

DB Platinum IV Platow / DWS Concept Platow – November 2018 Report

November 29 marked the beginning of the “DB Platinum IV Platow’s” conversion into the “DWS Concept Platow” (LU1865032954, LU1865033176, LU1865032871), and December 4 the end. Fund units cannot be directly traded with the fund's administration company during these 5 trading days. Investors can download two documents with details of the conversion at <https://pfp-advisory.de/index.php?id=93>. What's important to know is that the function of investment advisor will continue to be entrusted to the same individuals at pfp Advisory as before, total management fees will remain unchanged and the whole conversion process is tax neutral.

Top Ten Holdings
Bechtle
Cancom
Covestro
Datagroup
Hella
MTU
Puma
S&T
Sixt
Steico
30.11.2018, in alphabetical order

Perhaps most importantly, the investment process will remain the same! In other words, pfp Advisory will continue to seek out companies for the “Platow Fund” that have a convincing business model, steady growth, attractive valuations, solid balance sheets, and whose stock charts look reasonable.

November was a particularly good month for gathering first-hand information on potential investment candidates as we were able to attend several interesting investor conferences, such as the “Eigenkapitalforum”, the “DZ Bank Equity Conference” in Frankfurt and the “Lang & Schwarz Small/Midcap Conference” in Düsseldorf. During those seven days alone, pfp's two directors met with board members and IR managers from 54 companies. 20 of these 54 companies

were in the fund's portfolio in November, including Bechtle, Cancom, Mensch und Maschine, and S&T. Talks were also held with representatives of 12 other companies that are on pfp's short list of potential candidates. Putting that into perspective, there were 53 stocks in the fund's portfolio at the end of November. This means we were able to get updates on about one-third of the fund's positions within just seven days! That's why we view investor conferences as a very efficient means of keeping up to date with the companies we are interested in.

Furthermore there was also news from portfolio companies: Quarterly results were released by All for One Steeb, Datagroup, Hochtief, Indus, Jungheinrich, Masterflex, Muehlhan, Nynomic, Salzgitter, Sixt, Stabilus, Technotrans, Uzin Utz, VTG and Wacker Neuson. Covestro and Edel unexpectedly lowered their guidance, whereas the upward revisions at Jungheinrich and S&T had been expected. Insider buying was announced at Einhell Germany, Fresenius, Frosta, Kion, USU Software and Villeroy & Boch. Two selling transactions were announced at VTG, where two board members tendered shares in connection with the public takeover offer launched by Morgan Stanley's Warwick subsidiary.

The stocks of the companies in question did not always respond to their news flow in a plausible manner. For example, while Covestro's sharp sell-off during the month or Jungheinrich's stability were both explicable, the negative move in S&T's share price wasn't and it even prompted its CEO to make a public statement to that effect.

Ultimately the „Platow Fund“ and the “Platow Certificate“ (DE000DB0PLA8) that tracks the fund's performance did not give up as much ground in November as the small cap index SDAX, and thus preserved the fund's considerable post-launch outperformance since 2006.

Investment objective and strategy

The DB Platinum IV Platow Fund (from 4th of December 2018: DWS Concept Platow Fund) 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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