

DWS Concept Platow – August 2024 Report

History doesn't repeat itself, but it often rhymes. This saying, often (probably erroneously) attributed to Mark Twain, rang true in August 2024. The month began like a typical August: With a severe thunderstorm on the stock market. What caused the summer storm can't be said with 100% certainty. The favourite explanations were the unwinding of the Japanese yen carry trade; a weak jobs report in the US, which had investors worried that the US economy was heading for a recession; and generally vulnerable stock markets after the big run-up in tech stocks.

Top Ten Holdings
Munich Re
Talanx
Krones
Vossloh
Hochtief
KSB
Allianz
Traton
Bechtle
Fuchs
30.8.2024, sorted according to weighting

No matter what caused the big thunderclap, what can be said with certainty is that a swift and strong, and rather untypical, rebound followed in the second half of the month. Although this turnaround did not propel every equity index back into positive territory, quite a few did end the month in the green and the DAX even set a new all-time high.

This somewhat typical and somewhat untypical pattern can also be seen in the two largest positions in the DWS Concept Platow. Munich Re and Talanx plunged right at the beginning of the month, staged a sharp recovery afterwards and then climbed to new record highs. Talanx's share price went from a year-to-date low to a new record high within the space of just two weeks. This wild roller coaster ride fits well with another typical aspect of August: higher-than-average volatility.

By the end of the month, the DAX had landed in positive territory while the SDAX was in the red. The DWS Concept Platow ended the month between the two indexes. Its slightly negative return can be traced to a slightly negative distribution of returns from the fund's shareholdings. A handful of stocks led by Talanx and then Allianz, Gerresheimer and Munich Re did make significant gains, but they were outnumbered by the losing stocks. Eight stocks ended the month with a double-digit percentage loss. Since these were small positions (Commerzbank and Kontron the two exceptions), the in some cases significant markdowns had less of an impact at the portfolio level.

Some of the price moves reflected company-specific news, and not just the general market gyrations. The biggest monthly loser Adesso is a case in point here. Its management announced a cut in its full-year guidance. The same applies to Deutz and GFT, although their markdowns were more moderate. On the winning side, Deutsche Telekom adjusted its guidance slightly higher, which helped the stock climb to a 23-year high.

Einhell's shares only look "cheaper" after a 3-for-1 share split. The last of the Q2 earnings announcements from our portfolio companies as the reporting season wound down presented a mixed picture, but insider trading disclosures were definitely positively skewed: Insider buying was disclosed at eleven companies, or about a quarter of all portfolio companies, namely at Adesso, Cewe, Datagroup, Fuchs, Heidelberg Materials, Knorr-Bremse, Kontron, Medios, Mensch und Maschine, Munich Re and Takkt. Meanwhile only one insider selling transaction was reported (a bond sale at Heidelberg Materials). So it looks like at least insiders don't expect history to rhyme in the coming usually weak month of September.

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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