

DWS Concept Platow – March 2024 Report

"It's the old economy, stupid." That variation of a well-known presidential campaign slogan could serve as an apt description of the past month for the DWS Concept Platow Fund. Representatives of the "Old Economy" clearly dominated the fund's top performance ranking for the month under review. Traton and Daimler Truck, two commercial vehicle manufacturers, led the list of winning stocks, followed by Jungheinrich, a manufacturer of forklifts and pallet jacks, as well as other old economy names such as Fuchs, a manufacturer of high-performance lubricants, and rail infrastructure specialist

Vossloh.

Top Ten Holdings
Munich Re
Talanx
Bechtle
Krones
KSB
Vossloh
Fuchs
Traton
Allianz
Hochtief
28.3.2024, sorted according to weighting

Traton not only rose to a new all-time high as a result of the disproportionately high share price gains, but also became one of the ten largest investments (see table). Krones, Munich Re and Talanx, three of the four largest positions, also set new record highs. And KSB, one of the top five shareholdings, hit a 13-year high.

The performance picture at Hugo Boss was a mirror image of Traton: The fashion group's stock was the second-worst performer in the fund's portfolio in March because its reported results fell short of the market's very high expectations and management lowered its outlook for the current fiscal year. As a result of its steep losses, Boss dropped out of the fund's top ten core holdings. IT services provider GFT was the only stock in the portfolio that

racked up an even bigger loss in March, which can likewise be traced to a disappointing outlook for the current year.

Apart from these two holdings, no other stock in the portfolio posted a double-digit percentage loss in March, and in fact most of the holdings showed good to very good returns, so the fund ended the month with a pleasing return. It outperformed the SDAX, the most comparable benchmark for the fund since its launch almost 18 years ago due to its composition, and trailed the DAX, Germany's best-known stock index, by a slight margin, which, however, had little impact on the significant excess performance of the DWS Concept Platow Fund over the long term, going back to its launch in May 2006.

We do not know whether the strength of "old economy" stocks in March marks a broader shift from tech to value – as some market pundits have already claimed – nor can we say whether March kicked off the "small-cap comeback", as proclaimed by some experts (once again). We're wary of making any such claims. While the TecDAX did end March well behind the other German indexes, technology stocks in major foreign stock markets did not show any relative weakness.

As for small-cap stocks, while we are delighted to see the SDAX perform well, we also note that many stocks with even smaller caps did not attract many buyers in March either. For example, the Scale All Share Index gave up more ground again despite the sea of green in March. That discrepancy does not exactly corroborate claims of a broad small-cap upswing. We are therefore sticking with our approach of examining every investment candidate's risk and reward profile in and of itself – and will continue to make our investment decisions without regard to market cap or "old economy" factors.

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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