

DB Platinum IV Platow Fund – May 2018 Report

The DB Platinum IV Platow Fund just celebrated its 12th anniversary in May. During the same month in 2006, the „Platow Certificate“ (DE000DB0PLA8) and the share class for institutional investors (LU1239760371) were issued for a split-adjusted €1000 per share (under a different ISIN at the time). 12 years later, professional investors already need to shell out over €4000 per share. The share class (LU1239760025) for private investors was launched a little later, in September 2007.

Investors were able to celebrate the event with strong returns, both in absolute terms and relative to the German

Top Ten Holdings
Bechtle
Cancom
Datagroup
Deutsche Post
Deutz
Einhell
Hella
MTU
S&T
Sixt
30.5.2018, in alphabetical order

indices SDAX and DAX. The wide range of developments within the portfolio was striking. While small- and midcap stocks like Mensch und Maschine, m-u-t, Puma, Stabilus, Süss Microtec, USU Software, and VTG climbed significantly, portfolio heavyweights like Deutsche Post and Deutz took a hit.

Not all stock trajectories were easily explained. In retrospect, some analysts were quick to describe the rally in Puma stock as a consequence of major shareholder Kering's exit via a dividend in kind. Previously, the planned separation of major investor and investee was frequently used as an explanation for the market's

hesitant stance. As usual, pfp Advisory relied on its own judgment and used other investors' nervousness and the January and February price rout to build up a fairly large position.

In some ways, this strategy is atypical for the DB Platinum IV Platow Fund. We normally don't accumulate large positions overnight. To take advantage of tactical opportunities like nine-month lows, is atypical, too. But since Puma had been on our list of candidates for a while, we decided to waste no time.

Aside from these events, it was „business as usual“ in May. K+S, Volkswagen Vz. and Wacker Neuson joined the portfolio while we shed the remainder of positions in Jenoptik, Lanxess and Nanogate. As always, we had meetings with various executives from listed companies, either at capital markets conferences or during independent visits with businesses. In addition, we perused 33 quarterly reports that were published in May, at a time when the portfolio was made up of 48 stocks. We also looked at Directors' Dealings, which were positive at Einhell, Frosta, MTU, SMT Scharf, and Villeroy & Boch, mostly positive at Jungheinrich, and mostly negative at Fresenius.

Meanwhile, we took note of the facts that Bayer has nearly completed its sale of Covestro, that Hella is in talks with investors over the sale of its wholesale business, that Hochtief now holds 79 percent of Abertis, that Muehlhan is starting a share repurchase program, and that m-u-t plans to change its name to Nynomic. With all this intensive research, we hope to make the next 12 years as successful as the last. Interested investors can find further information about the fund and the 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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