

DWS Concept Platow – July 2024 Report

It's summertime, the middle of the year and that means time for a management guidance check. This jesting remark often rings true in July though. Listed companies whose fiscal year is aligned with the calendar year publish interim results during the summer vacation period. And, unlike the first-quarter reporting season in the spring, they now have results for two quarters of the financial year. These interim results also include fairly

Top Ten Holdings
Munich Re
Talanx
Krones
Vossloh
KSB
Hochtief
Bechtle
Fuchs
Traton
Allianz
31.7.2024, sorted according to weighting

reliable indicators (such as year-to-date order inflow) of business activity going into the second half of the year.

A broader set of data enables many company executives to make a more accurate forecast for the full year, or to adjust a previous forecast. When the economy is humming along, management guidance is more li-

kely to be adjusted upwards, which can lead the stocks of the companies concerned higher along with the broader market. When the economy is bad, the situation is exactly the opposite and one often sees which company boards had been aiming too high.

Unfortunately, the signposts indicating which direction Germany's stock market could go were mixed at best. Germany's economy surprisingly contracted in the second quarter. Data from the Federal Statistical Office showed that second-quarter GDP adjusted for inflation, seasonal fluctuations and calendar variations declined compared to the previous quarter, when the economy just barely avoided a recession. Q2 2024 data thus

marked an unfortunate extension of the recession year of 2023 and confirmed previously voiced warnings, which we had also heard in some of our recent discussions with company representatives.

Within the DWS Concept Platow Fund, downward guidance revisions were the order of the day in July. A total of seven companies lowered their full-year guidance: Bechtle, Bertrandt, Daimler Truck, Gesco, Hugo Boss, Kion and Takkt. Only three raised their projections (Gea, Henkel and Knorr-Bremse). All the companies with "guidance misses" were on the list of losing stocks for the month under review. Gesco and Hugo Boss were among the three biggest losers and Takkt also showed a double-digit percentage drop.

Gea and Knorr-Bremse, on the other hand, were "rewarded" with a positive performance over the month. Adesso and Mensch und Maschine advanced even more in comparison. The latter reported "only" half-year results without adjusting their guidance, as was the case at almost exactly half of all portfolio stocks. The insider trading mix, however, was clearly positive: All of the disclosures of management transactions concerning the companies in the fund's portfolio (Commerzbank, Datagroup, Deutz, Einhell, Fuchs and Takkt) were purchase transactions.

The DWS Concept Platow ended the month of July in negative territory. The SDAX showed a slightly better return but was likewise in the red. It appears that small caps will continue to face headwinds, although sometimes these may simply be the product of vaguely negative sentiment rather than hard facts. That said, it could still be a while before a sustained upswing sets in. Until then, patience is called for and investors are advised to adhere to time-tested investment principles.

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.

Disclaimer: The information presented in this document does not constitute investment advice or financial advice. It is for general information purposes only. This document makes no reference to the investor's investment guidelines, financial situation or specific investment objectives or risk preferences. The information presented constitutes neither an offer nor a recommendation to buy, hold or sell shares in funds or certificates nor investment advice or any other kind of recommendation. pfp Advisory GmbH disclaims any liability for damages in connection with the use of this document as well as for damages that arise either directly or as a consequence of the use of information and opinions contained in this document. It is intended solely for the use of the recipient. Persons from other jurisdictions who come into possession of it should inform themselves about and comply with the applicable legal provisions. The Prospectus, Key Investor Information Document, Articles of Incorporation and the Annual and Semi-Annual Reports of the DWS Concept Platow Fund, each in German, may be obtained free of charge in electronic or printed form from DWS Investment GmbH, Mainzer Landstraße 11-17, 60329 Frankfurt am Main or at Deutsche Asset Management S.A., Boulevard Konrad Adenauer, L-1115 or at www.dws.de.