

## DWS Concept Platow – February 2020 Report

There's an old saying that there's always sunshine after the rain. But for February it would seem more appropriate to say, There's always rain after the sunshine. At least on the stock market. Halfway through the month the sun was still shining brightly over the market. Stock indexes extended the upward trading channels that could be traced back to autumn and the DWS Concept Platow was trending higher even faster.

That changed during the final third of the month when, to use the same figurative language, rain poured down in torrents. Not only that, thunderbolts and lightning were everywhere. The market storm hit the DWS Concept Platow Fund (LU1865032954, LU1865033176, LU1865032871) particularly hard and it lost almost as much ground in February as it did in December 2018, or in the months of January, September and October 2008 during the global financial crisis. Long-term, going back 12 months, and from a year-to-date perspective, the fund remains well ahead of the DAX and SDAX, but we certainly had different expectations for those last few days of February. There's no point sugarcoating anything.

The sell-off on stock markets was triggered by suddenly escalating fears of an uncontrolled outbreak of the coronavirus and the effects that would have on the general economy and stock markets. News tickers about the crisis dominated the stock market while corporate news flow was often pushed off the radar. And yet more than half of the companies in the fund's portfolio published earnings reports in February, most for 2019 as a whole. Meanwhile Allianz and Munich Re started new share buyback programs, and Sixt announced the sale of its stake in Sixt Leasing. Elmos Semiconductor and LPKF were added to the SDAX in unscheduled changes to the index. Directors' dealings on the buy-side were disclosed at DIC Asset, Gerresheimer and Masterflex.

Most of this news was disregarded though, simply eclipsed by the coronavirus. We think the market's overdramatizing the health scare. Sure, we screened the portfolio for potential exposure to coronavirus risks, taking a closer look at Adidas and Puma (some of their stores have been temporarily closed), Airbus, Hapag-Lloyd, HHLA, MTU and Sixt (travel & tourism), Borussia Dortmund (canceled games) and Volkswagen (supply chain). However, this doesn't mean we are questioning the viability of our investment approach.

Unfortunately, at the end of February scores of investors thought otherwise and that triggered a risk-off stampede. There was hardly a stock in the fund's portfolio that escaped the sell-off unscathed. Only

Deutsche Industrie, Helma Eigenheimbau, LPKF and PSI ended the month with a positive performance. Most stocks gave up ground, led by Airbus, All for One, Cancom, Einhell, Elmos, MTU and S&T.

We have no more intention of being infected by this herd behavior than we do of becoming infected by the coronavirus. Instead, we will

stick to our time-tested investment concept. For further information on the DWS Concept Platow and the "Platow Certificate" (DE000DB0PLA8), visit [www.pfp-advisory.de](http://www.pfp-advisory.de). Who knows? Maybe in March we'll be able to say: There's always sunshine after the rain, and this time in the "right" order.

*Sincerely yours, Christoph Frank and Roger Peeters*

Top Ten Holdings
Bechtle
Cancom
Puma
Mensch und Maschine
Talanx
Hannover Rück
Datagroup
Munich Re
S&T
Cewe
28.2.2020, sorted according to weighting

### 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, which is managed by the managing partners Christoph Frank and Roger Peeters. 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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