

## DWS Concept Platow – March 2023 Report

Investors who didn't have any real estate stocks in their portfolio last month no doubt breathed a sigh of relief! The DAXsubsector Real Estate Performance Index lost more than a quarter of its value in March. As recently as January this industry index was still an outperformer, but the pecking order has now reversed with verve since the beginning of the year. Many investors have bailed out of this sector in light of rising interest rates, suspended or cut dividends, and actual or envisioned downward adjustments

Top Ten Holdings
Munich Re
Bechtle
Aurubis
Deutsche Telekom
Adesso
Mercedes-Benz
Deutsche Post
Takkt
Talanx
Einhell
31.3.2023, sorted according to weighting

to real estate portfolio valuations. Consequently most real estate stocks ranked near the very bottom of the performance spectrum for March.

It's no wonder that the MDAX and SDAX, which contain significantly more real estate stocks than the DAX or TecDAX, clearly underperformed in March and some index

components ended the month deep in the red. The DWS Concept Platow Fund was hardly affected by the malaise in the real estate sector, though, and closed the month with a small gain. Apart from a very small position, the fund has had zero exposure to real estate stocks for quite some time.

This abstinence is not because we just don't like the industry. We traditionally do not factor sector weightings into our investment strategy, nor do we make in-

vestments based on market cap or index membership. Instead it is our screening process that has kept real estate stocks out of the fund's portfolio because these stocks have not met important selection criteria.

There is only one real estate stock in the fund's portfolio and its performance was unspectacular. Indeed, there were hardly any conspicuous movements in the entire portfolio. Only six stocks showed a double-digit percentage price change in March, which is an unusually low number in historical terms. Three were advancing stocks (Sto Vz., Bechtle, Gerresheimer) and three were decliners (Ringmetall, Envitec Biogas, GFT). The other 45 stocks in the portfolio at the end of March showed significantly smaller month-on-month fluctuations.

One move that might be worth mentioning was the new all-time high set by BMW's preferred stock. (The much better known common stock listed on the DAX is still far from a record high.) Deutsche Telekom hit a high not seen in 21 years. CropEnergies and especially Verbio stood out on the losing side in March. Both were demoted in an index reshuffle: Verbio was demoted from the MDAX to SDAX, CropEnergies was dropped from the SDAX and is now not included in any of the DAX family's four major indices.

However, as mentioned above, changes in index composition have no effect on our stock selection process. Of much greater significance are earnings reports, and there were plenty of those in March (almost every second company in the fund's portfolio), management guidance, our own forecasts, and insider transactions as reported under directors' dealings.

*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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