

DB Platinum IV Platow Fund – April 2018 Report

Many investors dream of it: discovering an investment so early that their money multiplies tenfold. By way of the DB Platinum IV Platow Fund, investors managed that feat since they own shares indirectly in Cancom. With the exception of only a short period of time, the stock has been part of the portfolio for almost eight years. In 2010, we bought the first shares for €6.62. By the end of April 2018, Cancom shares were worth almost €100 and the biggest portfolio member.

Peter Lynch, who coined the term “tenbagger,” would have probably enjoyed investing in Cancom. The legendary fund

Top Ten Holdings
Bechtle
Cancom
Datagroup
Deutsche Post
Deutz
Hella
Jungheinrich
MTU
S&T
Sixt
30.4.2018, in alphabetical order

manager picked out companies the market had underestimated long before big institutional investors discovered them. The latter typically only begin to invest when market capitalization, past yield and brand recognition are great enough to justify the purchase to superiors, investors, and investment boards.

Of course, not every single one of the DB Platinum IV Platow Fund’s (LU1239760025, LU1239760371) investments has been quite as fruitful. Nonetheless, Cancom is a good example of how the relevant persons of pfp Advisory make decisions: We try to find companies early on and at moderate

multiples that grow well and may look “boring” to the majority of investors. We had already invested in Cancom before the IT company moved its headquarters from rural Bavaria to Munich, the stock advanced into the TecDAX, and its reputation on the capital markets changed from a simple IT services provider to a “cloud specialist”.

In April, Cancom had a market capitalization of €1.7 billion and hosted a busy capital markets day in Frankfurt (and London). That was not the only event in which pfp Advisory participated. We were also able to speak with dozens of executives at capital markets conferences hosted by Bankhaus Lampe in Baden-Baden and by GBC in Munich.

In addition to such primary research, the final stragglers of the 2017 earnings season (Cenit, Nanogate, Uzin Utz) and first-quarter earnings from Covestro, Einhell, Kion, Lufthansa, Mensch und Maschine, Puma, Sixt, Süss Microtec, and Villero & Boch provided insights. Bechtle, Einhell and SMT Scharf reported purchases in Directors’ Dealings while insiders at Hella and Jungheinrich sold shares.

Fresenius cancelled its planned takeover of Akorn, but the stock remained relatively subdued. Apart from high monthly yields at Cancom and S&T, there were no big moves within the portfolio – not even on the losing side, where none of our investments fell by double digits in April. By the month’s close, the fund and the „Platow Certificate“ (DE000DB0PLA8) had achieved a solid gain almost identical to that in the SDAX, maintaining the outperformance versus the index since 2006. Investors can find more information 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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