

DWS Concept Platow – September 2024 Report

Commerzbank was without a doubt the "star of the month" in DWS Concept Platow Fund's portfolio. And not only because it was the fund's top performer and made it on the list of the fund's top ten positions for the first time (see table). The predatory and surprising move by UniCredit, which claims to have built up a stake of about 20% in Commerzbank and has expressed interest in a full takeover, also caused some big waves within and beyond the financial sector. Even some high-level government officials in Berlin had a few words to say about the big Italian bank's actions.

Top Ten Holdings
Munich Re
Talanx
Krones
Vossloh
Commerzbank
KSB
Hochtief
Allianz
Fuchs
Bechtle
30.9.2024, sorted according to weighting

As pleasing as Commerzbank's September gains were for DWS Concept Platow investors, the bank is actually not a "typical" investment for the fund. Bank stocks have been a rarity in the portfolio ever since the fund was launched in 2006. This does not reflect a deliberate decision on our part to avoid the banking industry, rather,

the sector's historically low weighting in the portfolio can be traced to our stock-picking approach: Financial stocks rarely pass through our investment screens because most of the time they don't meet many of the criteria that matter to us.

Commerzbank is an exceptional case then, and this explains why it was added to the fund's portfolio in the first place. A glance at the fund's current core positions also shows that industry affiliation plays a very minor role in our investment process: In addition to Commerz-

bank, the top ten positions currently include three insurers, two mechanical engineering companies, a rail technology specialist, a construction group, a manufacturer of lubricants and an IT services provider. That is a very diverse range of sectors, and that three of the top ten positions come from the insurance sector is also a result of our bottom-up selection process, not to mention the above-average gains these three stocks have made.

Apart from Commerzbank, there were few major price moves in September. Three other stocks (Jost Werke, Dürr and Technotrans) also delivered double-digit percentage gains; only two stocks (Gerresheimer and Bertrandt) closed the month deep in the red. Bertrandt announced a restructuring program, Gerresheimer lowered its guidance on the last day of trading in September. There was not much company news. 2G Energy published interim results and Siemens revised its outlook slightly lower in de facto terms (no ad hoc announcement). Insider trading was the only area that stood out a little: Insider buying was disclosed at 2G Energy, Deutz, Dürr, GFT, Hugo Boss and Kontron, insider selling at Adesso, Munich Re and Siemens, while MBB reported both buy and sell transactions.

The generally muted moves across the portfolio in September resulted in an overall solid gain for the fund, which showed a significantly better return than the SDAX and a slightly weaker return compared to the DAX. Incidentally, the latter hit another all-time high in September, as did the portfolio stocks Munich Re and Talanx. Speaking of all-time highs, a lot of water will have flowed down the Main River that passes by the bank's headquarters before the September star Commerzbank has reached their lofty heights, i.e., until its share price also increased to the sixteenfold.

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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