

DWS Concept Platow – February 2022 Report

Vladimir Putin's attack on Ukraine marks the dawn of a new era. Not only for Ukraine, whose people must bear the brunt of this war of aggression, but also for the rest of Europe and the entire world. We will find out in the coming weeks whether and to what extent Western sanctions such as the freezing of the Russian central bank's assets in the EU or the removal of Russian banks from the interbank communication system Swift are effective.

In this monthly fund report, we must and will limit ourselves to the consequences from an economic, corporate, and capital market standpoint. In this context, we believe the most consequential cascading effects of the war will be its impact on the stock market as a whole, on

Top Ten Holdings
Adesso
Verbio
Sto
Bechtle
Adva
Einhell
Aurubis
Mensch und Maschine
Cancom
Deutsche Post
28.2.2022, sorted according to weighting

our investment strategy, and on companies in the fund's portfolio.

The first two items can be quickly addressed: This changed situation has no impact on our investment strategy, we are sticking to our time-tested approach. That can also be said of the market as a whole: Of course, we have noticed the shock waves that have reverberated through market and the plunging value of the Russian

ruble. However, since we at pfp Advisory only act as stock pickers when managing the DWS Concept Platow (LU1865032954, LU1865033176, LU1865032871), do not make forecasts on DAX levels and do not attempt to "time" the market or hedge portfolio positions, observations on the overall market only play a secondary role for us.

The situation is different when it comes to the corporate level. The war in Ukraine can have an impact on energy prices and on our own projections, on the projections companies are working with and, sub-

sequently, on the forward-looking metrics that we use. From today's standpoint, the economic effects of the conflict are likely to be fairly mild for more than two-thirds of the companies in the portfolio.

A few positions, however, are exposed to the events in Ukraine, Russia and/or Belarus. For example, Drägerwerk, Einhell, Init, Mercedes-Benz (which was still called Daimler in January), Puma, Sto, Surteco, Talanx and Villeroy & Boch have one or more subsidiaries in one or more of the three above-mentioned countries (with employees and assets that are potentially at risk). KWS Saat has a production site in Russia, and it has described this country and Ukraine as the company's "growth regions". SAF-Holland recently built a new factory in Moscow, and PSI has won several major contracts from Russia. Russia accounts for a substantial share of S&T's sales: 4% was the last reported figure, despite the export restrictions that were already in place at the time.

While Ukraine generally dominated the news channels, company-specific news flow in February still had an impact on the stocks of some companies. Aurubis raised its guidance (as did Adesso, Envitec, Gerresheimer, KWS Saat and Mercedes-Benz), which propelled its share price to a new all-time high and made the stock one of the fund's core positions (see table). Other than that, only Defama achieved a new all-time high in February, and Villeroy & Boch reached a 30-year high.

Nevertheless, there was clearly more red than green in the portfolio last month. The fund was unable to escape the downward pull of the entire German stock market, although it did not fall as much as the DAX, and it gave up only slightly more ground than the SDAX. We have not yet seen any direct need to reallocate portfolio assets in the wake of the Ukraine crisis; the disposals in February were company specific. Hornbach-Baumarkt was tendered to its parent Hornbach Holding for cash, Adva's exchange offer for the planned merger of Adva and Adtran was accepted and the small position in Daimler Truck was sold. With 53 positions in the portfolio, we are looking forward to a hopefully more peaceful March.

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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