

DWS Concept Platow – December 2022 Report

The finale was fitting for a year that was miserable for most investors: Instead of rallying as 2022 came to a close, many German stocks slipped deeper into the red. Matching its relative performance profile for the entire year, the DWS Concept Platow Fund (LU1865032954, LU1865033176, LU1865032871) outperformed the SDAX in December and underperformed the DAX, the most well-known German stock index.

2022 did not turn out to be the worst year ever for the fund in terms of performance since its launch in 2006, as had been feared at the end of September, but it did rank as the second weakest year. That said, in 2008, the fund outperformed both the SDAX and DAX by a wide margin, which was not the case in 2022. Its annual performance was only slightly better than the SDAX, and the fund clearly underperformed relative to the DAX. The post-launch outperformance versus the SDAX, the fund's most comparable index, grew, but it declined somewhat relative to the DAX, which is why we are not satisfied with the fund's performance for the past year, even though the general headwinds equity investors faced in 2022 were stiffer than in any other year since 2008.

Most of the stocks in the fund's portfolio dropped in value, and one-third of the 54 stocks that were in the portfolio at the beginning of the year lost more than 30% of their value. Helma, a home builder, was hit the hardest, but the company itself was also to blame for its floundering share price after issuing several profit warnings and replacing its CEO. The weakness of more heavily positions in Adesso, Bechtel, Can-

Top Ten Holdings
Munich Re
Aurubis
Adesso
CropEnergies
Deutsche Telekom
Mercedes-Benz
Sto
Bechtel
Deutsche Post
Verbio
30.12.2022, sorted according to weighting

com, Deutsche Post, Medios and Steico had a greater impact on fund performance though.

A mere 8 of the 54 positions in the portfolio ended 2022 with a positive return. What stands out is that half of these 8 positions, Envitec and Abo Wind, the top two performers, and CropEnergies and Verbio, which trailed at a distance, are largely active in the renewable energy space. The positive double-digit percentage gains from Munich Re and Deutsche Telekom were more important factors in the calculation of the fund's overall performance.

Although we had to navigate the fund through stormy seas in 2022, reallocation activity was not much higher than usual. At the end of 2022, we were still invested in 42 of the initial 54 stocks that were in the portfolio at the beginning of the year. That number includes Adva, whose shares were exchanged for Adtran shares, and two other stocks that were merely renamed during the course of the year (Daimler/Mercedes-Benz and S&T/Kontron). This high level of continuity is virtually the same as in the previous year.

12 positions were sold during the course of 2022 and positions in 11 stocks were opened – and in some cases are still being built up. This low turnover rate underscores the long-term aspect of our investment approach. We do a lot of careful research before buying a stock and in doing so we attempt to reduce risk. If, after opening a position, a company performs as anticipated, we will stay invested in the stock as long as its valuation is acceptable, and it is also green-lighted in other areas of our investment process as well. If a stock fails to make it through all our screens or if key performance indicators take a turn for the worse, we will always switch towards selling the position. We acted in this way during the challenging stock market year 2022, just like we did during the 15 years before that. And we intend to continue to manage the fund in this proven manner going forward.

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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