toward skepticism among insiders. So far, there is no clear indication of that. But investors should be aware that the euphoria of the first five months is no guarantee for the year's overall performance.

Luckily, pfp Advisory's stock-picking strategy has been successful since 2006 – even at times when the market provided less assistance. You can find further information about our investment strategy at www.pfp-advisory.de.

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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