

## DWS Concept Platow – December 2020 Report

All's well that ends well. If a good fairy had suddenly appeared in the investment community ten months ago and offered investors an easy way out of the unfolding pandemic year of 2020, most of them probably would have jumped at the chance without a moment's hesitation. After all, major stock indices had lost a third or more of their value within a few short weeks, and doom and gloom prophets were smiling sinisterly in Zoom conferences and YouTube videos.

But they weren't smiling at the end of this extraordinary year. Others were, though, as most benchmark indices ended the year with solid gains. The DAX, MDAX and TecDAX closed

Top Ten Holdings
Nagarro
Verbio
Steico
Bechtle
Mensch und Maschine
S&T
Cewe
United Internet
Medios
2G Energy
30.12.2020, sorted according to weighting

2020 with single-digit positive returns, albeit somewhat below their average historical returns. The DWS Concept Platow even showed a double-digit percentage gain and thus outperformed all domestic indices except for the SDAX, which performed exceedingly well in 2020. However, in a long-term comparison, going back to our fund's launch in 2006 or over the past ten

years, the fund has clearly outperformed this index, which we consider the fund's most suitable benchmark due to its constituent stocks.

Steico and 2G Energy were key drivers of fund's good performance in calendar year 2020. Their value at least doubled over the year and they are now core positions in the fund (see table). Four other stocks that were just added to the portfolio during the past year returned likewise stellar, and in some cases even better, gains: DocCheck, Lang & Schwarz, Verbio and Allgeier (or Nagarro). The latter two names actually

became the two largest positions in the fund. Based on the prices paid on the first day of acquisition, the fund's investment in the Allgeier-Nagarro duo more than tripled in value by year-end. The fund holds both stocks in its portfolio after the spin-off transaction.

The split-up of the "old" Allgeier company into Nagarro and "Allgeier new" was the headline story for December, a month with otherwise scanty news flow from our portfolio companies. The only other news was the quarterly results from Deutsche Industrie, Hornbach-Baumarkt and Hornbach Holding, the upward revisions of management guidance at DocCheck, Einhell, Hawesko and Paul Hartmann, a downward revision at CropEnergies, and Verbio's admission to the SDAX. Ten stocks in the portfolio reached new all-time highs, including DocCheck, Mensch und Maschine, Puma and Steico. Advancing prices led to some selling by insiders, for example at 2G Energy, 7C Solarparken, Adesso and Verbio. Insider buying was disclosed at Defama, Munich Re and S&T.

Looking back over the entire year, there certainly was no dearth of news. Had the coronavirus pandemic never happened, the top story on German financial markets probably would have been the bankruptcy of Wirecard. The DWS Concept Platow (LU1865032954, LU1865033176, LU1865032871) never once invested in this disgraceful company during the past fourteen-and-a-half years, which boosted its relative performance in 2020 and which we view as further confirmation of our time-tested investment process.

That said, we do not want to downplay the fact that the stock market's recovery would probably not have been so fast and furious without the vast support provided by central banks and governments. So if investors see some resemblance between Christine Lagarde or Jerome Powell and the stock market fairy, we would not fundamentally disagree.

*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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