

DWS Concept Platow – June 2019 Report

Hitting an all-time high is a positive signal for a stock, and not only from the viewpoint of the shareholders who are invested in it. Other investors who haven't bought the stock can stand to gain by doing so because the typical supply and demand structure whenever a stock reaches a record high is clearly in their favor: No one is nursing losses from the stock (in gross terms), so the proportion of investors who might be considering getting rid of the stock before it falls back to their initial purchase price is much lower than usual. This is one

Top Ten Holdings
Bechtle
Puma
Cancom
S&T
MTU Aero Engines
Mensch und Maschine
Allianz
Datagroup
Sixt Vz.
Hannover Rück

28.6.2019, sorted according to weighting

reason why record highs are often quickly followed by a succession of record highs.

The above claim may contradict the gut instincts of investors who are relatively new to the market but it was plain to see in the recent performance of numerous stocks in the DWS Concept Platow Fund. Seven stocks in its portfolio – 2G Energy, Adidas, Airbus, Deutsche Industrie, Hannover Rück, Puma and Talanx –

hit not just one but several new record highs during the month of June. Some stocks have been on a record-breaking streak for several months now. These performance powerhouses didn't automatically rank among last month's best-performing stocks though. "Only" 2G Energy, Airbus and Puma qualified for that status. Deutz, Covestro and Villeroy & Boch were also strong performers. Cancom and MTU did not perform quite as well but their gains were nevertheless significant due to their high portfolio weighting.

The picture at the other end of the performance spectrum is likewise pleasing: Not a single stock in the portfolio incurred a double-digit percentage drop in price; the weakest performers were small positions such as KAP, Schloss Wachenheim and Uzin Utz. That also helps to explain why or how the individual contributions to portfolio performance added up to an overall pleasing monthly return for the DWS Concept Platow Fund (LU1865032954, LU1865033176, LU1865032871) in June, albeit slightly behind the DAX and SDAX indexes.

It is worth noting that there were notifications of insider selling at five of the stocks in the portfolio, namely 2G Energy, Cewe Stiftung, Deutsche Telekom, Munich Re and S&T. This is not necessarily a warning sign, especially since there were absolutely no insider selling announcements concerning the companies in our portfolio during the preceding four months, nor does it mark the beginning of a trend reversal in directors' dealings because there are still plenty of insiders buying shares. Insider buying was reported at Bechtle, Covestro, Deutz and (also via stock dividends) Mensch und Maschine and – as part of overall compensation packages – at Einhell, MTU and (once again) Munich Re.

There was not much news flow in June: Airbus and MTU Aero Engines secured plenty of new orders at the Paris Air Show 2019; DMG Mori rejoined the SDAX in an unscheduled index adjustment by Deutsche Börse; KAP lowered its guidance for the year; Puma split its shares 10-for-1 and Volkswagen listed its Traton subsidiary in an IPO.

pfp Advisory remained quite busy, however, and had direct contact with company executives on numerous occasions. Such contact will remain high on our agenda for July and the rest of the year. Further information on the fund's investment process and the "Platow Certificate" (DE000B0PLA8) can be found at 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.

Disclaimer: The information presented in this document is expressly not addressed to citizens or residents of the United States of America. The public offer and sale of securities is subject to national laws and other legal restrictions of individual countries. The availability of texts or documents in English does not imply that a license for distribution in English-speaking countries has been granted or requested. The information presented constitutes neither an offer nor a recommendation to buy, hold or sell shares in funds or certificates nor investment advice or any other kind of recommendation. It serves informational purposes only. Prospectus and other important documents are available at DWS Investment GmbH, Mainzer Landstraße 11-17, 60329 Frankfurt am Main or at Deutsche Asset Management S.A., Boulevard Konrad Adenauer, L-1115 or at www.dws.de.