

DWS Concept Platow – May 2023 Report

It's not over till the curtain falls: What was true for Germany's best soccer clubs in May with a dramatic championship game also applied to the German stock market. In the final third of the month, it seemed that May, a "blissful month" as Germans say, would not be a stellar month for investors, but not a dismal month either. But that was before the curtain fell and when it did, the picture was rather disappointing. Stock prices lurched lower during the last six trading days of May, especially in the mid- and small-cap segments.

The MDAX and SDAX experienced the heaviest selling. The DWS Concept Platow Fund's monthly return was nowhere

Top Ten Holdings
Munich Re
Talanx
Deutsche Telekom
Mercedes-Benz
Deutsche Post
Bechtle
Aurubis
Sto Vz.
BMW Vz.
Takkt

near as red, although about three-quarters of its portfolio as of May 31 was invested in stocks that belong to these two indices or in small caps that are not in any of the four main German indices. The high small and mid-cap allocation may come as a surprise considering that four of the fund's five largest positions are listed on the DAX (see table). However, the fund's top ten positions

are currently not representative of the portfolio as a whole; at the end of May, the DAX positions had a combined weighting of only about one sixth of the entire portfolio.

Moreover, not a single DAX stock was on the list of the top-performing stocks for the month. Instead, the list of advancing stocks was led by small caps such as Envitec Biogas, DocCheck, PSI and 2G Energy. Talanx, an MDAX stock, is probably the most widely recognized performance driver. It hit a new all-

time high in May, along with the preferred shares of BMW and Gerresheimer. Among the biggest losers were SDAX names such as GFT, Adesso, Hornbach Holding and Cancom, MDAX names such as Aurubis, Bechtle and Wacker Chemie, as well as stocks that are not in any of the main indices, such as Data-group, CropEnergies and Technotrans.

In some cases, price moves "matched" the news flow from the ongoing reporting season, but most stocks took their cue from the general market trends in May. Specifically, management guidance was raised at Bertrandt, Cancom (but "only" due to a takeover), Deutsche Telekom and Gea, and guidance was cut at All for One and Steico. The latter is no longer in the fund's portfolio, nor is Init; we sold the fund's remaining shares of both companies during May.

We also find it interesting that, at least for our portfolio stocks, insiders are still buying more than they are selling, as reported under directors' dealings. Although some stock purchases were related to employee stock ownership programs or voluntary stock dividends, the number of companies that disclosed insider buying transactions was still quite high: BayWa, Cancom, Datagroup, Deutsche Post, Deutsche Telekom, Ernst Russ, Hornbach Holding, Mensch und Maschine and Munich Re. Insider selling was disclosed by only two companies, PSI and Wacker Chemie.

This buying-selling split is part of the bigger picture indicating that many insiders are not anxious about near-term developments, and it matches the impression we gained during our conversations with senior company representatives during the five capital market conferences and other events we attended in May. In this respect, the following applies not only to the month of May, but also to the full year 2023: It's not over till the curtain falls.

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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