

DWS Concept Platow – August 2023 Report

August is often a time for holidays – but not for the stock exchange. So even during the traditional holiday month of August, there was a lot of company-specific news to digest. Besides our talks with numerous executives at an investor conference and through other channels, August also marked the peak of the current reporting season.

No less than 40 of the companies in DWS Concept Platow's portfolio reported quarterly results in August. Unfortunately, as in July, some of these earnings

Top Ten Holdings
Munich Re
Talanx
Bechtle
Mercedes-Benz
Gerresheimer
Takkt
Einhell
BMW
Aurubis
Kontron
31.8.2023, sorted according to weighting

announcements included downward guidance revisions. That was the case at Aurubis, Cancom, GFT, Sto and Technotrans. Technotrans gave up the most ground after cutting its guidance and it was the portfolio's weakest performer in August.

On the other hand, several portfolio companies raised their guidance, but the corporate communications teams of these companies didn't really give investors a lot to cheer about: one company said its full-year guidance might be raised (Kontron), whereas others lowered and raised their projections in their revised forecast (BMW, Commerzbank) or raised them only marginally higher (Deutsche Telekom). Hugo Boss was the only company that revised its guidance significantly higher, for the second time this year, by the way.

The various updates had surprisingly different effects on the stock prices of the companies concerned. Gerresheimer and Talanx set new all-time highs, and Bechtle also landed on the winners' podium as the portfolio's third best-performing stock. Only a handful of other stocks managed to come out ahead in the generally difficult market. In addition to the steady drumbeat of war in Ukraine and high inflation, investors began worrying that central banks would keep monetary policy tight longer than initially expected, with all the related negative consequences on financial market stability, economic activity and the real estate sector, which is showing more and more cracks. In Germany, these developments are playing out against a political backdrop where policy is generally shaped by ideological aims, instead of addressing increasingly pressing economic problems.

In this challenging market environment, Germany's main equity indices gave up considerable ground. The DAX, Germany's best-known index, which had (somewhat surprisingly) reached a new all-time high at the end of July, lurched lower in August. The MDAX index of mid-cap stocks and the TecDAX were even weaker, while the small-cap index SDAX ended the month slightly ahead of the DAX.

Although the DWS Concept Platow Fund outperformed all four main indices, it too closed the reporting month in the red. In this respect, August lived up to its reputation as the second-worst month of the calendar year: Holiday time yes, a relaxing time no.

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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