

DWS Concept Platow – September 2019 Report

September is a travel month. Well, at least it was for pfp Advisory, as the steersmen for the DWS Concept Platow Fund spent a lot of time on the go during the past month. For the most part, the fund's two investment advisors were traveling to meet with C-suite executives from companies that the fund is invested in or that qualify as investment candidates. Their travels took them, among other places, to investor conferences in Frankfurt, Munich, Vienna and Zurich as well as to an investor day hosted by a listed company in Lower Saxony.

Top Ten Holdings
Puma
Cancom
Bechtle
MTU Aero Engines
Allianz
Hannover Rück
Datagroup
Talanx
Munich Re
S&T
30.9.2019, sorted according to weighting

investor day hosted by a listed company in Lower Saxony.

These trips provided much-appreciated opportunities to discuss topics that go beyond the typical quarterly news flow. The "typical" news flow in September was more of a trickle than a flood. Only three companies in the portfolio reported quarterly results: 2G Energy, Noratis and Schloss Wa-

chenheim. Bauer lowered its guidance while LPKF raised it. MTU joined the DAX, and Braunschweig's public prosecutor brought criminal charges of stock market manipulation against three VW VIPs, one of whom is the company's current CEO.

We are keeping a close watch on the rising level of insider selling activity as reported under directors' dealings. In September insider selling was reported by port-

folio companies Adidas, Cancom, Elmos Semiconductor, Munich Re and PSI Software. There were also a few reports of insider buying, albeit on a very small scale, namely at 2G Energy, Einhell, Frosta, Gesco, and S&T. We still don't think this situation is cause for alarm, but we do note that there has been a rather steady stream of insider selling lately, in contrast to the situation several months ago.

Price trends for the DWS Concept Platow Fund (LU1865032954, LU1865033176, LU1865032871) and the "Platow certificate" (DE000DB0PLA8) that tracks the fund, conversely, certainly moved in the right direction in September. Both advanced, albeit for once not quite as much as the SDAX, the most comparable index. Gains by several of the portfolio's heavily weighted stocks fueled the advances. What stood out in this regard is that all of the portfolio's insurance stocks – Allianz, Hannover Rück, Munich Re and Talanx – delivered a positive performance and all are now among the portfolio's top 10 core positions (see table). Perhaps the reinsurance industry's annual gathering in Monte Carlo drew additional attention to the sector. Double-digit moves were only seen in 2G Energy and LPKF (to the upside) and in KAP (to the downside).

Meanwhile eight stocks in the portfolio set new record highs in September. That fact and the fund's very strong ytd return demonstrate the benefits of classic stock-picking. With our time-tested investment process, under which we will soon be conducting another detailed end-of-quarter quantitative screening, we feel well-equipped to navigate whatever lies ahead. For information on our approach, 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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