

DWS Concept Platow – April 2019 Report

It keeps running and running and running...the memorable slogan that VW came up with for the Beetle can also be used to describe the stock market's ongoing advance. Markets have marched higher ever since Christmas of 2018, when they abruptly reversed course. The DAX and the SDAX, the latter the more comparable index for the DWS Concept Platow, have now recouped most of the ground they'd lost since the summer of 2018.

Top Ten Holdings
Puma
Bechtle
Cancom
S&T
MTU Aero Engines
Sixt
Allianz
Mensch und Maschine
Datagroup
Einhell
30.4.2019, sorted according to weighting

The DWS Concept Platow has staged a particularly strong comeback. It keeps going and going, and not only since Christmas or the beginning of the year. April was a good month for the aforementioned indexes but the fund continued to widen its lead over both thanks to the stellar performance of many of its shareholdings.

At the end of April, 17 of the 57 stocks in the fund's portfolio had racked up a double-digit percentage gain for the month, whereas only one of these 17 stocks, Technotrans, ended the month lower. The list of winning stocks in April is thus quite long. Among the portfolio's core positions, Bechtle, Cancom and Mensch und Maschine excelled, as did Deutsche Industrie, Deutz, Elmos, Hella and Kion among the non-core positions. Allianz's gain was "only" better than average but that, and additional buying during the month, was enough to make the insurer one of the portfolio's top ten positions. No less than six stocks in the portfolio hit record highs in April – Adidas, Airbus, Hannover Re, Mensch und Maschine, MTU Aero Engines and Puma.

Most of their gains were fueled by positive news. Airbus, Mensch und Maschine, MTU and Puma published quarterly results, as did Covestro, Deutz, DMG Mori, Hella, Kion, Logwin, PSI, TAG Immobilien, and Villeroy & Boch. Technotrans reported disappointingly weak quarterly results, which explains that stock's poor performance in April. Funkwerk, KAP and Noratis reported their full-year results for 2018.

Corporate news flow in April was decidedly positive then. Insider trading activity showed an even more positive bias: There were no reports of insider sell transactions at any of our portfolio companies while insider buying was reported in Adidas, Cewe, Deutsche Industrie, Deutsche Telekom, Nynomic, USU Software and Volkswagen.

Speaking of Volkswagen, before the "running and running and running" tag line, VW's slogan for the Beetle was "more and more, and better and better". One could argue whether that slogan could also be used for the stock market. Most likely not with respect to the market's current uptrend; at some point, that's going to come to an end. Which direction the market goes is of secondary importance to pfp Advisory though, because our investment concept is the same regardless whether the general market is advancing, declining or range-bound. Our investment decisions for the DWS Concept Platow (LU1865032954, LU1865033176, LU1865032871) are based first and foremost on stock-specific risks and rewards that are associated primarily with fundamental data, ranging from valuation and balance sheet metrics to the growth outlook and overall quality a company offers. The conclusions we draw based on this analysis are rounded out by frequent contact with company executives and directors, for example during conferences, investor days or telephone conferences, as was the case in April. For further information, also on the "Platow Certificate" (DE000B0PLA8), 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 DWS Investment GmbH. pfp Advisory GmbH is the portfolio advisor. 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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