

DWS Concept Platow – January 2024 Report

Was the start to the new investment year good or bad? Someone who primarily follows mainstream indexes such as the S&P 500, Nasdaq 100 or MSCI World will probably answer that question with “good”. Germany’s bellwether DAX index also closed the month slightly higher. Looking past the blue-chip universe, though, the performance picture doesn’t look as good: The SDAX index of small-cap stocks had a slightly negative return, while the mid-cap index MDAX ended the month surprisingly deep in the red.

Top Ten Holdings
Munich Re
Talanx
Bechtle
Krones
KSB
Fuchs
Stabilus
Einhell
Takkt
Allianz
31.1.2024, sorted according to weighting

The DWS Concept Platow Fund performed better in January than these two indexes but was slightly behind the DAX. It did not quite make it into positive territory. The ratio between winning and losing stocks in the fund’s portfolio was almost perfectly balanced: 24 of the 47 stocks in the fund’s portfolio

(as of Jan. 31) rose and 23 declined in value. However, double-digit percentage changes in price were more frequent among the losing stocks: Adesso, Aurubis, Gesco, Hugo Boss and Technotrans – whereas Deutz was the only double-digit performer on the plus side.

We were pleased that Bechtle, Munich Re and Stabilus, some of our largest positions (see table), delivered solid gains. Deutsche Telekom, a mid-sized position in the portfolio, also performed well and even hit a 22-year high. Few of the stock moves were dictated by compa-

ny-specific news. But that doesn’t mean there wasn’t any company news: 2G Energy raised its guidance; Aurubis announced a major reshuffle of its management board; Kontron acquired a majority interest in Katek, which is also listed on the stock exchange (but is not in the fund’s portfolio); Takkt was added to the SDAX again. Full-year results or initial key data for the financial year 2023 were published by Einhell, Hugo Boss, Kontron, KSB, Stabilus and Südzucker. Insider buying was reported through directors’ dealings at Datagroup, Deutz, Hugo Boss and Stabilus; insider selling at BayWa. In January we talked with several company executives and IR managers in one-on-one meetings and at capital market conferences.

In sum, January was not an extraordinary month at pfp Advisory, and it does not have a special spot in a more general sense within the scope of our investment process either. We apply the same set of criteria for selecting stocks in January as we do in July or November or any other month. Fundamental research aspects such as valuations, growth, quality, balance sheet strength and profitability are what count.

That said, we know that other investment professionals claim that as January goes, so goes the full year. But we are not that despondent that the start of the year was cloudy-positive, rather than completely devoid of clouds or even frothy, because sentiment around the change of years was brimming with too much optimism for our taste. This was corrected a bit at the end of January, which we clearly like much better from a sentiment standpoint.

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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