

DWS Concept Platow – November 2021 Report

November began like October had ended: with advancing prices in the German stock market. Already during the third day of trading, the DAX climbed to a new all-time high and a string of new highs quickly followed. But the stock exchange party ended abruptly in the middle of the month and the previously intoxicating feelings were quickly followed by a hangover. The "Omicron" coronavirus variant caused some turbulence on cryptocurrency exchanges, where the price of the four-week-old "Omicron" coin skyrocketed tenfold for no

apparent reason, and sent tremors through the stock market too.

Germany's blue-chip index experienced a hefty correction that wiped out its accumulated performance from the previous half-year within a few trading days. Its "little brothers" MDAX and SDAX corrected almost as much, falling back to their early June levels. Compared to these indexes, investors

Top Ten Holdings
Verbio
Adesso
Bechtle
Einhell
Sto
Mensch und Maschine
Cewe
PSI
Deutsche Post
Cancom
30.11.2021, sorted according to weighting

in the DWS Concept Platow (LU1865032954, LU1865033176, LU1865032871) were relatively lucky in November. The fund eked out a positive return for the month, as did the TecDAX.

The fund's performance last month is attributed to a comparatively heterogeneous mix. Six stocks, Bechtle, Datagroup, Hornbach Holding, Puma, Surteco and Verbio, hit new all-time highs relatively early in November, but interestingly another five (Allgeier, Cancom, Defama, DocCheck and Einhell), only did so towards the end of the month, which seems unusual in view of the overall market. The list of performance drivers was led by Allgeier, Hapag-Lloyd and DocCheck, among others.

Due to its stellar performance, Einhell even became the fourth-largest position in the portfolio as of end November, while Cancom also joined the list of core positions again thanks to its pleasing gains, in addition to renewed buying on our part (see table). This IT service provider's shares have been in the fund's portfolio for over eleven years, with only one brief intermission. But that did not prevent us from paying almost twenty times more than the initial acquisition price to add more shares, guided by the appropriate signals from our investment process.

Price movements in November were often directly related to news flow. For example, top performers DocCheck and Einhell upped their guidance, while Allgeier attracted attention in the wake of insider buying notifications. At the other end of the performance spectrum, Drägerwerk, MBB and S&T lowered their forecasts, including a "half profit-warning" (this is what we would call) from Init – all four positions tumbled in value. It is also noteworthy that Leifheit disclosed a number of insider selling transactions, although the stock has been trading at very low levels for months.

By and large, however, we are satisfied with the fund's performance for the past month and with the tenor of the numerous talks with company executives we had in November at capital market conferences and capital market days. That said, these discussions also confirmed our stance that German listed companies currently face a wide range of challenges. In our opinion, individually screening every investment candidate is the best way for investors to identify which companies are in the best position to handle these challenges and which are more likely to have some problems. With our proven stock picking approach, we're still confident that we are well prepared for this ambiguous setting.

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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