

DWS Concept Platow – August 2021 Report

There was an unusually large amount of news flow on companies in the DWS Concept Platow Fund or big moves in their stock charts last month, and not only in connection with the latest reporting season. News flow in the preceding months had been rather quiet in comparison, but in August we received news of some kind on more than 80% of the 53 companies in the fund's portfolio (at month's end), which is well above the historical range.

There were a large number of quarterly reports to read through (and even a "7-month report" in the case

Top Ten Holdings
Verbio
Adesso
Bechtle
Steico
Mensch und Maschine
Cewe
Deutsche Post
Einhell
PSI
S&T
31.8.2021, sorted according to weighting

of Einhell). These often included guidance upgrades, as was the case at All for One, Deutsche Telekom, DocCheck, Einhell, Medios, Ringmetall, SAF-Holland, Talanx and United Internet. Ernst Russ and MLP provided more specific forecasts that generally set the bar higher.

Bechtle split its stock in a transaction that had been announced earlier.

Adva received a takeover bid and will merge with US fibre networking specialist Adtran. That news sent Adva shares to a twenty-year high. Adesso, Deutsche Telekom, Envitec, Funkwerk, PSI and Surteco shares also climbed to highs last seen 14 to 21 years ago. A dozen stocks in the portfolio even set new all-time highs: Data-group, Defama, Deutsche Post, Einhell, Hapag-Lloyd, Helma, Init, Medios, Puma, Steico, Sto and Verbio. Corporate insiders also leaned towards the optimistic side:

stock purchases were disclosed under directors' dealings by Defama, Einhell, MBB, Munich Re and S&T; insider selling was only seen at Hapag-Lloyd and Verbio.

Lang & Schwarz was a special case. After the financial holding company announced the best six-month results in the company's history, it surprised its shareholders a mere four days later with the announcement that it was setting aside substantial provisions as a precautionary measure related to a tax audit and the company even postponed its annual general meeting. This shocking news took investors completely by surprise and led to a steep drop in the share price. Fortunately, Lang & Schwarz had a very low weighting in the DWS Concept Platow Fund so, although the overall effect on the portfolio was measurable, it did not detract that much from the fund's overall pleasing monthly return.

Once again, its monthly return was better than that of its most comparable benchmark, the SDAX, as well as of Germany's most popular index, the DAX, resulting in another slight increase in the DWS concept Platow (LU1865032954, LU1865033176, LU1865032871) excess return YTD and since inception in 2006. This long-standing outperformance confirms the viability of our proprietary, long-term investment process, which provided inputs for our portfolio realignment in August. For example, we again reduced our core positions in Steico and Verbio as the prices of both stocks have more than doubled during the past twelve months. We sold the last of the Nagarro and Nordwest Handel shares in the portfolio. We will continue to manage the portfolio with a "calm and steady hand", no matter how bumpy the stock market might get during the autumn months.

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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