

DWS Concept Platow – June 2024 Report

After making it through the group stage and winning its round of 16 match, Germany's national football team kept all hopes of a "summer fairy tale" at the European Championship in June alive. The performance of Germany's stock market in June, on the other hand, was anything but a fairy tale. All of the country's four key equity indexes showed negative returns. The DAX and TecDAX losses were comparatively moderate, but the SDAX and MDAX closed the month deep in the red.

Top Ten Holdings
Munich Re
Talanx
KSB
Vossloh
Krones
Bechtle
Hochtief
Traton
Fuchs St.
Allianz
28.6.2024, sorted according to weighting

The latter are most relevant to the DWS Concept Platow Fund because it has generally maintained substantial exposure to small and mid caps since its launch in 2006. That is also why the SDAX, the small cap index, has traditionally been the fund's most comparable benchmark. Recently however, the MDAX has gained in relevance as a benchmark.

At the end of the month, more than a third of the assets were invested in stocks that belong to this mid-cap index.

It is important to note three points though: First, we do not manage the weightings of the various indexes in the portfolio through given targets; the respective weightings are simply the result of our fundamental stock selection process. Second, there was a one-off effect in June that significantly increased the weighting of MDAX investments in the portfolio without any change in allocation on our part: Traton, a core portfolio position, was removed from the SDAX and added to the MDAX. Following this change, five of the ten core portfolio positions

(see table) now hail from the mid-cap index. Third, the shares in the overall portfolio and in the top ten would be even higher if we included the MDAX-listed preference shares in the calculation instead of the ordinary shares in Fuchs held by the fund.

In view of its substantial exposure to small- and mid-cap stocks, it is comforting at least in relative terms that the DWS Concept Platow fund clearly outperformed the SDAX and MDAX in June, although it did lag the DAX and TecDAX. Most of the positions in the fund were lower in a month-on-month comparison, and one-fifth of them even showed a double-digit percentage loss. The MDAX stock Stabilus delivered the most negative return, which was also due to a lowered forecast. Stabilus was followed by Bertrandt and Dürr, both closely related to the automotive industry, and Datagroup and Adesso, two IT service providers. Only Deutz and Einhell Vz. closed June in clearly positive territory, and solid gains by heavyweights Munich Re and Talanx also helped overall portfolio performance.

The latter two stocks even reached new all-time highs (as already seen in many of the previous months), and Deutsche Telekom hit a 22-year high. Company earnings announcements were sparse in June, but there were a large number of directors dealings disclosures, specifically insider buying at Cancom, Dürr, GFT, Henkel, Kion, Knorr-Bremse, Krones, Mensch und Maschine, Stabilus and Villeroy & Boch, while insider selling was disclosed at Deutsche Telekom, and both buy and sell transactions were disclosed at Siemens. The obvious overhang of buy transactions suggests that most of the insiders at the companies the fund is invested in take a positive view of the future. And who knows? Ideally, we will enjoy a "summer fairy tale" both on the stock market and in the UEFA Euro Championship.

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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