

## DWS Concept Platow – December 2021 Report

As in the previous two years, the year-end statements for investors in the DWS Concept Platow Fund showed a positive double-digit performance. 2021 was nevertheless a very different year than 2020: Less drama, no market crash and recovery. Instead, the fund's shares climbed steadily higher and the upward trendline was fairly linear.

The fund outperformed the SDAX, the most comparable German index, by a significant margin. It also clearly beat the performance of the DAX, MDAX and TecDAX. The fund's excess performance going back to its launch in 2006 therefore increased considerably in 2021. An active management style can certainly return a handsome reward.

Top Ten Holdings
Adesso
Bechtle
Sto
Verbio
Einhell
Mensch und Maschine
Cewe
Deutsche Post
PSI
Adva
30.12.2021, sorted according to weighting

The fund's performance in 2021 was fueled by numerous positions, particularly Einhell and Adesso, which more than doubled in value in 2021 and became core positions in the portfolio as a result (see table). They were closely followed by other large positions such as Verbio, PSI and Steico. The stock with the greatest percentage increase was Allgeier, followed by Ernst Russ and Hapag-Lloyd, two stocks which were only

added to the portfolio during the past year, but all of which are rather smaller supplementary holdings.

S&T was the biggest loser. Its shares treaded water most of the year and were roughly unchanged until a short-selling attack just before Christmas pushed the stock deep into the red and made S&T the biggest detractor from performance for the past year. There were only two other stocks in the portfolio (Drägerwerk and Leifheit) that also showed a negative double-digit annual return in percentage terms. Fortunately, both had low weightings in the portfolio. In other

news during the final month of the year, Hornbach said it wanted to simplify its complex structure and therefore issued a cash offer to take its Hornbach-Baumarkt subsidiary private.

Two weeks before Christmas Daimler officially spun off its truck division. Besides this "passive" addition to the portfolio, 14 of the fund's 54 positions at the end of the year were actively opened during the course of the year. The remaining 39 positions were already in the portfolio on January 1. Eleven of the portfolio's 50 positions at the beginning of the year were closed during the course of the year.

This moderate portfolio turnover rate shows that in 2021 we remained true to the investment principles we have followed since 2006: If we could, we would always buy the shares of top German companies at a very early stage, when their prices are most attractive, and then hold them "forever". Because this "ideal type" approach is difficult to implement in the real world of the stock market, and because companies, business models and stock valuations also change over time, we have to compromise. While there are some positions in the fund's portfolio that we have held for many years now, we have also been quick to cast a stock out of the portfolio when warranted in the disciplined application of our investment process.

We will continue to act in accordance with this "tradition" during the coming year. We can't say whether, after three strong calendar years during which the fund shares have more than doubled in price, the fund will deliver a positive performance for the fourth year in a row. What we do know is that we will stick to our investment process, which has served us well and not only during the period from 2019 to 2021, but also since the fund was launched in 2006. And we intend to keep the DWS Concept Platow Fund (LU1865032954, LU1865033176, LU1865032871) in the hands of the same portfolio managers for many years to come. Looking back on the fund's successful track record of more than 15 years and counting, the objective odds that it will continue to deliver pleasing results are not bad.

*Sincerely yours, 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 25 years of market experience and they have used their expertise to advise the DWS Concept Platow.

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