

DWS Concept Platow – September 2022 Report

If Munich Re and Talanx had not been in the DWS Concept Platow Fund, not a single stock in the portfolio would have showed a positive return in September. So one could say that those two insurers provided "insurance cover" against a totally red monthly performance scorecard. All the other 50 stocks in the portfolio as at Sept 30 had negative returns, and 32 of them even showed double-digit percentage declines.

The picture was just as ugly from a broader fund perspective: September was the fourth-worst month since the DWS Concept Platow (LU1865032954, LU1865033176, LU1865032871) was launched in 2006, and it was only the sixth time that the fund showed a double-digit monthly decline in percentage terms. We note that September was the second month this year with such a weak performance, the first being June 2022. There was only one other year in the history of the fund that had two such months: 2008, the year of the big financial crisis.

This goes to illustrate just how exceptional the current stock market environment is. Investors who had hoped or bet that September would not be too brutal after all the pain in the previous months, simply because stocks had already fallen so low, were mightily disappointed. In 2022, September certainly lived up to its reputation as the ugliest (to date at least) month of the calendar year. Which brings to mind what Germany's former football team manager Rudi Völler once said, something to the effect that there's always another low point beneath the low point. German equity indexes fell hard and fast, the SDAX and MDAX just about as much as the DWS Concept Platow Fund, the DAX and TecDAX less dynamically.

Looking at the fund's positions, Steico was hit particularly hard by the selling; among the core positions, CropEnergies and Sto were the biggest decliners. The position in Munich Re became the second-largest position in the fund in the wake of its relative outperformance and some add-on buying (see

table). Not a single portfolio stock reached an all-time high during the month under review, which had always been different even in the difficult preceding months.

Company news flow was thinner than in the previous month, but by no means all negative. Granted, Helma's management cut its guidance, but there were also solid earnings reports and guidance upgrades at 7C Solarparken, Ringmetall and Verbio. And insiders did not seem nervous: Looking at directors dealings data, selling was only disclosed at Allgeier and Kontron (where insider buying was also disclosed), whereas insider buying was announced at 7C Solarparken, Adesso, Datagroup, Defama, Einhell, Gerresheimer, Helma, Hornbach Holding, MLP and Stabilus.

Top Ten Holdings
Bechtle
Münchener Rück
CropEnergies
Deutsche Telekom
Verbio
Adtran
Adesso
Mercedes-Benz
Sto
Aurubis
30.9.2022, sorted according to weighting

Some of our portfolio companies were subject to changes in the composition of indices within the DAX family: Adtran and Stabilus advanced from the SDAX to the MDAX, and Cancom moved in the opposite direction. CropEnergies was added to the SDAX and Takkt was ejected from this small cap index. Such changes are irrelevant in our investment process, as we do not build the portfolio or assign individual stock weightings based on what index a stock is in. Our approach has delivered pleasing results over the past 16 years, which might be overlooked judging by the dismal September data alone.

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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