

## DB Platinum IV Platow Fund – June 2018 Report

In June, Germany was eliminated from the soccer World Cup at the group stage, its government got into a crisis worthy of fractious Italy, and the German stock market seems to be stuck in a vortex. No doubt it was a sobering month for Europe's center of economic and soccer prowess.

In the perception of many capital market experts and investors, the political and economic situation is shakier than it has been in a long time. As the trade conflict between the US, China and the European Union escalates, German exporters are beginning to feel the pain. Most recently, businesses associated with the automobile industry suffered as investors expect collateral damage from prospective US tariffs. Daimler's profit warning, Germany's \$1.2 billion fine for Volkswagen over the diesel scandal and the arrest of Audi CEO Rupert Stadler cut many auto shares to the quick.

While the DB Platinum Platow Fund (LU1239760025, LU1239760371) only has limited exposure in the segment, top ten portfolio member Hella and smaller investments like Continental and Volkswagen were nonetheless affected. Hella was additionally weighed down by a profit warning from Osram Licht (which is not a portfolio member).

Even outside of the automobile sector and related industries, bad news abounded: Deutsche Post gave a profit warning, Heidelberger Druck offered up a disappointing outlook, and K+S has been facing production issues in Canada.

Einhell, meanwhile, was the only portfolio member to give an improved outlook in June. The producer of power tools also announced insider purchases, as did Dürr, Frosta, Junghein-

rich, Leoni, MTU, and SMT Scharf while insiders at Adesso, Fresenius, and Sixt sold shares.

Due to the generally negative news flow, our portfolio had something in common with Germany's national soccer team. Only a few of their members lived up to their standards. Only S&T turned heads with its positive performance, while core investments MTU and Puma also did well.

The list of stocks ending the month in the red, on the other hand, is unusually long and contains three current and one former core investments: Bechtle, Cancom and Hella, as well as former portfolio heavyweight Deutsche Post. Since the postal service has dropped off our top ten list, there isn't a single DAX member there anymore for the first time in a long time.

While June's losses were unfortunate, of course they won't lead us to question our basic investment principles. After all, the strategy has proven itself in the 12 years since the fund's and the „Platow Certificate's“ (DE000B0PLA8) launch. The quality of a company, reasonable valuations, continuous growth and a solid price momentum remain key criteria. You can find further information at [www.pfp-advisory.de](http://www.pfp-advisory.de).

Top Ten Holdings
Bechtle
Cancom
Datagroup
Deutz
Hella
MTU
Puma
S&T
Sixt
Steico
30.6.2018, 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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