

## DWS Concept Platow – June 2022 Report

This past June was the worst June ever in the history of the DAX. And not just since its inception in 1988, but also during the entire period when the Bundesbank calculated a predecessor index, which goes back to 1960. The index even showed a double-digit percentage decline for the month, which is a rare occurrence in stock market history. Its "little brothers" didn't do much better.

Top Ten Holdings
Adesso
Bechtle
Deutsche Telekom
Adva
CropEnergies
Verbio
Aurubis
Sto Vz.
Deutsche Post
Mercedes-Benz
30.6.2022, sorted according to weighting

In fact, the MDAX and SDAX surrendered even more ground.

The negative factors were and still are numerous and consequential: A solution to the Russia-Ukraine war is nowhere in sight, inflation remains stubbornly high, central banks have pivoted from expansionary to tightening policies, international investors are pulling out of European stocks, and

Germany has to gird itself for energy supply disruptions over a longer-term horizon, and not only since Berlin sounded an early warning bell, raising the country's gas supply risk to the second-highest level.

In short, this is not a pleasant environment for stock markets, and things are not going to get better anytime soon. The companies in the portfolio of the DWS Concept Platow Fund (LU1865032954, LU1865033176, LU1865032871) have been affected as well. Although the fund's performance in June was not quite as weak as the most comparable index, the SDAX, this doesn't make us any happier given the sea of red ink. Almost every

stock in the portfolio declined in June, and more than half of them suffered double-digit percentage losses.

When the third-best performer in the portfolio already shows a negative return, it is obvious that June was a bad month. Only CropEnergies and Envitec ended the month in the green. Including the dividend payment, Ringmetall also delivered a positive return. But that was it. Even 7C Solarparken, whose shares reached an all-time high despite the harsh environment, was unable to remain in positive territory as the month came to a close. On the negative side, major core positions such as Adesso, Aurubis, Einhell Vz., Hornbach Holding, Mercedes-Benz and Sto Vz. chalked up heavy losses, and smaller positions continued to head south too.

Although the big headline topics dominated the news and stock boards, company-specific news definitely attracted attention too. The anecdotal accounts of this were seen at the extreme ends of the June performance ranking: CropEnergies raised its guidance, Hornbach Holding lowered it. These two stocks are therefore probably not by chance ranked first and last. The mark-downs in Verbio, which likewise upgraded its outlook, and Medios, whose shares were readmitted to the SDAX, were also somewhat limited.

Positive company news wasn't completely overlooked amid the flood of negative macro data, then, which strengthens our resolve as dedicated stock-pickers. Insider transactions were also positive. Buyers clearly dominated the public disclosures of insider trades at our portfolio companies in June. We view this as a plus point for our stock selection decisions, even if the market as a whole has not yet found a floor.

*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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