

## DWS Concept Platow – February 2024 Report

The DWS Concept Platow Fund ended February with a solid gain, and well ahead of the SDAX and MDAX, both of which actually closed in negative territory... We could be satisfied with that outcome, especially since the year-to-date performance comparison is similar with the fund even further ahead of both indexes if... it wasn't for the DAX. Germany's most widely recognized equity index is currently flying solo at a lofty altitude. Anyone who has recently glanced at financial media on the

Top Ten Holdings
Munich Re
Talanx
Bechtle
Krones
KSB
Hugo Boss
Hochtief
Fuchs St.
Allianz
Vossloh
29.2.2024, sorted according to weighting

Internet or browsed the business section of a daily newspaper will have noticed that they are plastered with headlines such as "record high", "all-time high" and what not. This is quite unusual for Germany's blue-chip index because it has not exactly been a strong performer going back to the turn of the century.

At the moment, stock markets are clearly dancing to a blue-chip tune, and not only in Germany. Meanwhile smaller stocks have been wallflowers in terms of return for the past two years and counting. Does this affect our investment strategy? Not directly, but indirectly a little. This is because certain metrics that include technical indicators such as relative strength or momentum clearly reflect the blue-chip-friendly environment of the recent past.

Which is why a somewhat higher number of large-cap companies have recently passed through our stock

selection screens than was normally the case during the approximately 18 years since the fund was launched. Two of the ten largest positions in the portfolio (see table) currently hail from the DAX, and another five from the MDAX. The weighting of DAX companies at the end of the month was fairly high in a historical context, accounting for about one-sixth of the fund's total assets.

And yet the fund is still primarily invested in small caps that are either listed on the SDAX or are not included in any popular German stock market index. For example, the three biggest losers in February – Bertrandt, Datagroup and PSI – fall under this category. Adesso, the top performer in February, is also a small cap (from the SDAX), although it was followed by Daimler Truck and Munich Re, both DAX stocks, and Gerresheimer and Hochtief, both MDAX stocks.

The prices of the two aforementioned DAX stocks even reached new all-time highs in February. Good company news helped to propel the shares of many companies to higher ground. Quite a few companies in the fund's portfolio also reported quarterly figures in February, roughly every second stock to be exact. Besides dialing in to numerous telephone conferences, we also gathered information by attending capital market conferences such as a two-day small-cap conference that took place in Hamburg. Our impressions from these direct talks and our investment research findings bolster our confidence that smaller firms have a good chance to close the short-term performance gap between the lightweight and heavyweight stocks. Of course, like everyone else in the market, we do not know exactly when that will happen.

*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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