

DWS Concept Platow – January 2019 Report

From “doom and gloom” to “nowhere but up”. You could almost think someone had flipped a switch on Christmas, changing the market mood from bearish to bullish. After a historically weak December, stocks came roaring back in January. In many respects, January 2019 was a mirror image of December 2018: Whatever had fallen like a rock in the one month soared upward the next month. And those small caps that got dumped in a

wave of panic-selling suddenly became the darlings of the market.

These statements about stocks in general can also be applied to the DWS Concept Platow Fund. After almost every stock in its portfolio closed December in the red, more than half of its portfolio positions showed a double-digit gain in January. Rather than filling up

Top Ten Holdings
MTU Aero Engines
Puma
Bechtle
S&T
Cancom
Sixt
Datagroup
Mensch und Maschine
Steico
Einhell Germany
31.1.2019, sorted according to weighting

this report with the names of all the performance drivers, we'll limit ourselves to the top performers: Nynomic, S&T, Cewe, Jungheinrich, PWO, Datagroup, Deutz and Airbus. Only four stocks in the portfolio lost value in January, and none were big losers.

This abundance of advancing stocks, not to mention the substantial gains of many core positions (see table), e.g. Cancom, Datagroup, MTU and S&T, made January 2019 one of the best months ever for the fund since its launch in 2006. In fact, it outperformed the DAX, MDAX

and TecDAX indexes, by a wide margin even, and beat the high-flying SDAX index too.

Fund investors are probably more than happy with this monthly performance, but they shouldn't make the mistake of expecting more of the same in the months ahead. During the final quarter of the year we wrote that markets were wrong to take such a bleak view of everything and now we're warning against switching the gloomy glasses for rose-tinted ones. January was probably such an extremely good month in part because a rebound was simply overdue. That assessment is also backed up by the fact that news flow on the corporate front was sparse and thus hardly a trigger for the bullish stampede. The only companies in our portfolio that reported results were Cancom, Datagroup, Hella and Süss Microtec. S&T convened an extraordinary general meeting where shareholders voted in favor of a share buyback program. Frosta lowered its guidance, Logwin raised it. Insider buying was reported at Einhell, Frosta, Jungheinrich, SMT Scharf, Steico and USU Software; selling was disclosed by MTU and Muehlhan.

Corporate news flow will pick up in February but who knows what direction the stock market will move. Our investment process in managing the DWS Concept Platow (LU1865032954, LU1865033176, LU1865032871) won't, however, be adjusted depending on what direction we think the stock market is going to move. We will stick to what we do best and to what has made the fund a strong outperformer versus the SDAX and DAX ever since it was launched in the year 2006: Stock-picking. For further information, also on the “Platow Certificate“ (DE000DB0PLA8), please visit www.pfp-advisory.de.

Investment objective and strategy

The DWS Concept Platow 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 GmbH 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 DWS Concept 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 DWS Concept Platow.

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