

## DWS Concept Platow – May 2020 Report

“This time is different.” Those four words can cost you dearly in the stock market because they're often used to justify stretched valuations and high share prices. But this time is indeed different, at least when describing the current dividend season. “Normally”, many companies hold their annual meetings and pay out their dividends during the month of May.

But what is “normal” in the Covid-19 era? At the start of the new year it seemed possible that dividend payouts would set a new record in 2020. Just a few months later, investors are lucky to even get a dividend.

Top Ten Holdings
Bechtle
Cancom
Mensch und Maschine
S&T
Bayer
Cewe
Steico
Datagroup
Hannover Rück
Talanx
29.5.2020, sorted according to weighting

General meetings that weren't postponed were held in a different setting, exclusively virtually, thanks to changes in German corporate law.

A number of the companies in DWS Concept Platow Fund's portfolio took advantage of the unusual procedure. Allianz, Bechtle, Hannover Rück, TAG Immobilien and Talanx had virtual only AGMs. At least they still paid

out a dividend afterwards, as usual, and in some cases a hefty one. Not so at OHB and Puma: They did hold virtual AGMs but, for the first time in years, there was no dividend.

That's a disappointment, but it doesn't bother us that much. While the dividend yield is a factor we look at in our strategy for the DWS Concept Platow Fund, it is only a minor factor. Once again the advantage of our investment process, in which there is no single dominant metric or group of metrics

but rather a variety of fundamental, financial and technical factors that determine which companies we invest in, was plain to see. Unlike funds with a different investment strategy that now need to rebalance their portfolios in a big way, for pfp Advisory it's still “business as usual”.

Our absolute performance for the month under review was good, as roughly a third of the stocks in the portfolio showed a double-digit percentage increase in value. Bechtle and Cancom were strong performance drivers due to their high weightings and their shares even hit new all-time highs. So did Init and Medios. Meanwhile Gerresheimer, KWS Saat and United Internet reached new highs for the year. There were only a few losing stocks and even the two weakest performers, Drägerwerk and Mensch und Maschine, hardly gave up any ground. The moves by the stocks in the fund's portfolio largely matched the corresponding news flow, mostly quarterly results and a few disclosures of directors' dealings. Insider buying was disclosed at Talanx, insider selling at Noratis and both buying and selling at Deutsche Telekom. The only other news worth mentioning was MLP's admission to the SDAX and Medios' admission to Prime Standard.

Looking at our relative performance, the DWS Concept Platow (LU1865032954, LU1865033176, LU1865032871) and the “Platow certificate” (DE000DB0PLA8) performed in line with the DAX but lagged the SDAX small-cap index, which isn't a cause for concern for us because the fund has handily beat the blue-chip index and the small-cap index year-to-date and – more importantly – over the long term (since launch in 2006). That's another reason why we will stick with our time-tested stock-picking process. “This time is different” – that definitely does not apply to our investment strategy.

**Stay healthy! Christoph Frank and Roger Peeters**

### 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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