

DWS Concept Platow – April 2021 Report

April restored the “normal order” in several respects. The DWS Concept Platow Fund and the SDAX both made strong gains, while the DAX more or less treaded water. Germany’s blue chip index had trumped the other two indexes in the preceding month with an excess return that was as exorbitant as it is rare. The performance figures for April thus restored year to date the usual pecking order, namely “our fund before DAX and SDAX”.

April’s monthly returns are, of course, only a brief snapshot that we don’t want to overemphasize, since

Top Ten Holdings
Verbio
Steico
Bechtle
Nagarro
Cewe
Mensch und Maschine
S&T
Adesso
Gerresheimer
United Internet
30.4.2021, sorted according to weighting

it’s such a short period. Nevertheless, the performance figures per end April are much more consistent with the big picture since inception of the fund than the snapshot at the end of March: In all those years the fund has consistently topped the performance of the DAX by a wide margin, and of the SDAX, too, which is most comparab-

le with the DWS Concept Platow due to its composition.

This outperformance goes back quite a long time too. The “Platow Fund”, which has operated as the DWS Concept Platow Fund (LU1865032954, LU1865033176, LU1865032871) since 2018, and the “Platow certificate”, which should track the fund’s performance, will turn 15 in just a few days. Such a long track record is what we and many others investors set store on. Not only that, we don’t manage the fund based on its gap to the DAX or its performance in any one month. Our investment

process is benchmark-agnostic, time-tested and has been at most fine-tuned since the fund’s inception.

Our basic approach might seem boring to some theme-oriented investors, but it has paid off so far. From this angle, then, April was another month of “business as usual”. The list of the fund’s top ten positions was unchanged over the month (see table). Beneath the surface, though, quite a bit happened, in part because our investment strategy at the end of the quarter generally entails more “switches”. That means we also began this month by opening positions in several stocks and, by their very nature, these new positions cannot yet match the size of the existing core positions.

We were also happy with the performance of existing positions: Portfolio heavyweights Verbio, Steico, Cewe and Adesso were major performance drivers in April. The top performer was PSI, one of the portfolio’s mid-sized positions. CropEnergies was the only stock in the portfolio that showed a double-digit percentage loss in April. Which was not surprising after the ethanol producer lowered its outlook.

Meanwhile Deutsche Post raised its full-year forecast and promptly set a string of all-time highs. Verbio was also a strong performance driver after it raised its guidance. New all-time highs were also reached by Cewe, EnBW, Leifheit, Steico and the preferred shares of Einhell and Sto. These strong gains did not keep insiders from buying shares, as witnessed at Cewe, Einhell and Leifheit. Insider buying was also reported at Allgeier, Init, MBB and S&T, insider selling was reported at Leifheit. These transactions are another indicator that it wouldn’t be wrong to assume that the restored hacking order will remain intact for the foreseeable future.

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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