

DWS Concept Platow – September 2020 Report

It was a "spooky" atmosphere. Every now and then someone hastened along the hallways of the spacious hotel, but the hallways were generally deserted. Company names were posted at the doors of the conference rooms, as usual, but almost all of the conference rooms were empty. That's because most of the scheduled presentations took place virtually. A few were in a "hybrid" form, i.e. online and with people physically present. Rarely did you see conference participants standing close together, and the number of people who could attend had been restricted as a precaution anyway so that the conference could be held in the first place. There were no evening activities whatsoever.

Top Ten Holdings
Bechtle
Steico
Mensch und Maschine
Cancom
Allgeier
Verbio
Cewe
S&T
United Internet
Bayer
30.9.2020, sorted according to weighting

For people who had attended this capital market conference before, the difference was jarring. And yet it was a welcome change – finally an event that was not exclusively virtual! After carefully weighing the pros and cons and considering the other meetings pfp Advisory had to attend in Munich, a decision was made to have at least one of the two “steers-

men” of the DWS Concept Platow (LU1865032954, LU1865033176, LU1865032871) attend the conference in person, the reason being that such conferences are still a very efficient means of meeting with a number of company representatives in a short space of time and getting updates on existing fund positions or investment candidates.

Fortunately, such on-site interaction with company executives and other capital market participants is the one and only activity we pursue in managing the DWS Concept Platow that has been compromised by corona. Nevertheless, the number of talks we have with current and potential investments have not declined, they simply take place in a different format, over the phone or in a video conference. The

applies to many of pfp’s internal processes too. For example, the hour-long portfolio meetings have been conducted by telephone for several months now; the daily talks between pfp’s two managing partners on the fund’s positions are likewise mostly virtual as well.

It doesn't matter whether our intensive screening is performed from home or at the office either. Regardless of the hurdles the coronavirus has brought us, we are still collating the raw data, extracting the key figures and ratios, running them through the various screens, and then reviewing our investment strategy, and fine-tuning it if necessary. We can say then that our investment process has been hardly affected by corona and that statement is backed up by our investment performance: From January 1 and since March, the fund's long-standing lead over the DAX has grown and its outperformance relative to the SDAX has held steady – in the real world, not virtual.

That pattern was seen in September too. Performance standouts were Verbio on the positive side and S&T on the negative side. CropEnergies, Hornbach-Baumarkt, Steico and Medios were strong performers, too, while United Internet, Allgeier, Datagroup and Talanx were particularly weak. The weakness at Allgeier and United Internet came as no surprise, after releasing disappointing new guidance and cutting the previous forecast.

Ditto on the positive side: CropEnergies, Verbio, Hornbach-Baumarkt and Hornbach Holding increased their forecasts (de facto), which sent their shares to new all-time highs. Bechtle, Defama, Geresheimer, Lang & Schwarz, Mensch und Maschine, PSI and Steico extended their record-setting streaks too. 11 of the 45 stocks in the portfolio reached record highs in September and 4 other stocks – Einhell, Funkwerk, KWS Saat and TAG Immobilien – reached new YTD highs, whereas numerous stocks tumbled after issuing profit warnings, and many investment funds and equity indices ended the month with negative returns. This highlights the market's striking heterogeneity and mirrors the tensions in the overall market. But this is not untypical for the month of September, which has often been volatile historically. We would not be worried if October trading is also hectic.

We hope you 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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