

# DWS Concept

Sales Prospectus

An investment company with variable capital (SICAV)  
incorporated under Luxembourg law

January 1, 2023



Investors for a new now

# Information for investors in Switzerland

The offering of units of some of these collective investment schemes (the “units”) in Switzerland will be exclusively made to, and directed at, qualified investors, as defined in the Swiss Collective Investment Schemes Act of June 23, 2006 (“CISA”), as amended, and its implementing ordinance (“CISO”). Accordingly, some of the collective investment schemes have not been and will not be registered with the Swiss Financial Market Supervisory Authority FINMA. This fund document and /or any other offering materials relating to the units may be made available in Switzerland solely to qualified investors.

The collective investment schemes approved for the offering to non-qualified investors in Switzerland by the Swiss Financial Market Supervisory Authority FINMA are listed on [www.finma.ch](http://www.finma.ch). The Swiss version of the sales prospectus containing these collective investment schemes are available on [www.dws.ch](http://www.dws.ch).

## 1. Representative in Switzerland

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DWS CH AG  
Hardstrasse 201  
CH-8005 Zurich

## 2. Paying Agent in Switzerland

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Deutsche Bank (Suisse) SA  
Place des Bergues 3  
CH-1201 Geneva

## 3. Location where the relevant documents may be obtained

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Prospectus, investment conditions, Key Information Document (“KID”), Articles of Association (if applicable) as well as annual and semi-annual report (if applicable) may be obtained free of charge from the representative in Switzerland.

## 4. Payment of retrocessions and rebates

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The Management Company and its agents may pay retrocessions as remuneration for the distribution activity in respect of fund units in Switzerland. This remuneration may be deemed payment for the following services in particular:

Distribution activity;  
Customer care.

Retrocessions are not deemed to be rebates even if they are ultimately passed on, in full or in part, to the investors.

The disclosure of the receipt of retrocessions is governed by the relevant provisions of the FIDLEG.

In the case of distribution activity in Switzerland, the Management Company and its agents may, upon request, pay rebates directly to investors. The purpose of rebates is to reduce the fees or costs incurred by the investor in question. Rebates are permitted provided that

- they are paid from fees received by the Management Company and therefore do not represent an additional charge on the fund assets;
- they are granted on the basis of objective criteria;

- all investors who meet these objective criteria and demand rebates are also granted these within the same time frame and to the same extent.

The objective criteria for the granting of rebates by the Management Company are as follows:

- the volume subscribed by the investor or the total volume being hold in the collective investment scheme or, where applicable, in the product range of the promoter;
- the amount of the fees generated by the investor;
- the investment behavior shown by the investor (e.g. expected investment period);
- the investor's willingness to provide support in the launch phase of a collective investment scheme.

At the request of the investor, the Management Company must disclose the amounts of such rebates free of charge.

## 5. Place of performance and jurisdiction

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In respect of the units offered in Switzerland, the place of performance is the registered office of the Representative. The place of jurisdiction shall be at the registered office of the representative or at the registered office or domicile of the investor.

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## Legal structure:

Umbrella SICAV according to Part I of the Law of December 17, 2010, on Undertakings for Collective Investment.

## General information

The investment company described in this Sales Prospectus ("Investment Company") is an open-ended investment company with variable capital ("Société d'Investissement à Capital Variable" or "SICAV") established in Luxembourg in accordance with Part I of the Luxembourg law on Undertakings for Collective Investment of December 17, 2010 ("Law of 2010"), and in compliance with the provisions of 2014/91/EU (amending Directive 2009/65/EC ("UCITS Directive")), Commission Delegated Regulation (EU) 2016/438 of December 17, 2015 supplementing Directive 2009/65/EC of the European Parliament and of the Council with regard to obligations of depositories, as well as the provisions of the Grand-Ducal Regulation of February 8, 2008, relating to certain definitions of the Law of December 20, 2002, on Undertakings for Collective Investment, as amended<sup>1</sup> ("Grand-Ducal Regulation of February 8, 2008"), and implementing Directive 2007/16/EC<sup>2</sup> ("Directive 2007/16/EC") in Luxembourg law.

With regard to the provisions contained in Directive 2007/16/EC and in the Grand-Ducal Regulation of February 8, 2008, the guidelines of the Committee of European Securities Regulators (CESR) set out in the document "CESR's guidelines concerning eligible assets for investment by UCITS," as amended, provide a set of additional explanations that are to be observed in relation to the financial instruments that are applicable for UCITS falling under the UCITS Directive, as amended.<sup>3</sup>

The Investment Company may offer the investor one or more sub-funds (umbrella structure) at its own discretion. The aggregate of the sub-funds produces the umbrella fund. In relation to third parties, the assets of a sub-fund are only liable for the liabilities and payment obligations involving such sub-fund. Additional sub-funds may be established and/or one or more existing sub-funds may be dissolved or merged at any time. One or more share classes can be offered to the investor within each sub-fund (multi-share-class construction). The aggregate of the share classes produces the sub-fund. Additional share classes may be established and/or one or more existing share classes may be dissolved or merged at any time. Share classes may be consolidated into categories of shares.

The following provisions apply to all of the sub-funds set up under DWS Concept. The respective special regulations for each of the individual sub-funds are contained in the special section of the Sales Prospectus.

<sup>1</sup> Replaced by the Law of 2010.

<sup>2</sup> Commission Directive 2007/16/EC of March 19, 2007, implementing Council Directive 85/611/EEC on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities (UCITS) as regards the clarification of certain definitions.

<sup>3</sup> See CSSF circular 08/339 in the currently applicable version: CESR's guidelines concerning eligible assets for investment by UCITS – March 2007, ref.: CESR/07-044; CESR's guidelines concerning eligible assets for investment by UCITS – The classification of hedge fund indices as financial indices – July 2007, ref.: CESR/07-434.

# A. Sales Prospectus – General Section

## 1. General information

The following provisions apply to all of the sub-funds set up under DWS Concept, SICAV (the "Investment Company"). The respective special regulations for each of the individual sub-funds are contained in the special section of this Sales Prospectus.

### Notes

The legal basis for the sale of sub-fund shares is the current Sales Prospectus, to be read in conjunction with the Investment Company's articles of incorporation.

It is prohibited to provide any information or deliver any statements other than those of this Sales Prospectus. The Investment Company shall not be liable if such divergent information or explanations are supplied.

This Sales Prospectus, Key Information Document ("KID") and the annual and semi-annual reports may be obtained free of charge from the Investment Company, the Management Company or the paying agents. Other important information will be communicated to shareholders in a suitable form by the Management Company.

### General risk warnings

Investing in the shares of the Investment Company involves risks. These can encompass or involve equity or bond market risks, interest rate, credit, default, liquidity and counterparty risks as well as exchange rate, volatility, or political risks. Any of these risks may also occur along with other risks. Some of these risks are addressed briefly below. Potential investors should possess experience of investing in instruments that are employed within the scope of the proposed investment policy. Investors should also have a clear picture of the risks involved in investing in the shares and should not make a decision to invest until they have fully consulted their legal, tax and financial advisors, auditors or other advisors about (a) the suitability of investing in the shares, taking into account their personal financial and tax situation and other circumstances, (b) the information contained in this Sales Prospectus, and (c) the respective sub-fund's investment policy.

**It must be noted that investments made by a sub-fund also contain risks in addition to the opportunities for price increases. The Investment Company's shares are securities, the value of which is determined by the price fluctuations of the assets contained in the respective sub-fund. Accordingly, the value of the shares may rise or fall in comparison with the purchase price.**

**No assurance can therefore be given that the investment objectives will be achieved.**

### Market risk

The price or market performance of financial products depends, in particular, on the performance of the capital markets, which in turn are affected by the overall economic situation and the general economic and political framework in individual countries. Irrational factors such as sentiment, opinions and rumors have an effect on general price performance, particularly on an exchange.

### Market risk in connection with sustainability risks

The market price may also be affected by risks from environmental, social or corporate governance aspects. For example, market prices can change if companies do not act sustainably and do not invest in sustainable transformations. Similarly, strategic orientations of companies that do not take sustainability into account can have a negative impact on share prices. The reputational risk arising from unsustainable corporate actions can also have a negative impact. Additionally, physical damage caused by climate change or measures to transition to a low-carbon economy can also have a negative impact on the market price.

### Country or transfer risk

A country risk exists when a foreign borrower, despite ability to pay, cannot make payments at all, or not on time, because of the inability or unwillingness of its country of domicile to execute transfers. This means that, for example, payments to which the respective sub-fund is entitled may not occur or be in a currency that is no longer convertible due to restrictions on currency exchange.

### Settlement risk

Especially when investing in unlisted securities, there is a risk that settlement via a transfer system is not executed as expected because a payment or delivery did not take place in time or as agreed.

### Changes in the tax framework, tax risk

The information provided in this Sales Prospectus is based on our understanding of current tax laws. The summary of tax regulations is addressed to persons subject to unlimited individual or corporate income taxation in Germany. However, no responsibility can be assumed for potential changes in the tax structure through legislation, court decisions or the orders of the tax authorities.

### Currency risk

To the extent that a sub-fund's assets are invested in currencies other than the respective sub-fund currency, the respective sub-fund will receive income, repayments and proceeds from such investments in these other currencies. If the value of this currency depreciates in relation to the sub-fund currency, the value of the sub-fund's assets is reduced.

Sub-funds offering non-base currency share classes might be exposed to positive or negative

currency impacts due to time lags attached to necessary order processing and booking steps.

### Custody risk

The custody risk describes the risk resulting from the basic possibility that, in the event of insolvency, violation of due diligence or improper conduct on the part of the Depositary or any sub-depositary, the investments in custody may be removed in whole or in part from the Investment Company's access to its loss.

### Concentration risk

Additional risks may arise from a concentration of investments in particular assets or markets. The Investment Company assets then become particularly heavily dependent on the performance of these assets or markets.

### Risk of changes in interest rates

Investors should be aware that investing in shares may involve interest rate risks. These risks may occur in the event of interest rate fluctuations in the denomination currency of the securities or the respective sub-fund.

### Legal and political risks

Investments may be made for the Investment Company in jurisdictions in which Luxembourg law does not apply, or, in the event of legal disputes, the place of jurisdiction is located outside of Luxembourg. The resulting rights and obligations of the Investment Company may vary from its rights and obligations in Luxembourg, to the detriment of the Investment Company and/or the investor.

The Investment Company may be unaware of political or legal developments (or may only become aware of them at a later date), including amendments to the legislative framework in these jurisdictions. Such developments may also lead to limitations regarding the eligibility of assets that may be, or already have been, acquired. This situation may also arise if the Luxembourg legislative framework governing the Investment Company and/or the management of the Investment Company is amended.

### Geopolitical risks

The action of political actors, political events or changing political conditions, such as unexpected armed conflicts, terrorist attacks or tensions between states that threaten peaceful interactions, may pose significant challenges for the fund's operations and may impact the global economic and financial system. Assets held by the fund in such countries may be subject to valuation uncertainties and liquidity difficulties and therefore may decrease in value, become entirely worthless or illiquid. This can give rise to the risk that the fund suffers losses or misses out potential profit opportunities in the short term.

### Geopolitical risks in relation to the current situation regarding Russia, Ukraine and Belarus

Assets that the fund holds in Russia, Belarus and/or Ukraine, if applicable, may be subject to valuation uncertainties and liquidity difficulties and

therefore may decrease in value, become entirely worthless or illiquid. This can give rise to the risk that the fund suffers losses or misses out potential profit opportunities in the short term. The Management Company will monitor the situation and, where possible, take appropriate measures within the framework of liquidity management and valuation to protect investors.

### Operational risk

The Investment Company may be exposed to a risk of loss, which can arise, for example, from inadequate internal processes and from human error or system failures at the Investment Company, the Management Company or at external third parties. These risks can affect the performance of a sub-fund and can thus also adversely affect the net asset value per share and the capital invested by the investor.

### Risks due to criminal acts, maladministration, natural disasters, lack of attention to sustainability

The fund may become a victim of fraud or other criminal acts. It may suffer losses due to errors by employees of the management company or external third parties or be damaged by outside events such as natural disasters or pandemics. These events may be caused or exacerbated by a lack of attention to sustainability. The Management Company strives to keep operational risks and potential financial impacts thereof which may be affecting the value of the assets of a fund as low as reasonably possible by having processes and procedures in place to identify, manage and mitigate such risks.

### Inflation risk

All assets are subject to a risk of devaluation through inflation.

### Key individual risk

The exceptionally positive performance of a certain sub-fund during a particular period is also attributable to the abilities of the individuals acting in the interest of the sub-fund, and therefore to the correct decisions made by their respective management. Fund management personnel can change, however. New decision-makers might not be as successful.

### Change in the investment policy

The risk associated with the sub-fund's assets may change in terms of content due to a change in the investment policy within the range of investments permitted for the respective sub-fund's assets.

### Changes to this Sales Prospectus; liquidation or merger

The Investment Company reserves the right to change this Sales Prospectus for the respective sub-fund(s). In addition, the Investment Company may, in accordance with the provisions of its articles of incorporation and Sales Prospectus, liquidate the sub-fund entirely or merge it with another fund's assets. For the investor, this entails the risk that the holding period planned by the investor will not be realized.

### Credit risk

Bonds or debt instruments involve a credit risk with regard to the issuers, for which the issuer's credit rating can be used as a benchmark. Bonds or debt instruments issued by issuers with a lower rating are generally viewed as securities with a higher credit risk and greater risk of default on the part of the issuer than those instruments that are issued by issuers with a better rating. If an issuer of bonds or debt instruments runs into financial or economic difficulties, this can affect the value of the bonds or debt instruments (this value could drop to zero) and the payments made on the basis of these bonds or debt instruments (these payments could drop to zero). Additionally, some bonds or debt instruments are subordinated in the financial structure of an issuer, so that in the event of financial difficulties, the losses can be severe and the likelihood of the issuer meeting these obligations may be lower than other bonds or debt instruments, leading to greater volatility in the price of these instruments.

### Risk of default

In addition to the general trends on capital markets, the particular performance of each individual issuer also affects the price of an investment. The risk of a decline in the assets of issuers, for example, cannot be eliminated even by the most careful selection of the securities.

### Risks connected to derivative transactions

Buying and selling options, as well as the conclusion of futures contracts or swaps (including total return swaps), involves the following risks:

- Price changes in the underlying instrument can cause a decrease in the value of the option or future contract, and even result in a total loss. Changes in the value of the asset underlying a swap or total return swap can also result in losses for the respective sub-fund assets.
- Any necessary back-to-back transactions (closing of position) incur costs which can cause a decrease in the value of the sub-fund's assets.
- The leverage effect of options, swaps, futures contracts or other derivatives may alter the value of the sub-fund's assets more strongly than the direct purchase of the underlying instruments would.
- The purchase of options entails the risk that the options are not exercised because the prices of the underlying instruments do not change as expected, meaning that the sub-fund's assets lose the option premium they paid. If options are sold, there is the risk that the sub-fund may be obliged to buy assets at a price that is higher than the current market price or obliged to deliver assets at a price which is lower than the current market price. In that case, the sub-fund's assets will suffer from a loss amounting to the price difference minus the option premium which had been received.

- Futures contracts also entail the risk that the sub-fund's assets may make losses due to market prices not having developed as expected at maturity.

### Risk connected to the acquisition of shares of investment funds

When investing in shares of target funds, it must be taken into consideration that the fund managers of the individual target funds act independently of one another and that therefore multiple target funds may follow investment strategies which are identical or contrary to one another. This can result in a cumulative effect of existing risks, and any opportunities might be offset.

### Risks relating to investments in contingent convertibles

Contingent convertibles ("CoCos") are a form of hybrid capital security that are from the perspective of the issuer part of certain capital requirements and capital buffers. Depending on their terms & conditions, CoCos intend to either convert into equity or have their principal written down upon the occurrence of certain 'triggers' linked to regulatory capital thresholds or the conversion event can be triggered by the supervisory authority beyond the control of the issuer, if supervisory authorities question the continued viability of the issuer or any affiliated company as a going-concern.

After a trigger event, the recovery of the principal value mainly depends on the structure of the CoCo, according to which nominal losses of the CoCo can be fully or partially absorbed using one of the three different methodologies: Equity Conversion, Temporary Write-Down or Permanent Write-Down. In case of temporary write-down feature, the write-down is fully discretionary and subject to certain regulatory restrictions. Any distributions of remaining capital payable after the trigger event will be based on the reduced principal. A CoCo investor may suffer losses before equity investors and other debt holders in relation to the same issuer.

CoCo terms structures may be complex and may vary from issuer to issuer and bond to bond, following minimum requirements as laid out in the EU Capital Requirements Directive IV/Capital Requirements (CRD IV/CRR).

There are additional risks which are associated with investing in CoCos like:

- a) Risk of falling below the specified trigger level (trigger level risk)

The probability and the risk of a conversion or of a write-down are determined by the difference between the trigger level and the capital ratio of the CoCo issuer currently required for regulatory purposes.

The mechanical trigger is at least 5.125% of the regulatory capital ratio or higher, as set out in the

issue prospectus of the respective CoCo. Especially in the case of a high trigger, CoCo investors may lose the capital invested, for example in the case of a write-down of the nominal value or conversion into equity capital (shares).

At sub-fund level, this means that the actual risk of falling below the trigger level is difficult to assess in advance because, for example, the capital ratio of the issuer may only be published quarterly and therefore the actual gap between the trigger level and the capital ratio is only known at the time of publication.

- b) Risk of suspension of the coupon payment (coupon cancellation risk)

The issuer or the supervisory authority can suspend the coupon payments at any time. Any coupon payments missed out on are not made up for when coupon payments are resumed. For the CoCo investor, there is a risk that not all of the coupon payments expected at the time of acquisition will be received.

- c) Risk of a change to the coupon (coupon calculation/reset risk)

If the CoCo is not called by the CoCo issuer on the specified call date, the issuer can redefine the terms and conditions of issue. If the issuer does not call the CoCo, the amount of the coupon can be changed on the call date.

- d) Risk due to prudential requirements (conversion and write down risk)

A number of minimum requirements in relation to the equity capital of banks were defined in CRD IV. The amount of the required capital buffer differs from country to country in accordance with the respective valid regulatory law applicable to the issuer.

At sub-fund level, the different national requirements have the consequence that the conversion as a result of the discretionary trigger or the suspension of the coupon payments can be triggered accordingly depending on the regulatory law applicable to the issuer and that an additional uncertainty factor exists for the CoCo investor, or the investor, depending on the national conditions and the sole judgment of the respective competent supervisory authority.

Moreover, the opinion of the respective supervisory authority, as well as the criteria of relevance for the opinion in the individual case, cannot be conclusively assessed in advance.

- e) Call risk and risk of the competent supervisory authority preventing a call (call extension risk)

CoCos are perpetual long-term debt securities that are callable by the issuer at certain call dates defined in the issue prospectus. The decision to call is made at the discretion of the issuer, but

it does require the approval of the issuer's competent supervisory authority. The supervisory authority makes its decision in accordance with applicable regulatory law.

The CoCo investor can only resell the CoCo on a secondary market, which in turn is associated with corresponding market and liquidity risks.

- f) Equity risk and subordination risk (capital structure inversion risk)

In the case of conversion to equities, CoCo investors become shareholders when the trigger occurs. In the event of insolvency, claims of shareholders may have subordinate priority and be dependent on the remaining funds available. Therefore, the conversion of the CoCo may lead to a total loss of capital.

- g) Industry concentration risk

Industry concentration risk can arise from uneven distribution of exposures to financials due to the specific structure of CoCos. CoCos are required by law to be part of the capital structure of financial institutions.

- h) Liquidity risk

CoCos bear a liquidity risk in stressed market conditions due to a specialized investor base and lower overall market volume compared to plain-vanilla bonds.

- i) Yield valuation risk

Due to the callable nature of CoCos it is not certain what calculation date to use in yield calculations. At every call date there is the risk that the maturity of the bond will be extended, and the yield calculation needs to be changed to the new date, which can result in a yield change.

- j) Unknown risk

Due to the innovative character of the CoCos and the ongoing changing regulatory environment for financial institutions, there could occur risks which cannot be foreseen at the current stage.

For further details, please refer to the ESMA statement (ESMA/2014/944) from July 31, 2014 "Potential Risks Associated with Investing in Contingent Convertible Instruments".

### Liquidity risk

Liquidity risks arise when a particular security is difficult to dispose of. In principle, acquisitions for a sub-fund must only consist of securities that can be sold again at any time. Nevertheless, it may be difficult to sell particular securities at the desired time during certain phases or in particular exchange segments. There is also the risk that securities traded in a rather narrow market segment will be subject to considerable price volatility.

## Assets in the emerging markets

Investing in assets from the emerging markets generally entails a greater risk (potentially including considerable legal, economic and political risks) than investing in assets from the markets of industrialized countries.

Emerging markets are markets that are, by definition, "in a state of transition" and are therefore exposed to rapid political change and economic declines. During the past few years, there have been significant political, economic and societal changes in many emerging-market countries. In many cases, political considerations have led to substantial economic and societal tensions, and in some cases these countries have experienced both political and economic instability. Political or economic instability can influence investor confidence, which in turn can have a negative effect on exchange rates, security prices or other assets in emerging markets.

The exchange rates and the prices of securities and other assets in the emerging markets are often extremely volatile. Among other things, changes to these prices are caused by interest rates, changes to the balance of demand and supply, external forces affecting the market (especially in connection with important trading partners), trade-related, tax-related or monetary policies, governmental policies as well as international political and economic events.

In most cases, the securities markets in the emerging markets are still in their primary stage of development. This may result in risks and practices (such as increased volatility) that usually do not occur in developed securities markets and which may have a negative influence on the securities listed on the stock exchanges of these countries. Moreover, the markets in emerging-market countries are frequently characterized by illiquidity in the form of low turnover of some of the listed securities.

In comparison to other types of investment that carry a smaller risk, it is important to note that exchange rates, securities and other assets from emerging markets are more likely to be sold as a result of the flight into quality effect in times of economic stagnation.

## Investments in Russia

If provided for in the respective special section of the Sales Prospectus for a particular sub-fund, sub-funds may, within the scope of their respective investment policies, invest in securities that are traded on the Moscow Exchange (MICEX-RTS). This exchange is a recognized and regulated market as defined by article 41(1) of the Law of 2010. Additional details are specified in the respective special section of the Sales Prospectus.



## Custody and registration risk in Russia

- Even though commitments in the Russian equity markets are well covered through the use of GDRs and ADRs, individual sub-funds may, in accordance with their investment policies, invest in securities that might require the use of local depository and/or custodial services. At present, the proof of legal ownership of equities in Russia is delivered in book-entry form.
- The Shareholder Register is of decisive importance in the custody and registration procedure. Registrars are not subject to any real government supervision, and the sub-fund could lose its registration through fraud, negligence or just plain oversight. Moreover, in practice, there was and is no really strict adherence to the regulation in Russia under which companies having more than 1,000 shareholders must employ their own independent registrars who fulfill the legally prescribed criteria. Given this lack of independence, the management of a company may be able to exert potentially considerable influence over the compilation of the shareholders of the Investment Company.
- Any distortion or destruction of the register could have a material adverse effect on the interest held by the sub-fund in the corresponding shares of the Investment Company or, in some cases, even completely eliminate such a holding. Neither the sub-fund nor the fund manager nor the Depository nor the Management Company nor the Board of Directors of the Investment Company (the Board of Directors) nor any of the sales agents is in a position to make any representations or warranties or provide any guarantees with respect to the actions or services of the registrar. This risk is borne by the sub-fund.

At present, Russian law does not provide for the concept of the “good-faith acquirer” as it is usually the case in western legislation. As a result of this, under Russian law, an acquirer of securities (with the exception of cash instruments and bearer instruments), accepts such securities subject to possible restrictions of claims and ownership that could have existed with respect to the seller or previous owner of these securities. The Russian Federal Commission for Securities and Capital Markets is currently working on draft legislation to provide for the concept of the “good-faith acquirer”. However, there is no assurance that such a law will apply retroactively to purchases of shares previously undertaken by the sub-fund. Accordingly, it is possible at this point in time that the ownership of equities by a sub-fund could be contested by a previous owner from whom the equities were acquired; such an event could have an adverse effect on the assets of that sub-fund.

## Investments in People’s Republic of China (PRC)

### a) Political, Economic and Social Risks

Any political changes, social instability and unfavourable diplomatic developments, which may take place in or in relation to the PRC could result in the imposition of additional governmental restrictions including expropriation of assets, confiscatory taxes or nationalisation of some of the constituents of the Reference Index. Investors should also note that any change in the policies of the PRC may adversely impact on the securities markets in the PRC as well as the performance of the sub-fund.

### b) PRC Economic Risks

The economy in the PRC has experienced rapid growth in recent years. However, such growth may or may not continue, and may not apply evenly across different sectors of the PRC economy. The PRC government has also implemented various measures from time to time to prevent overheating of the economy. Furthermore, the transformation of the PRC from a socialist economy to a more market-oriented economy has led to various economic and social disruptions in the PRC and there can be no assurance that such transformation will continue or be successful. All these may have an adverse impact on the performance of the sub-fund.

### c) Legal System of the PRC

The legal system of the PRC is based on written laws and regulations. However, many of these laws and regulations are still untested and the enforceability of such laws and regulations remains unclear. In particular, the PRC regulations, which govern currency exchange in the PRC are relatively new and their application is uncertain. Such regulations also empower the CSRC and the State Administration of Foreign Exchange (“SAFE”) to exercise discretion in their respective interpretation of the regulations, which may result in increased uncertainties in their application.

### d) RQFII systems risk

The current RMB Qualified Foreign Institutional Investor (“RQFII”) Regulations include rules on investment restrictions applicable to the sub-fund. Transaction sizes for RQFIIs are relatively large (with the corresponding heightened risk of exposure to decreased market liquidity and significant price volatility leading to possible adverse effects on the timing and pricing of acquisition or disposal of securities). Onshore PRC securities are registered in the name of “the full name of the RQFII sub-fund manager – the name of the sub-fund” in accordance with the relevant rules and regulations and maintained in electronic form via a securities account with the China Securities Depository and Clearing Corporation Limited (“CSDCC”). The sub-fund manager may select up to three PRC brokers (each a “PRC

Broker”) to act on its behalf in each of the two onshore PRC securities markets as well as a depository (the “PRC Depository”) to maintain its assets in custody in accordance with the terms of the PRC Depository Agreement.

In the event of any default of either the relevant PRC Broker or the PRC Depository (directly or through its delegate) in the execution or settlement of any transaction or in the transfer of any funds or securities in the PRC, the sub-fund may encounter delays in recovering its assets which may in turn adversely impact the net asset value of the sub-fund.

There can be no assurance that additional RQFII quota can be obtained by the sub-fund manager to fully satisfy subscription requests. This may result in a need to close the sub-fund to further subscriptions. In extreme circumstances, the sub-fund may incur significant loss due to limited investment capabilities or may not be able fully to implement or pursue its investment objectives or strategies, due to RQFII investment restrictions, illiquidity of the PRC’s securities markets, and delay or disruption in execution of trades or in settlement of trades.

The regulations which regulate investments by RQFIIs in the PRC and the repatriation of capital from RQFII investments are relatively new. The application and interpretation of such investment regulations are therefore relatively untested and there is no certainty as to how they will be applied as the PRC authorities and regulators have been given wide discretion in such investment regulations and there is no precedent or certainty as to how such discretion may be exercised now or in the future.

### Risks in relation to direct investments of Overseas Institutional Investors in the Interbank Bond Market

On February 24, 2016, the People’s Bank of China (PBOC), the central bank, released the Notice on Issues Concerning Investment of Overseas Institutional Investors in the Interbank Bond Market. Under this notice, an eligible foreign investor is permitted to invest in the China Interbank Bond Market (CIBM) without first registering as a qualified foreign institutional investor (QFII) or RQFII.

For this purpose, the Management Company or the Investment Company has to make an application to register under this program at PBOC. In this case PRC Bonds are registered in the name of “the Management Company – the name of the sub-fund” or “the Investment Company – the name of the sub-fund” in accordance with the relevant rules and regulations, and maintained in electronic form via a securities account with the China Securities Depository and Clearing Corporation Limited (“CSDCC”) for the exchange-traded bond market and with China Central Depository & Clearing Co., Ltd (“CCDC”) or the Shanghai Clearing House (“SCH”) for the inter-bank bond market. For the direct CIBM Program the Depository shall within

its depository network appoint a PRC Depository, which shall maintain a sub-fund's assets in custody in accordance with the terms of such PRC Depository Agreement. In the event of any default of the PRC Depository (directly or through its delegate) or other agents (for example, brokers and settlement agents) in the execution or settlement of any transaction or in the transfer of any funds or securities in the PRC, a sub-fund may encounter delays in recovering its assets which may in turn adversely impact the net asset value of a sub-fund.

There can be no assurance that sufficient CIBM quota can be obtained by the Management Company or the Investment Company to fully satisfy subscription requests. This may result in a need to close a sub-fund to further subscriptions. In extreme circumstances, a sub-fund may incur significant loss due to limited investment capabilities or may not be able fully to implement or pursue its investment objectives or strategies, due to CIBM investment restrictions, illiquidity of the PRC's securities markets, and delay or disruption in execution of trades or in settlement of trades.

The regulations, which regulate investments under the CIBM Program in the PRC and the repatriation of capital from CIBM investments, are relatively new. The application and interpretation of such investment regulations are therefore relatively untested and there is no certainty as to how they will be applied as the PRC authorities and regulators have been given wide discretion in such investment regulations and there is no precedent or certainty as to how such discretion may be exercised now or in the future.

e) Risks relating to the PRC Custodian and other Agents

Onshore PRC assets will be maintained by the PRC Custodian in electronic form via securities accounts with the CSDCC, CCDC or SCH and cash accounts with the PRC Custodian.

The Management Company or the sub-fund manager also appoints agents (such as brokers and settlement agents) to execute transactions for the sub-fund in the PRC markets. Should, for any reason, the sub-fund's ability to use the relevant agent be affected, this could disrupt the operations of the sub-fund and affect the ability of the sub-fund to implement the desired investment strategy. The sub-fund may also incur losses due to the acts or omissions of either the relevant agent or the PRC Custodian in the execution or settlement of any transaction or in the transfer of any funds or securities. Subject to the applicable laws and regulations in the PRC, the Custodian will make arrangements to ensure that the PRC Custodian has appropriate procedures to properly safe-keep the sub-fund's assets.

According to the RQFII regulations and market practice, the securities and cash accounts for the sub-fund in the PRC are to be maintained in the name of "the full name of the RQFII sub-fund

manager – the name of the sub-fund". Although the sub-fund has obtained a satisfactory legal opinion that the assets in such securities account would belong to the sub-fund, such opinion cannot be relied on as being conclusive, as the RQFII Regulations are subject to the interpretation of the relevant authorities in the PRC.

For investments under the CIBM Program, applied by the Management Company or the Investment Company for any sub-fund directly, the securities and cash accounts for the sub-fund in the PRC are maintained in the name of "the Management Company – the name of the sub-fund".

Investors should note that cash deposited in the cash accounts of the sub-fund with the PRC Custodian will not be segregated but will be a debt owing from the PRC Custodian to the sub-fund as a depositor. Such cash will be co-mingled with cash belonging to other clients of the PRC Custodian. In the event of bankruptcy or liquidation of the PRC Custodian, the sub-fund will not have any proprietary rights to the cash deposited in such cash accounts, and the sub-fund will become an unsecured creditor, ranking *pari passu* with all other unsecured creditors, of the PRC Custodian. The sub-fund may face difficulty and/or encounter delays in recovering such debt or may not be able to recover it in full or at all, in which case the sub-fund will suffer losses.

f) Repatriation risk

Repatriations by RQFIIs in respect of funds such as the sub-fund conducted in CNY are permitted daily and are not subject to any lock-up periods or prior approval. There is no assurance, however, that PRC rules and regulations will not change or that repatriation restrictions will not be imposed in the future. Any restrictions on repatriation of the invested capital and net profits may impact on the sub-fund's ability to meet redemption requests.

g) RQFII quota risk

The sub-fund will utilize the sub-fund manager's RQFII quota granted under the RQFII Regulations. This RQFII quota is limited. In such event, unless the sub-fund manager is able to acquire additional RQFII quota, it may be necessary to suspend subscriptions of Shares. In such event it is possible that the trading price of a Share on the relevant stock exchange will be at a significant premium to the intra-day Net Asset Value of each Share (which may also lead to an unexpected deviation in the trading price of the Shares on the secondary market in comparison to the Net Asset Value of the relevant Shares).

h) Shenzhen-Hong Kong and Shanghai-Hong Kong Stock Connect ("Stock Connect") risks

With Stock Connect, foreign investors (including the sub-fund) may directly trade certain eligible A-shares through the Northbound Trading Link, subject to published laws and regulations in their respective applicable version. Stock Connect

currently comprises the Shanghai-Hong Kong Stock Connect and the Shenzhen-Hong Kong Stock Connect. The Shanghai-Hong Kong Stock Connect is a securities trading and clearing links program developed by Hong Kong Exchanges and Clearing Limited ("HKEx"), China Securities Depository and Clearing Corporation Limited ("China Clear") and Shanghai Stock Exchange ("SSE") with an aim to achieve mutual stock market access between Shanghai and Hong Kong.

Similarly, the Shenzhen-Hong Kong Stock Connect is a securities trading and clearing links program developed by HKEx, ChinaClear and Shenzhen Stock Exchange ("SZSE") with an aim to achieve mutual stock market access between Shenzhen and Hong Kong.

Stock Connect comprises two Northbound Trading Links (for investment in A-shares), one between SSE and the Stock Exchange of Hong Kong Limited ("SEHK"), and the other between SZSE and SEHK. Investors may place orders to trade eligible A-shares listed on SSE (such securities, "SSE Securities") or on SZSE (such securities, "SZSE Securities", and SSE Securities and SZSE Securities collectively, "Stock Connect Securities") through their Hong Kong brokers, and such orders will be routed by the relevant securities trading service company established by the SEHK to the relevant trading platform of SSE or SZSE, as the case may be, for matching and execution on SSE or SZSE, as the case may be.

Further information about Stock Connect is available online at the website: [https://www.hkex.com.hk/Mutual-Market/Stock-Connect?sc\\_lang=en](https://www.hkex.com.hk/Mutual-Market/Stock-Connect?sc_lang=en).

Investment through Stock Connect is subject to additional risks as described below:

**Quota limitations risk**

Stock Connect is subject to quota limitations on investment, which may restrict the sub-fund's ability to invest in A-shares through Stock Connect on a timely basis, and the sub-fund may not be able to effectively pursue its investment policies.

**Suspension risk**

SEHK, SSE and SZSE reserve the right to suspend trading if necessary, for ensuring an orderly and fair market and managing risks prudently which would adversely affect the sub-fund's ability to access the PRC market.

**Differences in trading day**

Stock Connect operates on days when both the relevant PRC market and the Hong Kong market are open for trading and when banks in both the relevant PRC market and the Hong Kong market are open on the corresponding settlement days. It is possible that there are occasions when it is a normal trading day for the relevant PRC market but Hong Kong and overseas investors (such as the sub-fund) cannot carry out any A-shares trading via Stock Connect. As a result, the sub-

fund may be subject to a risk of price fluctuations in A-shares during the time when Stock Connect is not trading.

#### **Restrictions on selling imposed by front-end monitoring**

PRC regulations require that before an investor sells any share, there should be sufficient shares in the account; otherwise, SSE or SZSE (as the case may be) will reject the sell order concerned. SEHK will carry out pre-trade checking on A-shares sell orders of its participants (i.e. the stock brokers) to ensure there is no over-selling.

#### **Clearing, settlement and custody risks**

The Hong Kong Securities Clearing Company Limited (the "HKSCC"), which is a wholly-owned subsidiary of HKEx and ChinaClear establish the clearing links and each is a participant of each other to facilitate clearing and settlement of cross-boundary trades. As the national central counterparty of the PRC's securities market, ChinaClear operates a comprehensive network of clearing, settlement and stock holding infrastructure. ChinaClear has established a risk management framework and measures that are approved and supervised by the China Securities Regulatory Commission (CSRC). The chances of a ChinaClear default are considered to be remote. Should the remote event of a ChinaClear default occur and ChinaClear be declared as a defaulter, HKSCC will in good faith, seek recovery of the outstanding stocks and monies from ChinaClear through available legal channels or through ChinaClear's liquidation. In that event, the sub-fund may suffer delay in the recovery process or may not be able to fully recover its losses from ChinaClear.

A-shares are issued in scripless form, so there will be no physical certificates of title representing the interests of the sub-fund in any A-shares. Hong Kong and overseas investors, such as the sub-fund, who have acquired Stock Connect Securities through Northbound Trading Links should maintain the Stock Connect Securities with their brokers' or custodians' stock accounts with the Central Clearing and Settlement System operated by HKSCC for the clearing securities listed or traded on SEHK. Further information on the custody set-up relating to Stock Connect is available upon request at the registered office of the Management Company.

#### **Operational risk**

Stock Connect is premised on the functioning of the operational systems of the relevant market participants. Market participants are able to participate in this program subject to meeting certain information technology capability, risk management and other requirements as may be specified by the relevant exchange and/or clearing house.

The securities regimes and legal systems of the two markets differ significantly and in order for the trial program to operate, market participants may need to address issues arising from the differences on an on-going basis.

Further, the "connectivity" in the Stock Connect program requires routing of orders across the border. This requires the development of new information technology systems on the part of the SEHK and exchange participants (i.e. a new order routing system ("China Stock Connect System") to be set up by SEHK to which exchange participants need to connect). There is no assurance that such systems will function properly or will continue to be adapted to changes and developments in both markets. If the relevant systems fail to function properly, trading in both markets through the program could be disrupted. The sub-fund's ability to access the A-share market (and hence to pursue their investment strategy) will be adversely affected.

#### **Nominee arrangements in holding A-shares**

HKSCC is the "nominee holder" of the Stock Connect Securities acquired by overseas investors (including the sub-fund) through Stock Connect. The CSRC Stock Connect Rules expressly provide that investors enjoy the rights and benefits of the Stock Connect Securities acquired through Stock Connect in accordance with applicable laws. CSRC has also made statements dated May 15, 2015 and September 30, 2016 that overseas investors that hold Stock Connect Securities through HKSCC are entitled to proprietary interests in such securities as shareholders. However, it is possible that the courts in the PRC may consider that any nominee or custodian (as registered holder of Stock Connect Securities) would have full ownership thereof, and that even if the concept of beneficial ownership is recognized under PRC law, those Stock Connect Securities would form part of the pool of assets of such entity available for distribution to creditors of such entities and/or that a beneficial owner may have no rights whatsoever in respect thereof. Consequently, the sub-fund and the Depositary cannot ensure that the sub-fund's ownership of these securities or title thereto is assured in all circumstances.

Under the rules of the Central Clearing and Settlement System operated by HKSCC for the clearing of securities listed or traded on SEHK, HKSCC as nominee holder shall have no obligation to take any legal action or court proceeding to enforce any rights on behalf of the investors in respect of the Stock Connect Securities in the PRC or elsewhere. Therefore, although the relevant sub-fund's ownership may be ultimately recognised, the sub-fund may suffer difficulties or delays in enforcing their rights in A-shares.

To the extent that HKSCC is deemed to be performing safekeeping functions with respect to assets held through it, it should be noted that the Depositary and the Sub-Fund will have no legal relationship with HKSCC and no direct legal recourse against HKSCC in the event that the sub-fund suffers losses resulting from the performance or insolvency of HKSCC.

#### **Investor compensation**

Investments of the sub-fund through northbound trading under Stock Connect will not be covered by Hong Kong's Investor Compensation Fund as the shares are not considered listed or traded in SEHK or Hong Kong Futures Exchange Limited. The investments are also not protected by the China Securities Investor Protection Fund in the PRC as trading is done through securities brokers in Hong Kong and not PRC brokers.

#### **Trading costs**

In addition to paying trading fees and stamp duties in connection with A-share trading, the sub-fund may be subject to new portfolio fees, dividend tax and tax concerned with income arising from stock transfers, which are yet to be determined by the relevant authorities.

#### **Regulatory risk**

The CSRC Stock Connect rules are departmental regulations having legal effect in the PRC. However, the application of such rules is untested, and the PRC courts may not recognize such rules, e.g. in liquidation proceedings of PRC companies. Stock Connect is relatively novel in nature and is subject to regulations promulgated by regulatory authorities and implementation rules made by the stock exchanges in the PRC and Hong Kong. Further, new regulations may be promulgated in connection with operations and cross-border legal enforcement of cross-border trades under Stock Connect. The regulations are untested so far and it is uncertain how they will be applied. Moreover, the current regulations are subject to change. There is no assurance that Stock Connect will not be abolished. The sub-fund, which may invest in the PRC markets through the Stock Connect may be adversely affected as a result of such changes.

#### **i) Bond Connect risks**

The CIBM has opened up to global investors through the Mainland China-Hong Kong mutual access program called Bond Connect. Bond Connect allows overseas and Mainland China investors to trade in each other's bond markets through a connection between Mainland China and Hong Kong based financial infrastructure institutions and improves the flexibility and efficiency of the investing process in the CIBM.

#### **Trading link**

Participants to Bond Connect register with Tradeweb, the Bond Connect offshore electronic trading platform that links directly into China Foreign Exchange Trade System (CFETS). This platform will allow trading with designated onshore Bond Connect market makers using the Request for Quotation (RFQ) protocol. The Bond Connect market makers provide tradable prices through CFETS. The quote will include the full amount with the clean price, yield to maturity and effective period for the response. The market makers can decline to respond to the RFQ and can decline, amend or withdraw the quote as long as the potential buyer has not accepted it.

Upon acceptance of the quote by the potential buyer, all other quotes automatically become invalid. CFETS then generates a trade confirmation on which the market maker, buyers, CFETS and depository will use to process the settlement.

Bonds purchased through Bond Connect will be held onshore with the CCDC in the name of the Hong Kong Monetary Authority (HKMA). Investors will be the beneficial owners of the bonds via a segregated account structure in the Central Money Market Unit (CMU) in Hong Kong. Further information about Bond Connect is available online at the website:  
<http://www.chinabondconnect.com/en/index.htm>.

#### **Volatility and liquidity risk**

Low trading volume of certain debt securities in the CIBM caused by market volatility and potential lack of liquidity may result in significant fluctuating prices. Accordingly, the investing sub-funds are subject to volatility and liquidity risks. The bid and offer spreads of the prices of such securities may be large, and the relevant sub-funds may incur significant trading and realisation costs and may even suffer losses when selling such investments. It may be difficult or impossible to sell the debt securities traded in the CIBM, and this could affect the relevant sub-fund's ability to acquire or dispose of such securities at their intrinsic value.

#### **Asset segregation**

Under Bond Connect, assets are distinctly segregated into three levels across the onshore and offshore central depositories (CSD). It is mandatory for investors using Bond Connect to hold their bonds in a segregated account at the offshore depository in the name of the end investor.

#### **Clearing and settlement risks**

CCDC and CMU established the clearing links and each is a participant of each other to facilitate clearing and settlement of cross-boundary trades. For cross-boundary trades initiated in a market, the clearing house of that market will on one hand clear and settle with its own clearing participants, and on the other hand undertake to fulfill the clearing and settlement obligations of its clearing participants with the counterparty clearing house.

As the national central counterparty of the PRC's securities market, CCDC operates a comprehensive network of clearing, settlement and bond holding infrastructure. CCDC has established a risk management framework and implemented measures that are approved and supervised by the PBOC. The chances of a default by CCDC are considered to be remote. Should the remote event of a default by CCDC occur and CCDC is declared as a defaulter, CMU will in good faith, seek recovery of the outstanding bonds and monies from CCDC through available legal channels or through CCDC's liquidation. In the remote event of a CCDC default, CMU's liabilities in Bond Connect bonds under its market contracts with

clearing participants will be limited to assisting clearing participants in pursuing their claims against CCDC. In the event, the relevant sub-fund may suffer delay in the recovery process or may not be able to fully recover its losses from CCDC.

#### **Regulatory risk**

The Bond Connect is novel in nature. The current regulations governing Bond Connect are untested so far, and there is no certainty as to how they will be applied. There is no assurance that PRC courts will recognize such rules, e.g. in liquidation proceedings of PRC companies. In addition, Bond Connect is subject to regulations promulgated by regulatory authorities and implementation rules in the PRC and Hong Kong. Further, new regulations may be promulgated from time to time by the regulators in connection with operations and cross-border legal enforcement in connection with cross-border trades under the Bond Connect. The current regulations are subject to change, which may have potential retrospective effects and there can be no assurance that Bond Connect will not be abolished. The sub-fund, which may invest in the PRC markets through the Bond Connect, may be adversely affected as a result of such changes.

#### **Taxation Risks**

PRC tax authorities do not currently have specific formal guidance on the treatment of income tax and other tax categories payable in respect of trading in CIBM by eligible foreign institutional investors via Bond Connect. Any changes in PRC tax law, future clarifications thereof, and/or subsequent retroactive enforcement by the PRC tax authorities of any tax may result in a material loss to the relevant sub-funds. The Management Company will keep the provisioning policy for tax liability under review. The Management Company may make a provision for potential tax liabilities in its discretion, if in their opinion such provision is warranted or as further clarified by the PRC authorities in notifications.

#### **Operational risk for Bond Connect**

As Bond Connect utilizes newly developed trading platforms and operational systems, there is no assurance that such systems will function properly or will continue to be adapted to changes and developments in the market. In the event of relevant system failures, trading via Bond Connect may be disrupted. This might (temporarily) restrict the respective sub-fund's ability to pursue its investment strategy and/or the ability to acquire or dispose of securities at their intrinsic value. Furthermore, sub-funds investing in the CIBM via Bond Connect may be subject to risks of delays in the order placing and/or settlement systems.

#### **Risk of Agents Default**

For investments via the Bond Connect, the relevant filings, registration with PBOC and account opening have to be carried out via an onshore settlement agent, offshore custody agent, registration agent or other third parties. As such, relevant sub-funds are subject to the risks of default or errors on the part of such third parties.

#### **j) Government Control of Currency Conversion and Future Movements in Exchange Rates**

Since 1994, the conversion of CNY into USD has been based on rates set by the People's Bank of China, which are set daily based on the previous day's PRC interbank foreign exchange market rate. On July 21, 2005, the PRC government introduced a managed floating exchange rate system to allow the value of CNY to fluctuate within a regulated band based on market supply and demand and by reference to a basket of currencies. There can be no assurance that the CNY exchange rate will not fluctuate widely against the USD or any other foreign currency in the future. Any appreciation of CNY against USD is expected to lead to an increase in the Net Asset Value of the sub-fund which will be denominated in USD.

#### **k) Onshore versus offshore Renminbi differences risk**

While both onshore Renminbi ("CNY") and offshore Renminbi ("CNH") are the same currency, they are traded in different and separated markets. CNY and CNH are traded at different rates and their movement may not be in the same direction. Although there has been a growing amount of Renminbi held offshore (i.e. outside the PRC), CNH cannot be freely remitted into the PRC and is subject to certain restrictions, and vice versa. Investors should note that subscriptions and redemptions will be in USD and will be converted to/from CNH and the investors will bear the forex expenses associated with such conversion and the risk of a potential difference between the CNY and CNH rates. The liquidity and trading price of the sub-fund may also be adversely affected by the rate and liquidity of the Renminbi outside the PRC.

#### **l) Dependence upon Trading Market for A-shares**

The existence of a liquid trading market for the A-shares may depend on whether there is supply of, and demand for, A-shares. Investors should note that the Shanghai Stock Exchange and Shenzhen Stock Exchange on which A-shares are traded are undergoing development and the market capitalisation of, and trading volumes on, those exchanges may be lower than those in more developed financial markets. Market volatility and settlement difficulties in the A-share markets may result in significant fluctuation in the prices of the securities traded on such markets and thereby changes in the Net Asset Value of the sub-fund.

#### **m) Interest Rate Risk**

Sub-funds investing in PRC fixed-income securities are subject to interest rate risk.

Sub-funds investing in bonds issued by the government of the PRC (PRC Government Bonds) are additionally subject to policy risk as changes in macro-economic policies in the PRC (including

monetary policy and fiscal policy) may have an influence over the PRC's capital markets and affect the pricing of the bonds in the sub-fund's portfolio, which may in turn adversely affect the return of such sub-fund.

n) Dependence upon Trading Market for PRC Bonds

The existence of a liquid trading market for PRC Bonds may depend on whether there is supply of, and demand for, PRC Bonds. Investors should note that the Shanghai Stock Exchange, Shenzhen Stock Exchange and PRC inter-bank bond market on which PRC Bonds are traded are undergoing development and the market capitalisation of, and trading volumes on, those markets may be lower than those in more developed financial markets. Market volatility and settlement difficulties in the PRC Bond markets may result in significant fluctuation in the prices of the securities traded on such markets and thereby changes in the Net Asset Value of the sub-fund.

o) Liquidity Risk

The sub-fund is subject to liquidity risk as continued regular trading activity and active secondary market for PRC securities (including PRC Bonds) is not guaranteed. The sub-fund may suffer losses in trading in such instruments. The bid and offer spread of the price of PRC securities may be large, so that the sub-fund may incur significant trading and realisation costs and may suffer losses accordingly.

p) Issuer Counterparty Risk

Investment in bonds by the sub-fund is exposed to the credit/insolvency risk of the issuers which may be unable or unwilling to make timely payments on principal and/or interest. PRC Bonds held by the sub-fund are issued on an unsecured basis without collateral. An issuer suffering an adverse change in its financial condition could lower the credit quality of a security, leading to greater price volatility of the security. A lowering of the credit rating of a security or its issuer may also affect the security's liquidity, making it more difficult to sell. In the event of a default or credit rating downgrading of the issuers of the bonds, the bonds and the sub-fund's value may be adversely affected, and investors may suffer a substantial loss as a result. The sub-fund may also encounter difficulties or delays in enforcing its rights against the issuer of bonds as the issuer is located in the PRC and is subject to PRC laws and regulations.

q) Valuation Risk

Where the trading volumes of an underlying security is low, it may be more difficult to achieve fair value when purchasing or selling such underlying security because of the wider bid-ask spread. The inability to transact at advantageous times or prices may result in a reduction in the sub-fund's returns. Further, changing market

conditions or other significant events, such as credit rating downgrades affecting issuers, may also pose valuation risk to the sub-fund as the value of the sub-fund's portfolio of fixed income instruments may become more difficult or impossible to ascertain. In such circumstances, valuation of the sub-fund's investments may involve uncertainties as there is a possibility that independent pricing information may at times be unavailable.

If such valuations should prove to be incorrect, the Net Asset Value of the sub-fund may need to be adjusted and may be adversely affected. Such events or credit rating downgrades may also subject the sub-fund to increased liquidity risk as it may become more difficult for the sub-fund to dispose of its holdings of bonds at a reasonable price or at all.

r) Restricted markets risk

The sub-fund may invest in securities in respect of which the PRC imposes limitations or restrictions on foreign ownership or holdings. Such legal and regulatory restrictions or limitations may have adverse effects on the liquidity and performance of the sub-fund holdings as compared to the performance of the Reference Index. This may increase the risk of tracking error and, at the worst, the sub-fund may not be able to achieve its investment objective and/or the sub-fund may have to be closed for further subscriptions.

s) A-share market trading hours difference risk

Differences in trading hours between foreign stock exchanges (e.g. Shanghai Stock Exchange and Shenzhen Stock Exchange) and the relevant stock exchange may increase the level of premium/discount of the Share price to its Net Asset Value because if a PRC stock exchange is closed while the relevant stock exchange is open, the Reference Index level may not be available.

The prices quoted by the relevant stock exchange market maker would therefore be adjusted to take into account any accrued market risk that arises from such unavailability of the Reference Index level and as a result, the level of premium or discount of the Share price of the sub-fund to its Net Asset Value may be higher.

t) A-share market suspension risk

A-shares may only be bought from, or sold to, the sub-fund from time to time where the relevant A-shares may be sold or purchased on the Shanghai Stock Exchange or the Shenzhen Stock Exchange, as appropriate. Given that the A-share market is considered volatile and unstable (with the risk of suspension of a particular stock or government intervention), the subscription and redemption of Shares may also be disrupted. An authorised Participant is unlikely to redeem or subscribe Shares if it considers that A-shares may not be available.

u) Operational and Settlement Risk

Settlement procedures in the PRC are less developed and may differ from those in countries that have more developed financial markets. The sub-fund may be subject to a risk of substantial loss if an appointed agent (such as a broker or a settlement agent) defaults in the performance of its responsibilities. The sub-fund may incur substantial losses if its counterparty fails to pay for securities the sub-fund has delivered, or for any reason fails to complete its contractual obligations owed to the sub-fund. On the other hand, significant delays in settlement may occur in certain markets in registering the transfer of securities. Such delays could result in substantial losses for the sub-fund if investment opportunities are missed or if the sub-fund is unable to acquire or dispose of a security as a result.

Trading in the PRC inter-bank bond market may expose investors to certain risks associated with settlement procedures and the default of counterparties. Much of the protection afforded to investors in securities listed on more developed exchanges may not be available in connection with transactions on the PRC inter-bank bond market which is an over-the-counter market. All trades settled through CCDC, the central clearing for the PRC inter-bank bond market, are settled on a delivery versus payment basis i.e. if the sub-fund is buying certain securities, the sub-fund will only pay the counterparty upon receipt of such securities. If a counterparty defaults in delivering the securities, the trade may be cancelled, and this may adversely affect the value of the sub-fund.

v) Changes in PRC taxation risk

The PRC Government has implemented a number of tax reform policies in recent years. The current tax laws and regulations may be revised or amended in the future. Any revision or amendment in tax laws and regulations may affect the after-taxation profit of PRC companies and foreign investors in such companies.

w) Government intervention and restriction risk

Governments and regulators may intervene in the financial markets, such as by the imposition of trading restrictions, a ban on "naked" short selling or the suspension of short selling for certain stocks. This may affect the operation and market making activities of the sub-fund and may have an unpredictable impact on the sub-fund.

Furthermore, such market interventions may have a negative impact on the market sentiment, which may in turn affect the performance of the Reference Index and/or the sub-fund.

x) PRC taxation risk

Any changes in tax policies may reduce the after-taxation profits of the investments in PRC

Bonds to which the performance of the sub-fund is linked. Whilst it is clear that interests on PRC Bonds are specifically exempted from PRC Corporate Income Tax pursuant to the prevailing Corporate Income Tax Law, uncertainties remain on PRC indirect tax treatment on interest from PRC Bonds, as well as PRC Corporate Income Tax and Indirect Tax treatments on capital gains derived by the sub-fund from investments in PRC Bonds.

In light of the uncertainties on the PRC tax treatments on PRC Bonds and in order to meet any such potential PRC tax liabilities that may arise from investments in PRC Bonds, the Board of Directors reserves the right to put in place a tax provision ("Capital Gains Tax Provision" or "CGTP") on the relevant gains or income and withhold the tax for the account of the sub-fund. The Board of Directors determines at present not to make any provision for the account of the sub-fund in respect of any potential tax on capital gains from investments of the sub-fund in PRC Bonds. In the event that actual tax is collected by the SAT and the sub-fund is required to meet actual PRC tax liabilities, the Net Asset Value of the sub-fund may be adversely affected. Further, there is a possibility of the tax rules being changed and taxes being applied retrospectively. As such, any provision for taxation made by the Board of Directors may be excessive or inadequate to meet final PRC tax liabilities.

Consequently, Shareholders may be advantaged or disadvantaged depending upon the final tax liabilities, the level of provision and when they subscribed and/or redeemed their Shares.

#### y) Accounting and Reporting Standards

Accounting, auditing and financial reporting standards and practices applicable to companies in the PRC may differ from those in countries that have more developed financial markets. These differences may lie in areas such as different valuation methods of the properties and assets, and the requirements for disclosure of information to investors.

### Counterparty risk

Risks may arise for the Investment Company as a result of a contractual commitment with another party (a "counterparty"). In this context, there is a risk that the contracting party will no longer be able to fulfil its contractual obligations. These risks may compromise the sub-fund's performance and may therefore have a detrimental effect on the share value and the capital invested by the investor.

When a sub-fund conducts over-the-counter (OTC) transactions, it may be exposed to risks relating to the credit standing of its counterparties and to their ability to fulfil the conditions of the contracts it enters into with them. The respective sub-fund may consequently enter into futures, options and swap transactions or use other derivative techniques, for example total return swaps, which will expose that sub-fund

to the risk of a counterparty not fulfilling its obligations under a particular contract.

In the event of a bankruptcy or insolvency of a counterparty, the respective sub-fund could experience delays in liquidating the position and significant losses, including declines in the value of its investment during the period in which the sub-fund seeks to enforce its rights, inability to realize any gains on its investment during such period and fees and expenses incurred in enforcing its rights. There is also a possibility that the above agreements and derivative techniques are terminated due, for instance, to bankruptcy, supervening illegality or change in the tax or accounting laws relative to those at the time the agreement was originated.

Sub-funds may participate in transactions on over-the-counter markets and interdealer markets. The participants in such markets are typically not subject to credit evaluation and regulatory oversight as are members of "exchange-based" markets. To the extent a sub-fund invests in swaps, derivative or synthetic instruments, or other over-the-counter transactions, on these markets, such sub-fund may take credit risk with regard to parties with whom it trades and may also bear the risk of settlement default. These risks may differ materially from those entailed in exchange-traded transactions which generally are backed by clearing organisation guarantees, daily marking-to-market and settlement, and segregation and minimum capital requirements applicable to intermediaries. Transactions entered directly between two counterparties generally do not benefit from such protections.

This exposes the respective sub-fund to the risk that a counterparty will not settle a transaction in accordance with its terms and conditions because of a dispute over the terms of the contract (whether or not bona fide) or because of a credit or liquidity problem, thus causing the sub-fund to suffer a loss. Such "counterparty risk" is accentuated for contracts with longer maturities where events may intervene to prevent settlement, or where the fund has concentrated its transactions with a single or small group of counterparties.

In addition, in the case of a default, the respective sub-fund could become subject to adverse market movements while replacement transactions are executed. The sub-funds are not restricted from dealing with any particular counterparty or from concentrating any or all of their transactions with one counterparty. The ability of the sub-funds to transact business with any one or number of counterparties, the lack of any meaningful and independent evaluation of such counterparties' financial capabilities and the absence of a regulated market to facilitate settlement may increase the potential for losses by the sub-funds.

### Risks related to securities financing transactions – securities lending and (reverse) repurchase agreements

Securities financing transactions, namely securities lending transactions and (reverse) repurchase agreements, can either represent a risk on its own or have an impact on other risks and contribute significantly to the risk, such as counterparty risks, operational risks, liquidity risks, custody risks and legal risks. Please also refer to the above description.

#### Counterparty risks

If the other party (counterparty) to a (reverse) repurchase agreement or securities lending transaction should default, the sub-fund might suffer a loss to the extent that the proceeds from the sale of the underlying securities and/or other collateral held by the sub-fund in connection with the securities lending transaction or (reverse) repurchase agreement are less than the repurchase price or, as the case may be, the value of the underlying securities. In addition, in the event of bankruptcy or similar proceedings of the party to a (reverse) repurchase agreement or a securities lending transaction or its failure otherwise to perform its obligations on the repurchase date, the sub-fund could suffer losses, including loss of interest on or principal of the securities and costs associated with delay and enforcement of the (reverse) repurchase agreement or securities lending transaction. The use of such techniques may have a significant effect, either negative or positive, on a sub-fund's NAV, although it is expected that the use of repurchase agreements, reverse repurchase agreements and securities lending transactions will generally not have a material negative impact on a sub-fund's performance.

#### Operational risks

Operational risk is inherent in any financial activity, including securities financing transactions. Deficiencies from inadequate internal processes and from human error or system failures at service providers, the Investment Company, the Management Company or a counterparty can result in an unexpected loss. The costs can be related to either a loss of a fraction or the whole value of a transaction, or to penalties imposed on the institution by a counterparty.

#### Liquidity risks

The respective sub-fund is subject to liquidity risk which arise when a particular instrument is difficult to dispose of.

#### Custody risks

Custody risk is the risk of loss of securities held with a custodian as a result of insolvency, negligence or fraudulent action by the custodian. Custody risk is influenced by a variety of factors including the legal status of the securities, the accounting practices and safekeeping procedures employed by the custodian, the custodian's choice of sub-custodians and other intermediaries, and the law governing the custody relationship.

### Legal risks

Legal risks can bear the risk of loss because of the unexpected application of a law or regulation or because a contract cannot be enforced. A (reverse) repurchase, or securities lending contract may be invalid or unenforceable. Even if the collateral arrangement has been set up correctly, there is the risk that the relevant insolvency law may impose a stay that prevents the collateral taker from liquidating the collateral.

### Risks connected to investments in special purpose acquisition companies (SPACs)

SPACs may constitute eligible investments for UCITS, provided they qualify, at any point of their life cycle, as transferable securities within the meaning of article 41 of the Law of 2010. Investments in SPACs may be subject to specific risks such as dilution, liquidity, conflicts of interests or the uncertainty as to the identification, evaluation as well as eligibility of the target company and can be difficult to evaluate due to a lack of trading history and public information. Moreover, the structure of SPACs can be complex, and their characteristics may vary largely from one SPAC to another, meaning that the Management Company will study each SPAC individually in order to ensure that such SPAC investments fulfil all applicable eligibility requirements, and it is in line with the risk profile of the UCITS.

### Risks associated with the receipt of collateral

The Investment Company may receive collateral for OTC derivatives transactions, securities lending transactions and reverse repurchase agreements. Derivatives, as well as securities lent and sold, may increase in value. Therefore, collateral received may no longer be sufficient to fully cover the Investments Company's claim for delivery or redemption of collateral against a counterparty.

The Investment Company may deposit cash collateral in blocked accounts or invest it in high quality government bonds or in money market funds with a short-term maturity structure. Though, the credit institution that safe keeps the deposits may default; the performance of government bonds and money market funds may be negative. Upon completion of the transaction, the collateral deposited or invested may no longer be available to the full extent, although the Investment Company is obligated to redeem the collateral at the amount initially granted. Therefore, the Investment Company may be obliged to increase the collateral to the amount granted and thus compensate the losses incurred by the deposit or investment of collateral.

### Risks associated with collateral management

Collateral management requires the use of systems and certain process definitions. Failure of processes as well as human or system errors at the level of the Investment Company or third-

parties in relation to collateral management could entail the risk that assets, serving as collateral, lose value and are no longer sufficient to fully cover the Investments Company's claim for delivery or transfer back of collateral against a counterparty.

### Sustainability risk – Environment, Social and Governance, ESG

Sustainability risk means an environmental, social or governance event or condition that, if it occurs, could potentially or actually cause a negative material impact on the investment's value. Sustainability risk can either represent a risk on its own or have an impact on other risks and contribute significantly to the risk, such as market risks, operational risks, liquidity risks or counterparty risks.

These events or conditions are split into "Environment, Social and Governance" (ESG), and relate, among other things, to the following topics:

#### Environment

- Climate mitigation
- Adjustment to climate change
- Protection of biodiversity
- Sustainable use and protection of water and maritime resources
- Transition to a circular economy, avoidance of waste, and recycling
- The avoidance and reduction of environmental pollution
- Protection of healthy ecosystems
- Sustainable land use

#### Social affairs

- Compliance with recognized labor law standards (no child and forced labor, no discrimination)
- Compliance with employment safety and health protection
- Appropriate remuneration, fair working conditions, diversity, and training and development opportunities
- Trade union rights and freedom of assembly
- Guarantee of adequate product safety, including health protection
- Application of the same requirements to entities in the supply chain
- Inclusive projects or consideration of the interests of communities and social minorities

#### Corporate Governance

- Tax honesty
- Anti-corruption measures
- Sustainability management by the board
- Board remuneration based on sustainability criteria
- The facilitation of whistle-blowing
- Employee rights guarantees
- Data protection guarantees

As part of the consideration of environmental issues, the management company considers especially the following aspects related to climate change:

#### Physical climate events or conditions

- Extreme weather events
  - Heat waves
  - Droughts
  - Floods
  - Storms
  - Hailstorms
  - Forest fires
  - Avalanches
- Long-term climate change
  - Decreasing amounts of snow
  - Changed precipitation frequency and volumes
  - Unstable weather conditions
  - Rising sea levels
  - Changes in ocean currents
  - Changes in winds
  - Changes in land and soil productivity
  - Reduced water availability (water risk)
  - Ocean acidification
  - Global warming including regional extremes

#### Transition events or conditions

- Bans and restrictions
- Phasing out of fossil fuels
- Other political measures related to the transition to a low-carbon economy
- Technological change linked to the transition to a low-carbon economy
- Changes in customer preferences and behaviour

Sustainability risks can lead to a significant deterioration in the financial profile, liquidity, profitability or reputation of the underlying investment. Unless the sustainability risks were already expected and taken into account in the valuations of the investments, they may have a significant negative impact on the expected/estimated market price and/or the liquidity of the investment and thus on the return of the sub-funds.

### Investment policy

The respective sub-fund's assets shall be invested in compliance with the principle of risk-spreading and pursuant to the investment policy principles laid down in the respective special section of this Sales Prospectus and in accordance with the investment options and restrictions of Clause 3 of this Sales Prospectus – General Section.

### Integration of sustainability risks in the investment process

In its investment decisions, the sub-fund management considers, in addition to financial data, sustainability risks. This consideration applies to the entire investment process, both in the fundamental analysis of investments and in the decision-making process.

In the fundamental analysis, ESG criteria are particularly evaluated in the internal market analysis. In addition, ESG criteria are integrated into any further investment research. This includes the identification of global sustainability trends, financially relevant ESG issues and challenges.

Risks that may arise from the consequences of climate change, or risks arising from the violation of internationally recognized guidelines are included in the assessment. The internationally recognized guidelines include, above all, the ten principles of the United Nations Global Compact, ILO core labour standards, or UN guiding principles for business and human rights and the OECD guidelines for multinational companies.

In order to take ESG criteria into account, the sub-fund management also uses an internal ESG database, which incorporates ESG data from other research companies, public sources as well as its own assessments.

Investments that are made according to a fundamental analysis with integrated ESG criteria will continue to be monitored also from an ESG perspective. In addition, a dialogue is sought with selected companies, for example, regarding better corporate governance and greater consideration of ESG criteria (e.g. by exercising voting and other shareholder rights).

If the method of integrating sustainability risks into the investment process differs from the approach described above, the Special Section of the Sales Prospectus will specify the method used by the sub-fund management to integrate sustainability risks into its investment decisions.

### Benchmark indices

A sub-fund may use benchmark indices or a combination of benchmark indices. Such indices are used if the sub-fund has an index tracking objective or can be used in the explicit or implicit definition of the portfolio's composition, the performance objectives and/or measures. In accordance with the Regulation (EU) 2016/1011 of the European Parliament and of the Council of June 8, 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds (and amending Directives 2008/48/EC and 2014/17/EU and Regulation (EU) No 596/2014) and taking into account the transitional period, the sub-fund may only use benchmark indices that are or whose administrators are included in the respective register maintained by the European Securities and Markets Authority ("ESMA"). For each such benchmark, the Management Company has established robust, written plans in which it has stipulated measures that it would take if the benchmark was to change materially or cease to be provided.

The specific section of the sales prospectus clarifies whether the sub-fund is actively or passively managed as well as whether the sub-fund replicates a benchmark index or is managed in refer-

ence to one, in which case sub-fund will indicate the degree of freedom from the benchmark.

### Efficient portfolio management techniques

According to CSSF Circular 14/592 efficient portfolio management techniques can be used for the Investment Company. These include all sorts of derivative transactions, including total return swaps, as well as securities financing transactions, namely securities lending transactions and (reverse) repurchase agreements. Such securities financing transactions may be used for each sub-fund, as further provided for in the special section of the Sales Prospectus. Other securities financing transactions than the types mentioned here, such as margin-lending transactions, buy-sell-back transactions and sell-buy-back transactions, are currently not used. Should the Investment Company make use of these types of securities financing transactions in the future, the Sales Prospectus will be amended accordingly.

Total return swaps and securities financing transactions shall be used in accordance with legal provisions, especially the provisions of the Regulation (EU) 2015/2365 of the European Parliament and of the Council of November 25, 2015, on transparency of securities financing transactions and of reuse and amending Regulation (EU) No 648/2012 (the "SFTR").

### Use of derivatives

The respective sub-fund may – provided an appropriate risk management system is in place – invest in any type of derivative admitted by the Law of 2010 that is derived from assets that may be purchased for the respective sub-fund or from financial indices, interest rates, exchange rates or currencies. In particular, this includes options, financial futures contracts and swaps (including total return swaps), as well as combinations thereof. Their use needs not be limited to hedging the sub-fund's assets; they may also be part of the investment policy.

Trading in derivatives is conducted within the confines of the investment limits and provides for the efficient management of the sub-fund's assets, while also regulating investment maturities and risks.

### Swaps

The Investment Company may, amongst others, conduct the following swap transactions for the account of the respective sub-fund within the scope of the investment principles:

- interest-rate swaps,
- currency swaps,
- equity swaps,
- credit default swaps or
- total return swaps.

Swap transactions are exchange contracts in which the parties swap the assets or risks underlying the respective transaction.

### Total Return Swaps

A total return swap is a derivative whereby one counterparty transfers to another counterparty the total return of a reference liability including income from interest and charges, gains and losses from price fluctuations, as well as credit losses.

As far as a sub-fund employs total return swaps or other derivatives with similar characteristics which are essential for the implementation of the investment strategy of the sub-fund, information will be provided in the special section of the Sales Prospectus as well as the annual report on issues such as the underlying strategy or the counterparty.

### Swaptions

Swaptions are options on swaps. A swaption is the right, but not the obligation, to conduct a swap transaction, the terms of which are precisely specified, at a certain point in time or within a certain period.

### Credit default swaps

Credit default swaps are credit derivatives that enable the transfer of a volume of potential credit defaults to other parties. As compensation for accepting the credit default risk, the seller of the risk (the protection buyer) pays a premium to its counterparty.

In all other aspects, the information for swaps applies accordingly.

### Synthetic Dynamic Underlying (SDU)

Synthetic dynamic underlyings (SDUs) are intended in particular to open up the possibility of acquiring total return swaps on strategies whose underlying is not a financial index but a dynamically composed basket of securities that can also be acquired through direct investments within the investment limits. The respective sub-fund may use SDU, if (a) an appropriate risk management system is in place and (b) such investment is in compliance with the relevant investment policy and the investment restrictions of such sub-fund. In such case the relevant sub-fund may participate via specific instruments in accordance with article 41 (1) g) of the Law of 2010, such as swaps and forwards in the performance of a synthetic portfolio notionally comprised of certain cash instruments, credit derivative transactions and other investments. Should the synthetic portfolio comprise of any derivative components, it will be ensured that the relevant underlying of such derivative components will only contain eligible assets for an investment fund compliant with the UCITS Directive as amended. The synthetic portfolio will be managed by a first-class financial institution who determines the composition of the synthetic portfolio and who is bound by clearly defined portfolio guidelines. The valuation of the synthetic assets will be ensured at or after cut-off time of the respective sub-fund and risk reports will be issued. Furthermore, these investments are subject to article 43 (1) of the Law of 2010 and to article 8 of the Grand Ducal Regulation of February 8, 2008.



## Financial instruments certificated in securities

The respective sub-fund may also acquire the financial instruments described above if they are certificated in securities. The transactions pertaining to financial instruments may also be just partially contained in such securities (e.g. warrant-linked bonds). The statements on opportunities and risks apply accordingly to such certificated financial instruments, but with the condition that the risk of loss in the case of certificated instruments is limited to the value of the security.

## OTC derivative transactions

The respective sub-fund may conduct both those derivative transactions admitted for trading on an exchange or included in another regulated market and over-the-counter (OTC) transactions. It shall include a process for accurate and independent assessment of the value of OTC derivative instruments.

## Securities lending and (reverse) repurchase transactions (securities financing transactions)

The Investment Company is allowed to transfer securities from its own assets for a certain time to the counterparty against compensation at market rates. The Investment Company ensures that it is able to recall any security that has been lent out or terminate any securities lending agreement into which it has entered at any time.

The Management Company has appointed DWS Investment GmbH for supporting it in initiating, preparing and implementing securities lending and borrowing as well as (reverse) repurchase transactions (Securities Lending Agent).

### a) Securities Lending and Borrowing

Unless further restricted by the investment policy of a specific sub-fund as described in the special section below, the Investment Company may enter into securities lending and borrowing transactions. The applicable restrictions can be found in CSSF Circular 08/356 as amended from time to time. As a general rule, securities lending and borrowing transactions may only be performed in respect of eligible assets under the Law of 2010 and the sub-fund's investment principles.

Those transactions may be entered into for one or more of the following aims: (i) reduction of risk, (ii) reduction of cost and (iii) generation of additional capital or income with a level of risk which is consistent with the risk profile of the relevant sub-fund and the applicable risk diversification rules. Depending on market conditions and market demand, it is expected that up to 70% of the sub-fund's securities can be transferred to counterparties by means of securities lending transactions. However, if there is an increased market demand, the Investment Company reserves the right to transfer a maxi-

mum of up to 100% of a sub-fund's securities to counterparties as a loan.

Securities lending and borrowing may be carried out for the assets held by the relevant sub-fund provided (i) that their volume is kept at an appropriate level or that the Investment Company or relevant sub-fund manager is entitled to request the return of the securities lent in a manner that enables the sub-fund at all times to meet its redemption obligations and (ii) that these transactions do not jeopardise the management of the sub-fund's assets in accordance with its investment policy. Their risks shall be captured by the risk management process of the Management Company.

The Investment Company or the relevant sub-fund manager may enter into securities lending and borrowing transactions provided that they comply with the following rules:

- (i) The Investment Company may only lend securities through a standardised system organized by a recognised clearing institution or through a first-class financial institution subject to prudential supervision rules which are recognised by the CSSF as equivalent to those laid down in Community law and specializing in this type of transaction.
- (ii) The borrower must be subject to prudential supervision rules considered by the CSSF as equivalent to those prescribed by Community law.
- (iii) The counterparty risk vis-à-vis a single counterparty (which, for the avoidance of doubt, may be reduced by the use of collateral) arising from one or more securities lending transaction(s) may not exceed 10% of the assets of the relevant sub-fund when the counterparty is a financial institution falling within article 41 (1) (f) of the Law of 2010, or 5% of its assets in all other cases.

The Investment Company shall disclose for each sub-fund the actual utilization rates, the global valuation of the securities lent as well as additional information in the annual and semi-annual reports

Securities lending may also be conducted synthetically ("synthetic securities lending"). In a synthetic securities loan, a security contained in a sub-fund is sold to a counterparty at the current market price. This sale is, however, subject to the condition that the sub-fund simultaneously receives from the counterparty a securitized unleveraged option giving the sub-fund the right to demand delivery at a later date of securities of the same kind, quality and quantity as the sold securities. The price of the option (the "option price") is equal to the current market price received from the sale of the securities less (a) the securities lending fee, (b) the income (e.g., dividends, interest payments, corporate actions) from the securities that can be demanded back upon exercise of the option and (c) the exercise price associated with the option. The

option will be exercised at the exercise price during the term of the option. If the security underlying the synthetic securities loan is to be sold during the term of the option in order to implement the investment strategy, such a sale may also be executed by selling the option at the then prevailing market price less the exercise price.

Securities lending transactions may also, as the case may be, be entered into with respect to individual share classes, taking into account the specific characteristics of such share class and/or its investors, with any right to income and collateral under such securities lending transactions arising at the level of such specific share class.

### b) (Reverse) Repurchase Agreement Transactions

Unless further restricted by the investment policy of a specific sub-fund as described in the special sections below a sub-fund may enter into (reverse) repurchase agreement transactions. The applicable restrictions can be found in CSSF Circular 08/356 as amended from time to time. As a general rule, (reverse) repurchase agreement transactions may only be performed in respect of eligible assets under the Law of 2010 and the sub-fund's investment principles.

Unless otherwise provided for with respect to a specific sub-fund in the special sections below, the Investment Company may enter (i) into repurchase agreement transactions which consist of the purchase and sale of securities with a clause reserving the seller the right or the obligation to repurchase from the acquirer the securities sold at a price and term specified by the two parties in their contractual arrangement and (ii) reverse repurchase agreement transactions, which consist of a forward transaction at the maturity of which the seller (counterparty) has the obligation to repurchase the securities sold and the Investment Company the obligation to return the securities received under the transaction (collectively, the "repo transactions"). Those transactions may be entered into for one or more of the following aims: (i) generating additional revenue; and (ii) collateralized short-term investment. Depending on market conditions and market demand, it is expected that up to 50% of the securities held by a sub-fund may be transferred to a transferee (in the case of repurchase agreement transactions); moreover, within the limits of the applicable investment terms, securities may be received in exchange for cash (in the case of reverse repurchase agreement transactions).

However, if there is an increased market demand, the Investment Company reserves the right to transfer a maximum of up to 100% of a sub-fund's securities to a transferee (in the case of repurchase agreement transaction) or to receive securities in exchange for cash (in the case of reverse repurchase agreement transactions) within the limits of the applicable investment terms.

The Investment Company can act either as purchaser or seller in repo transactions or a series of continuing repo transactions. Its involvement in such transactions is, however, subject to the following rules:

- (i) The Investment Company may not buy or sell securities using a repo transaction unless the counterparty in such transactions is subject to prudential supervision rules considered by the CSSF as equivalent to those prescribed by Community law.
- (ii) The counterparty risk vis-à-vis a single counterparty (which, for the avoidance of doubt, may be reduced by the use of collateral) arising from one (or more) repo transaction(s) may not exceed 10% of the assets of the relevant sub-fund when the counterparty is a financial institution falling within article 41 (1) (f) of the Law of 2010, or 5% of its assets in all other cases.
- (iii) During the life of a repo transaction with the Investment Company acting as purchaser, the Investment Company cannot sell the securities which are the object of the contract, either before the right to repurchase these securities has been exercised by the counterparty, or the repurchase term has expired, except to the extent it has other means of coverage.
- (iv) The securities acquired by the Investment Company under repo transactions must conform to the relevant sub-fund's investment policy and investment restrictions and must be limited to:
  - short-term bank certificates or money market instruments as defined in Directive 2007/16/EC of March 19, 2007;
  - bonds issued or guaranteed by a Member State of the OECD or by their local public authorities or by supranational institutions and undertakings with EU, regional or world-wide scope;
  - shares or units issued by money market UCIs calculating a daily net asset value and being assigned a rating of AAA or its equivalent;
  - bonds issued by non-governmental issuers offering an adequate liquidity; and
  - shares quoted or negotiated on a regulated market of a EU Member State or on a stock exchange of a Member State of the OECD, on the condition that these shares are included in a main index.

The Investment Company shall disclose for each sub-fund the actual utilization rates, the total amount of the open repurchase transactions as well as additional information in the annual and semi-annual reports.

Repo transactions may also, as the case may be, be entered into with respect to individual share classes, taking into account the specific characteristics of such share class and/or its investors, with any right to income and collateral under such repo transactions arising at the level of such specific share class.

### Choice of counterparty

The conclusion of OTC derivative transactions, including total return swaps, securities lending transactions and repurchase agreements, is only permitted with credit institutions or financial services institutions on the basis of standardized master agreements. The counterparties, independent of their legal form, must be subject to ongoing supervision by a public body, be financially sound and have an organizational structure and the resources they need to provide the services. In general, all counterparties have their headquarters in member countries of the Organisation for Economic Co-operation and Development (OECD), the G20 or Singapore. In addition, either the counterparty itself or its parent company must have an investment grade rating by one of the leading rating agencies.

### Collateral policy for OTC derivatives transactions and efficient portfolio management techniques

The Investment Company can receive collateral for OTC derivatives transactions and reverse repurchase agreements to reduce the counterparty risk. In the context of its securities lending transactions, the Investment Company has to receive collateral, the value of which matches at least 90% of the total value of the securities lent during the term of the agreement (with considerations of interests, dividends, other potential rights and possibly agreed reductions or minimum transfer amounts).

The Investment Company can accept any kind of collateral in particular corresponding to the rules of the CSSF Circulars 08/356, 11/512 and 14/592 as amended.

- I. In case of securities lending transactions, such collateral must be received prior to or simultaneously with the transfer of the securities lent. When the securities are lent through intermediaries, the transfer of the securities lent may be affected prior to receipt of the collateral, if the relevant intermediary ensures proper completion of the transaction. Said intermediary may provide collateral in lieu of the borrower.
- II. In principle, collateral for securities lending transactions, reverse repurchase agreements and any business with OTC derivatives (except for currency forward contracts) must be given in the form of:
  - liquid assets such as cash, short-term bank deposits, money market instruments as defined in Directive 2007/16/EC of March 19, 2007, letters of credit and guarantees at first demand issued by a first-class credit institution not affiliated to the counterparty and/or bonds, irrespective of their residual term, issued or guaranteed by a Member State of the OECD or by their local authorities or by supranational institutions and undertakings of a community, regional or worldwide nature;
  - shares or units issued by money market-type UCIs calculating a daily net asset value and having a rating of AAA or its equivalent;

- shares or units issued by UCITS investing mainly in bonds/shares mentioned in the following two indents;
- bonds, irrespective of their residual term, issued or guaranteed by first class issuers offering an adequate liquidity; or
- shares admitted to or dealt in on a regulated market of a Member State of the European Union or on a stock exchange of a Member State of the OECD, provided that these shares are included in a main index.

III. The collateral given under any form other than cash or shares/units of a UCI/UCITS must be issued by an entity not affiliated to the counterparty.

Any collateral received other than cash should be highly liquid and traded on a regulated market or multilateral trading facility with transparent pricing in order that it can be sold quickly at a price that is close to pre-sale valuation. Collateral received should also comply with the provisions of article 56 of the UCITS Directive

IV. When the collateral given in the form of cash exposes the Investment Company to a credit risk vis-à-vis the trustee of this collateral, such exposure shall be subject to the 20% limitation as laid down in article 43 (1) of the Law of 2010. Moreover, such cash collateral shall not be safekept by the counterparty unless it is legally protected from consequences of default of the latter.

V. The collateral given in a form other than cash shall not be safekept by the counterparty, except if it is adequately segregated from the latter's own assets.

VI. Collateral provided must be adequately diversified with respect to issuers, countries and markets. If the collateral meets a number of criteria such as the standards for liquidity, valuation, solvency of the issuer, correlation and diversification, it may be offset against the gross commitment of the counterparty. If the collateral is offset, its value can be reduced depending on the price volatility of the collateral by a certain percentage (a "haircut"), which shall absorb short-term fluctuations to the value of the engagement and the collateral. In general, cash collateral will not be subject to haircut. The criterion of sufficient diversification with respect to issuer concentration is considered to be respected if the sub-fund receives from a counterparty of OTC derivative transactions or efficient portfolio management techniques transactions a basket of collateral with a maximum exposure to a given issuer of 20% of its net asset value. When a sub-fund is exposed to different counterparties, the different baskets of collateral should be aggregated to calculate the 20% limit of exposure to a single issuer.

By way of derogation from the sub-paragraph before and in line with the ESMA guidelines for competent authorities and UCITS management companies (ESMA/2014/937) from August 1, 2014 in conjunction with CSSF Circular 14/ 592, a sub-

fund may be fully collateralised in different transferable securities and money market instruments issued or guaranteed by an EU Member State, one or more of its local authorities, a third country or a public international body to which one or more EU Member States belong. Such sub-fund will receive securities from at least six different issues, but securities from any single issue will not account for more than 30% of the sub-fund's net asset value. Sub-funds that intend to be fully collateralised in securities issued or guaranteed by an EU Member State will disclose this fact in the special section of the Sales Prospectus.

VII. The Investment Company pursues a strategy for the assessment of haircuts applied to financial assets which are accepted as collateral ("haircut strategy"). The haircuts applied to the collateral refer either to:

- a) the creditworthiness of the counterparty;
- b) the liquidity of the collateral;
- c) their price volatility;
- d) the solvency of the issuer;
- e) the country or market where the collateral is traded;
- f) extreme market situations; and/or
- g) where applicable, any existing residual term.

In general, collateral received in relation to OTC derivative transactions is subject to a minimum haircut of 2%, e.g. short-term government bonds with an excellent rating. Consequently, the value of such collateral must exceed the value of the secured claim by at least 2% and thus achieve an overcollateralization ratio of at least 102%. A correspondingly higher haircut of currently up to 33%, and thus a higher overcollateralization ratio of 133%, is applicable to securities with longer maturities or securities issued by lower-rated issuers. In general, overcollateralization in relation to OTC derivative transactions ranges between the following values:

OTC derivative transactions

Overcollateralization ratio	102% to 133%
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Within the context of securities lending transactions, an excellent credit rating of the counterparty and of the collateral may prevent the application of a collateral-specific haircut. However, for lower-rated shares and other securities, higher haircuts may be applicable, taking into account the creditworthiness of the counterparty. In general, overcollateralization in relation to securities lending transactions ranges between the following values:

Securities lending transactions

Overcollateralization ratio required for government bonds with an excellent credit rating	at least 101%
Overcollateralization ratio required for government bonds with a lower investment grade	at least 102%

Overcollateralization ratio required for corporate bonds with an excellent credit rating	at least 102%
Overcollateralization ratio required for corporate bonds with a lower investment grade	at least 103%
Overcollateralization ratio required for Blue Chips and Mid Caps	at least 105%

VIII. The haircuts applied are checked for their adequacy regularly, at least annually, and will be adapted if necessary.

IX. The Investment Company (or its delegates) shall proceed on a daily basis to the valuation of the collateral received. In case the value of the collateral already granted appears to be insufficient in comparison with the amount to be covered, the counterparty shall provide additional collateral at very short-term. If appropriate, safety margins shall apply in order to take into consideration exchange risks or market risks inherent to the assets accepted as collateral.

Collateral admitted to trading on a stock exchange or admitted on another organized market or included therein, is valued either at the closing price of the day before the valuation, or, as far as available, at the closing price of the day of the valuation. The valuation of collateral is performed according to principle to obtain a value close to the market value.

X. Collateral is held by the Depositary or a sub-depositary of the Depositary. Cash collateral in the form of bank deposits may be held in blocked accounts by the Depositary of the Investment Company or by another credit institution with the Depositary's consent, provided that this other credit institution is subject to supervision by a regulatory authority and has no link to the provider of the collateral.

It shall be ensured that the Investment Company is able to claim its rights on the collateral in case of the occurrence of an event requiring the execution thereof, meaning that the collateral shall be available at all times, either directly or through the intermediary of a first class financial institution or a wholly-owned subsidiary of this institution, in such a manner that the Investment Company is able to appropriate or realise the assets given as collateral, without delay, if the counterparty does not comply with its obligation to return the securities lent.

XI. Reinvestment of cash collateral may occur exclusively in high-quality government bonds or in money market funds with short-term maturity structures. Cash collateral can additionally be invested by way of a reverse repurchase agreement with a credit institution if the recovery of the accrued balance is assured at all times. Securities collateral, on the other hand, is not permitted to be sold or otherwise provided as collateral or pledged.

XII. A sub-fund receiving collateral for at least 30% of its assets should assess the risk involved through regular stress tests carried out under normal and exceptional liquidity conditions to assess the consequences of changes to the market value and the liquidity risk attached to the collateral. The liquidity stress testing policy should prescribe the following:

- a) design of stress test scenario analysis including calibration, certification and sensitivity analysis;
- b) empirical approach to impact assessment, including back-testing of liquidity risk estimates;
- c) reporting frequency and limit/loss tolerance threshold/s; and
- d) mitigation actions to reduce loss including haircut policy and gap risk protection.

### Use of financial indices

If it is foreseen in the special section of this Sales Prospectus, the aim of the investment policy may be to replicate the composition of a certain index respectively of a certain index by use of leverage. However, the index must comply with the following conditions:

- its composition is sufficiently diversified;
- the index represents an adequate benchmark for the market to which it refers; and
- it is published in an appropriate manner.

When an index is replicated, the frequency of the adjustment of the index composition depends on the respective index. Normally, the composition of the index is adjusted semiannually, quarterly or monthly. Additional costs may arise due to the replication and adjustment of the composition of the index, which might reduce the value of the sub-fund's net assets.

### Risk management

The sub-funds shall include a risk management process that enables the Management Company to monitor and measure at any time the risk of the positions and their contribution to the overall risk profile of the portfolio.

The Management Company monitors every sub-fund in accordance with the requirements of Ordinance 10-04 of the Commission de Surveillance du Secteur Financier ("CSSF") and in particular CSSF Circular 11-512 dated May 30, 2011, and the "Guidelines on Risk Measurement and the Calculation of Global Exposure and Counterparty Risk for UCITS" by the Committee of European Securities Regulators (CESR/10-788) as well as CSSF Circular 14/592 dated September 30, 2014. The Management Company guarantees for every sub-fund that the overall risk associated with derivative financial instruments will comply with the requirements of article 42 (3) of the Law of 2010. The market risk of the respective sub-fund does not exceed 200% of the market risk of the reference portfolio that does not contain derivatives (in case of a relative VaR

approach) or does not exceed 20% (in case of an absolute VaR approach).

The risk management approach used for the respective sub-fund is indicated in the special section of the Sales Prospectus for the sub-fund in question.

The Management Company generally seeks to ensure that the level of investment of the sub-fund through the use of derivatives does not exceed twice the value of the investment sub-fund's assets (hereinafter "leverage effect") unless otherwise provided for in the special section of the Sales Prospectus. The leverage effect is calculated using the sum of notional approach (Absolute (notional) amount of each derivative position divided by the net present value of the portfolio). The leverage effect calculation considers derivatives of the portfolio. Any collateral is currently not re-invested and therefore not considered.

It must be noted that this leverage effect does fluctuate depending on market conditions and/or changes in positions (including hedging against unfavourable market movements, among other factors), and the targeted level may therefore be exceeded in spite of constant monitoring by the Management Company.

The disclosed expected level of leverage is not intended to be an additional exposure limit for the sub-fund.

In addition, the option to borrow 10% of net assets is available for the sub-fund, provided that this borrowing is temporary.

An overall commitment thus increased can significantly increase both the opportunities and the risks associated with an investment (see in particular the risk warnings in the "Risks connected to derivative transactions" section).

## Potential conflicts of interest

The directors of the Investment Company, the Management Company, the fund manager, the designated sales agents and persons appointed to carry out sales activities, the Depositary, the Transfer Agent, the investment advisor, the shareholders, the Securities Lending Agent as well as all subsidiaries, affiliated companies, representatives or agents of the aforementioned entities and persons (**Associated Persons**) may:

- conduct among themselves any and all kinds of financial and banking transactions or other transactions, such as derivative transactions, (including total return swaps), securities lending transactions and (reverse) repurchase agreements, securities lending transactions and (reverse) repurchase agreements, or enter into the corresponding contracts, including those that are directed at investments in securities or at investments by an Associated Person in a company or undertaking, such

- investment being a constituent part of the respective sub-fund's assets, or be involved in such contracts or transactions; and/or
- for their own accounts or for the accounts of third parties, invest in shares, securities or assets of the same type as the components of the respective sub-fund's assets and trade in them; and/or
- in their own names or in the names of third parties, participate in the purchase or sale of securities or other investments from or to the Investment Company, through or jointly with the fund manager, the designated sales agents and persons appointed to carry out sales activities, the Depositary, the investment advisor, or a subsidiary, an affiliated company, representative or agent of these.

Assets of the respective sub-fund in the form of liquid assets or securities may be deposited with an Associated Person in accordance with the legal provisions governing the Depositary. Liquid assets of the respective sub-fund may be invested in certificates of deposit issued by an Associated Person or in bank deposits offered by an Associated Person. Banking or comparable transactions may also be conducted with or through an Associated Person. Companies in the Deutsche Bank Group and/or employees, representatives, affiliated companies or subsidiaries of companies in the Deutsche Bank Group ("DB Group Members") may be counterparties in the Investment Company's derivatives transactions or derivatives contracts ("Counterparty"). Furthermore, in some cases a Counterparty may be required to evaluate such derivatives transactions or derivatives contracts. Such evaluations may constitute the basis for calculating the value of particular assets of the respective sub-fund. The Board of Directors is aware that DB Group Members may possibly be involved in a conflict of interest if they act as Counterparty and/or perform evaluations of this type. The evaluation will be adjusted and carried out in a manner that is verifiable. However, the Board of Directors believes that such conflicts can be handled appropriately and assumes that the Counterparty possesses the aptitude and competence to perform such evaluations.

In accordance with the respective terms agreed, DB Group Members may act as directors, sales agents and sub-agents, depositaries, fund managers or investment advisors, and may offer to provide sub-depository services to the Investment Company. The Board of Directors is aware that conflicts of interest may arise due to the functions that DB Group Members perform in relation to the Investment Company. In respect of such eventualities, each DB Group Member has undertaken to endeavour, to a reasonable extent, to resolve such conflicts of interest equitably (with regard to the Members' respective duties and responsibilities), and to ensure that the interests of the Investment Company and of the shareholders are not adversely affected. The Board of Directors believes that DB Group Members possess the required aptitude and competence to perform such duties.

The Board of Directors of the Investment Company believes that the interests of the Investment Company might conflict with those of the entities mentioned above. The Investment Company has taken reasonable steps to avoid conflicts of interest. In the event of unavoidable conflicts of interest, the Management Company of the Investment Company will endeavour to resolve such conflicts in a fair way and in favour of the sub-fund(s). The Management Company is guided by the principle of undertaking all appropriate steps to create organizational structures and to implement effective administrative measures to identify, handle and monitor such conflicts. In addition, the directors of the Management Company shall ensure the appropriateness of the systems, controls and procedures for identifying, monitoring and resolving conflicts of interest.

For each sub-fund, transactions involving the respective sub-fund's assets may be conducted with or between Associated Persons, provided that such transactions are in the best interests of the investors.

## Particular Conflicts of Interest in Relation to the Depositary or Sub-Depositaries

The Depositary is part of an international group of companies and businesses that, in the ordinary course of their business, act simultaneously for a large number of clients, as well as for their own account, which may result in actual or potential conflicts. Conflicts of interest arise where the Depositary or its affiliates engage in activities under the depositary agreement or under separate contractual or other arrangements. Such activities may include:

- providing nominee, administration, registrar and transfer agency, research, agent securities lending, investment management, financial advice and/or other advisory services to the Investment Company;
- engaging in banking, sales and trading transactions including foreign exchange, derivative, principal lending, broking, market making or other financial transactions with the Investment Company either as principal and in the interests of itself, or for other clients.

In connection with the above activities the Depositary or its affiliates:

- will seek to profit from such activities and are entitled to receive and retain any profits or compensation in any form and are not bound to disclose to, the Investment Company, the nature or amount of any such profits or compensation including any fee, charge, commission, revenue share, spread, mark-up, mark-down, interest, rebate, discount, or other benefit received in connection with any such activities;
- may buy, sell, issue, deal with or hold, securities or other financial products or instruments as principal acting in its own interests, the interests of its affiliates or for its other clients;

- (iii) may trade in the same or opposite direction to the transactions undertaken, including based upon information in its possession that is not available to the Investment Company;
- (iv) may provide the same or similar services to other clients including competitors of the Investment Company;
- (v) may be granted creditors' rights by the Investment Company which it may exercise.

The Investment Company may use an affiliate of the Depositary to execute foreign exchange, spot or swap transactions for the account of the Investment Company. In such instances the affiliate shall be acting in a principal capacity and not as a broker, agent or fiduciary of the Investment Company. The affiliate will seek to profit from these transactions and is entitled to retain and not disclose any profit to the Investment Company. The affiliate shall enter into such transactions on the terms and conditions agreed with the Investment Company.

Where cash belonging to the Investment Company is deposited with an affiliate being a bank, a potential conflict arises in relation to the interest (if any) which the affiliate may pay or charge to such account and the fees or other benefits which it may derive from holding such cash as banker and not as trustee.

The Management Company may also be a client or counterparty of the Depositary or its affiliates.

Potential conflicts that may arise in the Depositary's use of sub-custodians include four broad categories:

- (1) conflicts from sub-custodian selection and asset allocation among multiple sub-custodians influenced by (a) cost factors, including lowest fees charged, fee rebates or similar incentives and (b) broad two-way commercial relationships in which the Depositary may act based on the economic value of the broader relationship, in addition to objective evaluation criteria;
- (2) sub-custodians, both affiliated and non-affiliated, act for other clients and in their own proprietary interest, which might conflict with clients' interests;
- (3) sub-custodians, both affiliated and non-affiliated, have only indirect relationships with clients and look to the Depositary as its counterparty, which might create incentive for the Depositary to act in its self-interest, or other clients' interests to the detriment of clients; and
- (4) sub-custodians may have market-based creditors' rights against client assets that they have an interest in enforcing if not paid for securities transactions.

In carrying out its duties the Depositary shall act honestly, fairly, professionally, independently and solely in the interests of the Investment Company and its shareholders.

The Depositary has functionally and hierarchically separated the performance of its depositary tasks from its other potentially conflicting tasks. The system of internal controls, the different reporting lines, the allocation of tasks and the management reporting allow potential conflicts of interest and the depositary issues to be properly identified, managed and monitored. Additionally, in the context of the Depositary's use of sub-custodians, the Depositary imposes contractual restrictions to address some of the potential conflicts and maintains due diligence and oversight of sub-custodians to ensure a high level of client service by those agents. The Depositary further provides frequent reporting on clients' activity and holdings, with the underlying functions subject to internal and external control audits. Finally, the Depositary internally separates the performance of its custodial tasks from its proprietary activity and follows a Standard of Conduct that requires employees to act ethically, fairly and transparently with clients.

Up-to-date information on the Depositary, its duties, any conflicts that may arise, the safe-keeping functions delegated by the Depositary, the list of delegates and sub-delegates and any conflicts of interest that may arise from such a delegation will be made available by the Depositary to shareholders on request.

### Combating money laundering

The Transfer Agent may demand such proof of identity as it deems necessary in order to comply with the laws applicable in Luxembourg for combating money laundering. If there is doubt regarding the identity of the investor or if the Transfer Agent does not have sufficient details to establish the identity, the Transfer Agent may demand further information and/or documentation in order to be able to unequivocally establish the identity of the investor. If the investor refuses or fails to submit the requested information and/or documentation, the Transfer Agent may refuse or delay the transfer to the Investment Company's register of shareholders of the investor's data. The information submitted to the Transfer Agent is obtained solely to comply with the laws for combating money laundering.

The Transfer Agent is, in addition, obligated to examine the origin of money collected from a financial institution unless the financial institution in question is subject to a mandatory proof-of-identity procedure that is the equivalent of the proof-of-identity procedure provided for under Luxembourg law. The processing of subscription applications can be suspended until such a time as the Transfer Agent has properly established the origin of the money.

Initial or subsequent subscription applications for shares can also be made indirectly, i.e., via the sales agents. In this case, the Transfer Agent can forego the aforementioned required proof of identity under the following circumstances or under the circumstances deemed to be sufficient in accordance with the money laundering laws applicable in Luxembourg:

- if a subscription application is being processed via a sales agent that is under the supervision of the responsible authorities whose regulations provide for a proof-of-identity procedure for customers that is equivalent to the proof-of-identity procedure provided for under Luxembourg law for combating money laundering, and the sales agent is subject to these regulations;
- if a subscription application is being processed via a sales agent whose parent company is under the supervision of the responsible authorities whose regulations provide for a proof of identity procedure for customers that is equivalent to the proof of identity procedure in accordance with Luxembourg law and serves to combat money laundering, and if the corporate policy or the law applicable to the parent company also imposes the equivalent obligations on its subsidiaries or branches.

In the case of countries that have ratified the recommendations of the Financial Action Task Force (FATF), it is assumed that the respective responsible supervisory authorities in these countries have imposed regulations for implementing proof of identity procedures for customers on physical persons or legal entities operating in the financial sector and that these regulations are the equivalent of the proof of identity procedure required in accordance with Luxembourg law.

The sales agents can provide a nominee service to investors that acquire shares through them. Investors may decide at their own discretion whether or not to take up this service, which involves the nominee holding the shares in its name for and on behalf of investors; the latter are entitled to demand direct ownership of the shares at any time. Notwithstanding the preceding provisions, investors are free to make investments directly with the Investment Company without availing of the nominee service.

### Luxembourg Register of Beneficial Owners (transparency register)

The Luxembourg Law of January 13, 2019, concerning the introduction of a Register of Beneficial Owners ("Law of 2019") entered into force on March 1, 2019. The Law of 2019 obliges all entities registered in the Luxembourg Register of Commerce and Companies, including the Investment Company, to collect and store certain information on their beneficial owners. The Investment Company is furthermore obliged to enter the collected information in the Register of Beneficial Owners, which is administered by the Luxembourg Business Registers under the supervision of the Luxembourg Ministry of Justice. In this respect, the Investment Company is obliged to monitor the existence of beneficial owners continuously and in relation to particular circumstances, and to notify the Register.

Article 1 (7) of the Law of November 12, 2004, on combating money laundering and terrorist financing defines a beneficial owner, inter alia, as any

natural person that ultimately owns or controls a company. In this case, this includes any natural person in whose ownership or under whose control the Investment Company ultimately lies by way of directly or indirectly holding a sufficient amount of shares or voting rights or a participation, including in the form of bearer shares, or by means of another form of control.

If a natural person has a shareholding of 25% plus one share or a participation of more than 25% of the Investment Company, this is deemed to be an indication of direct ownership. If a company that is controlled by one or more natural persons or if several companies that are owned by the same natural person or the same natural persons, has/ have a shareholding of 25% plus one share or a participation of more than 25% of the Investment Company, this is deemed to be an indication of indirect ownership.

Besides the stated reference points for direct and indirect ownership, there are other forms of control according to which an investor can be classified as a beneficial owner. In this respect, an analysis is conducted in the individual case if indications of ownership or control are present.

If an investor is classified as a beneficial owner as defined by the Law of 2019, the Investment Company is obliged, pursuant to the Law of 2019 and subject to criminal sanctions, to collect and transmit information. Likewise, the respective investor is himself obliged to provide information.

If an investor is not able to verify whether or not he is classified as a beneficial owner, he can contact the Investment Company via the following e-mail address to seek clarification: [dws-lux-compliance@list.db.com](mailto:dws-lux-compliance@list.db.com).

### Data protection

The personal data of investors provided in the application forms, as well as the other information collected within the scope of the business relationship with the Investment Company and/or the Transfer Agent are recorded, stored, compared, transmitted and otherwise processed and used ("processed") by the Investment Company, the Transfer Agent, other businesses of DWS, the Depositary and the financial intermediaries of the investors. The data is used for the purposes of account management, examination of money-laundering activities, determination of taxes pursuant to EU Directive 2014/107/EU on the taxation of interest payments and for the development of business relationships.

For these purposes, the data may also be forwarded to businesses appointed by the Investment Company or the Transfer Agent in order to support the activities of the Investment Company (for example, client communication agents and paying agents).

### Acceptance of orders

All subscription, redemption and exchange orders are placed on the basis of an unknown net asset value per share. Details are listed for each sub-fund in the special section of this Sales Prospectus below.

### Market timing and short-term trading

The Investment Company prohibits all practices connected with market timing and short-term trading and reserves the right to refuse subscription and exchange orders if it suspects that such practices are being applied. In such cases, the Investment Company will take all measures necessary to protect the other investors in the respective sub-fund.

### Late trading

Late trading occurs when an order is accepted after the close of the relevant acceptance deadlines on the respective valuation date, but is executed at that same day's price based on the net asset value. The practice of late trading is not permitted as it violates the conditions of the Sales Prospectus of the fund, under which the price at which an order placed after the order acceptance deadline is executed is based on the next valid net asset value per unit.

### Total expense ratio

The total expense ratio (TER) is defined as the proportion of each respective sub-fund's expenditures to the average assets of the sub-fund, excluding accrued transaction costs. The effective TER is calculated annually and published in the annual report. The total expense ratio is stated as "ongoing charges" in the KID.

If the investor is advised by third parties (in particular companies providing services related to financial instruments, such as credit institutions and investment firms) when acquiring shares, or if the third parties mediate the purchase, such third parties provide the investor, as the case may be, with a breakdown of any costs or expense ratios that are not laid out in the cost details in this Sales Prospectus or the KID, and which overall may exceed the total expense ratio as described here.

In particular, such situations may result from regulatory requirements governing how such third parties determine, calculate and report costs. These requirements may arise in the course of the national implementation of Directive 2014/65/EU of the European Parliament and of the Council on markets in financial instruments and amending Directive 2002/92/EC and Directive 2011/61/EU (also known as "MiFID II"). It is important to note that the cost statement may vary due to these third parties additionally invoicing the costs of its own services (e.g. a surcharge or, where applicable, recurrent brokering or advisory fees, depositary fees, etc.). Furthermore, such third parties are subject to partially varying requirements regarding how costs accruing at sub-fund level are calculated. As an example, the sub-fund's transaction costs may be included in

the third party's cost statement even though the currently applicable requirements governing the Investment Company stipulate that they are not part of the aforementioned total expense ratio.

Deviations in the cost statement are not limited to cost information provided before a contract is concluded (i.e. before investment in the Investment Company). They may also arise if the third party provides regular cost information about the investor's current investments in the Investment Company in the context of a long-term business relationship with its client.

### Buy and sell orders for securities and financial instruments

The Management Company submits buy and sell orders for securities and financial instruments directly to brokers and traders for the account of the respective sub-fund. The Management Company concludes agreements with these brokers and traders under customary market conditions that comply with first-rate execution standards. When selecting the broker or trader, the Management Company takes into account all relevant factors, such as the credit rating of the broker or trader and the execution capacities provided. A prerequisite for the selection of a broker is that the Management Company always ensures that transactions are executed under the best possible conditions, taking into account the specific market at the specific time for the specific type and size of transaction.

The Management Company may conclude agreements with selected brokers, traders and other analysis service providers, whereby these service providers acquire market information and research. These services are used by the Management Company for the purpose of managing the respective sub-fund of the Investment Company. When the Management Company uses these services, it adheres to all applicable regulatory requirements and industry standards. In particular, the Management Company does not require any services if the aforementioned agreements according to prudent judgement do not support the Management Company in its investment decision-making process.

### Repayment to certain investors of management fees collected

The Management Company may, at its discretion, agree with individual investors the partial repayment to them of the management fees collected. This can be a consideration especially in the case of institutional investors who directly invest large amounts for the long term. The "Institutional Sales" division at DWS Investment S.A. is responsible for these matters.

### Regular savings or withdrawal plans

Regular savings or withdrawal plans are offered in certain countries in which the respective sub-fund has been authorized. Additional information about these plans is available from the Management Company and from the respective sales agents in the distribution countries of the respective sub-fund.

## Remuneration policy

The Management Company is included in the remuneration strategy of DWS Group. All matters related to remuneration as well as compliance with regulatory requirements, are monitored by the relevant governing bodies of DWS Group. DWS Group pursues a total remuneration approach that comprises fixed and variable remuneration components and contains portions of deferred remuneration, which are linked both to individual future performance and the sustainable development of DWS Group. As part of the remuneration strategy, in particular employees at first and second management levels receive a portion of the variable remuneration in the form of deferred remuneration elements, which are largely linked to the long-term performance of DWS share or of investment products.

In addition, the remuneration policy takes the following guidelines into account:

- a) The remuneration policy is consistent with and promotes sound and effective risk management and does not encourage excessive risk-taking.
- b) The remuneration policy is in line with the business strategy, objectives, values and interests of DWS Group (including the Management Company and the UCITS that it manages and of the investors in such UCITS) and includes measures to avoid conflicts of interest.
- c) The assessment of performance is in principle set in context of a multi-year framework.
- d) Fixed and variable components of total remuneration are appropriately balanced and the fixed component represents a sufficiently high proportion of the total remuneration to allow the operation of a fully flexible policy on variable remuneration components, including the possibility to pay no variable remuneration component.

Further details on the current remuneration policy are published on the internet at <https://www.dws.com/en-lu/footer/Legal-Resources/dws-remuneration-policy/>. This includes a description of the calculation methods for remuneration and bonuses to specific employee groups, as well as the specification of the persons responsible for the allocation including members of the remuneration committee. The Management Company shall provide this information free of charge in paper form upon request. In addition, the Management Company discloses further information on employee remuneration in the annual report.

## Mandate to the local paying agent

In some distribution countries the investors, through the share subscription form, appoint the respective local paying agent as their undisclosed agent so that the latter may, in its own name but on their behalf, send to the Investment Company in grouped way any subscription, exchange and redemption orders in relation to the shares and perform all the necessary relevant administrative procedures.

## Selling restrictions

The shares of the sub-funds that have been issued may be offered for sale or sold to the public only in countries where such an offer or such a sale is permissible. Provided that no permit for public distribution issued by the local supervisory authorities has been acquired by the Investment Company or a third party commissioned by the Investment Company and is available to the Investment Company, this Sales Prospectus must not be regarded as a public offer for the acquisition of sub-fund shares and/or this Sales Prospectus must not be used for the purpose of such a public offer.

The information contained herein, and the shares of the sub-funds are not intended for distribution in the United States of America or to U.S. persons (individuals who are U.S. citizens or whose permanent place of residence is in the United States of America or partnerships or corporations established in accordance with the laws of the United States of America or of any state, territory or possession of the United States). Correspondingly, shares are neither offered nor sold in the United States of America nor for the account of U.S. persons. Subsequent transfers of shares into the United States of America or to U.S. persons are prohibited.

This Sales Prospectus may not be distributed in the United States of America. The distribution of this Sales Prospectus and the offering of the shares may also be subject to restrictions in other legal systems.

Investors that are considered "restricted persons" as defined in Rule 5130 of the Financial Industry Regulatory Authority in the United States (FINRA Rule 5130) must report their holdings in the sub-funds to the Management Company without delay.

This Sales Prospectus may be used for sales purposes only by persons who possess an explicit written permit from the Investment Company (either directly or indirectly via correspondingly commissioned sales agents). Information or representations by third parties that are not contained in this Sales Prospectus or in the documents have not been authorized by the Investment Company.

## Foreign Account Tax Compliance Act – "FATCA"

The provisions of the Foreign Account Tax Compliance Act (generally known as "FATCA") are part of the Hiring Incentives to Restore Employment Act (the "HIRE Act"), which came into force in the United States in March 2010. These provisions of U.S. law serve to combat tax evasion by U.S. citizens. Accordingly, financial institutions outside of the United States ("foreign financial institutions" or "FFIs") are obliged to make annual disclosures to the U.S. Internal Revenue Service ("IRS"), on financial accounts held directly or indirectly by "specified" U.S.

persons. In general, for FFIs that do not meet this reporting obligation, known as Non-Participating Foreign Financial Institutions (NPFIs), a penalty tax deduction of 30% is applied to certain income from U.S. sources.

In principle, non-U.S. funds such as the Investment Company and its sub-funds have a FFI status and must conclude a FFI agreement with the IRS if they are not classified as "FATCA-compliant" or, provided an applicable Model 1 intergovernmental agreement ("IGA") is in effect, do not meet the requirements of the IGA applicable to their home country either as a "reporting financial institution" or as a "non-reporting financial institution." IGAs are agreements between the United States of America and other countries regarding the implementation of FATCA requirements. Luxembourg signed a Model 1 agreement with the United States and a related Memorandum of Understanding on March 28, 2014. In Luxembourg, this IGA was transposed into national law by the law of July 24, 2015 (the "FATCA Law", published in Mémorial A – No. 145 on July 29, 2015 as well as in Mémorial A – No. 158 on August 12, 2015).

The Investment Company heeds all requirements resulting from FATCA and, in particular, those resulting from the Luxembourg IGA as well as from the national implementation act. It may, among other things, become necessary in this context for the Investment Company to require new shareholders to submit the necessary documents to prove their tax residency in order to make it possible to determine on that basis whether they must be classified as specified U.S. persons.

Shareholders and intermediaries acting on behalf of shareholders should take note that, according to the applicable principles of the Investment Company, shares cannot be offered or sold for the account of U.S. persons and that subsequent transfers of shares to U.S. persons are prohibited. If shares are held by a U.S. person as the beneficial owner, the Investment Company may, at its discretion, enforce a compulsory redemption of the shares in question.

## Common Reporting Standard ("CRS")

In order to facilitate a comprehensive and multi-lateral automatic exchange of information at global level, the OECD was mandated by the G8/G20 countries to develop a global reporting standard. This reporting standard has been included in the amended Directive on administrative cooperation ("DAC 2") of December 9, 2014. EU member states transposed DAC 2 into national law by December 31, 2015; it was enacted in Luxembourg by a law dated December 18, 2015 (the "CRS Law").

Under the Common Reporting Standard, certain financial institutions under Luxembourg law are obliged to carry out an identification of their account holders and to determine where the

account holders are tax residents (under this same law, investment funds such as this one are generally regarded as financial institutions under Luxembourg law). For this purpose, a financial institution under Luxembourg law deemed to be a Reporting Financial Institution must obtain self-disclosure in order to determine the status within the meaning of the CRS and/or the tax residence of its account holders when opening an account.

Luxembourg's Reporting Financial Institutions are, since 2017, obliged to provide the Luxembourg tax administration (Administration des contributions directes) with information on holders of financial accounts on an annual basis, for the first time regarding the fiscal year 2016. This notification must be made annually by June 30 and, in certain cases, also includes the controlling persons resident for tax purposes in a state subject to the reporting requirement (to be established by a Grand-Ducal Regulation). The Luxembourg tax authorities automatically exchange this information with the competent foreign tax authorities annually.

### Data protection

According to the CRS Law and Luxembourg data protection rules, each natural person concerned, i.e. potentially reportable, shall be informed on the processing of his/her personal data before the Luxembourg Reporting Financial Institution processes the data.

If the Investment Company or its sub-funds qualify as a Reporting Financial Institution, it informs the natural persons who are Reportable Persons in the aforementioned context, in accordance with the Luxembourg data protection law.

- In this respect, the Reporting Luxembourg Financial Institution is responsible for the personal data processing and will act as data controller for the purpose of the CRS Law.
- The personal data is intended to be processed for the purpose of the CRS Law.
- The data may be reported to the Luxembourg tax authorities (Administration des contributions directes), which may in turn forward the data to the competent authorities of one or more Reportable Jurisdictions.
- For each information request for the purpose of the CRS Law sent to the natural person concerned, the answer from the natural person will be mandatory. Failure to respond within the prescribed timeframe may result in (incorrect or double) reporting of the account to the Luxembourg tax authorities.

Each natural person concerned has a right to access any data reported to the Luxembourg tax authorities for the purpose of the CRS Law and, as the case may be, to have these data rectified in case of error.

### Language

The Management Company may, on behalf of itself and the Investment Company, declare translations into particular languages as legally binding versions with respect to those shares of the sub-funds sold to investors in countries where sub-fund's shares may be offered for sale to the public and which declaration shall be mentioned in the country specific information for investors relating to distribution in certain countries. Otherwise, in the event of any inconsistency between the English language version of this Sales Prospectus and any translation, the English language version shall prevail.



## Investor profiles

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The definitions of the following investor profiles were created based on the premise of normally functioning markets. Further risks may arise in each case in the event of unforeseeable market situations and market disturbances due to non-functioning markets.

### **“Risk-averse” investor profile**

The sub-fund is intended for the safety-oriented investor with little risk appetite, seeking steady performance but at a low level of return. Short-term and long-term fluctuations of the unit/share value are possible as well as significant losses up to the total loss of capital invested. The investor is willing and able to bear such a financial loss and is not concerned with capital protection.

### **“Income-oriented” investor profile**

The sub-fund is intended for the income-oriented investor seeking higher returns through dividend distributions and interest income from bonds and money market instruments. Return expectations are offset by risks in the equity, interest rate and

currency areas, as well as by credit risks and the possibility of incurring losses up to and including the total loss of capital invested. The investor is also willing and able to bear a financial loss and is not concerned with capital protection.

### **“Growth-oriented” investor profile**

The sub-fund is intended for the growth-oriented investor seeking capital appreciation primarily from equity gains and exchange rate movements. Return expectations are offset by high risks in the equity, interest rate and currency areas, as well as by credit risks and the possibility of incurring significant losses up to and including the total loss of capital invested. The investor is willing and able to bear such a financial loss and is not concerned with capital protection.

### **“Risk-tolerant” investor profile**

The sub-fund is intended for the risk-tolerant investor who, in seeking investments with strong returns, can tolerate the substantial fluctuations in the values of investments, and the very high risks

this entails. Strong price fluctuations and high credit risks result in temporary or permanent reductions of the net asset value per unit/share. Expectations of high returns and tolerance of risk by the investor are offset by the possibility of incurring significant losses up to and including the total loss of capital invested. The investor is willing and able to bear such a financial loss and is not concerned with capital protection.

The Management Company provides additional information to distribution agents and distribution partners concerning the profile of a typical investor or the target client group for this financial product. If the investor is advised on the acquisition of units/shares by distribution agents or distribution partners, or if such agents or partners act as intermediaries for the purchase of units/shares, they may therefore present additional information to the investor that also relates to the profile of a typical investor.

## Performance

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Past performance is not a guarantee of future results for the respective sub-fund. The returns and the principal value of an investment may rise or fall, so investors must take into account the

possibility that they will not get back the original amount invested.

Data on current performance can be found on the Management Company's website [www.dws.com](http://www.dws.com),

in the KID, or in the funds semi-annual and annual reports.

## 2. The Investment Company and the share classes

(a) DWS Concept is an investment company with variable capital incorporated under the laws of Luxembourg on the basis of the Law on Undertakings for Collective Investment and the Law on Trading Companies of August 10, 1915, as a société d'investissement à capital variable (SICAV). The Investment Company was established on the initiative of DWS Investment S.A., a management company under Luxembourg law, which, among other functions, acts as the main distributor for the Investment Company.

(b) The Investment Company is subject to Part I of the Law of 2010 and complies with the provisions of the UCITS Directive.

(c) The Investment Company has been incorporated on March 28, 2011, for an unlimited period of time. The articles of incorporation of the Investment Company were published in the official register of the Grand Duchy of Luxembourg (Mémorial C, Recueil des Sociétés et Associations, "Mémorial") on April 21, 2011. The articles of incorporation were filed with the Luxembourg Register of Commerce and Companies under the number B 160.062 and can be inspected there. Upon request, copies can be obtained for a fee. The Investment Company's registered office is based in Luxembourg-City.

(d) The capital of the Investment Company is the sum of the total net asset values of all sub-funds. Changes in capital are not governed by the general rules of commercial law on publication and registration in the Register of Commerce in regard to increasing and reducing share capital.

(e) The minimum capital of the Investment Company is EUR 1,250,000 which was reached within six months after the establishment of the Investment Company. The original capital of the Investment Company was EUR 31,000 divided into 310 shares with no nominal value.

(f) If the Investment Company's capital falls below two thirds of the minimum capital, its Board of Directors must propose to the Shareholders' Meeting the dissolution of the Investment Company; the Shareholders' Meeting will meet without attendance required and will make its resolutions by simple majority of the shares represented and actually voted at the Shareholders' Meeting. The same applies if the Investment Company's capital falls below 25% of the minimum capital, except that in this case the dissolution of the Investment Company can be passed by 25% of the shares represented at the Shareholders' Meeting.

### Structure of the Investment Company

The Investment Company has an umbrella structure; each compartment corresponding to a distinct part of the assets and liabilities of the Investment Company (a sub-fund) as defined in

article 181(1) of the Law of 2010, and that is formed for one or more share classes of the type described in the articles of incorporation. Each sub-fund will be invested in accordance with the investment objective and policy applicable to that sub-fund, the investment objective, policy (including, as the case may be and allowed under applicable laws, acting as a feeder sub-fund or master sub-fund), as well as the risk profile and other specific features of each sub-fund are set forth in this Sales Prospectus. Each sub-fund may have its own funding, share classes, investment policy, capital gains, expenses and losses, distribution policy or other specific features.

### The share classes

The Board of Directors may at any time elect to launch new share classes within a sub-fund in accordance with the share class features as specified below. The Sales Prospectus will be updated accordingly and up-to-date information on launched share classes is available on the internet at [www.dws.com](http://www.dws.com).

All share classes of a sub-fund are invested collectively in line with the investment objectives of the respective sub-fund, but they may vary particularly in terms of their fee structures, their minimum initial or subsequent investment amounts, their currencies, their distribution policies, the requirements to be fulfilled by investors or other special characteristics, such as hedging features and additional currency exposure to a basket of currencies, as specified in each case by the board of directors of the Management Company.

The net asset value per share is calculated separately for each issued share class of each sub-fund. No separate portfolio is maintained by a sub-fund for its individual share classes. In the case of currency-hedged share classes (either on share class level marked with the "H" denominator or on portfolio level marked with the "H (P)" denominator) and share classes that build up an additional currency exposure to a basket of currencies (share classes marked with the "CE" denominator), the sub-fund may become subject to obligations arising from currency hedging transactions or from currency exposure management entered into for one particular share class. The assets of the sub-fund are liable for such obligations. The different characteristics of the individual share classes available with respect to a sub-fund are described in detail in the respective special section.

While liabilities attributed to a share class will only be allocated to that share class, a creditor of a sub-fund will generally not be bound to satisfy its claims from a particular share class. Rather, such creditor could seek to the extent the liabilities exceeded the value of the assets allocable to the share class to which the liabilities are associated, to satisfy its claim from the sub-fund as a whole. Thus, if a creditor's claim relating to a particular share class exceeds the value of the assets allocable to that share class, the remaining assets of the sub-fund may be subject to such claim.

Investors who want to know which share classes with the "H", "H (P)" or "CE" denominators exist in the sub-fund they are invested in are invited to check the up-to-date information on launched share classes of each sub-fund at [www.dws.com](http://www.dws.com).

The Investment Company reserves the right to offer only one or certain share classes for purchase by investors in certain jurisdictions in order to comply with applicable laws, traditions or business practices. The Investment Company further reserves the right to establish principles to apply to certain investor categories or transactions with respect to the acquisition of certain share classes.

Investors in euro share classes should note that for sub-funds whose currency is the U.S. dollar, the net asset value per share of the individual euro classes is calculated in U.S. dollars, the sub-fund currency, and then expressed in euro using the USD/EUR exchange rate at the time of the calculation of the net asset value per share. Likewise, investors in U.S. dollar share classes should note that for sub-funds whose currency is the euro, the net asset value per share of the individual U.S. dollar classes is calculated in euro, the sub-fund currency, and then expressed in U.S. dollars using the EUR/USD exchange rate at the time of the calculation of the net asset value per share.

Depending on the respective sub-fund currency, the same applies to investors in all other share classes denominated in another currency than the respective sub-fund.

Exchange rate fluctuations are not systematically hedged by the respective sub-funds, and such fluctuations can have an impact on the performance of the share classes that is separate from the performance of the investments of the sub-funds.

### Sub-funds with non-base currency share classes – possible currency impacts

Investors in sub-funds offering non-base currency share classes should note that possible currency impacts on the net asset value per share may occur and are not systematically hedged. These impacts are attached to the processing and booking of orders of non-base currency shares and related time lags of the different necessary steps possibly leading to exchange rate fluctuations. In particular, this is true for redemption orders. These possible impacts on the net asset value per share could be of positive or negative nature and are not limited to the affected non-base currency share class, i.e. these influences could be borne by the respective sub-fund and all of its share classes.

## Description of denominators

The Investment Company offers various share class features. The share class features are described by the denominators in the table below. The denominators are explained in more detail hereafter:

Features		
<b>Type of Investor</b>	Institutional	I
	Semi-Institutional	F
	Retail	L, N
	Master-Feeder	J, MF
	Trailer free	TF
<b>Allocation of Income</b>	Capitalization	C
	Distribution	D
<b>Distribution Frequency</b>	Annual	
	Semi-annual	B
	Quarterly	Q
	Monthly	M
<b>Hedging and Currency Exposure</b>	Non-hedged	
	Hedged	H
	Portfolio Hedged	H (P)
	Currency Exposure	CE
<b>Other</b>	Early Bird	EB
	Seeding	X
	Zero Cost	Z
	Insurance	V
	Special	S
	Placement Fee*	PF
	Restricted	R

Country specific share classes:

in the UK: DS (Distributor Status), RD (Reporting Fund Status)

in Japan: JQI

\* tax-intransparent

### Type of investor

The denominators "L", "N", "F", "I", "MF" and "TF" indicate the types of investors the share classes are offered to.

Share classes with the "L" and "N" denominator are offered to retail investors and share classes with the "F" denominator are offered to semi-institutional investors.

Share classes with the "J" denominator will only be offered to schemes for mutual investment funds according to Japanese law. The Company reserves the right to buy back shares from investors at the redemption price in case investors do not meet this requirement.

Share classes with the "I" denominator are offered to institutional investors in accordance with article 174 (2) of the Law of 2010. Share classes with the "I" denominator are only offered in form of registered shares, unless otherwise

provided for in the special section of the Sales Prospectus of the respective sub-fund.

Share classes with the "MF" denominator are only offered to UCI or their sub-funds, that invest at least 85% of their assets ("Feeder-UCI") in units of other UCI or their sub-funds ("Master-UCI").

The shares of the trailer free "TF" share class are only made available

- (1) through distributors and intermediaries who:
  - according to regulatory requirements (e.g. independent advisory services, discretionary portfolio management or specific local regulations) are not allowed to receive and keep trailer fees or any other fee, rebate or payment from the fund; or
  - have separate fee arrangements with their clients and do not receive and keep trailer fees or any other fee, rebate or payment from the fund;
- (2) to other UCI; and

- (3) to insurance-based investment products within the meaning of Art. 4 sec. 2 Regulation (EU) No. 1286/2014.

For the "TF" share class, the Investment Company does not pay any trailer fees.

### Allocation of income

Share classes denoted with the denominator "C" (Capitalization) offer a reinvestment of income (reinvesting or accumulating shares).

Share classes with the denominator "D" indicate a distribution of income (distributing shares).

### Distribution Frequency

The letters "B", "Q" and "M" describe the frequency of distribution. The letter "B" indicates distribution on a semi-annual basis, "Q" indicates distribution on a quarterly basis and the denominator "M" describes a monthly distribution. Distributing shares without the "B", "Q" and "M" denominators offer annual distribution.

## Hedging

Furthermore, share classes may provide a hedge of currency risks:

### (i) Currency Hedging

The currency hedging is provided by a hedging agent (either from an external service provider or internally) on the basis of specified rules. The currency hedging is not part of the respective investment policy and separately seen from the management of the portfolio. Any costs in connection with currency hedging are charged against the respective share class (see cost section).

### Share class hedging

If the currency of the sub-fund differs from the currency of the respective hedged share class, the hedging can aim to reduce the risk to the share class that results from fluctuations in the exchange rate between the currency of the hedged share class and its sub-fund currency (denoted by the letter "H").

### Portfolio hedging

The hedging aims to reduce the risk to the hedged share class resulting from fluctuations in the exchange rate between the currency of the hedged share class and each of the underlying currencies to which the hedged share class is exposed with respect to the sub-fund's assets (denoted by the letters "H (P)").

**Under certain circumstances the hedging of currency risks may not or only partially be implemented (e.g. small share class volume or small residual currency positions in the fund) or be imperfect (e.g. some currencies cannot be traded at any time, or must be approximated by another currency). In these circumstances the hedging may not or may only partially protect against changes of the yield of the underlying of the hedge. In addition, attached to the processing and booking of orders in hedged share classes or in other share classes of the same sub-fund time lags in the hedging process possibly lead to exchange rate fluctuations that are not systematically hedged.**

### (ii) Non-hedged share classes

Share classes without the "H" or "H (P)" denominator are not hedged against currency risks.

### Currency exposure

The share classes marked (CE) for "Currency Exposure" aim to create for the share class currency exposure equal to the currencies in which the assets in the sub-fund's portfolio may be denominated.

Under certain circumstances the currency exposure may not or only partially be implemented by unwinding currency hedging position in the sub-fund (e.g. small share class volume or small residual currency positions in the fund) or be imperfectly implemented (e.g.: some currencies

cannot be traded at any time, or must be approximated by another currency). In addition, attached to the processing and booking of orders in these share classes time lags in the exposure management process can lead to a delay in the adaptation of the currency exposure to the new share class volume. In case of exchange rate fluctuations this can impact the net asset value of the share class.

## Other share class characteristics

### Early Bird

The Management Board of the Management Company reserves the right to close any share class with the denominator "EB" to further investors upon reaching a certain amount of subscriptions. Such amount will be determined per share class per sub-fund.

### Seeding share classes

Shares of share classes with the "X" denominator offer a rebate on the management company fee that is granted to investors that subscribe to shares before a certain volume of investments is reached. Upon reaching the aforementioned volume the share classes with the "X" denominator will be closed.

### Zero cost share classes

Shares of share classes with the „Z“ denominator are offered to institutional investors in accordance with article 174 (2) of the Law of 2010. The shares are only offered to investors that have entered into a separate agreement with the Management Company.

The share class is charged a pro-rata share on the costs for the Management Company, the Depository, the administrator as well as other expenses that are further described in Clause 13. Costs and services received, b). Portfolio management fees are charged directly by the Management Company to the investor under the aforementioned separate agreement.

Shares are not transferable without the Management Company's prior approval.

### Insurance share classes

Shares of share classes with the "V" denominator are only offered to insurance companies and for insurance products.

### Special share classes

Shares of share classes with the "S" denominator require the following minimum initial investment amount:

Share class SC:	EUR 25,000,000
Share class SCR:	EUR 100,000,000
Share class SFC:	EUR 1,000,000
Share class SLD:	EUR 0
Share class SIC:	EUR 500,000
Share class CHF SFCH:	CHF 1,000,000
Share class USD SFCH:	USD 1,000,000

## Placement fee

Shares of share classes with the "PF" denominator are subject to a placement fee ("placement fee share classes"). The placement fee for each subscribed share amounts to up to 3% and is multiplied by the NAV per share on the date of subscription or the immediately following valuation date (depending on the date the orders are processed). The so calculated amount is levied on the relevant placement fee share class. The placement fee for each subscribed share of the relevant placement fee share class is paid out as compensation for the distribution of the share class and at the same time booked as an accounting position (pre-paid expenses), reflected in the NAV per share of the relevant placement fee share class only. The NAV per share of the placement fee share class on the respective valuation date is therefore not affected by the payment of the placement fee. In case prior day data is used for the NAV calculation, results will be monitored against same day data to avoid potential material differences. The overall position of pre-paid expenses is then amortized on a daily basis at a constant amortization rate of 1.00% p.a. applied to the NAV per share of the relevant placement fee share class multiplied by the number of outstanding shares in this share class.

The pre-paid expenses are defined relative to the NAV per share of the placement fee share class. The pre-paid expenses therefore fluctuate with NAV movements and depend on the number of shares subscribed and redeemed in the relevant placement fee share class.

After a pre-defined amortization period of 3 years commencing on the date of subscription or the immediately following valuation date, pre-paid expenses assigned to a subscribed share of a placement fee share class are fully amortized and the relevant number of shares will be exchanged for a corresponding number of shares of the corresponding N share class of the same sub-fund to avoid prolonged amortization.

Shareholders wishing to redeem their placement fee share classes before such exchange takes place may need to pay a dilution adjustment. For further information, please refer to article 6 in the general section of the Sales Prospectus.

Placement fee share classes are reserved for Italian investors subscribing through specific paying agents in Italy.

## Restricted share classes

Share classes denoted by the denominator "R" are restricted to investors which place their orders via a special portfolio of exclusive sales partners.

## Share class currencies and initial NAV

The share classes are offered in the following currencies:

Denominator	no denominator	USD	SGD	GBP	CHF	NZD	AUD	RUB
Currency	Euro	U.S. dollar	Singapore dollar	Great Britain pound	Swiss francs	New Zealand dollar	Australian dollar	Russian ruble
Initial NAV	EUR 100	USD 100	SGD 10	GBP 100	CHF 100	NZD 100	AUD 100	RUB 1,000

Denominator	JPY	CAD	NOK	SEK	HKD	CZK	PLN	RMB
Currency	Japanese yen	Canadian dollar	Norwegian krone	Swedish krona	Hong Kong dollar	Czech koruna	Polish zloty	Chinese renminbi
Initial NAV	JPY 10,000	CAD 100	NOK 100	SEK 1,000	HKD 100	CZK 1,000	PLN 100	RMB 100

### Currency-specific characteristics:

The "RUB LC" share class is offered in the form of registered shares.

The value date for purchase and redemption orders for Swedish krona, Hong Kong dollar and Chinese renminbi share classes may deviate by one day from the value date specified in the Special Section of the respective sub-funds.

The Chinese renminbi is currently traded on two different markets: Onshore in Mainland China (CNY) and offshore via Hong Kong (CNH).

CNY is a managed floating exchange rate currency that is currently not freely convertible and subject to exchange control policies and repatriation restrictions imposed by the Chinese government.

CNH is currently freely tradable without restrictions via Hong Kong. For this reason the exchange rate used for share classes denominated in RMB is the rate of CNH (offshore renminbi).

### Country-specific share classes:

#### Japan

The JQI and all other in JPY denominated share classes offered hereby have not been, and will not be, registered under the Financial Instruments and Exchange Law of Japan and accord-

ingly may not be offered or sold in Japan or to or for the account of any resident thereof, except either pursuant to registration thereunder or pursuant to an exemption from the registration requirements of the Financial Instruments and Exchange Law of Japan. No registration has been made in accordance with article 4, paragraph 1 of the Financial Instruments and Exchange Law of Japan for the reason that the solicitation to subscribe for JQI and all other in JPY denominated share classes offered hereby in Japan constitutes a private placement of JQI and all other in JPY denominated share classes to Qualified Institutional Investors only in accordance with article 2, paragraph 3, item 2 (i) of the Financial Instruments and Exchange Law of Japan. For these purposes, a notification under the Law Concerning Investment Trusts and Investment Corporations of Japan will be filed with the Commissioner of the Financial Services Agency of Japan. Accordingly, in Japan the JQI and all other in JPY denominated share classes will be offered only to Qualified Institutional Investors in accordance with the Financial Instruments and Exchange Law of Japan. In addition, the JQI and all other in JPY denominated share classes are subject to the transfer restriction: no transfer of such share classes may be made to persons in Japan other than Qualified Institutional Investors.

#### Spain and Italy

For the distribution in Spain and Italy the following restriction applies: The subscription of shares of the share classes denoted by the designator "F" will be limited to professional investors according to the MiFID directive. Professional Investors subscribing in their own name, but on behalf of a third party, must certify to the Investment Company that either such subscription is made on behalf of a Professional Investor. The Investment Company may require, at its sole discretion, evidence that the former requirements are met.

#### United Kingdom

"DS" and "RD" share classes are intended to have reporting fund status (previously distributor status), i.e. the characteristics of these share classes satisfy the prerequisites for qualifying for reporting fund status (for further details please see the special section of the respective sub-funds in the Sales Prospectus).

## Minimum initial investment amounts

<b>Institutional Investors*</b>	General rule for share class codes without numeric extension: 10,000,000 in the share class specific currency except for Japan: 1,500,000,000 JPY
<b>Semi-Institutional Investor</b>	General rule for share class codes without numeric extension: 2,000,000 for investments in the share class specific currency except for Japan: 250,000,000 JPY and except for Sweden: 20,000,000 SEK
<b>Numeric extension for Semi-Institutional and Institutional Investors</b>	A numeric extension at the end of the share class codes states the minimum investment amount in million in the share class specific currency
<b>Seeding Share Class</b>	2,000,000 for each order in the share class specific currency except for Japan: 250,000,000 JPY

\* Share classes with the "S" denominator require a minimum initial investment amount as shown in section "special share classes".  
Share classes with the "V" denominator require a minimum initial investment of 400,000 EUR.

The Investment Company reserves the right to deviate from these minimum initial investment amounts at its own discretion, e.g. for insurance companies and insurance products or in cases where distributors have separate fee arrangements with their clients. Subsequent purchases can be made in any amount.

### 3. Risk Spreading

The following investment limits and investment guidelines apply to the investment of the Investment Company's assets held in the individual sub-funds. Differing investment limits may be set for individual sub-funds. In this respect we refer to the information in the special section of this Sales Prospectus below.

#### 3.1 Investments

(a) A sub-fund may invest in securities and money market instruments that are listed or traded on a regulated market.

(b) A sub-fund may invest in securities and money market instruments that are traded on another market in a member state of the European Union that operates regularly and is recognized, regulated and open to the public.

(c) A sub-fund may invest in securities and money market instruments that are admitted for official trading on an exchange in a state that is not a member state of the European Union or traded on another regulated market in that state that operates regularly and is recognized and open to the public.

(d) A sub-fund may invest in securities and money market instruments that are new issues, provided that

- the terms of issue include the obligation to apply for admission for trading on an exchange or on another regulated market that operates regularly and is recognized and open to the public; and
- such admission is procured no later than one year after the issue.

(e) A sub-fund may invest in shares of undertakings for collective investment in transferable securities (UCITS) and/or other undertakings for collective investments (UCIs) within the meaning of the UCITS Directive, should they be situated in a member state of the European Union or not, provided that

- such other UCIs have been authorized under laws that provide that they are subject to supervision considered by the CSSF to be equivalent to that laid down in Community law, and that cooperation between authorities is sufficiently ensured;
- the level of protection for shareholders in the other UCIs is equivalent to that provided for shareholders in an UCITS, and in particular that the rules on fund asset segregation, borrowing, lending, and short selling of transferable securities and money market instruments are equivalent to the requirements of the UCITS Directive;
- the business of the other UCIs is reported in semi-annual and annual reports to enable an assessment to be made of the assets and liabilities, income and transactions over the reporting period;
- no more than 10% of the assets of the UCITS or of the other UCIs whose acquisition is being contemplated can, according to its contract terms or articles of incorporation, be invested aggregate in shares of other UCITS or other UCIs.

(f) A sub-fund may invest in deposits with financial institutions that are repayable on demand or have the right to be withdrawn, and mature within twelve months or less, provided that the financial institution has its registered office in a member state of the European Union or, if the registered office of the financial institution is situated in a state that is not a member state of the European Union, provided that it is subject to prudential rules considered by the CSSF as equivalent to those laid down in Community law.

(g) A sub-fund may invest in financial derivative instruments ("derivatives"), including equivalent

cash-settled instruments, that are traded on a market referred to in (a), (b) and (c) and/or financial derivative instruments that are not traded on an exchange (OTC derivatives), provided that

- the underlying instruments are instruments covered by this paragraph or financial indices, interest rates, foreign exchange rates or currencies; in which the sub-fund may invest according to its investment policy;
- the counterparties to OTC derivative transactions are institutions subject to prudential supervision, and belonging to the categories approved by the CSSF; and
- the OTC derivatives are subject to reliable and verifiable valuation on a daily basis and can be sold, liquidated or closed by an offsetting transaction at any time at their fair value at the Investment Company's initiative.

(h) A sub-fund may invest in money market instruments not traded on a regulated market that are usually traded on the money market, are liquid and have a value that can be accurately determined at any time, if the issue or issuer of such instruments is itself regulated for the purpose of protecting investors and savings, and provided that these instruments are

- issued or guaranteed by a central, regional or local authority or central bank of a member state of the European Union, the European Central Bank, the European Union or the European Investment Bank, a state that is not a member state of the European Union or, in the case of a federal state, by one of the members making up the federation, or by a public international body of which one or more member states of the European Union are members; or
- issued by an undertaking whose securities are traded on the regulated markets referred to in the preceding subparagraphs (a), (b) or (c); or
- issued or guaranteed by an establishment that is subject to prudential supervision in accordance with the criteria defined by Community law, or by an establishment that is subject to and complies with prudential

- rules considered by the CSSF to be at least as stringent as those laid down by Community law; or
- issued by other bodies belonging to the categories approved by the CSSF, provided that investments in such instruments are subject to investor protection equivalent to that laid down in the first, the second or the third preceding indent and provided that the issuer is a company whose capital and reserves amount to at least EUR 10 million and which presents and publishes its annual financial statements in accordance with the Fourth Council Directive 78/660/EEC, is an entity that, within a group of companies that includes one or more exchange-listed companies, is dedicated to the financing of the group or is an entity that is dedicated to the financing of securitization vehicles that benefit from credit lines to assure liquidity.

(i) Notwithstanding the principle of risk-spreading, a sub-fund may invest up to 100% of its assets in securities and money market instruments stemming from different issues that are issued or guaranteed by a member state of the European Union, its local authorities, by any other member state of the Organization for Economic Cooperation and Development (OECD), the G20 or Singapore, or by a public international body of which one or more member states of the European Union are members, provided that a sub-fund holds securities that originated from at least six different issues and the securities stemming from any one issue do not exceed 30% of the assets of a sub-fund.

(j) A sub-fund may not invest in precious metals or precious-metal certificates; if the investment policy of a sub-fund contains a special reference to this clause, this restriction does not apply for 1:1 certificates whose underlying are single commodities/precious metals and that meet the requirements of transferable securities as determined in article 2 of Directive 2007/16/EC and article 1(34) of the Law of 2010.

### 3.2 Investment limits

(a) No more than 10% of a sub-fund's net assets may be invested in securities or money market instruments from any one issuer.

(b) No more than 20% of a sub-fund's net assets may be invested in deposits made with any one institution.

(c) The risk exposure to a counterparty in OTC derivative transactions as well as in OTC derivative transactions, which are effected with regard to an efficient portfolio management, may not exceed 10% of a sub-fund's net assets if the counterparty is a credit institution as defined in 3.1(f) above. In all other cases, the exposure limit is 5% of a sub-fund's net assets.

(d) No more than 40% of a sub-fund's net assets may be invested in securities and money market

instruments of issuers in which over 5% of a sub-fund's net assets are invested.

This limitation does not apply to deposits and OTC derivative transactions conducted with financial institutions that are subject to prudential supervision.

Notwithstanding the individual upper limits specified in 3.2(a), (b) and (c) above, a sub-fund may not invest more than 20% of its net assets in a combination of

- investments in securities or money market instruments; and/or
- deposits made with; and/or
- exposures arising from OTC derivative transactions undertaken with a single institution.

(e) The limit of 10% set in 3.2(a) rises to 35%, and the limit set in 3.2(d) does not apply to securities and money market instruments issued or guaranteed by

- a member state of the European Union or its local authorities; or
- a state that is not a member state of the European Union; or
- public international bodies of which one or more member states of the European Union are members.

(f) The limit set in 3.2(a) rises from 10% to 25%, and the limit set in 3.2(d) does not apply (i) as from July 8, 2022 in the case of covered bonds as defined in article 3(1) of Directive (EU) 2019/2162 of the European Parliament and of the Council of November 27, 2019 on the issue of covered bonds and covered bond public supervision and amending Directives 2009/65/EC and 2014/59/EU, and (ii) for certain bonds that fulfil the following conditions:

- they are issued before July 8, 2022 by a credit institution that has its registered office in a member state of the European Union and which is legally subject to special public supervision intended to protect the holders of such bonds; and
- sums deriving from the issue of such bonds issued before July 8, 2022 are invested in conformity with the law in assets that, during the whole period of validity of the bonds, are capable of covering claims attaching to the bonds; and
- such assets, in the event of default of the issuer, would be used on a priority basis for the repayment of the principal and payment of the accrued interest

If the respective sub-fund invests more than 5% of its assets in bonds of this type issued by any one issuer, the total value of these investments may not exceed 80% of the value of the net assets of a sub-fund.

(g) The limits provided for in paragraphs 3.2(a), (b), (c), (d), (e) and (f) may not be com-

bined, and thus investments in transferable securities or money market instruments issued by any one institution or in deposits made with this institution or in this institution's derivative instruments shall under no circumstances exceed in total 35% of a sub-fund's net assets.

A sub-fund may cumulatively invest up to 20% of its assets in securities and money market instruments of any one group of companies.

Companies that are included in the same group for the purposes of consolidated financial statements, as defined in accordance with the Seventh Council Directive 83/349/EEC or in accordance with recognized international accounting rules, shall be regarded as a single issuer for the purpose of calculating the limits contained in this article.

(h) A sub-fund may invest no more than 10% of its net assets in securities and money market instruments other than those specified in 3.1.

(i) A sub-fund may invest no more than 10% of its net assets in shares of other UCITS and/or other UCIs as defined in 3.1(e), unless otherwise provided in the Special Section of the Sales Prospectus. The Board of Directors may create one or more feeder sub-funds, with each such feeder sub-fund investing permanently 85% or more of its assets in shares of another eligible master UCITS (or investment compartment thereof) under the conditions set out by applicable law and such other conditions as set out in this Sales Prospectus. If the UCITS or the other UCIs have multiple compartments (within the meaning of article 18(1) of the Law of 2010) and the assets of a compartment may only be used to satisfy the rights of the Shareholder relating to that compartment and the rights of those creditors whose claims have arisen in connection with the setting-up, operation and liquidation of that compartment, each compartment is considered as a separate issuer for the purposes of applying the above limit.

Investments made in shares of UCIs other than UCITS may not exceed, in aggregate, 30% of the net assets of the sub-fund.

In the case of investments in shares of another UCITS and/or other UCI, the investments held by that UCITS and/or by other UCI are not taken into consideration for the purposes of the limits laid down in 3.2(a), (b), (c), (d), (e) and (f).

(j) If admission to one of the markets defined under 3.1(a), 3.1(b) or 3.1(c) is not obtained within the one-year deadline, new issues shall be considered unlisted securities and money market instruments and counted towards the investment limit stated there.

(k) The Investment Company or the Management Company may not purchase for any of a sub-funds' equities with voting rights that would

enable it to exert significant influence on the management policies of the relevant issuer.

The respective sub-fund may acquire no more than

- 10% of the non-voting shares of any one issuer;
- 10% of the bonds of any one issuer;
- 25% of the shares of any fund;
- 10% of the money market instruments of any one issuer.

The limits laid down in the second, third and fourth indents may be disregarded at the time of acquisition if at that time the gross amount of the bonds or of the money market instruments, or the net amount of outstanding fund shares, cannot be calculated.

(l) The investment limits specified in 3.2(k) shall not be applied to:

- securities and money market instruments issued or guaranteed by a member state of the European Union or its local authorities;
- securities and money market instruments issued or guaranteed by a state that is not a member state of the European Union;
- securities and money market instruments issued by public international bodies of which one or more member states of the European Union are members;
- shares held by the respective sub-fund in the capital of a company incorporated in a state that is not a member state of the European Union, investing its assets mainly in the securities of issuing bodies having their registered offices in that state, where under the legislation of that state such a holding represents the only way in which the fund can invest in the securities of issuers from that state. This derogation, however, shall apply only if in its investment policy the Investment Company from the state that is not a member state of the European Union complies with the limits specified in 3.2(a), (b), (c), (d), (e), (f), (g), (j) and (k). Where these limits are exceeded, article 49 of the Law of 2010 shall apply;
- shares held by one or more investment companies in the capital of subsidiary companies that only conduct certain management, advisory or marketing activities with regard to the repurchase of shares at the request of shareholders in the country where the subsidiary is located and do so exclusively on behalf of the investment company or investment companies.

(m) Notwithstanding the limits specified in 3.2(k) and (l), the maximum limits specified in 3.2(a), (b), (c), (d), (e) and (f) for investments in shares and/or debt securities of any one issuer are 20% when the objective of the investment policy is to replicate the composition of a certain index or an index by using leverage. This is subject to the condition that

- the composition of the index is sufficiently diversified;
- the index represents an adequate benchmark for the market to which it refers;
- the index is published in an appropriate manner.

The maximum limit is 35% where that proves to be justified by exceptional market conditions, in particular in regulated markets where certain transferable securities or money market instruments are highly dominant. An investment up to this limit is only permitted for one single issuer.

(n) A sub-fund's global exposure relating to derivative instruments must not exceed the total net value of its portfolio. The exposure is calculated taking into account the current value of the underlying instruments, the counterparty risk, future market movements and the time available to liquidate the positions.

A sub-fund may invest in derivatives as part of its investment strategy and within the limits specified in 3.2(g), provided that the global exposure to the underlying instruments does not exceed on aggregate the investment limits specified in 3.2(a), (b), (c), (d), (e) and (f).

If a sub-fund invests in index-based derivatives, these investments are not taken into consideration with reference to the investment limits specified in 3.2(a), (b), (c), (d), (e) and (f).

When a security or money market instrument embeds a derivative, the latter must be taken into consideration when complying with the requirements of the investment limits.

(o) The respective sub-fund may hold up to 20% of its net assets in ancillary liquid assets. Ancillary liquid assets are limited to bank deposits at sight to cover current or exceptional payments, or for the time necessary to reinvest in eligible assets or for a period of time strictly necessary in case of unfavourable market conditions. In exceptionally unfavourable market conditions, it is permitted to temporarily hold more than 20% ancillary liquid assets if circumstances so require and to the extent that this appears to be justified with regard to the interests of shareholders.

(p) Up to 10% of the sub-fund's net assets may be invested in special purpose acquisition companies (SPACs) that qualify as eligible investments within the meaning of article 1 (34) and 41 of the Law of 2010, article 2 of the Grand-Ducal Regulation of February 8, 2008 and CESR Guidelines. SPACs are companies only formed to raise capital through an initial public offering (IPO) for the purpose of acquiring or merging with an existing company.

### 3.3 Exceptions to the investment limits

(a) A sub-fund needs not to comply with the investment limits when exercising subscription rights attaching to securities or money market instruments that form part of its assets.

(b) While ensuring observance of the principle of risk spreading, a sub-fund may derogate from the specified investment limits for a period of six months following the date of its authorization.

### 3.4 Cross-investments between sub-funds

A sub-fund (the cross-investing sub-fund) may invest in one or more other sub-funds. Any acquisition of shares of another sub-fund (the target sub-fund) by the cross-investing sub-fund is subject to the following conditions (and such other conditions as may be applicable in accordance with the terms of this Sales Prospectus):

- the target sub-fund may not invest in the cross-investing sub-fund;
- the target sub-fund may not invest more than 10% of its net assets in UCITS (including other sub-funds) or other UCIs;
- the voting rights attached to the shares of the target sub-fund are suspended during the investment by the cross-investing sub-fund; and
- the value of the share of the target sub-fund held by the cross-investing sub-fund are not taken into account for the purpose of assessing the compliance with the EUR 1,250,000 minimum capital requirement.

### 3.5 Credit restrictions

No borrowing may be undertaken by the Investment Company for the account of a sub-fund. A sub-fund may, however, acquire foreign currency by means of a "back-to-back" loan.

By way of derogation from the preceding paragraph, a sub-fund may borrow:

- up to 10% of a sub-fund's net assets, provided that such borrowing is on a temporary basis;
- up to the equivalent of 10% of a sub-fund's assets, provided that the borrowing is to make possible the acquisition of immovable property essential for the direct pursuit of its business; in this case the borrowing and that referred to in the preceding subparagraph may not in any case in total exceed 15% of a sub-fund's net assets.

The Investment Company may not grant loans for the account of a sub-fund, nor may it act as guarantor on behalf of third parties.

This shall not prevent the Investment Company from acquiring securities, money market instruments or other financial instruments that are not yet fully paid in.



### 3.6 Short selling

The Investment Company may not engage in short selling of securities, money market instruments or other financial instruments as specified in 3.1(e), (g) and (h) for the account of a sub-fund.

### 3.7 Encumbrance

A sub-fund's assets may only be pledged as collateral, transferred, assigned or otherwise encumbered to the extent that such transactions are required by an exchange or regulated market or imposed by contractual or other terms and conditions.

### 3.8 Regulations for the Investment Company

The Investment Company may acquire movable and immovable property that is essential for the direct pursuit of its business.

## 4. Shares of the Investment Company

(a) The capital of the Investment Company shall at all times be equal to the sum of the net asset values of the Investment Company's various sub-funds (net asset value of the Investment Company), and it is represented by shares of no nominal value, which may be issued as registered shares and/or as bearer shares.

(b) The shares may be issued as registered shares or as bearer shares. There is no right to issuance of physical shares.

(c) Shares are issued only upon acceptance of a subscription and subject to payment of the price per share. The subscriber immediately receives a confirmation of his shareholding in accordance with the provisions that follow.

(i) Registered shares

If shares are issued as registered shares, the register of shareholders constitutes definitive proof of ownership of these shares. The register of shares is maintained by the Registrar and Transfer Agent. Unless otherwise provided for a particular sub-fund/share class, fractional shares of registered shares are rounded according to commercial practice to the nearest one ten-thousandth. Such rounding may be to the benefit of either the respective shareholder or the sub-fund.

Registered shares are issued without share certificates. Instead of a share certificate, shareholders receive a confirmation of their shareholding.

Any payments of distributions to shareholders holding registered shares are made by check at the risk of the shareholders, which is mailed to the address indicated on the register of shares or to another address communicated to the Registrar and Transfer Agent in writing, or else by funds transfer. At the request of the shareholder, distribution amounts may also be reinvested on a regular basis.

All of the registered shares of the sub-funds are to be entered in the register of shares, which is maintained by the Registrar and Transfer Agent or by one or more entities appointed for this purpose by the Registrar and Transfer Agent; the register of shares contains the name of each and every holder of registered shares, his address and selected domicile (in the case of joint ownership of registered shares, only the address of the first-named joint owner), where such data have been communicated to the Registrar and Transfer Agent, as well as the number of fund shares held. Each transfer of registered shares is recorded in the register of shares, in each instance upon payment of a fee authorized by the Management Company for the registration of documents relating to the ownership of shares or having an effect thereon.

A transfer of registered shares takes place by way of recording of the transfer in the register of shares by the Registrar and Transfer Agent upon receipt of the necessary documentation and upon fulfilment of all other preconditions for transfer as required by the Registrar and Transfer Agent.

Each shareholder whose holding has been entered in the register of shares must provide the Registrar and Transfer Agent with an address to which all notices and announcements by the Management Company of the Investment Company may be delivered. This address is also recorded in the register of shares. In the case of joint ownership of shares (joint ownership is restricted to a maximum of four persons), only one address is entered, and all notices are sent exclusively to that address.

If such a shareholder does not provide an address, the Registrar and Transfer Agent may enter a remark to this effect in the register of shares; in this case, the address of the registered office of the Registrar and Transfer Agent or another address entered in each instance by the Registrar and Transfer Agent is deemed to be the address of the shareholder until the shareholder provides the Registrar and Transfer Agent with another address. The shareholder may at any time change the address recorded in the register of shares by way of written notice, which must be sent to the Registrar and Transfer Agent or to another address specified for each instance by the Registrar and Transfer Agent.

(ii) Bearer shares represented by global certificates

The Management Company may resolve to issue bearer shares that are represented by one or several global certificates.

These global certificates are issued in the name of the Management Company and deposited with the clearing agents. The transferability of the bearer shares represented by a global certificate is subject to the respectively applicable laws, and to the regulations and procedures of the clearing agent undertaking the transfer. Investors receive the bearer shares represented by a global certifi-

cate when they are posted to the securities accounts of their financial intermediaries, which in turn are held directly or indirectly with the clearing agents. Such bearer shares represented by a global certificate are transferable according to and in compliance with the provisions contained in this Sales Prospectus, the regulations that apply on the respective exchange and/or the regulations of the respective clearing agent. Shareholders that do not participate in such a system can transfer bearer shares represented by a global certificate only via a financial intermediary participating in the settlement system of the corresponding clearing agent.

Payments of distributions for bearer shares represented by global certificates take place by way of credits to the accounts at the relevant clearing agent of the financial intermediaries of the shareholders.

(d) All shares within a share class have the same rights. The rights of shareholders in different share classes within a sub-fund can differ, provided that such differences have been clarified in the sales documentation for the respective shares. The differences between the various share classes are specified in the respective special section of this Sales Prospectus. Shares are issued by the Investment Company immediately after the net asset value per share has been received for the benefit of the Investment Company.

(e) Shares are issued and redeemed through the Management Company and through all paying agents.

(f) Each shareholder has the right to vote at the Shareholders' Meeting. The voting right may be exercised in person or by proxy. Each share is entitled to one vote, subject to Clause 3.4(iii). Fractional shares may not entitle to voting rights; thus entitle the shareholder to participate in income distribution on a pro-rata-basis.

## 5. Restriction of the issue of shares and compulsory redemption of shares

(a) The Investment Company may at any time and at its sole and absolute discretion reject any direct or indirect subscription application or temporarily limit, suspend or permanently discontinue the issue of shares towards any subscribing investor, if such action should appear necessary in consideration of the interests of the shareholders or the public, or to protect the Investment Company or the shareholders.

(b) In this case, the Investment Company will promptly refund payments on subscription applications (without any interest payments) that have not yet been executed.

(c) The Management Company may at any time and in its sole discretion, restrict or prevent the ownership of shares in the Investment Company by a Prohibited Person.

(d) "Prohibited Person" means any person, firm or corporate entity, determined in the sole discretion of the Management Company as being not entitled to subscribe for or hold shares in the Investment Company or, as the case may be, in a specific sub-fund or share class, (i) if in the opinion of the Investment Company such holding may be detrimental to the Investment Company, (ii) it may result in a breach of any law or regulation, whether Luxembourg or foreign, (iii) if as a result thereof the Investment Company may become exposed to disadvantages of a tax, legal or financial nature that it would not have otherwise incurred or (iv) if such person, firm or corporate entity would not comply with the eligibility criteria of any existing share class.

(e) If at any time it shall come to the Management Company's attention that shares are beneficially owned by a Prohibited Person, either alone or with any other person and the Prohibited Person fails to comply with the instructions of the Management Company to sell its shares and to provide the Management Company with evidence of such sale within 30 calendar days after being so instructed by the Management Company, the Investment Company may in its sole discretion compulsorily redeem such shares at the redemption amount immediately after the close of business specified in the notice given by the Management Company to the Prohibited Person of such compulsory redemption, the shares will be redeemed in accordance with their respective terms and such investor will cease to be the owner of such shares.

## 6. Issue and redemption of shares of the Investment Company

(a) Shares of the respective sub-fund are issued and redeemed on each valuation date. If different share classes are offered for a sub-fund, such issue and redemption shall also take place at the aforementioned times. The Investment Company may issue fractional shares. The respective special section of the Sales Prospectus contains information on the processed number of decimal places.

(b) Shares of the Investment Company are issued on the basis of subscription applications received by the Investment Company, a paying agent authorized by the Investment Company to issue and redeem shares of the Investment Company, or by the Transfer Agent.

(c) The number of shares to be issued is determined by subtracting the front-end load from the gross investment amount (total amount invested by the investor) and dividing the result by the applicable net asset value per share (gross-

method). For illustrative purposes this is shown by a sample calculation below<sup>1</sup>:

gross investment	EUR	10,000.00
- front-end load (e.g. 5%)	EUR	500.00
= net investment	EUR	9,500.00
÷ net asset value per share	EUR	100.00
= number of shares		95

The current amount of the front-end load is regulated for each share class in the special section of the respective sub-fund of this Sales Prospectus.

The Management Company is free to charge a lower front-end load. The main distributor shall receive the front-end load and also be entitled to use it to remunerate third parties for any sales services they provide. If different share classes are offered for a sub-fund, the amount required for purchasing shares of the respective share class will be governed by both the net asset value per share of the respective share class and the front-end load specified individually for each share class in the special section of this Sales Prospectus below. It is payable immediately after the corresponding valuation date. This Sales Prospectus – Special Section – may contain more precise regulations for individual sub-funds or share classes with respect to the timing of the payment of the issue amount.

Certain additional fees and other costs may be charged in some distribution countries.

Orders received after an order acceptance deadline will be treated as having been received before the next order acceptance deadline. The respective special section of this Sales Prospectus may contain different order acceptance deadlines applicable for individual sub-funds and for individual share classes.

Newly subscribed shares are only issued to the investor upon receipt of payment by the Depository or the approved correspondent banks. From a bookkeeping standpoint, however, the corresponding shares are already taken into account in the calculation of the net asset value on the value day following the corresponding securities settlement and can be cancelled until the receipt of payment. Insofar as an investor's shares must be cancelled due to failure to pay or delayed payment of these shares, it is possible for the respective sub-fund to incur a loss in value.

(d) The Management Company may, on its own responsibility and in compliance with this Sales Prospectus, accept securities as payment for a subscription (investment in kind), as long as the Management Company believes that such an action is in the interest of the shareholders. The nature of the business undertaken by the enterprises whose securities are accepted as payment for a subscription must, however, be compatible with the investment policy and the investment limits of the respective sub-fund. The Investment Company must have its auditor prepare a valuation report for these securities, which in particular shall specify the amounts, designations and values arising from these securities, as well as the valuation methods used. As part of the transaction of accepting securities as payment in a subscription, the securities are valued at the price on the valuation date on whose basis the net asset value of the shares to be issued is being calculated. The Management Board may, at its own discretion, reject any and all securities offered as payment for a subscription, without having to give reasons. All costs arising from an investment in kind (including the cost of the valuation report, brokerage costs, expenses, commissions, etc) shall be borne by the subscriber in their entirety.

(e) Dilution Adjustment:  
Shares of share classes with the "PF" designator ("placement fee share classes") may be subject to a dilution adjustment.

The level of the applicable dilution adjustment depends on the holding period of the placement fee share(s) to be redeemed. Such holding period commences on the date of subscription or the immediately following valuation date. The dilution adjustment reflects the ongoing amortization of pre-paid expenses assigned to each issued placement fee share and therefore declines with the holding period approaching the end of the amortization period (see table below). The dilution adjustment charged is a measure to mitigate negative effects on the NAV caused by the redemption of shares by investors.

Redemption after up to 1 year:	up to 3%
Redemption after over 1 year up to 2 years:	up to 2%
Redemption after over 2 years up to 3 years:	up to 1%
Redemption after over 3 years:	0%

Thus, the applicable dilution adjustment for each share of a placement fee share class to be redeemed amounts to up to 3%. The applicable dilution adjustment is multiplied by the NAV per share of the placement fee share class to be redeemed on the date of redemption. The corresponding dilution adjustment amount per share is levied on the gross redemption amount per share for the benefit of the sub-fund's assets.

<sup>1</sup> Note: The sample calculations are intended for illustrative purposes only and do not permit any conclusions to be drawn concerning the performance of the net asset value per share of the respective sub-fund.

The dilution adjustment is charged to protect the sub-fund's assets attributable to the placement fee share class from dilution effects related to the payment and the amortization of placement fees.

An investor redeeming a placement fee share before the end of the applicable amortization period without paying the dilution adjustment would not compensate the sub-fund for the drop in pre-paid expenses corresponding to the part of the placement fee which has not yet been fully amortized. Non-payment would therefore negatively affect the NAV for those investors holding the relevant placement fee shares until the applicable amortization period has elapsed.

Taking into account the principle of equal treatment of the remaining shareholders of the placement fee share class and whilst ensuring an adequate compensation for the sub-fund (if applicable), the Management Company may, at its discretion, partially or completely dispense with the dilution adjustment.

For illustrative purposes the application of the dilution adjustment is shown by a sample calculation below:

number of shares to be redeemed holding period (= x)	100
50 shares: x = 1.5 years and	
50 shares: x = 2.5 years	
dilution adjustment 1.5%	
(= 50/100*2%+50/100*1%)	
NAV per share of placement fee share class	100.00
gross redemption amount	EUR 10,000.00
- dilution adjustment amount	EUR 150.00
= net redemption amount	<u>EUR 9,850.00</u>

(f) Redemption volume

Shareholders may submit for redemption all or part of their shares of all share classes.

The Board of Directors has the right to carry out substantial redemptions only once the corresponding assets of the sub-fund have been sold. In general, redemption requests above 10% of the net asset value of a sub-fund are considered as substantial redemptions and the Board of Directors is under no obligation to execute redemption requests if any such request pertains to shares valued in excess of 10% of the net asset value of a sub-fund.

The Board of Directors reserves the right, taking into account the principle of equal treatment of all shareholders, to dispense with minimum redemption amounts (if provided for).

The Board of Directors, having regard to the fair and equal treatment of shareholders and taking into account the interests of the remaining shareholders of a sub-fund, may decide to defer redemption requests as follows:

If redemption requests are received with respect to a valuation date (the "Original Valuation Date") whose value, individually or together with other requests received with respect to the Original Valuation Date, exceeds 10% of the net asset value of a sub-fund, the Board of Directors reserves the right to defer all redemption requests in full with respect to the Original Valuation Date to another valuation date (the "Deferred Valuation Date") but which shall be no later than 15 Business Days from the Original Valuation Date (a "Deferral").

The Deferred Valuation Date will be determined by the Board of Directors taking into account, amongst other things, the liquidity profile of the relevant sub-fund and the applicable market circumstances.

In case of a Deferral, redemption requests received with respect to the Original Valuation Date, will be processed based on the net asset value per share calculated as of the Deferred Valuation Date. All redemptions request received with respect to the Original Valuation Date will be processed in full with respect to the Deferred Valuation Date.

Redemption requests received with respect to the Original Valuation Date are processed on a priority basis over any redemption requests received with respect to subsequent valuation dates. Redemption requests received with respect to any subsequent valuation date will be deferred in accordance with the same Deferral process and the same Deferral period described above until a final valuation date is determined to end the process on deferred redemptions.

Based on these preconditions, exchange requests are treated like redemption requests.

The Management Company will publish an information on the decision to start a Deferral and the end of the Deferral for the investors who have applied for redemption on the website [www.dws.com](http://www.dws.com). The Deferral of the redemption and the exchange of shares shall have no effect on any other sub-fund.

(g) The Investment Company is obligated to transfer the redemption price to the country of the applicant only if this is not prohibited by law – for example by foreign exchange regulations – or by other circumstances beyond the control of the Investment Company.

(h) The Investment Company may enter into nominee agreements with credit institutions, Professionals of the Financial Sector in Luxembourg ("PSF") and/or comparable entities under the laws of other countries that are under obligation to identify shareholders. The nominee agreements give the respective institutes the right to sell shares and be entered as nominees in the Investment Company's Register of Shares. The names of the nominees can be requested from the Investment Company at any time. The

nominee shall accept buy, sell and exchange orders from the investors it works for and arrange for the required changes to be made in the register of shares. In this capacity, the nominee is particularly required to take into account the special prerequisites governing the purchase of LC, LD, LCH, LDH, NC, ND, NCH, NDH, FC, FD, FCH, FDH, IC, ID, TFC, TFD, SC, USD LCH, USD FCH, USD LC, USD FC, JPY FDQ and GBP FD DS shares. If there are no conflicting practical or legal considerations, an investor who acquired shares through a nominee can submit a written declaration to the Management Company or the Transfer Agent demanding that he himself be entered into the register as a shareholder once all necessary proofs of identity have been supplied.

## 7. Calculation of the net asset value per share

(a) The total net asset value of the Investment Company is expressed in euro.

When information about the condition of the total net asset value of the Investment Company must be given in the annual and semi-annual reports and other financial statistics due to legal regulations, or according to the rules specified in the Sales Prospectus, the asset values of the respective sub-fund are converted into euro. The value of a share of the respective sub-fund is denominated in the currency specified for the particular sub-fund (or in the currency specified for the particular share class, if there is more than one share class within a sub-fund). The net asset value of each sub-fund is calculated on each bank business day in Luxembourg, unless otherwise indicated for the respective sub-fund in the special section of the Sales Prospectus ("valuation date").

The Management Company has entrusted State Street Bank International GmbH, Luxembourg Branch with the calculation of the NAV per share. The net asset value is calculated for each sub-fund, and for each share class if more than one share class was issued for any sub-fund, in accordance with the following principles: If only one share class exists for a particular sub-fund, the sub-fund's net asset value is divided by the number of shares of the sub-fund in circulation on the valuation date. If more than one share class was issued for a particular sub-fund, the percentage of the sub-fund's net assets attributable to the individual share class is divided by the number of shares of that share class in circulation on the valuation date.

At this time, State Street Bank International GmbH, Luxembourg Branch, will refrain from calculating the NAV per share on public holidays in Luxembourg, even if they are bank business days or exchange trading days in one of the countries mentioned for each sub-fund separately in the Sales Prospectus – special section applicable to the valuation date, as well as on December 24 and December 31 of each year. Any calculation of the net asset value per share that deviates from this specification will be published

in appropriate newspapers, as well as on the internet at [www.dws.com](http://www.dws.com).

(b) The value of the net assets of the Investment Company held in each respective sub-fund is determined according to the following principles:

- (i) Securities listed on an exchange are valued at the most recent available price.
- (ii) Securities not listed on an exchange but traded on another regulated market are valued at a price no lower than the bid price and no higher than the ask price at the time of the valuation, and which the Management Company considers the best possible price at which the securities can be sold.
- (iii) In the event that such prices are not in line with market conditions, or for securities other than those covered in (a) and (b) above for which there are no fixed prices, these securities, as well as all other assets, will be valued at the current market value as determined in good faith by the Management Company, following generally accepted valuation principles verifiable by auditors.
- (iv) Liquid assets are valued at their nominal value plus interest.
- (v) Time deposits may be valued at their yield value if a contract exists between the Investment Company and the credit institution stipulating that these time deposits can be withdrawn at any time and that their yield value is equal to the realized value.
- (vi) All assets denominated in a foreign currency are converted into the currency of the sub-fund at the latest mean rate of exchange.

(c) An income equalization account is maintained.

(d) For large-scale redemption requests that cannot be met from the liquid assets and allowable credit facilities, the Management Company may determine the NAV per share of the respective sub-fund, or if more than one share class has been issued for a particular sub-fund, the NAV per share of each share class, based on the price on the valuation date on which it sells the necessary assets; this price then also applies to subscription applications submitted at the same time.

(e) Swing Pricing is a mechanism to protect shareholders from the impact of transaction costs resulting from subscription and redemption activity. Substantial subscriptions and redemptions within a sub-fund may lead to a reduction of the sub-fund's assets, due to the fact, that the net asset value potentially does not entirely reflect all trading and other costs that occur, if the portfolio manager has to buy or sell securities in order to manage large in- or outflows of the sub-fund. In addition to these costs, substantial order volumes could lead to market prices, which are considerably lower, respectively higher, than the market prices under normal circumstances. Partial Swing Pricing may be adopted to compensate for

trading and other costs in case that the aforementioned in- or outflows have a material impact to the sub-fund.

The Management Company will predefine thresholds for the application of the Swing Pricing Mechanism, based – amongst others – on the current market conditions, given market liquidity and estimated dilution costs. In accordance with these thresholds, the adjustment itself will be initiated automatically. If net inflows/net outflows exceed the Swing threshold, the net asset value will be adjusted upward when there are large net inflows into the sub-fund and downward when there are large net outflows; it will be applied to all subscriptions and redemptions on this trading day equally.

The Management Company established a Swing Pricing Committee which determines the Swing Factors individually for each of the respective sub-funds. Such Swing Factors measure the size of the net asset value adjustment.

The Swing Pricing Committee considers especially the following factors:

- a) The bid-ask spread (Fixed Cost Component);
- b) Market impact (Price Impact of transactions);
- c) Additional costs arising through trading activities for assets.

The Swing Factors, operational decisions about Swing Pricing, including the Swing Threshold, the extent of the adjustment and the scope of sub-funds affected are subject to a periodical review.

The Swing Pricing adjustment will not exceed 2% of the original net asset value. The adjustment to the net asset value is available on request from the Management Company.

In a market environment with extreme illiquidity, the Management Company can increase the Swing Pricing adjustment above 2% of the original net asset value. Notice on such increase will be published on the website of the Management Company [www.dws.com](http://www.dws.com).

Since the mechanism is only applied when significant in- and outflows occur and as it is not based on usual volumes, it is assumed that the net asset value adjustment will only be applied occasionally.

Where a performance fee applies to the respective sub-fund, the calculation will be based on the unswung net asset value.

The mechanism may be applied across all sub-funds. If Swing Pricing is considered for a certain sub-fund, this will be indicated in the special section of the Sales Prospectus. If implemented, it will be disclosed in the fund facts section on the website of the Management Company [www.dws.com](http://www.dws.com).

(f) The assets are allocated as follows:

- (i) the proceeds from the issue of shares of a share class within a sub-fund are assigned in the books of the Investment Company to the appropriate sub-fund, and the corresponding amount will increase the percentage of that share class in the net assets of the sub-fund accordingly. Assets and liabilities, as well as income and expenses, are allocated to the respective sub-fund in accordance with the provisions contained in the following paragraphs. If such assets, liabilities, income and expenses are identified in the provisions of the special section of the Sales Prospectus as being allocated exclusively to certain specified share classes, they will increase or reduce the percentage of those share classes in the net assets of the sub-fund;
- (ii) assets that are also derived from other assets are allocated in the books of the Investment Company to the same sub-fund or the same share class as the assets from which they are derived, and at each revaluation of an asset the increase or decrease in value is allocated to the corresponding sub-fund or share class;
- (iii) if the Investment Company enters into an obligation that is connected to a particular asset of a particular sub-fund or a particular share class, or to an action relating to an asset of a particular sub-fund or a particular share class, e.g. the obligation attached to the currency hedging of currency hedged share classes, this liability is allocated to the corresponding sub-fund or share class;
- (iv) if an asset or a liability of the Investment Company cannot be allocated to a particular sub-fund, that asset or liability will be allocated to all sub-funds in proportion to the net assets of the corresponding sub-funds or in such other manner as the Management Board determines in good faith; the Investment Company as a whole is not liable to third parties for liabilities of individual sub-funds;
- (v) in the event of a distribution of dividends, the net asset value per share of the distribution share class is decreased by the amount of the distribution. This decreases the percentage of the distribution share class in the sub-fund's net assets, while at the same time increasing the percentages in the sub-fund's net assets of the share classes that do not receive distributions. The net effect of the reduction of the sub-fund's net asset value, and the corresponding increase of the percentage of the sub-fund's net assets allocated to the share classes that do not receive distributions, is that the net asset values of the non-distributing share classes are not adversely affected by any dividend distribution.

(g) By way of derogation from the preceding paragraphs the following can be applied for sub-funds that use SDU: the valuation of the derivatives and its underlying instruments can be

processed at a deviant time at the corresponding valuation day of the respective sub-funds.

## 8. Suspension of the redemption of shares and of the calculation of the net asset value per share

(a) The Investment Company shall have the right to temporarily suspend the issue and redemption of shares of one or more sub-funds, or one or more classes of shares, as well as the calculation of the net asset value per share, if and while circumstances exist that make this suspension necessary and if the suspension is justified when taking account of the interests of the Shareholders, in particular:

- (i) while an exchange or other regulated market on which a substantial portion of the securities of the Investment Company are traded is closed (excluding normal weekends and holidays) or when trading on that exchange has been suspended or restricted;
- (ii) in an emergency, if the Investment Company is unable to access its investments or cannot freely transfer the transaction value of its purchases or sales or calculate the net asset value per share in an orderly manner;
- (iii) if the assets available for acquisition on the market or the possibilities of disposing of assets of the sub-fund are limited because of the limited investment horizon of the sub-fund.

(b) Investors who have applied for redemption of shares will be informed promptly of the suspension and will then be notified immediately once the calculation of the net asset value per share is resumed.

(c) The suspension of the redemption and the exchange of shares, and of the calculation of the net asset value per share, shall have no effect on any other sub-fund.

(d) The beginning and end of a period of suspension is communicated to the Luxembourg supervisory authority and to all foreign supervisory authorities at which the respective sub-fund(s) has been registered in accordance with their respective regulations. Notice of suspension of the calculation of the NAV per share will be published on the website of the Management Company [www.dws.com](http://www.dws.com) and, if required, in the official publication media of the respective jurisdictions in which the shares are offered for sale to the public.

## 9. Exchange of shares

The following sections apply to all sub-funds, if not stated differently in the special section of this Sales Prospectus.

(a) Within certain limitations shareholders may at any time exchange some or all of their shares for shares of a different sub-fund or shares of a

different share class upon payment of an exchange commission plus any applicable issue taxes and levies. The exchange commission is calculated on the amount to be invested in the new sub-fund, it is charged for the benefit of the main distributor, which in turn may pass it on at its discretion. The main distributor may waive the commission. If the investor has his shares in the custody of a financial institution, that institution may charge additional fees and costs in excess of the exchange commission.

(b) Shareholders of share classes with the "PF" designator ("placement fee share classes") cannot at any time exchange any or all of their shares for shares of a different sub-fund or shares of a different share class of the same sub-fund. After a pre-defined amortization period of 3 years commencing on the date of subscription or the immediately following valuation date, pre-paid expenses assigned to a subscribed share of a placement fee share class are fully amortized and the relevant number of placement fee shares will be exchanged for a corresponding number of shares of the corresponding share class of the same sub-fund to avoid prolonged amortization. In this case no dilution adjustment is charged.

(c) It is possible to make exchanges between share classes that are denominated in different currencies provided that the Depositary of the investor is able to process such an exchange request. The investors should note that not all service providers for custody are able to process the exchanges between share classes that are denominated in different currencies from an operational point of view.

(d) It is not possible to make exchanges between registered shares and bearer shares represented by a global certificate.

(e) The following applies for exchanges within the EUR/GBP/CHF (Clause 9(b) remains unaffected): The exchange commission equals to the front-end load less 0.5 percentage points, unless a share class or sub-fund without a front-end load is being exchanged for a share class or sub-fund with a front-end load. In that case, the exchange commission may correspond to the full front-end load.

(f) The following applies for exchanges within the USD share classes (Clause 9(b) remains unaffected):

The commission for an exchange may amount to as much as 1% of the value of the target share, unless a share class or sub-fund without a front-end load is being exchanged for a share class or sub-fund with a front-end load. In that case, the exchange commission may correspond to the full front-end load.

(g) In case of an exchange, the characteristics of the chosen sub-fund/share class (e.g. minimum investment balance, institutional character of the investor) must be fulfilled. (In terms of the initial

minimum investment balance the Management Company reserves the right to deviate from this rule at its own discretion.)

(h) The number of shares that are issued in an exchange is based on the respective net asset value of the shares of the two relevant sub-funds on the valuation date on which the exchange order was executed in consideration of any applicable exchange fees, and is calculated as follows:

$$A = \frac{B \times C \times (1-D)}{E}$$

where

- A = the number of shares of the new sub-fund to which the shareholder will be entitled;
- B = the number of shares of the original sub-fund whose exchange the shareholder has requested;
- C = the net asset value per share of the shares to be exchanged;
- D = applicable exchange commission in %;
- E = the net asset value per share of the shares to be issued as a result of the exchange.

## 10. Allocation of income

(a) For the reinvesting share classes, income is continuously reinvested in the assets of the sub-funds and allocated to the respective share classes. For the distributing share classes, the Management Company shall decide each year whether a distribution will be made and in what amount. The Management Company may elect to pay out special and interim dividends for each share class in accordance with the law. No distribution will reduce the Investment Company's capital to a level below its minimum capital.

## 11. Management Company, Investment Management, Administration, Transfer Agent and Distribution

(a) The Board of Directors of the Investment Company has appointed DWS Investment S.A. as Management Company.

(b) The Investment Company has entered into an investment management agreement with DWS Investment S.A. Performance of investment management service is subject to the Law of 2010. DWS Investment S.A. is a public limited company under Luxembourg law. It is established for an indeterminate time. The contract may be terminated by any of the parties on three months' notice. Administration covers all the tasks pertaining to joint investment management as specified in Annex II to the Law of 2010 (investment management, administration, distribution).

(c) The Board of Directors remains jointly responsible for investing the Investment Company's assets held in each sub-fund.

(d) The Management Company may, in compliance with the regulations of chapter 15 of the Law of 2010 delegate one or more tasks to third parties under its supervision and control.

(i) Investment management:

The Management Company can appoint, on its own responsibility and under its own control, one or more fund managers for the day-to-day implementation of the investment policy. In this respect, fund management shall encompass day-to-day implementation of the investment policy and direct investment decisions. The fund manager shall implement the investment policy, make investment decisions and continuously adapt them to market developments as appropriate, taking into account the interests of the sub-fund. The respective contract may be terminated by any of the parties on three months' notice.

The respective fund manager designated for each sub-fund is specified in the respective special section of this Sales Prospectus. The fund manager may delegate its fund management services in whole or in part, under its supervision, control and responsibility, and at its own expense.

(ii) Administration, registrar and transfer agent:

The Management Company has entered into a sub-administration agreement with State Street Bank International GmbH, acting through its Luxembourg Branch. Under this sub-administration agreement, State Street Bank International GmbH, Luxembourg Branch, assumes significant central administration functions, namely fund bookkeeping and net asset value calculation.

The sub-administration agreement has no fixed duration, and each party may, in principle, terminate the agreement on not less than ninety (90) calendar days' prior written notice. The sub-administration agreement may also be terminated on shorter notice in certain circumstances, for instance where one party commits a material breach of a material clause of the sub-administration agreement. The sub-administration agreement may be terminated by the Management Company with immediate effect if this is deemed by the Management Company to be in the interest of the investors.

The sub-administration agreement contains provisions exempting the sub-administrator from liability and indemnifying the sub-administrator in certain circumstances. However, the liability of the sub-administrator towards the Management Company and the Investment Company will not be affected by any delegation of functions by the sub-administrator.

DWS Investment S.A. assumes the remaining duties of central administration, including in particular the retrospective monitoring of investment limits and restrictions and the functions of domiciliary agent and registrar and transfer agent.

With regard to the function as registrar and transfer agent, DWS Investment S.A. has entered into three separate sub-transfer agent agreements: 1) with RBC Investor Services Bank S.A. in Luxembourg, 2) with State Street Bank International GmbH and 3) with MorgenFund GmbH, Luxembourg Branch.

Within the scope of this agreements, 1) RBC Investor Services Bank S.A. assumes the duties as registrar and transfer agent for orders from investors that can be carried out by means of NSCC systems, 2) State Street Bank International GmbH assumes the duties of managing the global certificate, which is deposited with Clearstream Banking AG in Frankfurt/Main, Germany and 3) MorgenFund GmbH, Luxembourg Branch assumes the duties of managing registered shares.

(iii) Distribution:

DWS Investment S.A. acts as the main distributor.

Special notice

The Investment Company draws the investors' attention to the fact that any investor will only be able to fully exercise his investor rights directly against the fund, notably the right to participate in general shareholders' meetings if the investor subscribed the fund shares himself and in his own name. In cases where an investor invests in the fund through an intermediary investing into the fund in his own name but on behalf of the investor, it may not always be possible for the investor to exercise certain shareholder rights directly against the fund. Investors are advised to take advice on their rights.

## 12. Depositary

The Investment Company has appointed State Street Bank International GmbH, acting through State Street Bank International GmbH, Luxembourg Branch, as its Depositary within the meaning of the Law of 2010 pursuant to the Depositary Agreement.

State Street Bank International GmbH is a limited liability company organized under the laws of Germany, having its registered office at Brienner Str. 59, 80333 Munich, Germany, and registered with the commercial register court, Munich, under number HRB 42872. It is a credit institution supervised by the European Central Bank (ECB), the German Federal Financial Services Supervisory Authority (BaFin) and the German Central Bank.

State Street Bank International GmbH, Luxembourg Branch, is authorized by the CSSF in Luxembourg to act as depositary and is specialized in depositary, fund administration, and related services. State Street Bank International GmbH, Luxembourg Branch, is registered in the Luxembourg Register of Commerce and Companies under number B 148 186. State Street Bank International GmbH is a member of the State

Street group of companies having as their ultimate parent State Street Corporation, a U.S. publicly listed company.

### Depositary's functions

The relationship between the Investment Company and the Depositary is subject to the terms of the Depositary Agreement. Under the terms of the Depositary Agreement, the Depositary is entrusted with following main functions:

- ensuring that the sale, issue, repurchase, redemption and cancellation of shares are carried out in accordance with applicable law and the articles of incorporation;
- ensuring that the value of the shares is calculated in accordance with applicable law and the articles of incorporation;
- carrying out the instructions of the Investment Company unless they conflict with applicable law and the articles of incorporation;
- ensuring that in transactions involving the assets of a sub-fund any consideration is remitted within the usual time limits;
- ensuring that the income of a sub-fund is applied in accordance with applicable law and the articles of incorporation;
- monitoring of a sub-fund's cash and cash flows;
- safe-keeping of a sub-fund's assets, including the safekeeping of financial instruments to be held in custody and ownership verification and record keeping in relation to other assets.

### Depositary's liability

In the event of a loss of a financial instrument held in custody, determined in accordance with the UCITS Directive, and in particular article 18 of the UCITS Regulation, the Depositary shall return financial instruments of identical type or the corresponding amount to the Investment Company without undue delay.

The Depositary shall not be liable if it can prove that the loss of a financial instrument held in custody has arisen as a result of an external event beyond its reasonable control, the consequences of which would have been unavoidable despite all reasonable efforts to the contrary pursuant to the UCITS Directive.

In case of a loss of financial instruments held in custody, the shareholders may invoke the liability of the Depositary directly or indirectly through the Investment Company provided that this does not lead to a duplication of redress or to unequal treatment of the shareholders.

The Depositary will be liable to the Investment Company for all other losses suffered by the Investment Company as a result of the Depositary's negligent or intentional failure to properly fulfil its obligations pursuant to the UCITS Directive.

The Depositary shall not be liable for consequential or indirect or special damages or losses, arising out of or in connection with the perfor-

mance or non-performance by the Depositary of its duties and obligations.

### Delegation

The Depositary has full power to delegate the whole or any part of its safe-keeping functions, but its liability will not be affected by the fact that it has entrusted to a third party some or all of the assets in its safekeeping. The Depositary's liability shall not be affected by any delegation of its safe-keeping functions under the Depositary Agreement.

The Depositary has delegated those safekeeping duties set out in article 22 (5) (a) of the UCITS Directive to State Street Bank and Trust Company with registered office at One Lincoln Street, Boston, Massachusetts 02111, USA, whom it has appointed as its global sub-custodian. State Street Bank and Trust Company as global sub-custodian have appointed local sub-custodians within the State Street Global Custody Network.

Information about the safe-keeping functions which have been delegated and the identification of the relevant delegates and sub-delegates are available at the registered office of the Investment Company or at the following internet site: <http://www.statestreet.com/about/office-locations/luxembourg/subcustodians.html>.

### 13. Costs and services received

(a) The Investment Company shall pay to the Management Company a fee from the assets of the sub-fund based on the respective sub-fund's net asset value calculated on the valuation date, in each case relative to the percentage of the sub-fund's assets attributable to the respective individual share class. For all share classes the fee of the Management Company does not exceed 3% p.a. The current Management Company fee rates are disclosed in the special section for the respective share classes. This fee shall in particular serve as compensation for the Management Company, the fund management and the distribution (if applicable) of the sub-fund.

The Management Company may pass on some of its management fee to intermediaries. This is paid as remuneration for sales services performed on an agency basis. This may constitute a substantial amount. The fee may differ for each share class. The annual report contains additional information on this. The Management Company does not receive any reimbursement of the fees and expense reimbursements payable out of a sub-fund to the Depositary and third parties.

The Management Company may additionally receive from the assets of the respective sub-fund a performance-related fee for individual or all share classes, the level of which is specified in the respective special section of this Sales Prospectus. If a performance-related fee is provided for, the calculation of the fee takes place at the level of the respective share classes.

The performance-related fee is generally based on a benchmark specified in the respective special section of this Sales Prospectus. A hurdle rate may also be used as a measure for the performance-related fee to be assessed for individual sub-funds. If the specified benchmark should cease to apply during the term of the sub-fund, the Management Company may, in the interest of shareholders, employ a comparable recognized benchmark as the basis for calculating the performance-related fee in the place of the obsolete index. If such a comparable benchmark does not exist, the Management Company may create a suitable benchmark for the sub-fund on a basis that is recognized. As this would be an internal benchmark created by the Management Company itself, conflicts of interest may occur. However, the Management Company will set the benchmark to the best of its knowledge and belief in an effort to avoid such conflicts of interest. If a shareholder wants information on the composition of the benchmark, he can request it at no cost from the Management Company.

(b) In addition to the aforementioned remuneration of the Management Company, the following fees and expenses may also be charged to the Investment Company:

- (i) The administration fee, the amount of which is generally dependent on the net assets of the respective sub-fund. The Management Company and the administrator shall set the specific amount of this fee in the administration agreement in accordance with customary market practice in Luxembourg. The fee may differ for each share class. The exact amount of the fee charged can be viewed in the Investment Company's annual report. In addition to the administration fee, the administrator shall receive compensation for costs and expenses incurred through activities in relation to the administration not already covered by the fee. Administration includes the performance of all bookkeeping and other administrative duties required for the central administration of a Luxembourg fund by law and supplementary regulations.
- (ii) The Registrar and Transfer Agent fee, and the remuneration of any sub-transfer agents, for the maintenance of the register of shares and the settlement of transactions to buy, sell and exchange shares. The amount of this fee is dependent on the number of share registers being maintained. The fee may differ for each share class. The exact amount of the fee charged can be viewed in the Investment Company's annual report. In addition to this fee, the Registrar and Transfer Agent shall also receive compensation for costs and expenses incurred through activities in relation to the Registrar and Transfer Agent services not already covered by the fee.
- (iii) The Depositary fee for the custody of the Investment Company's assets, the amount of which is generally dependent on the assets

held (excluding transaction costs incurred by the Depositary). The Investment Company and the Depositary shall set the specific amount of this fee in the Depositary agreement in accordance with customary market practice in Luxembourg. The exact amount of the fee charged may be viewed in the fund's annual report. In addition to this fee, the Depositary can/shall also receive compensation for costs and expenses incurred through activities not already covered by the fee.

- (iv) The remuneration of the Board of Directors.
- (v) The cost of the auditors, representative agents and tax representatives.
- (vi) Any costs incurred in relation to achievement of distributor status/reporting status in the UK, if applicable, will be borne by the relevant class of shares.
- (vii) Costs incurred for the printing, mailing and translation of all statutory sales documentation, as well as for the printing and distribution of all other reports and documents required according to applicable laws or regulations issued by the authorities.
- (viii) Costs arising from any potential domestic or foreign market listing or registration.
- (ix) Other costs of investing and managing the assets of the respective sub-fund.
- (x) Formation costs and other costs in connection thereto may be charged to the assets of the sub-fund to which they pertain. Any such charges are amortized during a period not exceeding five years. Formation costs are not expected to exceed EUR 50,000.
- (xi) Costs incurred for the preparation, filing and publication of the articles and other documents relating to the Investment Company, including registration applications, Sales Prospectuses or written explanations to all registration authorities and exchanges (including local securities traders' associations) that must be undertaken in connection with the sub-funds or the offering of the shares of the sub-funds.
- (xii) The cost of the publications intended for the shareholders.
- (xiii) Insurance premiums, postage, telephone and fax costs.
- (xiv) Costs incurred for the rating of a sub-fund by internationally recognized rating agencies.
- (xv) The cost of the dissolution of a share class or a sub-fund.
- (xvi) Association membership costs.
- (xvii) Costs connected to the attainment and maintenance of a status that authorizes direct investment in assets in a country or direct participation as a contracting party in markets in a country.
- (xviii) Costs incurred in connection with the use of index names, particularly license fees.
- (xix) Networking costs for the use of clearing systems. The costs incurred will be charged to the respective share class.

The accumulated costs specified under (b) might be limited to an expense cap. If applicable, the

accumulated costs will not exceed the expense cap of 30%, 15% or 7.5% of the Management Company fee. The expense cap applicable to a sub-fund can be found in the respective sub-fund overview.

(c) In addition to the aforementioned costs and remunerations, the following expenses may also be charged to the sub-funds:

- (i) A service fee of up to 0.3% p.a. charged to the respective sub-fund. The amount of the service fee may differ depending on the sub-fund and share class. The service fees currently granted by the Investment Company are disclosed in the special section for the respective share classes. The Service Fee could be completely or partly passed on to distributors.
- (ii) The service functions of the main distributor include, in addition to selling the shares, the performance of other administrative duties reserved for the main administration of a fund in Luxembourg by law and supplementary regulations.
- (iii) All of the taxes charged to the assets of a sub-fund and to a sub-fund itself (especially the *taxe d'abonnement*), as well as any taxes that may arise in connection with administrative and custodial costs.
- (iv) Legal fees incurred by the Management Company, the administrator, the fund manager, the Depositary or the Transfer Agent, or by a third party appointed by the Management Company, when acting in the interests of the shareholders.
- (v) Any costs that may arise in connection with the acquisition and disposal of assets (including transaction costs incurred by the Depositary that are not covered by the Depositary fee).
- (vi) Any costs that may arise in connection with currency hedging of currency hedged share classes are charged against the respective share class. The costs may differ depending on the sub-fund and share class.
- (vii) Extraordinary costs (e.g. court costs) that may be incurred in order to protect the interests of shareholders of a sub-fund; the Board of Directors shall decide in each individual case whether or not to assume such costs and will report these separately in the annual report.
- (viii) Costs for informing the Sub-fund investors by means of a durable medium, with the exception of costs for informing the investors in the case of a fund merger and in the case of measures related to accounting errors in determining the NAV or when contravening investment limits.

(d) The respective sub-fund pays 30% of the gross revenues generated from securities lending transactions as costs/fees to the Management Company and retains 70% of the gross revenues generated from such transactions. Out of the 30% the Management Company retains 5% for its own coordination and oversight tasks and pays

the direct costs (e.g. transaction and collateral management costs) to external service providers. The remaining amount (after deduction of the Management Company costs and the direct costs) is paid to DWS Investment GmbH for supporting the Management Company in initiating, preparing and implementing securities lending transactions.

For simple reverse repurchase agreement transactions, i.e. those which are not used to reinvest cash collateral received under a securities lending transaction or repurchase agreement, the respective sub-fund retains 100% of the gross revenues, less the transaction costs that the respective sub-fund pays as direct costs to an external service provider.

The Management Company is a related party to DWS Investment GmbH.

Currently, the respective sub-fund only uses simple reverse repurchase agreements, no other (reverse) repurchase agreements. In case other (reverse) repurchase agreements will be used, the Sales Prospectus will be updated accordingly. The respective sub-fund will then pay up to 30% of the gross revenues generated from (reverse) repurchase agreements as costs/fees to the Management Company and retains at least 70% of the gross revenues generated from such transactions. Out of the maximum of 30% the Management Company will retain 5% for its own coordination and oversight tasks and will pay the direct costs (e.g. transaction and collateral management costs) to external service providers. The remaining amount (after deduction of the Management Company costs and the direct costs) will be paid to DWS Investment GmbH for supporting the Management Company in initiating, preparing and implementing (reverse) repurchase agreements.

(e) Where Total Return Swaps are used, certain costs and fees may be incurred in connection therewith, in particular upon entering into these transactions and/or any increase or decrease of their notional amount. The amount of such fees may be fixed or variable. Further information on costs and fees incurred by each sub-fund, as well as the identity of the recipients and any affiliation they may have with the Management Company, the fund manager, or the Depositary, if applicable, will be disclosed in the annual report. Revenues arising from the use of Total Return Swaps shall in general – net of direct or indirect operational costs – accrue to the respective sub-fund's assets.

(f) Costs incurred for marketing activities are not charged to the Investment Company.

(g) Fees are paid out at the end of the month. All costs shall first be deducted from current income, then from capital gains and lastly from the assets of the sub-fund. The specified costs are listed in the annual reports.

(h) Investment in shares of target funds

Investments in target funds may lead to duplicate costs, since fees are incurred at the level of the sub-fund as well as at the level of a target fund. Regarding investments in shares of target funds the following costs are directly or indirectly borne by the investors of the sub-fund:

- the management fee/all-in fee of the target fund;
- the performance fees of the target fund;
- the front-end load and back-end load of the target fund;
- reimbursements of expenses of the target fund;
- other costs.

The annual and semi-annual reports include disclosures of the amounts of the front-end load and back-end load that have been charged to the sub-fund, over the period covered by the reports, for the acquisition and redemption of shares of target funds. Furthermore, the annual and semi-annual reports include a disclosure of the total amount of management fees/all-in fees charged to the sub-fund by target funds.

If the sub-fund's assets are invested in shares of a target fund that is managed directly or indirectly by the Investment Company itself, the same Management Company or by another company that is affiliated with it by virtue of joint management or control, or by material direct or indirect shareholding, the Investment Company, the Management Company or the other company will not charge to the fund's assets any fees for the acquisition or redemption of shares of such other fund.

The amount of the management fee/all-in fee attributable to shares of a target fund associated to the sub-fund (double charging of costs or difference method) can be found in the special section of the Sales Prospectus.

## 14. Taxes

(a) Pursuant to articles 174-176 of the Law of 2010, the assets of each respective sub-fund or the respective share class are generally subject to a tax in the Grand Duchy of Luxembourg (the *taxe d'abonnement*) of 0.05% or 0.01% p.a. at present, payable quarterly on the net assets of each sub-fund reported at the end of each quarter.

This rate is 0.01% for:

- a) sub-funds whose sole object is the collective investment in money market instruments and the placing of deposits with credit institutions;
- b) sub-funds whose sole object is the collective investment in deposits with credit institutions;
- c) individual sub-funds as well as for individual classes of shares, provided that the shares of such compartments or classes are reserved to one or more institutional investors.



According to article 175 of the Law of 2010, under certain circumstances, the assets of a sub-fund or a respective share class may also be completely exempt.

(b) The tax rate applicable to a sub-fund or share class can be found in the respective special section of the Sales Prospectus. The sub-fund's income may be subject to withholding tax in the countries where the sub-fund's assets are invested. In such cases, neither the Depositary nor the Management Company is required to obtain tax certificates.

(c) The tax treatment of fund income at investor level is dependent on the individual tax regulations applicable to the investor. For information about individual taxation at investor level (especially non-resident investors), a tax adviser should be consulted.

#### (d) UK Taxation

Where applicable, the Directors intend to apply for distributor status/reporting status in respect of share classes made available to UK investors. Please see the respective special section for each sub-fund for more detail.

## 15. Shareholders' meetings

(a) The shareholders' meeting represents the entire body of shareholders, regardless of which particular sub-fund a shareholder has invested in. It shall have the power to take decisions on all matters pertaining to the Investment Company. Resolutions passed at a shareholders' meeting on matters pertaining to the Investment Company as a whole shall be binding upon all shareholders.

(b) The general shareholders' meeting is held at the Investment Company's registered office, or at any other place determined in advance, on every fourth Wednesday in April of each year at 11:00 a.m. In years when such fourth Wednesday in April falls on a bank holiday, the General shareholders' meeting will be held on the next bank business day. Shareholders may appoint proxies to represent them at a shareholders' meeting.

(c) Resolutions are passed by simple majority of the shares represented in person or by proxy and actually voted at the meeting. In all other aspects, the Law on Trading Companies of August 10, 1915 shall apply. Subject to Clause 3.4(iii), each share of any share class is entitled to one vote, in accordance with Luxembourg law and the articles of incorporation.

(d) Other shareholders' meetings are held at such place and time as may be specified in the respective notices of meeting.

(e) The Board of Directors may convene a shareholders' meeting. Invitations to shareholders' meetings are published at least fifteen days before the meeting in the Recueil Electronique des Sociétés et Associations (RESA) of the Trade and Companies Register, in a Luxembourg news-

paper and in other newspapers, if that is considered appropriate by the Board of Directors. Invitations may also be sent by mail to shareholders holding registered shares at least eight days before the meeting.

If all shares are issued in registered form, the Investment Company may for any general meeting communicate the invitation at least eight days before the meeting by registered letters only.

If all shareholders are represented in person or by proxy and have confirmed that they are aware of the agenda, the requirement for a formal invitation may be waived.

(f) The Board of Directors may determine all other conditions that must be fulfilled by Shareholders in order to attend any meeting of Shareholders. To the extent permitted by law, the convening notice to a shareholders' meeting may provide that the quorum and majority requirements will be assessed against the number of shares issued and outstanding at midnight (Luxembourg time) on the fifth day prior to the relevant meeting (the Record Date) in which case, the right of any shareholder to participate in the meeting will be determined by reference to his/her/its holding as at the Record Date.

## 16. Establishment, closing and merger of sub-funds or share classes

### 16.1 Establishment

Resolutions to establish sub-funds or share classes are adopted by the Board of Directors or, as the case may be, the Management Board.

### 16.2 Closing

(a) In the event that the net asset value of a sub-fund has decreased to an amount determined by the Board of Directors to be the minimum level for such sub-fund to be operated in an economically efficient manner, or if a change in the economic or political situation relating to a sub-fund have occurred, or if necessary in the interest of the shareholders or the Investment Company, the Board of Directors may resolve to dissolve the Investment Company's assets held in a sub-fund and to pay out to shareholders the net asset value of their shares on the valuation date on which the decision takes effect. If a situation arises resulting in the dissolution of the sub-fund, the issue of shares of the respective sub-fund will be halted. If not otherwise decided by the Board of Directors, the redemption of shares remains possible provided the equal treatment of shareholders can be ensured. On order of the Investment Company or the liquidators appointed by the shareholders' meetings, if applicable, the Depositary will divide the proceeds of the liquidation less the costs of liquidation and fees among the shareholders of the respective sub-fund according to their entitlement. The net proceeds of liquidation not collected by shareholders upon completion of the liquidation proceedings will at that time be deposited by the Depositary with the Caisse de

Consignation in Luxembourg for the account of shareholders entitled to them, where such amounts will be forfeited if not claimed by the statutory deadline.

(b) Furthermore, the Board of Directors may declare the cancellation of the issued shares in such a sub-fund and the allocation of shares in another sub-fund, subject to approval by the shareholders' meeting of the shareholders of that other sub-fund, provided that for the period of one month after publication according to the provision below the shareholders of the corresponding sub-fund shall have the right to demand the redemption or exchange of all or part of their shares at the applicable net asset value without additional cost.

(c) The Board of Directors may resolve to dissolve a share class within a sub-fund and to pay out to the shareholders of this share class the net asset value of their shares (taking into consideration the actual realization values and realization costs with respect to investments in connection with this cancellation) on the valuation date on which the decision takes effect. Furthermore, the Board of Directors may declare the cancellation of the issued shares of a share class of such a sub-fund and the allocation of shares of another share class of the same sub-fund, provided that for the period of one month after publication according to the provision below, the shareholders of the share class of the sub-fund to be cancelled shall have the right to demand the redemption or exchange of all or part of their shares at the applicable net asset value and in accordance with the procedure described in articles 14 and 15 of the articles of incorporation at no additional cost.

(d) The closure of the liquidation of a sub-fund shall in principle take place within a period of nine (9) months starting from the decision relating to the liquidation. At the closure of the liquidation of a sub-fund any residue shall be deposited as soon as possible at the Caisse de Consignation.

### 16.3 Merger

(a) In accordance with the definitions and conditions set out in the Law of 2010, any sub-fund may be merged, either as a merging sub-fund or as a receiving sub-fund, with another sub-fund of the Investment Company, with a foreign or a Luxembourg UCITS or sub-fund of a foreign UCITS or Luxembourg UCITS. The Board of Directors is competent to decide on such mergers.

Unless otherwise provided for in individual cases, the execution of the merger shall be carried out as if the merging sub-fund were dissolved without going into liquidation and all assets were simultaneously taken over by the receiving (sub-)fund or UCITS as the case may be, in accordance with statutory provisions. The investors in the merging sub-fund receive units of the receiving (sub-)fund or UCITS as the case may be, the number of which is based on the ratio of the net asset values per unit of the (sub-)funds or UCITS

as the case may be, involved at the time of the merger, with a provision for settlement of fractions if necessary.

Notice of the merger will be given to the shareholders on the website of the Management Company and, if required, in the official publication media of the respective jurisdictions in which the units are offered for sale to the public. Shareholders will be given the possibility, during a period of at least thirty days to request either the repurchase or the conversion of shares free of any charges, as further disclosed in the relevant publication.

(b) The Board of Directors can decide to merge share classes within a sub-fund. Such a merger means that the investors in the share class to be cancelled receive shares of the receiving share class, the number of which is based on the ratio of the net asset values per share of the share classes involved at the time of the merger, with a provision for settlement of fractions if necessary.

## 17. Dissolution or merger of the Investment Company

(a) The Investment Company may be dissolved at any time by the shareholders' meeting. The quorum required by law is necessary for such resolutions to be valid.

(b) The dissolution of the Investment Company shall be announced by the Investment Company in the Trade and Companies Register (RESA) and in at least two national daily newspapers, one of which must be a Luxembourg newspaper.

(c) If a situation arises resulting in the dissolution of the Investment Company, the issue of shares will be halted. If not otherwise decided by the Board of Directors, the redemption of shares remains possible provided the equal treatment of shareholders can be ensured. On order of the Investment Company or the liquidators appointed by the shareholders' meeting, the Depositary will divide the proceeds of the liquidation less the costs of liquidation and fees among the shareholders of the respective sub-funds according to their entitlement.

(d) The closure of the dissolution of the Investment Company shall in principle take place within a period of nine (9) months starting from the decision relating to the liquidation. At the closure of the dissolution any residue shall be deposited as soon as possible at the Caisse de Consignation.

(e) The Investment Company may, either as a merging UCITS or as a receiving UCITS, be subject to cross-border and domestic mergers in accordance with the definitions and conditions set out in the Law of 2010. The Board of Directors is competent to decide on such a merger and on the effective date of such a merger in case the Investment Company is the receiving UCITS.

The general meeting of shareholders, deciding by simple majority of the votes cast by shareholders present or represented at the meeting, shall be competent to decide on the merger and on the effective date of merger, in case the Investment Company is the merging UCITS and thereby ceases to exist. The effective date of merger shall be recorded by notarial deed.

Notice of the merger will be given to the shareholders on the website of the Management Company and, if required, in the official publication media of the respective jurisdictions in which the units are offered for sale to the public. Shareholders will be given the possibility, during a period of at least thirty days to request either the repurchase or the conversion of shares free of any charges, as further disclosed in the relevant publication.

## 18. Publications

(a) The net asset value per share may be obtained from the Management Company and all paying agents and it may be published in each distribution country through appropriate media (such as the internet, electronic information systems, newspapers, etc). In order to provide better information for the investors and to satisfy different customary market practices, the Management Company may also publish an issue/redemption price in consideration of a front-end load and redemption fee. Such information may be obtained from the Investment Company, the Management Company, the Transfer Agent or the sales agent on every day such information is published.

(b) The Investment Company produces an audited annual report and a semi-annual report according to the laws of the Grand Duchy of Luxembourg which are available for inspection at the registered office of the Investment Company.

(c) This Sales Prospectus, the Key Information Document, the articles of incorporation as well as its annual and semi-annual reports are available free of charge to shareholders at the registered office of the Investment Company and at all sales and paying agents. Copies of the following documents may also be inspected free of charge on any bank business day in Luxembourg during customary business hours at the registered office of the Investment Company at 2, Boulevard Konrad Adenauer, 1115 Luxembourg, Grand Duchy of Luxembourg:

- (i) the management company agreement,
- (ii) the Depositary agreement,
- (iii) the administration agreement, and
- (iv) the fund management agreement.

(d) Important information will be disclosed to the investors on the website of the Management Company [www.dws.com](http://www.dws.com). If required in certain distribution countries, publications will also be made in a newspaper or in other means of publication required by law. In cases where it is

required by law, publications will additionally be made in at least one Luxembourg newspaper and, if applicable, in the Trade and Companies Register (RESA).

## 19. Incorporation, fiscal year, term

The Investment Company was established on March 28, 2011 for an indeterminate period. Its fiscal year ends on December 31 of each year.

## 20. Exchanges and markets

The Management Company may have the sub-funds' shares admitted for listing on an exchange or traded on regulated markets; currently the Management Company is not availing itself of this option. The Management Company is aware that – without its consent – as of the date of creation of this Sales Prospectus, the shares of the following sub-funds are being traded or are listed on the following exchanges and markets:

- DWS Concept Kaldemorgen
- Hamburg Stock Exchange
  - Munich Stock Exchange
  - Dusseldorf Stock Exchange
  - Stuttgart Stock Exchange

The possibility that such trading might be discontinued at short notice, or that the shares of the sub-funds may be trading or introduced for trading on other markets – including at short notice, where applicable – cannot be excluded.

The Management Company has no knowledge of this.

The market price underlying exchange trading or trading on other markets is not determined exclusively by the value of the assets held in the sub-funds. Supply and demand are also contributing factors. The market price may therefore deviate from the calculated net asset value per share.

## B. Sales Prospectus – Special Section

### DWS Concept ESG Arabesque AI Chinese Equities

<b>Investor profile</b>	Growth-oriented
<b>Currency of sub-fund</b>	EUR
<b>Sub-fund manager</b>	DWS Investment GmbH
<b>Performance benchmark</b>	–
<b>Reference portfolio (risk benchmark)</b>	MSCI China 10/40 Index in EUR
<b>Leverage effect</b>	2 times the value of the investment sub-fund's assets
<b>Calculation of the NAV per share</b>	Each bank business day in Luxembourg and Frankfurt/Main
<b>Order acceptance</b>	All subscription, redemption and exchange orders are placed on the basis of an unknown net asset value per share. Orders received by the Transfer Agent at or before 4:00 PM Luxembourg time on a valuation date are processed on the basis of the net asset value per share on the subsequent valuation date. Orders received after 4:00 PM Luxembourg time are processed on the basis of the net asset value per share on the valuation date immediately following that next valuation date.
<b>Value date</b>	In a purchase, the equivalent value is debited three bank business days after issue of the shares. The equivalent value is credited three bank business days after redemption of the shares. The value date for purchase and redemption orders of certain currencies may deviate by one day from the value date as specified in the description of share classes in the general section of the Sales Prospectus.
<b>Fractional shares</b>	Up to three places after the decimal point
<b>Expense cap</b>	Not to exceed 15% of the Management Company fee

The Board of Directors of the Investment Company may at any time elect to launch new share classes in accordance with the share class features as specified in the general section of the Sales Prospectus. The Sales Prospectus will be updated accordingly.

Due to its composition and the techniques applied by its fund management, the sub-fund is subject to markedly increased volatility, which means that the price per share may be subject to **substantial** downward or upward **fluctuation**, even within short periods of time.

For the sub-fund with the name DWS Concept ESG Arabesque AI Chinese Equities, the following provisions shall apply in addition to the terms contained in the general section of the Sales Prospectus.

#### Investment policy

This sub-fund promotes environmental and social characteristics and reports as product in accordance with article 8(1) of Regulation (EU) 2019/2088 on sustainability related disclosures in the financial services sector ("SFDR"). While the sub-fund does not have as its objective a sustainable investment, it will invest a minimum proportion of its assets in sustainable investments as defined by article 2 (17) SFDR.

The objective of the investment policy of DWS Concept ESG Arabesque AI Chinese Equities is to achieve long-term capital appreciation.

"AI" relates to "Artificial Intelligence". "Arabesque AI" is a UK-based company focusing on applying Artificial Intelligence (AI) to predict stock price developments. Specifically, it applies high-performance computing to a massive combination of machine learning algorithms, such as neural networks, support vector machines, etc., applied

to fundamental, alternative and technical data to generate signals which help identifying securities with attractive relative return potential over a given time horizon. These signals are provided by Arabesque AI Ltd, and are an essential input to DWS' proprietary quantitative portfolio construction, which also takes risks and costs into consideration. These signals are designed to identify attractive investment opportunities and are not meant to constitute investment advice as such.

The sub-fund is actively managed and is not managed in reference to a benchmark.

At least 70% of the sub-fund's assets are invested in shares, stock certificates, participation and dividend-right certificates, and equity warrants of issuers registered in China, or of issuers registered outside China that conduct their principal business activity in China. The securities issued by these companies may be listed on Chinese (including the Shenzhen-Hong Kong and Shanghai-Hong Kong Stock Connect) or other foreign securities exchanges or traded on other regulated markets in a member country of the Organisation for Economic Co-operation and Development (OECD) that operate regularly and are recognized and open to the public.

A maximum of 30% of the sub-fund's assets may be invested in shares, stock certificates, convertible bonds and warrant-linked bonds whose underlying warrants are for securities, participation and dividend-right certificates, and equity warrants of foreign and domestic issuers that do not satisfy the requirements of the preceding paragraph, as well as in all other permissible assets specified in article 3.1 of the general section of the Sales Prospectus.

Notwithstanding the investment limit of 10% specified in article 3.2 (i) concerning investments in shares of other UCITS and/or other UCIs (including money market funds) as defined in article 3.1 (e), an investment limit of 5% shall apply to this sub-fund.

The sub-fund will not invest in contingent convertibles.

The sub-fund intends to use securities financing transactions under the conditions and to the extent further described in the general part of the Sales Prospectus.

The sub-fund may invest in money market instruments, deposits with credit institutions and up to

5% in money market funds. The investment in money market instruments, money market funds, deposits with credit institutions and the holding of ancillary liquid assets, as referred to below, will not in aggregate exceed 30% of the sub-funds' assets. In exceptionally unfavourable market conditions, it is permitted to temporarily exceed this 30% limit if circumstances so require and to the extent that this appears to be justified with regard to the interests of shareholders.

The sub-fund may hold ancillary liquid assets as specified in article 3.2 (o) of the general section of the Sales Prospectus.

In addition, the sub-fund's assets may be invested in all other permissible assets specified in article 3.1, including the assets mentioned in article 3.1 (j) of the general part of the Sales Prospectus.

At least 51% of the sub-fund's net assets are invested in assets that comply with DWS standards in respect to environmental and social characteristics as well as good governance practices as detailed below.

The portfolio management of this sub-fund seeks to attain the promoted environmental and social characteristics by assessing potential investments via a proprietary ESG assessment methodology irrespective of economic prospects of success. This methodology is based on the ESG database, which uses data from multiple ESG data providers, public sources and internal assessments (based on a defined assessment and classification methodology) to derive combined scores. The ESG database is therefore constituted by data and figures as well as on internal assessments that take into account factors beyond the processed data and figures, such as an issuer's future expected ESG development, plausibility of the data with regard to past or future events, an issuer's willingness to engage in dialogues on ESG matters or corporate decisions.

The ESG database derives A to F letter coded assessments within different categories as further detailed below. Within each category, issuers receive one of six possible scores, with "A" being the highest score and "F" being the lowest score. If an issuer's score in one category is deemed insufficient, the portfolio management is prohibited from investing in that issuer, even if it is eligible according to other categories. For exclusion purposes, each letter score in a category is considered individually and may result in exclusion of an issuer.

The ESG database uses a variety of assessment categories to assess the attainment of the promoted environmental and social characteristics, including amongst others:

#### **DWS Climate and Transition Risk Assessment**

The DWS Climate and Transition Risk Assessment evaluates issuers in relation to climate change and environmental changes, e.g. in respect to greenhouse gas reduction and water conserva-

tion. Issuers that contribute less to climate change and other negative environmental changes or are less exposed to such risks receive better evaluations. Issuers with excessive climate risk profile (i.e. a letter score of "F") are excluded as an investment. Issuers with high climate risk profile (i.e. a letter score of "E") are limited to 5% of the sub-fund's net assets.

#### **DWS Norm Assessment**

The DWS Norm Assessment evaluates the behaviour of issuers, for example, within the framework of the principles of the United Nations Global Compact, the standards of the International Labour Organization and behaviour within generally accepted international standards and principles. The Norm Assessment examines, for example, human rights violations, violations of workers' rights, child or forced labour, adverse environmental impacts, and business ethics. Issuers with highest severity of norm issues (i.e. a letter score of "F") are excluded as an investment. Issuers with high severity of norm issues (i.e. a letter score of "E") are limited to 5% of the sub-fund's net assets.

#### **DWS ESG Quality Assessment**

The DWS ESG Quality Assessment distinguishes between corporate and sovereign issuers.

For corporate issuers, the DWS ESG Quality Assessment allows for a peer group comparison based on cross vendor consensus on overall ESG assessment (best-in-class approach), for example concerning the handling of environmental changes, product safety, employee management or corporate ethics. The peer group is composed of issuers from the same sector in the same region. Issuers rated better in this peer group comparison receive a better score, while issuers rated worse in the comparison receive a worse score. Corporate issuers rated poorly compared to their peer group (i.e. a letter score of "E" or "F") are excluded as an investment.

For sovereign issuers, the DWS ESG Quality Assessment evaluates a countries' governance from a holistic perspective taking into account, among other things, the assessment of political and civil liberties. Sovereign issuers with high or excessive controversies regarding governance (i.e. a letter score of "E" or "F") are excluded as an investment.

Further, issuers with a letter score of "D" in the DWS ESG Quality Assessment are limited to 15% of the sub-fund's net assets.

#### **Exposure to controversial sectors**

The ESG database defines certain business areas and business activities as relevant. Business areas and business activities are defined as relevant if they involve the production or distribution of products in a controversial area ("controversial sectors"). Controversial sectors are defined, for example, as the civil firearms industry, military defence, tobacco and adult entertainment. Other business sectors and business

activities that affect the production or distribution of products in other sectors are defined as relevant. Other relevant sectors are, for example, nuclear energy or coal mining and coal-based power generation.

Issuers are evaluated according to the share of total revenues they generate in controversial business areas and controversial business activities. The lower the percentage of revenues from the controversial business areas and controversial business activities, the better the score.

Issuers (excluding target funds) with a moderate, high or excessive exposure (i.e. a letter score of "D", "E" or "F") are excluded as an investment.

As regards the involvement in coal mining and coal-based power generation, issuers (excluding target funds) with high or excessive exposure (i.e. a letter score of "E" or "F") are excluded as an investment.

#### **Involvement in controversial weapons**

The ESG database assesses a company's involvement in the business of controversial weapons. Controversial weapons include for example anti-personnel mines, cluster munitions, depleted uranium weapons, nuclear weapons, chemical and biological weapons.

Issuers are assessed based on their degree of involvement (production of controversial weapons, component production, etc) in the manufacturing of controversial weapons, regardless of total revenues they generate from controversial weapons. Issuers (with the exception of target funds) with medium, high or excessive involvement (i.e., a letter score of "D", "E" or "F") are excluded as an investment.

#### **DWS Use of Proceed Bond Assessment**

By way of derogation from the above, bonds that comply with DWS' Use-of-proceeds bond assessment are investable also in cases where the bond issuer does not fully comply with the ESG assessment methodology.

The financing of use of proceed bonds will be assessed via a two-stage process.

In the first stage DWS assesses whether a bond qualifies as a Use of Proceeds Bond. A key element is checking for compliance with the ICMA Green Bond Principles, the ICMA Social Bond Principles or the ICMA Sustainability Bond Principles. The assessment focuses on the use of proceeds, the selection of the projects financed by these proceeds, the management of the proceeds spending as well as the annual reporting on the use of proceeds to investors.

If a bond complies with these principles, the second stage assesses the ESG quality of the issuer of that bond in relation to defined minimum standards in respect to environmental, social, and corporate governance factors. This

assessment is based on the ESG assessment methodology as described above and excludes

- corporate issuers with poor ESG quality compared to their peer group (i.e. a letter score of “E” or “F”),
- sovereign issuers with high or excessive controversies regarding governance (i.e. a letter score of “E” or “F”),
- issuers with highest severity of norm issues (i.e. a letter score “F”), or
- issuers with excessive exposure to controversial weapons (i.e. a letter score of “D”, “E” or “F”).

To the extent that the sub-fund seeks to attain the promoted environmental and social characteristics as well as corporate governance practices by means of an investment in target funds, the latter must meet the DWS standards on Climate and Transition Risk-, Norm- and DWS ESG Quality Assessment (excluding the assessment of sovereigns) outlined above.

Derivatives are currently not used to attain the environmental or social characteristics promoted by the sub-fund and are therefore not taken into account for the calculation of the minimum share of assets complying with these characteristics. However, derivatives on individual issuers may only be acquired for the sub-fund if the issuers of the underlying comply with the ESG assessment methodology.

Ancillary liquid assets will not be evaluated via the ESG assessment methodology.

As part of the sub-fund’s investment in assets that meet the DWS standards in respect to environmental and social characteristics as well as good governance practices as further described above, the sub-fund management will invest at least 10% of the sub-fund’s net assets in sustainable investments in accordance with article 2 (17) SFDR. Such sustainable investments will contribute to at least one of the UN SDGs that relate to environmental and/or social objectives, such as the following (non-exhaustive list):

- Goal 1: No poverty
- Goal 2: Zero hunger
- Goal 3: Good health and well-being
- Goal 4: Quality education
- Goal 5: Gender equality
- Goal 6: Clean water and Sanitation
- Goal 7: Affordable and clean energy
- Goal 10: Reduced inequality
- Goal 11: Sustainable cities and communities
- Goal 12: Responsible consumption & production
- Goal 13: Climate action
- Goal 14: Life below water
- Goal 15: Life on land

The extent of contribution to individual UN SDGs will vary based on the actual investments in the portfolio.

DWS will measure the contribution to the UN SDGs via its sustainability investment assessment which evaluates potential investments in relation to different criteria to conclude that an economic activity can be considered as sustainable. Via this assessment, the sub-fund management evaluates (1) whether an economic activity contributes to one or several of the UN SDGs, (2) whether the economic activity or other economic activities of that company significantly harm any of these objectives (Do Not Significantly Harm (DNSH) assessment) and (3) whether the company as such is in line with the DWS safeguard assessment.

The sustainability investment assessment uses data from multiple data providers, public sources and internal assessments (based on a defined assessment and classification methodology) to determine if an activity is sustainable. Activities that contribute positively to the UN SDGs are measured in terms of revenues, capital expenditure (CapEx) and/or operational expenditure (OpEx). If a positive contribution is determined, the activity will be considered sustainable if the company passes the DNSH assessment and complies with the DWS safeguard assessment.

Due to a lack of reliable data the sub-fund does not commit to invest a minimum proportion of sustainable investments with an environmental objective aligned with the EU Taxonomy. Therefore, the minimum percentage of environmentally sustainable investments aligned with the EU Taxonomy is 0% of the sub-fund’s net assets. However, it may occur that part of the investments’ underlying economic activities are aligned with the EU Taxonomy

The sub-fund management considers the following principle adverse impacts on sustainability factors from Annex I of the Commission Delegated Regulation (EU) 2022/1288 supplementing the SFDR:

- Carbon footprint (no. 2);
- GHG intensity of investee companies (no. 3);
- Exposure to companies active in the fossil fuel sector (no. 4);
- Emissions to water (no. 8);
- Violation of UN Global Compact principles and OECD Guidelines for multinational enterprises (no. 10); and
- Exposure to controversial weapons (no. 14).

The above principal adverse impacts are considered at product level through the exclusion strategy for the sub-funds’ assets that are aligned with environmental and social characteristics via the proprietary ESG assessment methodology. For sustainable investments, the principal adverse impacts are further considered in the DNSH assessment.

This sub-fund has not designated a reference benchmark for the purpose of attaining the environmental and/or social characteristics promoted.

Further, the management company considers active ownership as a strong driver to improve governance, policies, and practices, and thus for a better long-term performance of investee companies. Active ownership means using the position as shareholders to influence the activities or behaviour of the investee companies. An engagement activity can be initiated with the investee companies regarding matters such as strategy, financial and non-financial performance, risk, capital structure, social and environmental impact as well as corporate governance including topics like disclosure, culture, and remuneration. The engagement activity can be undertaken via, e.g., issuer meetings or engagement letters. Furthermore, for equity investments it could also be an interaction with the company resulting from proxy voting activities or participation at general meetings.

Further information about the environmental and social characteristics promoted by this sub-fund is available in the annex to this Sales Prospectus.

Taking into account the investment limits set out in article 3.2 (n), the investment policy can also be implemented through the use of derivatives, including, but not limited to, forwards, futures, single-stock futures, options or equity swaps.

For the purpose of inducing a partial tax exemption within the meaning of the German Investment Tax Act and in addition to the investment limits described in the Articles of Incorporation and this Sales Prospectus (equity fund) at least 51% of the sub-fund’s gross assets (determined as being the value of the sub-fund’s assets without taking into account liabilities) are invested in equities admitted to official trading on a stock exchange or admitted to, or included in, another organized market and which are not:

- units of investment funds;
- equities indirectly held via partnerships;
- units of corporations, associations of persons or estates at least 75% of the gross assets of which consist of immovable property in accordance with statutory provisions or their investment conditions, if such corporations, associations of persons or estates are subject to corporate income tax of at least 15% and are not exempt from it or if their distributions are subject to tax of at least 15% and the sub-fund is not exempt from said taxation;
- units of corporations which are exempt from corporate income taxation to the extent they conduct distributions unless such distributions are subject to taxation at a minimum rate of 15% and the sub-fund is not exempt from said taxation;
- units of corporations the income of which originates, directly or indirectly, to an extent of more than 10%, from units of corporations, that are (i) real estate companies or (ii) are not real estate companies, but (a) are domiciled in member state of the European Union or a member state of the European Economic Area and are not subject in said domicile to

corporate income tax or are exempt from it or (b) are domiciled in a third country and are not subject in said domicile to corporate income tax of at least 15% or are exempt from it;

- units of corporations which hold, directly or indirectly, units of corporations, that are (i) real estate companies or (ii) are not real estate companies, but (a) are domiciled in a member state of the European Union or a member state of the European Economic Area and are not subject in said domicile to corporate income tax or are exempt from it or (b) are domiciled in a third country and are not subject in said domicile to corporate income tax of at least 15% or are exempt from it if the fair market value of units of such corporations equal more than 10% of the fair market value of those corporations.

For the purpose of this investment policy and in accordance with the definition in the German Investment Code (KAGB), an organized market is a market which is recognized, open to the public and which functions correctly, unless expressly specified otherwise. Such organized market also meets the criteria of article 50 of the UCITS Directive.

The respective risks connected with investments in this sub-fund are disclosed in the general section of the Sales Prospectus.

### Integration of sustainability risks

The sub-fund management integrates sustainability risks into its investment decisions as described in the General Section of the Sales Prospectus in the section "Integration of sustainability risks in the investment process".

### Risk Management

The relative Value-at-Risk (VaR) approach is used to limit market risk in the sub-fund.

In addition to the provisions of the general section of the Sales Prospectus, the potential market risk of the sub-fund is measured using a reference portfolio that does not contain derivatives ("risk benchmark").

Leverage is not expected to exceed twice the value of the investment sub-fund's assets. The leverage effect is calculated using the sum of notional approach (absolute (notional) amount of each derivative position divided by the net present value of the portfolio). However, the disclosed expected level of leverage is not intended to be an additional exposure limit for the sub-fund.

### Investment in shares of target funds

In addition to the information in the general section of the Sales Prospectus the following is applicable to this sub-fund:

When investing in target funds associated to the sub-fund, the part of the management fee attributable to shares of these target funds is reduced by the management fee/all-in fee of the acquired target funds, and as the case may be, up to the full amount (difference method).

Pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

**Sustainable investment** means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

**Product name:** DWS Concept ESG Arabesque AI Chinese Equities

**Legal entity identifier:**

**ISIN:**

**Environmental and/or social characteristics**

**Does this financial product have a sustainable investment objective?**

<input checked="" type="radio"/> <input checked="" type="radio"/> <input type="checkbox"/> <b>Yes</b>	<input checked="" type="radio"/> <input type="radio"/> <input checked="" type="checkbox"/> <b>No</b>
<input type="checkbox"/> It will make a minimum of <b>sustainable investments with an environmental objective: __%</b> <ul style="list-style-type: none"> <li><input type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy</li> <li><input type="checkbox"/> in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy</li> </ul> <input type="checkbox"/> It will make a minimum of <b>sustainable investments with a social objective: __%</b>	<input checked="" type="checkbox"/> It <b>promotes Environmental/Social (E/S) characteristics</b> and while it does not have as its objective a sustainable investment, it will have a minimum proportion of 10% of sustainable investments <ul style="list-style-type: none"> <li><input type="checkbox"/> with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy</li> <li><input checked="" type="checkbox"/> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy</li> <li><input checked="" type="checkbox"/> with a social objective</li> </ul> <input type="checkbox"/> It promotes E/S characteristics, but <b>will not make any sustainable investments</b>

**What environmental and/or social characteristics are promoted by this financial product?**

This fund promotes environmental and social characteristics related to climate, governance and social norms as well as general ESG quality through the avoidance of issuers (1) exposed to high or excessive climate and transition risks, (2) exposed to high or highest severity of norm issues (i.e. as regards compliance with international standards of corporate governance, human rights and labour rights, customer and environment safety and business ethics), (3) exposed to high or excessive environmental, social and governance risks compared to their peer group, (4) moderately, highly or excessively exposed to controversial sectors and controversial activities, and/or (5) involved in controversial weapons.

This fund further promotes a minimum proportion of sustainable investments with a positive contribution to one or several of the United Nations Sustainable Development Goals (UN SDGs).

This fund has not designated a reference benchmark for the purpose of attaining the environmental and/or social characteristics promoted.



**Sustainability indicators** measure how the environmental or social characteristics promoted by the financial product are attained.

What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?

The attainment of the promoted environmental and social characteristics as well as the sustainable investment is assessed via the application of a proprietary ESG assessment methodology as further described in section “What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?”. The methodology applies a variety of assessment categories that are used as sustainability indicators to assess the attainment of the promoted environmental and social characteristics, which are as follows:

- **DWS Climate and Transition Risk Assessment** is used as indicator for an issuer’s exposure to climate and transition risks
- **DWS Norm Assessment** is used as indicator for an issuer’s exposure to norm-related issues
- **DWS ESG Quality Assessment** is used as indicator for comparison of an issuer’s environmental, social and governance risks in relation to their peer group
- **Exposure to controversial sectors** is used as indicator for an issuer’s involvement in controversial sectors and controversial activities
- **Involvement in controversial weapons** is used as indicator for an issuer’s involvement in controversial weapons
- **Sustainability Investment Assessment** is used as indicator to measure the proportion of sustainable investments

What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?

The fund will partially invest in sustainable investments according to article 2(17) SFDR. Such sustainable investments will contribute to at least one of the UN SDGs that relate to environmental and/or social objectives, such as the following (non-exhaustive list):

- Goal 1: No poverty
- Goal 2: Zero hunger
- Goal 3: Good health and well-being
- Goal 4: Quality education
- Goal 5: Gender equality
- Goal 6: Clean water and Sanitation
- Goal 7: Affordable and clean energy
- Goal 10: Reduced inequality
- Goal 11: Sustainable cities and communities
- Goal 12: Responsible consumption
- Goal 13: Climate action
- Goal 14: Life below water
- Goal 15: Life on land

The extent of contribution to individual UN SDGs will vary based on the actual investments in the portfolio.

DWS will measure the contribution to the UN SDGs via its sustainability investment assessment which evaluates potential investments in relation to different criteria to conclude that an economic activity can be considered as sustainable. Via this assessment, the fund management evaluates (1) whether an economic activity contributes to one or several of the UN SDGs, (2) whether the economic activity or other economic activities of that company significantly harm any of these objectives (Do Not Significantly Harm (DNSH) assessment) and (3) whether the company as such is in line with the DWS safeguard assessment.

The sustainability investment assessment uses data from multiple data providers, public sources and internal assessments (based on a defined assessment and classification methodology) to determine if an activity is sustainable. Activities that contribute positively to the UN SDGs are measured in terms of revenues, capital expenditure (CapEx) and/or operational expenditure (OpEx). If a positive contribution is determined, the activity will be considered sustainable if the company passes the DNSH assessment and complies with the DWS safeguard assessment as detailed in the section “How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights?”.

The fund will currently not commit to target a minimum proportion of sustainable investments with an environmental objective aligned with the EU Taxonomy.



How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?

The DNSH assessment is integral part of the sustainability investment assessment and evaluates whether an economic activity with a contribution to an UN SDG causes significant harm to any of these objectives. In case that a significant harm is identified, the economic activity fails the DNSH assessment and cannot be considered as sustainable economic activity.

How have the indicators for adverse impacts on sustainability factors been taken into account?

As part of the DNSH assessment under article 2(17) SFDR, the sustainability investment assessment systematically integrates all mandatory principal adverse indicators from Table 1 and relevant indicators from Tables 2 and 3 of Annex I of the Commission Delegated Regulation (EU) 2022/1288 supplementing the Sustainable Finance Disclosure Regulation (SFDR). Taking into account these adverse impacts, DWS has established quantitative thresholds and/or qualitative values to determine if an investment significantly harms any of the environmental or social objectives. These values are set based upon various external and internal factors, such as data availability or market developments and may be adapted going forward.

How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:

As part of its sustainability investment assessment, DWS further evaluates through its safeguard assessment the alignment of a company with international norms. This includes checks in relation to adherence to international norms, for example, the OECD Guidelines for Multinational Enterprises, the UN Guiding Principles on Business and Human Rights, the principles of the United Nations Global Compact and the standards of the International Labour Organization. Companies with assessed and reconfirmed highest violations of one of the international norms are considered as non-compliant to the safeguards and their economic activities cannot be considered sustainable.

*The EU Taxonomy sets out a “do not significant harm” principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.*

The “do no significant harm” principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

*Any other sustainable investments must also not significantly harm any environmental or social objectives.*



**Principal adverse impacts** are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

Does this financial product consider principal adverse impacts on sustainability factors?

**X** Yes, the fund management considers the following principle adverse impacts on sustainability factors from Annex I of the Commission Delegated Regulation (EU) 2022/1288 supplementing the Sustainable Finance Disclosure Regulation:

- Carbon footprint (no. 2);
- GHG intensity of investee companies (no. 3);
- Exposure to companies active in the fossil fuel sector (no. 4);
- Emissions to water (no. 8);
- Violation of UN Global Compact principles and OECD Guidelines for multinational enterprises (no. 10); and
- Exposure to controversial weapons (no. 14).

The above principal adverse impacts are considered at product level through the exclusion strategy for the fund's assets that are aligned with environmental and social characteristics via the proprietary ESG assessment methodology as detailed in section "What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?"

For sustainable investments, the principal adverse impacts are further considered in the DNSH assessment as described above in section "How have the indicators for adverse impacts on sustainability factors been taken into account?"

Further information on principal adverse impacts will be provided in an annex to the fund's annual report.

No



**The Investment strategy** guides investment decisions based on factors such as investment objectives and risk tolerance.

What investment strategy does this financial product follow?

This sub-fund pursues a strategy based on equities as main investment strategy. At least 70% of the sub-fund's assets are invested in shares, stock certificates, participation and dividend-right certificates and equity warrants of issuers registered in China or of issuers registered outside China that conduct their principal business activity in China. Further details regarding the main investment strategy are specified in the Special Section of the Sales Prospectus. The sub-fund's assets are predominantly allocated into investments that comply with the defined standards in respect to the promoted environmental and social characteristics as described in the following sections. The sub-fund's strategy in relation to the promoted environmental or social characteristics is integral part of the ESG assessment methodology, which is continuously monitored via the sub-fund's investment guidelines.

What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?

#### **ESG assessment methodology**

The portfolio management of this fund seeks to attain the promoted environmental and social characteristics by assessing potential investments via a proprietary ESG assessment methodology irrespective of economic prospects of success. This methodology is based on the ESG database, which uses data from multiple ESG data providers, public sources and internal assessments (based on a defined assessment and classification methodology) to derive combined scores. The ESG database is therefore constituted by data and figures as well as on internal assessments that take into account factors beyond the processed data and figures, such as an issuer's future expected ESG development, plausibility of the data with regard to past or future events, an issuer's willingness to engage in dialogues on ESG matters or corporate decisions.

The ESG database derives "A" to "F" letter coded assessments within different categories as further detailed below. Within each category, issuers receive one of six possible scores, with "A" being the highest score and "F" being the lowest score. If an issuer's score in one category is deemed insufficient, the portfolio management is prohibited from investing in that issuer, even if it is eligible according to other categories. For exclusion purposes, each letter score in a category is considered individually and may result in exclusion of an issuer.

The ESG database uses a variety of assessment categories to assess the attainment of the promoted environmental and social characteristics, including amongst others:

#### **• DWS Climate and Transition Risk Assessment**

The DWS Climate and Transition Risk Assessment evaluates issuers in relation to climate change and environmental changes, e.g., in respect to greenhouse gas reduction and water conservation. Issuers that contribute less to climate change and other negative environmental changes or are less exposed to such risks receive better evaluations. Issuers with excessive climate risk profile (i.e., a letter score

of “F”) are excluded as an investment. Issuers with high climate risk profile (i.e., a letter score of “E”) are limited to 5% of the fund’s net assets.

#### • **DWS Norm Assessment**

The DWS Norm Assessment evaluates the behaviour of issuers, e.g., within the framework of the principles of the United Nations Global Compact, the standards of the International Labour Organization and behaviour within generally accepted international standards and principles. The Norm Assessment examines, e.g., human rights violations, violations of workers’ rights, child or forced labour, adverse environmental impacts, and business ethics. Issuers with highest severity of norm issues (i.e., a letter score of “F”) are excluded as an investment. Issuers with high severity of norm issues (i.e., a letter score of “E”) are limited to 5% of the fund’s net assets.

#### • **DWS ESG Quality Assessment**

The DWS ESG Quality Assessment distinguishes between corporate and sovereign issuers. For corporate issuers, the DWS ESG Quality Assessment allows for a peer group comparison based on cross vendor consensus on overall ESG assessment (best-in-class approach), for example concerning the handling of environmental changes, product safety, employee management or corporate ethics. The peer group is composed of issuers from the same sector in the same region. Issuers rated better in this peer group comparison receive a better score, while issuers rated worse in the comparison receive a worse score. Corporate issuers rated poorly compared to their peer group (i.e., a letter score of “E” or “F”) are excluded as an investment. For sovereign issuers, the DWS ESG Quality Assessment evaluates a countries’ governance from a holistic perspective taking into account, among other things, the assessment of political and civil liberties. Sovereign issuers with high or excessive controversies regarding governance (i.e., a letter score of “E” or “F”) are excluded as an investment. Further, issuers with a letter score of “D” in the DWS ESG Quality Assessment are limited to 15% of the fund’s net assets.

#### • **Exposure to controversial sectors**

The ESG database defines certain business areas and business activities as relevant. Business areas and business activities are defined as relevant if they involve the production or distribution of products in a controversial area (“controversial sectors”). Controversial sectors are defined, for example, as the civil firearms industry, military defence, tobacco and adult entertainment. Other business sectors and business activities that affect the production or distribution of products in other sectors are defined as relevant. Other relevant sectors are, for example, nuclear energy or coal mining and coal-based power generation.

Issuers are evaluated according to the share of total revenues they generate in controversial business areas and controversial business activities. The lower the percentage of revenues from the controversial business areas and controversial business activities, the better the score. Issuers (excluding target funds) with a moderate, high or excessive exposure (i.e., a letter score of “D”, “E” or “F”) are excluded as an investment. As regards the involvement in coal mining and coal-based power generation, issuers (excluding target funds) with high or excessive exposure (i.e., a letter score of “E” or “F”) are excluded as an investment.

#### • **Involvement in controversial weapons**

The ESG database assesses a company’s involvement in the business of controversial weapons. Controversial weapons include for example anti-personnel mines, cluster munitions, depleted uranium weapons, nuclear weapons, chemical and biological weapons.

Issuers are assessed based on their degree of involvement (production of controversial weapons, component production, etc) in the manufacturing of controversial weapons, regardless of total revenues they generate from controversial weapons. Issuers (with the exception of target funds) with medium, high or excessive involvement (i.e., a letter score of “D”, “E” or “F”) are excluded as an investment.

#### • **DWS Use of Proceed Bond Assessment**

By way of derogation from the above, bonds that comply with DWS’ Use-of-proceeds bond assessment are investable also in cases where the bond issuer does not fully comply with the ESG assessment methodology.

The financing of use of proceeds bonds will be assessed via a two-stage process.

In the first stage DWS assesses whether a bond qualifies as a Use of Proceeds Bond. A key element is checking for compliance with the ICMA Green Bond Principles, the ICMA Social Bond Principles or the ICMA Sustainability Bond Principles. The assessment focuses on the use of proceeds, the selection of the projects financed by these proceeds, the management of the proceeds spending as well as the annual reporting on the use of proceeds to investors.

If a bond complies with these principles, the second stage assesses the ESG quality of the issuer of that bond in relation to defined minimum standards in respect to environmental, social, and corporate governance factors. This assessment is based on the ESG assessment methodology as described above and excludes

- corporate issuers with poor ESG quality compared to their peer group (i.e. a letter score of “E” or “F”),
- sovereign issuers with high or excessive controversies regarding governance (i.e. a letter score of “E” or “F”),
- issuers with highest severity of norm issues (i.e. a letter score “F”), or
- issuers with excessive exposure to controversial weapons (i.e. a letter score of “D”, “E” or “F”).”

To the extent that the fund seeks to attain the promoted environmental and social characteristics as well as corporate governance practices by means of an investment in target funds, the latter must meet the DWS standards on Climate and Transition Risk-, Norm- and DWS ESG Quality Assessment (excluding the assessment of sovereigns) outlined above.

Derivatives are currently not used to attain the environmental or social characteristics promoted by the fund and are therefore not taken into account for the calculation of the minimum share of assets complying with these characteristics. However, derivatives on individual issuers may only be acquired for the fund if the issuers of the underlying comply with the ESG assessment methodology.

Ancillary liquid assets will not be evaluated via the ESG assessment methodology.

### **Sustainability investment assessment methodology**

Further, for the proportion of sustainable investments DWS will measure the contribution to one or several UN SDGs via its sustainability investment assessment which evaluates potential investments in relation to different criteria to conclude that an economic activity can be considered as sustainable as further detailed in section “What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?”

What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?

The applied ESG investment strategy does not pursue a committed minimum reduction of the scope of the investments.

**Good governance**  
practices include sound management structures, employee relations, remuneration of staff and tax compliance.

What is the policy to assess good governance practices of the investee companies?

The procedure to assess the good governance practices of the investee companies is based on the DWS Norm Assessment, as further detailed in the dedicated section “What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?”. Accordingly, the assessed investee companies follow good governance practices.

Further, the management company considers active ownership as a strong driver to improve governance, policies and practices, and thus for a better long-term performance of investee companies. Active ownership means using the position as shareholders to influence the activities or behaviour of the investee companies. An engagement activity can be initiated with the investee companies regarding matters such as strategy, financial and non-financial performance, risk, capital structure, social and environmental impact as well as corporate governance including topics like disclosure, culture and remuneration. The engagement activity can be undertaken via, e.g., issuer meetings or engagement letters. Furthermore, for equity investments it could also be an interaction with the company resulting from proxy voting activities or participation at general meetings.

What is the asset allocation planned for this financial product?

This fund invests at least 51% of its net assets in investments that are aligned with the promoted environmental and social characteristics (#1 Aligned with E/S characteristics). Within this category, at least 10% of the fund’s assets qualify as sustainable investments (#1A Sustainable).

Up to 49% of the investments are not aligned with these characteristics (#2 Other). A more detailed description of the specific asset allocation of this fund can be found in the Special Section of the Sales Prospectus.

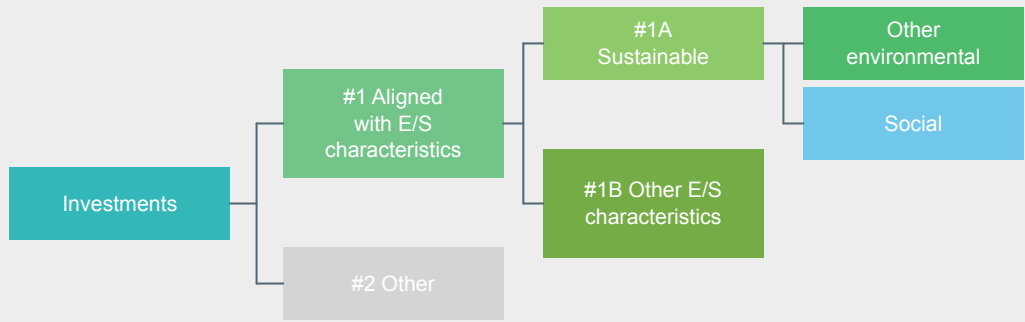


**Asset allocation**

describes the share of investments in specific assets.

Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.



**#1 Aligned with E/S characteristics** includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

**#2 Other** includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:

- The sub-category **#1A Sustainable** covers sustainable investments with environmental or social objectives.
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?

Derivatives are currently not used to attain the environmental or social characteristics promoted by the fund.

**Enabling activities**

directly enable other activities to make a substantial contribution to an environmental objective.

**Transitional activities**

are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

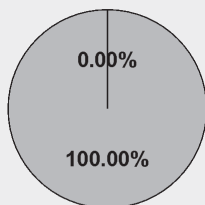


To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

Due to a lack of reliable data the fund does not commit to invest a minimum proportion of sustainable investments with an environmental objective aligned with the EU Taxonomy. Therefore, the minimum percentage of environmentally sustainable investments aligned with the EU Taxonomy is 0% of the fund's net assets. However, it may occur that part of the investments' underlying economic activities are aligned with the EU Taxonomy.

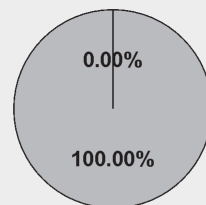
*The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds\*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.*

1. Taxonomy-alignment of investments including sovereign bonds\*



■ Taxonomy-aligned □ Other Investments

2. Taxonomy-alignment of investments excluding sovereign bonds\*



■ Taxonomy-aligned □ Other Investments

\*For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures

What is the minimum share of investments in transitional and enabling activities?

The fund does not have a minimum share of investments in transitional and enabling activities, as it does not commit to a minimum proportion of environmentally sustainable investments aligned with the EU Taxonomy.



are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.



What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

The fund does not intend to make a minimum allocation to environmentally or socially sustainable investments pursuant to Article 2(17) SFDR. However, the minimum share of environmentally and socially sustainable investments shall in total be at least 10% of the net assets of the fund.



What is the minimum share of socially sustainable investments?

The fund does not intend to make a minimum allocation to environmentally or socially sustainable investments pursuant to Article 2(17) SFDR. However, the minimum share of environmentally and socially sustainable investments shall in total be at least 10% of the net assets of the fund.



What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?

This fund promotes a predominant asset allocation in investments that are aligned with environmental and social characteristics (#1 Aligned with E/S characteristics). In addition, and on an ancillary basis, this fund will invest into investments that are not considered aligned with the promoted characteristics (#2 Other). These remaining investments can include all asset classes as foreseen in the specific investment policy including cash and derivatives.

In line with the market positioning of this fund, the purpose of these remaining investments is to provide investors with an exposure to non-ESG aligned investments while at the same time ensuring a predominant exposure to environmentally and socially aligned investments. Remaining investments can be used by the portfolio management for performance, diversification, liquidity and hedging purposes.

This fund does not consider any minimum environmental or social safeguards on these remaining investments.



**Reference benchmarks** are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

This fund has not designated a reference benchmark to determine whether it is aligned with the environmental and/or social characteristics that it promotes.



Where can I find more product specific information online?

The sub-fund has not been launched yet. The Board of Directors of the Investment Company may at any time elect to launch new share classes for the sub-fund in accordance with the share class features as specified in the general section of the Sales Prospectus.

## DWS Concept ESG Arabesque AI Global Equity

<b>Investor profile</b>	Growth-oriented
<b>Currency of sub-fund</b>	EUR
<b>Sub-fund manager</b>	DWS Investment GmbH
<b>Performance benchmark</b>	–
<b>Reference portfolio (risk benchmark)</b>	MSCI World TR net
<b>Leverage effect</b>	2 times the value of the investment sub-fund's assets
<b>Calculation of the NAV per share</b>	Each bank business day in Luxembourg and Frankfurt/Main
<b>Order acceptance</b>	All subscription, redemption and exchange orders are placed on the basis of an unknown net asset value per share. Orders received by the Transfer Agent at or before <b>4:00 PM Luxembourg time</b> on a valuation date are processed on the basis of the net asset value per share on the subsequent valuation date. Orders received after <b>4:00 PM Luxembourg time</b> are processed on the basis of the net asset value per share on the valuation date immediately following that next valuation date.
<b>Value date</b>	In a purchase, the equivalent value is debited three bank business days after issue of the shares. The equivalent value is credited three bank business days after redemption of the shares. The value date for purchase and redemption orders of certain currencies may deviate by one day from the value date as specified in the description of share classes in the general section of the Sales Prospectus.
<b>Fractional shares</b>	Up to three places after the decimal point
<b>Expense cap</b>	Not to exceed 15% of the Management Company fee

### Overview of the share classes

<b>Currency of the share class</b>	FC, IC, LC, XC	EUR
<b>Front-end load (payable by the investor)</b>	FC, IC, XC LC	0% up to 5%
<b>Management Company Fee p.a. (payable by the sub-fund)</b>	FC IC LC XC	up to 0.75% up to 0.40% up to 1.50% up to 0.375%
<b>Service Fee p.a. (payable by the sub-fund)</b>	FC, IC, LC, XC	0%
<b>Taxe d'abonnement (payable by the sub-fund)</b>	FC, LC, XC IC	0.05% p.a. 0.01% p.a.
<b>Launch date</b>	FC, IC, LC, XC	March 31, 2021

Due to its composition and the techniques applied by its fund management, the sub-fund is subject to markedly increased volatility, which means that the price per share may be subject to substantial downward or upward fluctuation, even within short periods of time.

For the sub-fund with the name DWS Concept ESG Arabesque AI Global Equity, the following provisions shall apply in addition to the terms contained in the general section of the Sales Prospectus.

### Investment policy

This sub-fund promotes environmental and social characteristics and reports as product in accordance with article 8(1) of Regulation (EU)

2019/2088 on sustainability related disclosures in the financial services sector ("SFDR"). While the sub-fund does not have as its objective a sustainable investment, it will invest a minimum proportion of its assets in sustainable investments as defined by article 2 (17) SFDR.

The objective of the investment policy of DWS Concept ESG Arabesque AI Global Equity is to achieve long-term capital appreciation.

"AI" relates to "Artificial Intelligence". "Arabesque AI" is a UK-based company focusing on applying Artificial Intelligence (AI) to predict stock price developments. Specifically, it applies high-performance computing to a massive combination of machine learning algorithms, such as neural networks, support vector machines, etc., applied to fundamental, alternative and technical data to generate signals which help identifying securities with attractive relative return potential over a

given time horizon. These signals are provided by Arabesque AI Ltd, and are an essential input to DWS' proprietary quantitative portfolio construction, which also takes risks and costs into consideration. These signals are designed to identify attractive investment opportunities and are not meant to constitute investment advice as such.

The sub-fund is actively managed and is not managed in reference to a benchmark.

At least 51% of the sub-fund's assets are invested in equities of international issuers.

Up to 20% of the sub-fund's assets may be invested in interest-bearing securities. Convertible bonds and warrant-linked bonds do not constitute interest-bearing securities in this respect.

The sub-fund may invest in money market instruments, deposits with credit institutions and up to 10% in money market funds. The investment in money market instruments, money market funds, deposits with credit institutions and the holding of ancillary liquid assets, as referred to below, will not in aggregate exceed 49% of the sub-funds' assets. In exceptionally unfavourable market conditions, it is permitted to temporarily exceed this 49% limit if circumstances so require and to the extent that this appears to be justified with regard to the interests of shareholders.

The sub-fund may hold ancillary liquid assets as specified in article 3.2. (o) of the general section of the Sales Prospectus.

The sub-fund will not invest in contingent convertibles.

The sub-fund intends to use securities financing transactions under the conditions and to the extent further described in the general part of the Sales Prospectus.

In addition, the sub-fund's assets may be invested in all other permissible assets specified in article 3.1, including the assets mentioned in article 3.1 (j) of the general part of the Sales Prospectus. At least 51% of the sub-fund's net assets are invested in assets that comply with DWS standards in respect to environmental and social characteristics as well as good governance practices as detailed below.

The portfolio management of this sub-fund seeks to attain the promoted environmental and social characteristics by assessing potential investments via a proprietary ESG assessment methodology irrespective of economic prospects of success. This methodology is based on the ESG database, which uses data from multiple ESG data providers, public sources and internal assessments (based on a defined assessment and classification methodology) to derive combined scores. The ESG database is therefore constituted by data and figures as well as on internal assessments that take into account factors beyond the processed data and figures, such as an issuer's

future expected ESG development, plausibility of the data with regard to past or future events, an issuer's willingness to engage in dialogues on ESG matters or corporate decisions.

The ESG database derives A to F letter coded assessments within different categories as further detailed below. Within each category, issuers receive one of six possible scores, with "A" being the highest score and "F" being the lowest score. If an issuer's score in one category is deemed insufficient, the portfolio management is prohibited from investing in that issuer, even if it is eligible according to other categories. For exclusion purposes, each letter score in a category is considered individually and may result in exclusion of an issuer.

The ESG database uses a variety of assessment categories to assess the attainment of the promoted environmental and social characteristics, including amongst others:

#### **DWS Climate and Transition Risk Assessment**

The DWS Climate and Transition Risk Assessment evaluates issuers in relation to climate change and environmental changes, e.g. in respect to greenhouse gas reduction and water conservation. Issuers that contribute less to climate change and other negative environmental changes or are less exposed to such risks receive better evaluations. Issuers with excessive climate risk profile (i.e. a letter score of "F") are excluded as an investment. Issuers with high climate risk profile (i.e. a letter score of "E") are limited to 5% of the sub-fund's net assets.

#### **DWS Norm Assessment**

The DWS Norm Assessment evaluates the behaviour of issuers, for example, within the framework of the principles of the United Nations Global Compact, the standards of the International Labour Organization and behaviour within generally accepted international standards and principles. The Norm Assessment examines, for example, human rights violations, violations of workers' rights, child or forced labour, adverse environmental impacts, and business ethics. Issuers with highest severity of norm issues (i.e. a letter score of "F") are excluded as an investment. Issuers with high severity of norm issues (i.e. a letter score of "E") are limited to 5% of the sub-fund's net assets.

#### **DWS ESG Quality Assessment**

The DWS ESG Quality Assessment distinguishes between corporate and sovereign issuers.

For corporate issuers, the DWS ESG Quality Assessment allows for a peer group comparison based on cross vendor consensus on overall ESG assessment (best-in-class approach), for example concerning the handling of environmental changes, product safety, employee management or corporate ethics. The peer group is composed of issuers from the same sector in the same region. Issuers rated better in this peer group comparison receive a better score, while issuers

rated worse in the comparison receive a worse score. Corporate issuers rated poorly compared to their peer group (i.e. a letter score of "E" or "F") are excluded as an investment.

For sovereign issuers, the DWS ESG Quality Assessment evaluates a countries' governance from a holistic perspective taking into account, among other things, the assessment of political and civil liberties. Sovereign issuers with high or excessive controversies regarding governance (i.e. a letter score of "E" or "F") are excluded as an investment.

Further, issuers with a letter score of "D" in the DWS ESG Quality Assessment are limited to 15% of the sub-fund's net assets.

#### **Exposure to controversial sectors**

The ESG database defines certain business areas and business activities as relevant. Business areas and business activities are defined as relevant if they involve the production or distribution of products in a controversial area ("controversial sectors"). Controversial sectors are defined, for example, as the civil firearms industry, military defence, tobacco, and adult entertainment. Other business sectors and business activities that affect the production or distribution of products in other sectors are defined as relevant. Other relevant sectors are, for example, nuclear energy or coal mining and coal-based power generation.

Issuers are evaluated according to the share of total revenues they generate in controversial business areas and controversial business activities. The lower the percentage of revenues from the controversial business areas and controversial business activities, the better the score.

Issuers (excluding target funds) with a moderate, high or excessive exposure (i.e. a letter score of "D", "E" or "F") are excluded as an investment.

As regards the involvement in coal mining and coal-based power generation, issuers (excluding target funds) with high or excessive exposure (i.e. a letter score of "E" or "F") are excluded as an investment.

#### **Involvement in controversial weapons**

The ESG database assesses a company's involvement in the business of controversial weapons. Controversial weapons include for example anti-personnel mines, cluster munitions, depleted uranium weapons, nuclear weapons, chemical and biological weapons.

Issuers are assessed based on their degree of involvement (production of controversial weapons, component production, etc) in the manufacturing of controversial weapons, regardless of total revenues they generate from controversial weapons. Issuers (with the exception of target funds) with medium, high or excessive involvement (i.e., a letter score of "D", "E" or "F") are excluded as an investment.



#### DWS Use of Proceed Bond Assessment

By way of derogation from the above, bonds that comply with DWS' Use-of-proceeds bond assessment are investable also in cases where the bond issuer does not fully comply with the ESG assessment methodology.

The financing of use of proceed bonds will be assessed via a two-stage process.

In the first stage DWS assesses whether a bond qualifies as a Use of Proceeds Bond. A key element is checking for compliance with the ICMA Green Bond Principles, the ICMA Social Bond Principles or the ICMA Sustainability Bond Principles. The assessment focuses on the use of proceeds, the selection of the projects financed by these proceeds, the management of the proceeds spending as well as the annual reporting on the use of proceeds to investors.

If a bond complies with these principles, the second stage assesses the ESG quality of the issuer of that bond in relation to defined minimum standards in respect to environmental, social, and corporate governance factors. This assessment is based on the ESG assessment methodology as described above and excludes

- corporate issuers with poor ESG quality compared to their peer group (i.e. a letter score of "E" or "F"),
- sovereign issuers with high or excessive controversies regarding governance (i.e. a letter score of "E" or "F"),
- issuers with highest severity of norm issues (i.e. a letter score "F"), or
- issuers with excessive exposure to controversial weapons (i.e. a letter score of "D", "E" or "F").

To the extent that the sub-fund seeks to attain the promoted environmental and social characteristics as well as corporate governance practices by means of an investment in target funds, the latter must meet the DWS standards on Climate and Transition Risk-, Norm- and ESG Quality Assessment (excluding the assessment of sovereigns) outlined above.

Derivatives are currently not used to attain the environmental or social characteristics promoted by the sub-fund and are therefore not taken into account for the calculation of the minimum share of assets complying with these characteristics. However, derivatives on individual issuers may only be acquired for the sub-fund if the issuers of the underlying comply with the ESG assessment methodology.

Ancillary liquid assets will not be evaluated via the ESG assessment methodology.

As part of the sub-fund's investment in assets that meet the DWS standards in respect to environmental and social characteristics as well as good governance practices as further described above, the sub-fund management will

invest at least 15% of the sub-fund's net assets in sustainable investments in accordance with article 2 (17) SFDR. Such sustainable investments will contribute to at least one of the UN SDGs that relate to environmental and/or social objectives, such as the following (non-exhaustive list):

- Goal 1: No poverty
- Goal 2: Zero hunger
- Goal 3: Good health and well-being
- Goal 4: Quality education
- Goal 5: Gender equality
- Goal 6: Clean water and Sanitation
- Goal 7: Affordable and clean energy
- Goal 10: Reduced inequality
- Goal 11: Sustainable cities and communities
- Goal 12: Responsible consumption & production
- Goal 13: Climate action
- Goal 14: Life below water
- Goal 15: Life on land

The extent of contribution to individual UN SDGs will vary based on the actual investments in the portfolio.

DWS will measure the contribution to the UN SDGs via its sustainability investment assessment which evaluates potential investments in relation to different criteria to conclude that an economic activity can be considered as sustainable. Via this assessment, the sub-fund management evaluates (1) whether an economic activity contributes to one or several of the UN SDGs, (2) whether the economic activity or other economic activities of that company significantly harm any of these objectives (Do Not Significantly Harm (DNSH) assessment) and (3) whether the company as such is in line with the DWS safeguard assessment.

The sustainability investment assessment uses data from multiple data providers, public sources and internal assessments (based on a defined assessment and classification methodology) to determine if an activity is sustainable. Activities that contribute positively to the UN SDGs are measured in terms of revenues, capital expenditure (CapEx) and/or operational expenditure (OpEx). If a positive contribution is determined, the activity will be considered sustainable if the company passes the DNSH assessment and complies with the DWS safeguard assessment.

Due to a lack of reliable data the sub-fund does not commit to invest a minimum proportion of sustainable investments with an environmental objective aligned with the EU Taxonomy. Therefore, the minimum percentage of environmentally sustainable investments aligned with the EU Taxonomy is 0% of the sub-fund's net assets. However, it may occur that part of the investments' underlying economic activities are aligned with the EU Taxonomy

The sub-fund management considers the following principle adverse impacts on sustainability factors from Annex I of the Commission Dele-

gated Regulation (EU) 2022/1288 supplementing the SFDR:

- Carbon footprint (no. 2);
- GHG intensity of investee companies (no. 3);
- Exposure to companies active in the fossil fuel sector (no. 4);
- Emissions to water (no. 8);
- Violation of UN Global Compact principles and OECD Guidelines for multinational enterprises (no. 10); and
- Exposure to controversial weapons (no. 14).

The above principal adverse impacts are considered at product level through the exclusion strategy for the sub-funds' assets that are aligned with environmental and social characteristics via the proprietary ESG assessment methodology. For sustainable investments, the principal adverse impacts are further considered in the DNSH assessment.

This sub-fund has not designated a reference benchmark for the purpose of attaining the environmental and/or social characteristics promoted.

Further, the management company considers active ownership as a strong driver to improve governance, policies, and practices, and thus for a better long-term performance of investee companies. Active ownership means using the position as shareholders to influence the activities or behaviour of the investee companies. An engagement activity can be initiated with the investee companies regarding matters such as strategy, financial and non-financial performance, risk, capital structure, social and environmental impact as well as corporate governance including topics like disclosure, culture, and remuneration. The engagement activity can be undertaken via, e.g., issuer meetings or engagement letters. Furthermore, for equity investments it could also be an interaction with the company resulting from proxy voting activities or participation at general meetings.

Further information about the environmental and social characteristics promoted by this sub-fund is available in the annex to this Sales Prospectus.

Taking into account the investment limits set out in article 3.1 (n), the investment policy can also be implemented through the use of derivatives, including, but not limited to, forwards, futures, single-stock futures, options or equity swaps.

For the purpose of inducing a partial tax exemption within the meaning of the German Investment Tax Act and in addition to the investment limits described in the Articles of Incorporation and this Sales Prospectus (Equity fund) at least 51% of the sub-fund's gross assets (determined as being the value of the sub-fund's assets without taking into account liabilities) are invested in equities admitted to official trading on a stock exchange or admitted to, or included in, another organized market and which are not:

- units of investment funds;
- equities indirectly held via partnerships;
- units of corporations, associations of persons or estates at least 75% of the gross assets of which consist of immovable property in accordance with statutory provisions or their investment conditions, if such corporations, associations of persons or estates are subject to corporate income tax of at least 15% and are not exempt from it or if their distributions are subject to tax of at least 15% and the sub-fund is not exempt from said taxation;
- units of corporations which are exempt from corporate income taxation to the extent they conduct distributions unless such distributions are subject to taxation at a minimum rate of 15% and the sub-fund is not exempt from said taxation;
- units of corporations the income of which originates, directly or indirectly, to an extent of more than 10%, from units of corporations, that are (i) real estate companies or (ii) are not real estate companies, but (a) are domiciled in member state of the European Union or a member state of the European Economic Area and are not subject in said domicile to corporate income tax or are exempt from it or (b) are domiciled in a third country and are not subject in said domicile to corporate income tax of at least 15% or are exempt from it;
- units of corporations which hold, directly or indirectly, units of corporations, that are (i) real estate companies or (ii) are not real estate companies, but (a) are domiciled in a member state of the European Union or a member state of the European Economic Area and are not subject in said domicile to corporate income tax or are exempt from it or (b) are domiciled in a third country and are not subject in said domicile to corporate income tax of at least 15% or are exempt from it if the fair market value of units of such corporations equal more than 10% of the fair market value of those corporations.

For the purpose of this investment policy and in accordance with the definition in the German Investment Code (KAGB), an organized market is a market which is recognized, open to the public and which functions correctly, unless expressly specified otherwise. Such organized market also meets the criteria of article 50 of the UCITS Directive.

The respective risks connected with investments in this sub-fund are disclosed in the general section of the Sales Prospectus.

### Integration of sustainability risks

The sub-fund management integrates sustainability risks into its investment decisions as described in the General Section of the Sales Prospectus in the section "Integration of sustainability risks in the investment process".

### Risk Management

The relative Value-at-Risk (VaR) approach is used to limit market risk in the sub-fund.

In addition to the provisions of the general section of the Sales Prospectus, the potential market risk of the sub-fund is measured using a reference portfolio that does not contain derivatives ("risk benchmark").

Leverage is not expected to exceed twice the value of the investment sub-fund's assets. The leverage effect is calculated using the sum of notional approach (absolute (notional) amount of each derivative position divided by the net present value of the portfolio). However, the disclosed expected level of leverage is not intended to be an additional exposure limit for the sub-fund.

### Investment in shares of target funds

In addition to the information in the general section of the Sales Prospectus the following is applicable to this sub-fund:

When investing in target funds associated to the sub-fund, the part of the management fee attributable to shares of these target funds is reduced by the management fee/all-in fee of the acquired target funds, and as the case may be, up to the full amount (difference method).

Pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

**Sustainable investment** means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

**Product name:** DWS Concept ESG Arabesque AI Global Equity

**Legal entity identifier:** 254900QVFOLJVWB2HH59

**ISIN:** LU2307564141

**Environmental and/or social characteristics**

**Does this financial product have a sustainable investment objective?**

<input checked="" type="radio"/> <input checked="" type="radio"/> <input type="checkbox"/> <b>Yes</b>	<input checked="" type="radio"/> <input type="radio"/> <input checked="" type="checkbox"/> <b>No</b>
<input type="checkbox"/> It will make a minimum of <b>sustainable investments with an environmental objective: __%</b> <ul style="list-style-type: none"> <li><input type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy</li> <li><input type="checkbox"/> in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy</li> </ul> <input type="checkbox"/> It will make a minimum of <b>sustainable investments with a social objective: __%</b>	<input checked="" type="checkbox"/> It <b>promotes Environmental/Social (E/S) characteristics</b> and while it does not have as its objective a sustainable investment, it will have a minimum proportion of 15% of sustainable investments <ul style="list-style-type: none"> <li><input type="checkbox"/> with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy</li> <li><input checked="" type="checkbox"/> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy</li> <li><input checked="" type="checkbox"/> with a social objective</li> </ul> <input type="checkbox"/> It promotes E/S characteristics, but <b>will not make any sustainable investments</b>

**What environmental and/or social characteristics are promoted by this financial product?**



This sub-fund promotes environmental and social characteristics related to climate, governance and social norms as well as general ESG quality through the avoidance of issuers (1) exposed to high or excessive climate and transition risks, (2) exposed to high or highest severity of norm issues (i.e. as regards compliance with international standards of corporate governance, human rights and labour rights, customer and environment safety and business ethics), (3) exposed to high or excessive environmental, social and governance risks compared to their peer group, (4) moderately, highly or excessively exposed to controversial sectors and controversial activities, and/or (5) involved in controversial weapons.

This sub-fund further promotes a minimum proportion of sustainable investments with a positive contribution to one or several of the United Nations Sustainable Development Goals (UN SDGs).

This sub-fund has not designated a reference benchmark for the purpose of attaining the environmental and/or social characteristics promoted.

**Sustainability indicators** measure how the environmental or social characteristics promoted by the financial product are attained.

What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?

The attainment of the promoted environmental and social characteristics as well as the sustainable investment is assessed via the application of a proprietary ESG assessment methodology as further described in section “What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?”. The methodology applies a variety of assessment categories that are used as sustainability indicators to assess the attainment of the promoted environmental and social characteristics, which are as follows:

- **DWS Climate and Transition Risk Assessment** is used as indicator for an issuer’s exposure to climate and transition risks
- **DWS Norm Assessment** is used as indicator for an issuer’s exposure to norm-related issues
- **DWS ESG Quality Assessment** is used as indicator for comparison of an issuer’s environmental, social and governance risks in relation to their peer group
- **Exposure to controversial sectors** is used as indicator for an issuer’s involvement in controversial sectors and controversial activities
- **Involvement in controversial weapons** is used as indicator for an issuer’s involvement in controversial weapons
- **Sustainability Investment Assessment** is used as indicator to measure the proportion of sustainable investments

What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?

The sub-fund will partially invest in sustainable investments according to article 2(17) SFDR. Such sustainable investments will contribute to at least one of the UN SDGs that relate to environmental and/or social objectives, such as the following (non-exhaustive list):

- Goal 1: No poverty
- Goal 2: Zero hunger
- Goal 3: Good health and well-being
- Goal 4: Quality education
- Goal 5: Gender equality
- Goal 6: Clean water and Sanitation
- Goal 7: Affordable and clean energy
- Goal 10: Reduced inequality
- Goal 11: Sustainable cities and communities
- Goal 12: Responsible consumption
- Goal 13: Climate action
- Goal 14: Life below water
- Goal 15: Life on land

The extent of contribution to individual UN SDGs will vary based on the actual investments in the portfolio.

DWS will measure the contribution to the UN SDGs via its sustainability investment assessment which evaluates potential investments in relation to different criteria to conclude that an economic activity can be considered as sustainable. Via this assessment, the sub-fund management evaluates (1) whether an economic activity contributes to one or several of the UN SDGs, (2) whether the economic activity or other economic activities of that company significantly harm any of these objectives (Do Not Significantly Harm (DNSH) assessment) and (3) whether the company as such is in line with the DWS safeguard assessment.

The sustainability investment assessment uses data from multiple data providers, public sources and internal assessments (based on a defined assessment and classification methodology) to determine if an activity is sustainable. Activities that contribute positively to the UN SDGs are measured in terms of revenues, capital expenditure (CapEx) and/or operational expenditure (OpEx). If a positive contribution is determined, the activity will be considered sustainable if the company passes the DNSH assessment and complies with the DWS safeguard assessment as detailed in the section “How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights?”.

The sub-fund will currently not commit to target a minimum proportion of sustainable investments with an environmental objective aligned with the EU Taxonomy.

How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?

The DNSH assessment is integral part of the sustainability investment assessment and evaluates whether an economic activity with a contribution to an UN SDG causes significant harm to any of these objectives. In case that a significant harm is identified, the economic activity fails the DNSH assessment and cannot be considered as sustainable economic activity.

How have the indicators for adverse impacts on sustainability factors been taken into account?

As part of the DNSH assessment under article 2(17) SFDR, the sustainability investment assessment systematically integrates all mandatory principal adverse indicators from Table 1 and relevant indicators from Tables 2 and 3 of Annex I of the Commission Delegated Regulation (EU) 2022/1288 supplementing the Sustainable Finance Disclosure Regulation (SFDR). Taking into account these adverse impacts, DWS has established quantitative thresholds and/or qualitative values to determine if an investment significantly harms any of the environmental or social objectives. These values are set based upon various external and internal factors, such as data availability or market developments and may be adapted going forward.

How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:

As part of its sustainability investment assessment, DWS further evaluates through its safeguard assessment the alignment of a company with international norms. This includes checks in relation to adherence to international norms, for example, the OECD Guidelines for Multinational Enterprises, the UN Guiding Principles on Business and Human Rights, the principles of the United Nations Global Compact and the standards of the International Labour Organization. Companies with assessed and reconfirmed highest violations of one of the international norms are considered as non-compliant to the safeguards and their economic activities cannot be considered sustainable.

*The EU Taxonomy sets out a “do not significant harm” principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.*

The “do no significant harm” principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

*Any other sustainable investments must also not significantly harm any environmental or social objectives.*



**Principal adverse impacts** are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

Does this financial product consider principal adverse impacts on sustainability factors?

**X** Yes, the sub-fund management considers the following principle adverse impacts on sustainability factors from Annex I of the Commission Delegated Regulation (EU) 2022/1288 supplementing the Sustainable Finance Disclosure Regulation:

- Carbon footprint (no. 2);
- GHG intensity of investee companies (no. 3);
- Exposure to companies active in the fossil fuel sector (no. 4);
- Emissions to water (no. 8);
- Violation of UN Global Compact principles and OECD Guidelines for multinational enterprises (no. 10); and
- Exposure to controversial weapons (no. 14).

The above principal adverse impacts are considered at product level through the exclusion strategy for the sub-fund's assets that are aligned with environmental and social characteristics via the proprietary ESG assessment methodology as detailed in section "What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?".

For sustainable investments, the principal adverse impacts are further considered in the DNSH assessment as described above in section "How have the indicators for adverse impacts on sustainability factors been taken into account?".

Further information on principal adverse impacts will be provided in an annex to the sub-fund's annual report.

No



**The Investment strategy** guides investment decisions based on factors such as investment objectives and risk tolerance.

What investment strategy does this financial product follow?

This sub-fund pursues a strategy based on equities as main investment strategy. At least 51% of the sub-fund's assets are invested in equities of international issuers. Up to 20% may be invested in interest-bearing securities. Further details regarding the main investment strategy are specified in the Special Section of the Sales Prospectus. The sub-fund's assets are predominantly allocated into investments that comply with the defined standards in respect to the promoted environmental and social characteristics as described in the following sections. The sub-fund's strategy in relation to the promoted environmental or social characteristics is integral part of the ESG assessment methodology, which is continuously monitored via the sub-fund's investment guidelines.

What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?

**ESG assessment methodology**

The portfolio management of this sub-fund seeks to attain the promoted environmental and social characteristics by assessing potential investments via a proprietary ESG assessment methodology irrespective of economic prospects of success. This methodology is based on the ESG database, which uses data from multiple ESG data providers, public sources and internal assessments (based on a defined assessment and classification methodology) to derive combined scores. The ESG database is therefore constituted by data and figures as well as on internal assessments that take into account factors beyond the processed data and figures, such as an issuer's future expected ESG development, plausibility of the data with regard to past or future events, an issuer's willingness to engage in dialogues on ESG matters or corporate decisions.

The ESG database derives "A" to "F" letter coded assessments within different categories as further detailed below. Within each category, issuers receive one of six possible scores, with "A" being the highest score and "F" being the lowest score. If an issuer's score in one category is deemed insufficient, the portfolio management is prohibited from investing in that issuer, even if it is eligible according to other categories. For exclusion purposes, each letter score in a category is considered individually and may result in exclusion of an issuer.

The ESG database uses a variety of assessment categories to assess the attainment of the promoted environmental and social characteristics, including amongst others:

**• DWS Climate and Transition Risk Assessment**

The DWS Climate and Transition Risk Assessment evaluates issuers in relation to climate change and environmental changes, e.g., in respect to greenhouse gas reduction and water conservation. Issuers that contribute less to climate change and other negative environmental changes or are less exposed to such risks receive better evaluations. Issuers with excessive climate risk profile (i.e., a letter score of "F") are excluded as an investment. Issuers with high climate risk profile (i.e., a letter score of "E")

are limited to 5% of the sub-fund's net assets.

• **DWS Norm Assessment**

The DWS Norm Assessment evaluates the behaviour of issuers, e.g., within the framework of the principles of the United Nations Global Compact, the standards of the International Labour Organization and behaviour within generally accepted international standards and principles. The Norm Assessment examines, e.g., human rights violations, violations of workers' rights, child or forced labour, adverse environmental impacts, and business ethics. Issuers with highest severity of norm issues (i.e., a letter score of "F") are excluded as an investment. Issuers with high severity of norm issues (i.e., a letter score of "E") are limited to 5% of the sub-fund's net assets.

• **DWS ESG Quality Assessment**

The DWS ESG Quality Assessment distinguishes between corporate and sovereign issuers. For corporate issuers, the DWS ESG Quality Assessment allows for a peer group comparison based on cross vendor consensus on overall ESG assessment (best-in-class approach), for example concerning the handling of environmental changes, product safety, employee management or corporate ethics. The peer group is composed of issuers from the same sector in the same region. Issuers rated better in this peer group comparison receive a better score, while issuers rated worse in the comparison receive a worse score. Corporate issuers rated poorly compared to their peer group (i.e., a letter score of "E" or "F") are excluded as an investment.

For sovereign issuers, the DWS ESG Quality Assessment evaluates a countries' governance from a holistic perspective taking into account, among other things, the assessment of political and civil liberties. Sovereign issuers with high or excessive controversies regarding governance (i.e., a letter score of "E" or "F") are excluded as an investment.

Further, issuers with a letter score of "D" in the DWS ESG Quality Assessment are limited to 15% of the sub-fund's net assets.

• **Exposure to controversial sectors**

The ESG database defines certain business areas and business activities as relevant. Business areas and business activities are defined as relevant if they involve the production or distribution of products in a controversial area ("controversial sectors"). Controversial sectors are defined, for example, as the civil firearms industry, military defence, tobacco and adult entertainment. Other business sectors and business activities that affect the production or distribution of products in other sectors are defined as relevant. Other relevant sectors are, for example, nuclear energy or coal mining and coal-based power generation.

Issuers are evaluated according to the share of total revenues they generate in controversial business areas and controversial business activities. The lower the percentage of revenues from the controversial business areas and controversial business activities, the better the score. Issuers (excluding target funds) with a moderate, high or excessive exposure (i.e., a letter score of "D", "E" or "F") are excluded as an investment. As regards the involvement in coal mining and coal-based power generation, issuers (excluding target funds) with high or excessive exposure (i.e., a letter score of "E" or "F") are excluded as an investment.

• **Involvement in controversial weapons**

The ESG database assesses a company's involvement in the business of controversial weapons. Controversial weapons include for example anti-personnel mines, cluster munitions, depleted uranium weapons, nuclear weapons, chemical and biological weapons.

Issuers are assessed based on their degree of involvement (production of controversial weapons, component production, etc) in the manufacturing of controversial weapons, regardless of total revenues they generate from controversial weapons. Issuers (with the exception of target funds) with medium, high or excessive involvement (i.e., a letter score of "D", "E" or "F") are excluded as an investment.

• **DWS Use of Proceed Bond Assessment**

By way of derogation from the above, bonds that comply with DWS' Use-of-proceeds bond assessment are investable also in cases where the bond issuer does not fully comply with the ESG assessment methodology.

The financing of use of proceeds bonds will be assessed via a two-stage process.

In the first stage DWS assesses whether a bond qualifies as a Use of Proceeds Bond. A key element is checking for compliance with the ICMA Green Bond Principles, the ICMA Social Bond Principles or the ICMA Sustainability Bond Principles. The assessment focuses on the use of proceeds, the selection of the projects financed by these proceeds, the management of the proceeds spending as well as the annual reporting on the use of proceeds to investors.

If a bond complies with these principles, the second stage assesses the ESG quality of the issuer of that bond in relation to defined minimum standards in respect to environmental, social, and corporate

governance factors. This assessment is based on the ESG assessment methodology as described above and excludes

- corporate issuers with poor ESG quality compared to their peer group (i.e. a letter score of “E” or “F”),
- sovereign issuers with high or excessive controversies regarding governance (i.e. a letter score of “E” or “F”),
- issuers with highest severity of norm issues (i.e. a letter score “F”), or
- issuers with excessive exposure to controversial weapons (i.e. a letter score of “D”, “E” or “F”).”

To the extent that the sub-fund seeks to attain the promoted environmental and social characteristics as well as corporate governance practices by means of an investment in target funds, the latter must meet the DWS standards on Climate and Transition Risk-, Norm- and DWS ESG Quality Assessment (excluding the assessment of sovereigns) outlined above.

Derivatives are currently not used to attain the environmental or social characteristics promoted by the sub-fund and are therefore not taken into account for the calculation of the minimum share of assets complying with these characteristics. However, derivatives on individual issuers may only be acquired for the sub-fund if the issuers of the underlying comply with the ESG assessment methodology.

Ancillary liquid assets will not be evaluated via the ESG assessment methodology.

### **Sustainability investment assessment methodology**

Further, for the proportion of sustainable investments DWS will measure the contribution to one or several UN SDGs via its sustainability investment assessment which evaluates potential investments in relation to different criteria to conclude that an economic activity can be considered as sustainable as further detailed in section “What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?”

What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?

The applied ESG investment strategy does not pursue a committed minimum reduction of the scope of the investments.

**Good governance** practices include sound management structures, employee relations, remuneration of staff and tax compliance.

What is the policy to assess good governance practices of the investee companies?

The procedure to assess the good governance practices of the investee companies is based on the DWS Norm Assessment, as further detailed in the dedicated section “What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?”. Accordingly, the assessed investee companies follow good governance practices.

Further, the management company considers active ownership as a strong driver to improve governance, policies and practices, and thus for a better long-term performance of investee companies. Active ownership means using the position as shareholders to influence the activities or behaviour of the investee companies. An engagement activity can be initiated with the investee companies regarding matters such as strategy, financial and non-financial performance, risk, capital structure, social and environmental impact as well as corporate governance including topics like disclosure, culture and remuneration. The engagement activity can be undertaken via, e.g., issuer meetings or engagement letters. Furthermore, for equity investments it could also be an interaction with the company resulting from proxy voting activities or participation at general meetings.

What is the asset allocation planned for this financial product?

This sub-fund invests at least 51% of its net assets in investments that are aligned with the promoted environmental and social characteristics (#1 Aligned with E/S characteristics). Within this category, at least 15% of the sub-fund’s assets qualify as sustainable investments (#1A Sustainable).

Up to 49% of the investments are not aligned with these characteristics (#2 Other). A more detailed description of the specific asset allocation of this sub-fund can be found in the Special Section of the Sales Prospectus.

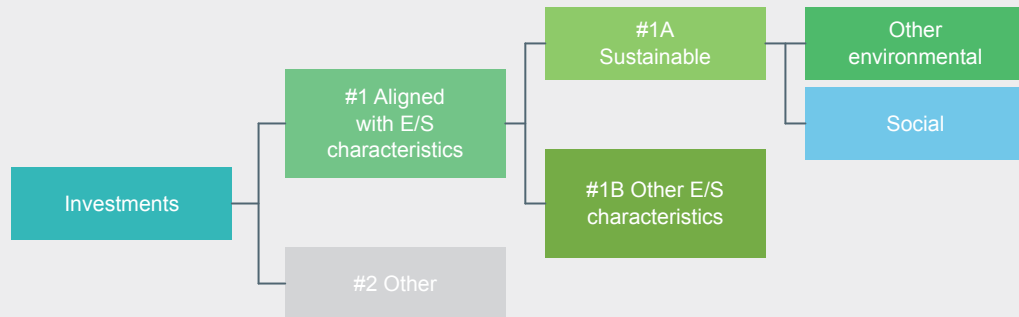




**Asset allocation** describes the share of investments in specific assets.

Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.



**#1 Aligned with E/S characteristics** includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

**#2 Other** includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:

- The sub-category **#1A Sustainable** covers sustainable investments with environmental or social objectives.
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?

Derivatives are currently not used to attain the environmental or social characteristics promoted by the sub-fund.

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For nuclear **energy**, the criteria include comprehensive safety and waste management rules.  
**Enabling activities** directly enable other activities to make a substantial contribution to an environmental objective.

**Transitional activities** are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

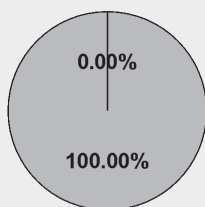


To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

Due to a lack of reliable data the sub-fund does not commit to invest a minimum proportion of sustainable investments with an environmental objective aligned with the EU Taxonomy. Therefore, the minimum percentage of environmentally sustainable investments aligned with the EU Taxonomy is 0% of the sub-fund's net assets. However, it may occur that part of the investments' underlying economic activities are aligned with the EU Taxonomy.

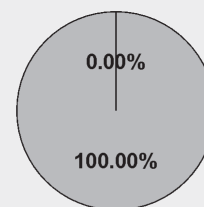
*The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds\*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.*

1. Taxonomy-alignment of investments including sovereign bonds\*



■ Taxonomy-aligned □ Other Investments

2. Taxonomy-alignment of investments excluding sovereign bonds\*



■ Taxonomy-aligned □ Other Investments

\*For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures

What is the minimum share of investments in transitional and enabling activities?

The sub-fund does not have a minimum share of investments in transitional and enabling activities, as it does not commit to a minimum proportion of environmentally sustainable investments aligned with the EU Taxonomy.



are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.



What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

The sub-fund does not intend to make a minimum allocation to environmentally or socially sustainable investments pursuant to Article 2(17) SFDR. However, the minimum share of environmentally and socially sustainable investments shall in total be at least 15% of the net assets of the sub-fund.



What is the minimum share of socially sustainable investments?

The sub-fund does not intend to make a minimum allocation to environmentally or socially sustainable investments pursuant to Article 2(17) SFDR. However, the minimum share of environmentally and socially sustainable investments shall in total be at least 15% of the net assets of the sub-fund.



What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?

This sub-fund promotes a predominant asset allocation in investments that are aligned with environmental and social characteristics (#1 Aligned with E/S characteristics). In addition, and on an ancillary basis, this sub-fund will invest into investments that are not considered aligned with the promoted characteristics (#2 Other). These remaining investments can include all asset classes as foreseen in the specific investment policy including cash and derivatives.

In line with the market positioning of this sub-fund, the purpose of these remaining investments is to provide investors with an exposure to non-ESG aligned investments while at the same time ensuring a predominant exposure to environmentally and socially aligned investments. Remaining investments can be used by the portfolio management for performance, diversification, liquidity and hedging purposes.

This sub-fund does not consider any minimum environmental or social safeguards on these remaining investments.



**Reference benchmarks** are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

This sub-fund has not designated a reference benchmark to determine whether it is aligned with the environmental and/or social characteristics that it promotes.



Where can I find more product specific information online?

**More product-specific information can be found on the website:** <https://funds.dws.com/en-lu/equity-funds/LU2307564141/> as well as on your local country website [www.dws.com/fundinformation](http://www.dws.com/fundinformation).

## DWS Concept ESG Arabesque AI Global Small/Mid Cap

<b>Investor profile</b>	Growth-oriented
<b>Currency of sub-fund</b>	EUR
<b>Sub-fund manager</b>	DWS Investment GmbH
<b>Performance benchmark</b>	–
<b>Reference portfolio (risk benchmark)</b>	MSCI World SMID Cap Index
<b>Leverage effect</b>	2 times the value of the investment sub-fund's assets
<b>Calculation of the NAV per share</b>	Each bank business day in Luxembourg and Frankfurt/Main
<b>Order acceptance</b>	All subscription, redemption and exchange orders are placed on the basis of an unknown net asset value per share. Orders received by the Transfer Agent at or before <b>4:00 PM Luxembourg time</b> on a valuation date are processed on the basis of the net asset value per share on the subsequent valuation date. Orders received after <b>4:00 PM Luxembourg time</b> are processed on the basis of the net asset value per share on the valuation date immediately following that next valuation date.
<b>Value date</b>	In a purchase, the equivalent value is debited three bank business days after issue of the shares. The equivalent value is credited three bank business days after redemption of the shares. The value date for purchase and redemption orders of certain currencies may deviate by one day from the value date as specified in the description of share classes in the general section of the Sales Prospectus.
<b>Fractional shares</b>	Up to three places after the decimal point
<b>Expense cap</b>	Not to exceed 15% of the Management Company fee

The Board of Directors of the Investment Company may at any time elect to launch new share classes in accordance with the share class features as specified in the general section of the Sales Prospectus. The Sales Prospectus will be updated accordingly.

Due to its composition and the techniques applied by its fund management, the sub-fund is subject to markedly increased volatility, which means that the price per share may be subject to substantial downward or upward fluctuation, even within short periods of time.

For the sub-fund with the name DWS Concept ESG Arabesque AI Global Small/Mid Cap, the following provisions shall apply in addition to the terms contained in the general section of the Sales Prospectus.

### Investment policy

This sub-fund promotes environmental and social characteristics and reports as product in accordance with article 8(1) of Regulation (EU) 2019/2088 on sustainability related disclosures in the financial services sector ("SFDR"). While the sub-fund does not have as its objective a sustainable investment, it will invest a minimum proportion of its assets in sustainable investments as defined by article 2 (17) SFDR.

The objective of the investment policy of DWS Concept ESG Arabesque AI Global Small/Mid Cap is to achieve long-term capital appreciation.

"AI" relates to "Artificial Intelligence". "Arabesque AI" is a UK-based company focusing on applying Artificial Intelligence (AI) to predict stock price developments. Specifically, it applies high-performance computing to a massive combination of machine learning algorithms, such as neural

networks, support vector machines, etc., applied to fundamental, alternative and technical data to generate signals which help identifying securities with attractive relative return potential over a given time horizon. These signals are provided by Arabesque AI Ltd. and are an essential input to DWS' proprietary quantitative portfolio construction, which also takes risks and costs into consideration. These signals are designed to identify attractive investment opportunities and are not meant to constitute investment advice as such.

The sub-fund is actively managed and is not managed in reference to a benchmark.

At least 80% of the sub-fund's assets are invested in equities.

At least 51% of the sub-fund's assets will be invested in equities of medium and small international issuers (mid caps and small caps).

Small and medium-sized companies as defined above are companies included in a market index for small and medium-sized companies (e.g. MSCI World SMID Cap Index) or companies that have a comparable market capitalization.

Up to 20% of the sub-fund's assets may be invested in equities that do not meet the above-mentioned criteria.

All securities following the description in the previous paragraphs that are purchased under repurchase agreements shall be attributed to the investment limits stated in article 3.2. of the general section of the Sales Prospectus.

Up to 20% of the sub-fund's assets may be invested in interest-bearing securities. Convertible bonds and warrant-linked bonds do not constitute interest-bearing securities as defined in sentence 1.

Derivatives relating to interest-bearing securities and not intended for hedging shall be attributed to the investment limit applicable to interest-bearing securities.

Up to 10% of the sub-fund's assets may be invested in all permissible investment fund units in accordance with article 2 B.3.2 (i).

The sub-fund may invest in money market instruments, deposits with credit institutions and up to

5% in money market funds. The investment in money market instruments, deposits with credit institutions, money market funds and the holding of ancillary liquid assets, as referred to below, will not in aggregate exceed 20% of the sub-funds' net assets. In exceptionally unfavourable market conditions, it is permitted to temporarily exceed this 20% limit if circumstances so require and to the extent that this appears to be justified with regard to the interests of shareholders.

The sub-fund may hold ancillary liquid assets as specified in article 3.2 (o) of the general section of the Sales Prospectus.

The sub-fund will not invest in contingent convertibles.

The sub-fund intends to use securities financing transactions under the conditions and to the extent further described in the general part of the Sales Prospectus.

In addition, the sub-fund's assets may be invested in all other permissible assets specified in article 3.1, including the assets mentioned in article 3.1 (j) of the general part of the Sales Prospectus.

At least 51% of the sub-fund's net assets are invested in assets that comply with DWS standards in respect to environmental and social characteristics as well as good governance practices as detailed below.

The portfolio management of this sub-fund seeks to attain the promoted environmental and social characteristics by assessing potential investments via a proprietary ESG assessment methodology irrespective of economic prospects of success. This methodology is based on the ESG database, which uses data from multiple ESG data providers, public sources and internal assessments (based on a defined assessment and classification methodology) to derive combined scores. The ESG database is therefore constituted by data and figures as well as on internal assessments that take into account factors beyond the processed data and figures, such as an issuer's future expected ESG development, plausibility of the data with regard to past or future events, an issuer's willingness to engage in dialogues on ESG matters or corporate decisions.

The ESG database derives A to F letter coded assessments within different categories as further detailed below. Within each category, issuers receive one of six possible scores, with "A" being the highest score and "F" being the lowest score. If an issuer's score in one category is deemed insufficient, the portfolio management is prohibited from investing in that issuer, even if it is eligible according to other categories. For exclusion purposes, each letter score in a category is considered individually and may result in exclusion of an issuer.

The ESG database uses a variety of assessment categories to assess the attainment of the promo-

ted environmental and social characteristics, including amongst others:

#### **DWS Climate and Transition Risk Assessment**

The DWS Climate and Transition Risk Assessment evaluates issuers in relation to climate change and environmental changes, e.g. in respect to greenhouse gas reduction and water conservation. Issuers that contribute less to climate change and other negative environmental changes or are less exposed to such risks receive better evaluations. Issuers with excessive climate risk profile (i.e. a letter score of "F") are excluded as an investment. Issuers with high climate risk profile (i.e. a letter score of "E") are limited to 5% of the sub-fund's net assets.

#### **DWS Norm Assessment**

The DWS Norm Assessment evaluates the behaviour of issuers, for example, within the framework of the principles of the United Nations Global Compact, the standards of the International Labour Organization and behaviour within generally accepted international standards and principles. The Norm Assessment examines, for example, human rights violations, violations of workers' rights, child or forced labour, adverse environmental impacts, and business ethics. Issuers with highest severity of norm issues (i.e. a letter score of "F") are excluded as an investment. Issuers with high severity of norm issues (i.e. a letter score of "E") are limited to 5% of the sub-fund's net assets.

#### **DWS ESG Quality Assessment**

The DWS ESG Quality Assessment distinguishes between corporate and sovereign issuers.

For corporate issuers, the DWS ESG Quality Assessment allows for a peer group comparison based on cross vendor consensus on overall ESG assessment (best-in-class approach), for example concerning the handling of environmental changes, product safety, employee management or corporate ethics. The peer group is composed of issuers from the same sector in the same region. Issuers rated better in this peer group comparison receive a better score, while issuers rated worse in the comparison receive a worse score. Corporate issuers rated poorly compared to their peer group (i.e. a letter score of "E" or "F") are excluded as an investment.

For sovereign issuers, the DWS ESG Quality Assessment evaluates a countries' governance from a holistic perspective taking into account, among other things, the assessment of political and civil liberties. Sovereign issuers with high or excessive controversies regarding governance (i.e. a letter score of "E" or "F") are excluded as an investment.

Further, issuers with a letter score of "D" in the DWS ESG Quality Assessment are limited to 15% of the sub-fund's net assets.

#### **Exposure to controversial sectors**

The ESG database defines certain business areas and business activities as relevant. Business areas and business activities are defined as relevant if they involve the production or distribution of products in a controversial area ("controversial sectors"). Controversial sectors are defined, for example, as the civil firearms industry, military defence, tobacco, and adult entertainment. Other business sectors and business activities that affect the production or distribution of products in other sectors are defined as relevant. Other relevant sectors are, for example, nuclear energy or coal mining and coal-based power generation.

Issuers are evaluated according to the share of total revenues they generate in controversial business areas and controversial business activities. The lower the percentage of revenues from the controversial business areas and controversial business activities, the better the score.

Issuers (excluding target funds) with a moderate, high or excessive exposure (i.e. a letter score of "D", "E" or "F") are excluded as an investment.

As regards the involvement in coal mining and coal-based power generation, issuers (excluding target funds) with high or excessive exposure (i.e. a letter score of "E" or "F") are excluded as an investment.

#### **Involvement in controversial weapons**

The ESG database assesses a company's involvement in the business of controversial weapons. Controversial weapons include for example anti-personnel mines, cluster munitions, depleted uranium weapons, nuclear weapons, chemical and biological weapons.

Issuers are assessed based on their degree of involvement (production of controversial weapons, component production, etc) in the manufacturing of controversial weapons, regardless of total revenues they generate from controversial weapons. Issuers (with the exception of target funds) with medium, high or excessive involvement (i.e. a letter score of "D", "E" or "F") are excluded as an investment.

#### **DWS Use of Proceed Bond Assessment**

By way of derogation from the above, bonds that comply with DWS' Use-of-proceeds bond assessment are investable also in cases where the bond issuer does not fully comply with the ESG assessment methodology.

The financing of use of proceed bonds will be assessed via a two-stage process.

In the first stage DWS assesses whether a bond qualifies as a Use of Proceeds Bond. A key element is checking for compliance with the ICMA Green Bond Principles, the ICMA Social Bond Principles or the ICMA Sustainability Bond Principles. The assessment focuses on the use of proceeds, the selection of the projects financed

by these proceeds, the management of the proceeds spending as well as the annual reporting on the use of proceeds to investors. If a bond complies with these principles, the second stage assesses the ESG quality of the issuer of that bond in relation to defined minimum standards in respect to environmental, social, and corporate governance factors. This assessment is based on the ESG assessment methodology as described above and excludes

- corporate issuers with poor ESG quality compared to their peer group (i.e. a letter score of “E” or “F”);
- sovereign issuers with high or excessive controversies regarding governance (i.e. a letter score of “E” or “F”);
- issuers with highest severity of norm issues (i.e. a letter score “F”); or
- issuers with excessive exposure to controversial weapons (i.e. a letter score of “D”, “E” or “F”).

To the extent that the sub-fund seeks to attain the promoted environmental and social characteristics as well as corporate governance practices by means of an investment in target funds, the latter must meet the DWS standards on Climate and Transition Risk-, Norm- and ESG Quality Assessment (excluding the assessment of sovereigns) outlined above.

Derivatives are currently not used to attain the environmental or social characteristics promoted by the sub-fund and are therefore not taken into account for the calculation of the minimum share of assets complying with these characteristics. However, derivatives on individual issuers may only be acquired for the sub-fund if the issuers of the underlying comply with the ESG assessment methodology.

Ancillary liquid assets will not be evaluated via the ESG assessment methodology.

As part of the sub-fund’s investment in assets that meet the DWS standards in respect to environmental and social characteristics as well as good governance practices as further described above, the sub-fund management will invest at least 10% of the sub-fund’s net assets in sustainable investments in accordance with article 2 (17) SFDR. Such sustainable investments will contribute to at least one of the UN SDGs that relate to environmental and/or social objectives, such as the following (non-exhaustive list):

- Goal 1: No poverty
- Goal 2: Zero hunger
- Goal 3: Good health and well-being
- Goal 4: Quality education
- Goal 5: Gender equality
- Goal 6: Clean water and Sanitation
- Goal 7: Affordable and clean energy
- Goal 10: Reduced inequality
- Goal 11: Sustainable cities and communities
- Goal 12: Responsible consumption & production

- Goal 13: Climate action
- Goal 14: Life below water
- Goal 15: Life on land

The extent of contribution to individual UN SDGs will vary based on the actual investments in the portfolio.

DWS will measure the contribution to the UN SDGs via its sustainability investment assessment which evaluates potential investments in relation to different criteria to conclude that an economic activity can be considered as sustainable. Via this assessment, the sub-fund management evaluates (1) whether an economic activity contributes to one or several of the UN SDGs, (2) whether the economic activity or other economic activities of that company significantly harm any of these objectives (Do Not Significantly Harm (DNSH) assessment) and (3) whether the company as such is in line with the DWS safeguard assessment.

The sustainability investment assessment uses data from multiple data providers, public sources and internal assessments (based on a defined assessment and classification methodology) to determine if an activity is sustainable. Activities that contribute positively to the UN SDGs are measured in terms of revenues, capital expenditure (CapEx) and/or operational expenditure (OpEx). If a positive contribution is determined, the activity will be considered sustainable if the company passes the DNSH assessment and complies with the DWS safeguard assessment.

Due to a lack of reliable data the sub-fund does not commit to invest a minimum proportion of sustainable investments with an environmental objective aligned with the EU Taxonomy. Therefore, the minimum percentage of environmentally sustainable investments aligned with the EU Taxonomy is 0% of the sub-fund’s net assets. However, it may occur that part of the investments’ underlying economic activities are aligned with the EU Taxonomy

The sub-fund management considers the following principle adverse impacts on sustainability factors from Annex I of the Commission Delegated Regulation (EU) 2022/1288 supplementing the SFDR:

- Carbon footprint (no. 2);
- GHG intensity of investee companies (no. 3);
- Exposure to companies active in the fossil fuel sector (no. 4);
- Emissions to water (no. 8);
- Violation of UN Global Compact principles and OECD Guidelines for multinational enterprises (no. 10); and
- Exposure to controversial weapons (no. 14).

The above principal adverse impacts are considered at product level through the exclusion strategy for the sub-funds’ assets that are aligned with environmental and social characteristics via the proprietary ESG assessment methodology. For

sustainable investments, the principal adverse impacts are further considered in the DNSH assessment.

This sub-fund has not designated a reference benchmark for the purpose of attaining the environmental and/or social characteristics promoted.

Further, the management company considers active ownership as a strong driver to improve governance, policies, and practices, and thus for a better long-term performance of investee companies. Active ownership means using the position as shareholders to influence the activities or behaviour of the investee companies. An engagement activity can be initiated with the investee companies regarding matters such as strategy, financial and non-financial performance, risk, capital structure, social and environmental impact as well as corporate governance including topics like disclosure, culture, and remuneration. The engagement activity can be undertaken via, e.g., issuer meetings or engagement letters. Furthermore, for equity investments it could also be an interaction with the company resulting from proxy voting activities or participation at general meetings.

Further information about the environmental and social characteristics promoted by this sub-fund is available in the annex to this Sales Prospectus.

Taking into account the investment limits set out in article 3.2 (n), the investment policy can also be implemented through the use of derivatives, including, but not limited to, forwards, futures, single-stock futures, options or equity swaps.

For the purpose of inducing a partial tax exemption within the meaning of the German Investment Tax Act and in addition to the investment limits described in the Articles of Incorporation and this Sales Prospectus (equity fund) at least 51% of the sub-fund’s gross assets (determined as being the value of the sub-fund’s assets without taking into account liabilities) are invested in equities admitted to official trading on a stock exchange or admitted to, or included in, another organized market and which are not:

- units of investment funds;
- equities indirectly held via partnerships;
- units of corporations, associations of persons or estates at least 75% of the gross assets of which consist of immovable property in accordance with statutory provisions or their investment conditions, if such corporations, associations of persons or estates are subject to corporate income tax of at least 15% and are not exempt from it or if their distributions are subject to tax of at least 15% and the sub-fund is not exempt from said taxation;
- units of corporations which are exempt from corporate income taxation to the extent they conduct distributions unless such distributions are subject to taxation at a minimum rate of 15% and the sub-fund is not exempt from said taxation;

- units of corporations the income of which originates, directly or indirectly, to an extent of more than 10%, from units of corporations, that are (i) real estate companies or (ii) are not real estate companies, but (a) are domiciled in member state of the European Union or a member state of the European Economic Area and are not subject in said domicile to corporate income tax or are exempt from it or (b) are domiciled in a third country and are not subject in said domicile to corporate income tax of at least 15% or are exempt from it;
- units of corporations which hold, directly or indirectly, units of corporations, that are (i) real estate companies or (ii) are not real estate companies, but (a) are domiciled in a member state of the European Union or a member state of the European Economic Area and are not subject in said domicile to corporate income tax or are exempt from it or (b) are domiciled in a third country and are not subject in said domicile to corporate income tax of at least 15% or are exempt from it if the fair market value of units of such corporations equal more than 10% of the fair market value of those corporations.

For the purpose of this investment policy and in accordance with the definition in the German Investment Code (KAGB), an organized market is a market which is recognized, open to the public and which functions correctly, unless expressly specified otherwise. Such organized market also meets the criteria of article 50 of the UCITS Directive.

The respective risks connected with investments in this sub-fund are disclosed in the general section of the Sales Prospectus.

### Integration of sustainability risks

The sub-fund management integrates sustainability risks into its investment decisions as described in the General Section of the Sales Prospectus in the section „Integration of sustainability risks in the investment process“.

### Risk Management

The relative Value-at-Risk (VaR) approach is used to limit market risk in the sub-fund.

In addition to the provisions of the general section of the Sales Prospectus, the potential market risk of the sub-fund is measured using a reference portfolio that does not contain derivatives (“risk benchmark”).

Leverage is not expected to exceed twice the value of the investment sub-fund’s assets. The leverage effect is calculated using the sum of notional approach (absolute (notional) amount of each derivative position divided by the net present value of the portfolio). However, the disclosed expected level of leverage is not intended to be an additional exposure limit for the sub-fund.

### Investment in shares of target funds

In addition to the information in the general section of the Sales Prospectus the following is applicable to this sub-fund:

When investing in target funds associated to the sub-fund, the part of the management fee attributable to shares of these target funds is reduced by the management fee/all-in fee of the acquired target funds, and as the case may be, up to the full amount (difference method).

Pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

**Sustainable investment** means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

**Product name:** DWS Concept ESG Arabesque AI Global Small/Mid Cap

**Legal entity identifier:**

**ISIN:**

**Environmental and/or social characteristics**

**Does this financial product have a sustainable investment objective?**

<input checked="" type="radio"/> <input checked="" type="radio"/> <input type="checkbox"/> <b>Yes</b>	<input checked="" type="radio"/> <input type="radio"/> <input checked="" type="checkbox"/> <b>No</b>
<input type="checkbox"/> It will make a minimum of <b>sustainable investments with an environmental objective: __%</b> <ul style="list-style-type: none"> <li><input type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy</li> <li><input type="checkbox"/> in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy</li> </ul> <input type="checkbox"/> It will make a minimum of <b>sustainable investments with a social objective: __%</b>	<input checked="" type="checkbox"/> It <b>promotes Environmental/Social (E/S) characteristics</b> and while it does not have as its objective a sustainable investment, it will have a minimum proportion of 10% of sustainable investments <ul style="list-style-type: none"> <li><input type="checkbox"/> with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy</li> <li><input checked="" type="checkbox"/> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy</li> <li><input checked="" type="checkbox"/> with a social objective</li> </ul> <input type="checkbox"/> It promotes E/S characteristics, but <b>will not make any sustainable investments</b>

**What environmental and/or social characteristics are promoted by this financial product?**

This sub-fund promotes environmental and social characteristics related to climate, governance and social norms as well as general ESG quality through the avoidance of issuers (1) exposed to high or excessive climate and transition risks, (2) exposed to high or highest severity of norm issues (i.e. as regards compliance with international standards of corporate governance, human rights and labour rights, customer and environment safety and business ethics), (3) exposed to high or excessive environmental, social and governance risks compared to their peer group, (4) moderately, highly or excessively exposed to controversial sectors and controversial activities, and/or (5) involved in controversial weapons.

This sub-fund further promotes a minimum proportion of sustainable investments with a positive contribution to one or several of the United Nations Sustainable Development Goals (UN SDGs).

This sub-fund has not designated a reference benchmark for the purpose of attaining the environmental and/or social characteristics promoted.



**Sustainability indicators** measure how the environmental or social characteristics promoted by the financial product are attained.

What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?

The attainment of the promoted environmental and social characteristics as well as the sustainable investment is assessed via the application of a proprietary ESG assessment methodology as further described in section “What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?”. The methodology applies a variety of assessment categories that are used as sustainability indicators to assess the attainment of the promoted environmental and social characteristics, which are as follows:

- **DWS Climate and Transition Risk Assessment** is used as indicator for an issuer’s exposure to climate and transition risks
- **DWS Norm Assessment** is used as indicator for an issuer’s exposure to norm-related issues
- **DWS ESG Quality Assessment** is used as indicator for comparison of an issuer’s environmental, social and governance risks in relation to their peer group
- **Exposure to controversial sectors** is used as indicator for an issuer’s involvement in controversial sectors and controversial activities
- **Involvement in controversial weapons** is used as indicator for an issuer’s involvement in controversial weapons
- **Sustainability Investment Assessment** is used as indicator to measure the proportion of sustainable investments

What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?

The sub-fund will partially invest in sustainable investments according to article 2(17) SFDR. Such sustainable investments will contribute to at least one of the UN SDGs that relate to environmental and/or social objectives, such as the following (non-exhaustive list):

- Goal 1: No poverty
- Goal 2: Zero hunger
- Goal 3: Good health and well-being
- Goal 4: Quality education
- Goal 5: Gender equality
- Goal 6: Clean water and Sanitation
- Goal 7: Affordable and clean energy
- Goal 10: Reduced inequality
- Goal 11: Sustainable cities and communities
- Goal 12: Responsible consumption
- Goal 13: Climate action
- Goal 14: Life below water
- Goal 15: Life on land

The extent of contribution to individual UN SDGs will vary based on the actual investments in the portfolio.

DWS will measure the contribution to the UN SDGs via its sustainability investment assessment which evaluates potential investments in relation to different criteria to conclude that an economic activity can be considered as sustainable. Via this assessment, the sub-fund management evaluates (1) whether an economic activity contributes to one or several of the UN SDGs, (2) whether the economic activity or other economic activities of that company significantly harm any of these objectives (Do Not Significantly Harm (DNSH) assessment) and (3) whether the company as such is in line with the DWS safeguard assessment.

The sustainability investment assessment uses data from multiple data providers, public sources and internal assessments (based on a defined assessment and classification methodology) to determine if an activity is sustainable. Activities that contribute positively to the UN SDGs are measured in terms of revenues, capital expenditure (CapEx) and/or operational expenditure (OpEx). If a positive contribution is determined, the activity will be considered sustainable if the company passes the DNSH assessment and complies with the DWS safeguard assessment as detailed in the section “How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights?”.

The sub-fund will currently not commit to target a minimum proportion of sustainable investments with an environmental objective aligned with the EU Taxonomy.



How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?

The DNSH assessment is integral part of the sustainability investment assessment and evaluates whether an economic activity with a contribution to an UN SDG causes significant harm to any of these objectives. In case that a significant harm is identified, the economic activity fails the DNSH assessment and cannot be considered as sustainable economic activity.

How have the indicators for adverse impacts on sustainability factors been taken into account?

As part of the DNSH assessment under article 2(17) SFDR, the sustainability investment assessment systematically integrates all mandatory principal adverse indicators from Table 1 and relevant indicators from Tables 2 and 3 of Annex I of the Commission Delegated Regulation (EU) 2022/1288 supplementing the Sustainable Finance Disclosure Regulation (SFDR). Taking into account these adverse impacts, DWS has established quantitative thresholds and/or qualitative values to determine if an investment significantly harms any of the environmental or social objectives. These values are set based upon various external and internal factors, such as data availability or market developments and may be adapted going forward.

How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:

As part of its sustainability investment assessment, DWS further evaluates through its safeguard assessment the alignment of a company with international norms. This includes checks in relation to adherence to international norms, for example, the OECD Guidelines for Multinational Enterprises, the UN Guiding Principles on Business and Human Rights, the principles of the United Nations Global Compact and the standards of the International Labour Organization. Companies with assessed and reconfirmed highest violations of one of the international norms are considered as non-compliant to the safeguards and their economic activities cannot be considered sustainable.

*The EU Taxonomy sets out a “do not significant harm” principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.*

The “do no significant harm” principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

*Any other sustainable investments must also not significantly harm any environmental or social objectives.*



**Principal adverse impacts** are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

Does this financial product consider principal adverse impacts on sustainability factors?

**X** Yes, the sub-fund management considers the following principle adverse impacts on sustainability factors from Annex I of the Commission Delegated Regulation (EU) 2022/1288 supplementing the Sustainable Finance Disclosure Regulation:

- Carbon footprint (no. 2);
- GHG intensity of investee companies (no. 3);
- Exposure to companies active in the fossil fuel sector (no. 4);
- Emissions to water (no. 8);
- Violation of UN Global Compact principles and OECD Guidelines for multinational enterprises (no. 10); and
- Exposure to controversial weapons (no. 14).

The above principal adverse impacts are considered at product level through the exclusion strategy for the sub-fund's assets that are aligned with environmental and social characteristics via the proprietary ESG assessment methodology as detailed in section "What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?".

For sustainable investments, the principal adverse impacts are further considered in the DNSH assessment as described above in section "How have the indicators for adverse impacts on sustainability factors been taken into account?".

Further information on principal adverse impacts will be provided in an annex to the sub-fund's annual report.

No



**The Investment strategy** guides investment decisions based on factors such as investment objectives and risk tolerance.

What investment strategy does this financial product follow?

This sub-fund pursues a strategy based on equities as main investment strategy. At least 80% of the sub-fund's assets are invested in equities. At least 51% of the sub-fund's assets will be invested in equities of medium and small international issuers (mid caps and small caps). Up to 20% may be invested in interest-bearing securities. Further details regarding the main investment strategy are specified in the Special Section of the Sales Prospectus. The sub-fund's assets are predominantly allocated into investments that comply with the defined standards in respect to the promoted environmental and social characteristics as described in the following sections. The sub-fund's strategy in relation to the promoted environmental or social characteristics is integral part of the ESG assessment methodology, which is continuously monitored via the sub-fund's investment guidelines.

What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?

#### **ESG assessment methodology**

The portfolio management of this sub-fund seeks to attain the promoted environmental and social characteristics by assessing potential investments via a proprietary ESG assessment methodology irrespective of economic prospects of success. This methodology is based on the ESG database, which uses data from multiple ESG data providers, public sources and internal assessments (based on a defined assessment and classification methodology) to derive combined scores. The ESG database is therefore constituted by data and figures as well as on internal assessments that take into account factors beyond the processed data and figures, such as an issuer's future expected ESG development, plausibility of the data with regard to past or future events, an issuer's willingness to engage in dialogues on ESG matters or corporate decisions.

The ESG database derives "A" to "F" letter coded assessments within different categories as further detailed below. Within each category, issuers receive one of six possible scores, with "A" being the highest score and "F" being the lowest score. If an issuer's score in one category is deemed insufficient, the portfolio management is prohibited from investing in that issuer, even if it is eligible according to other categories. For exclusion purposes, each letter score in a category is considered individually and may result in exclusion of an issuer.

The ESG database uses a variety of assessment categories to assess the attainment of the promoted environmental and social characteristics, including amongst others:

#### **• DWS Climate and Transition Risk Assessment**

The DWS Climate and Transition Risk Assessment evaluates issuers in relation to climate change and environmental changes, e.g., in respect to greenhouse gas reduction and water conservation. Issuers that contribute less to climate change and other negative environmental changes or are less exposed to such risks receive better evaluations. Issuers with excessive climate risk profile (i.e., a letter score

of “F”) are excluded as an investment. Issuers with high climate risk profile (i.e., a letter score of “E”) are limited to 5% of the sub-fund’s net assets.

• **DWS Norm Assessment**

The DWS Norm Assessment evaluates the behaviour of issuers, e.g., within the framework of the principles of the United Nations Global Compact, the standards of the International Labour Organization and behaviour within generally accepted international standards and principles. The Norm Assessment examines, e.g., human rights violations, violations of workers’ rights, child or forced labour, adverse environmental impacts, and business ethics. Issuers with highest severity of norm issues (i.e., a letter score of “F”) are excluded as an investment. Issuers with high severity of norm issues (i.e., a letter score of “E”) are limited to 5% of the sub-fund’s net assets.

• **DWS ESG Quality Assessment**

The DWS ESG Quality Assessment distinguishes between corporate and sovereign issuers. For corporate issuers, the DWS ESG Quality Assessment allows for a peer group comparison based on cross vendor consensus on overall ESG assessment (best-in-class approach), for example concerning the handling of environmental changes, product safety, employee management or corporate ethics. The peer group is composed of issuers from the same sector in the same region. Issuers rated better in this peer group comparison receive a better score, while issuers rated worse in the comparison receive a worse score. Corporate issuers rated poorly compared to their peer group (i.e., a letter score of “E” or “F”) are excluded as an investment. For sovereign issuers, the DWS ESG Quality Assessment evaluates a countries’ governance from a holistic perspective taking into account, among other things, the assessment of political and civil liberties. Sovereign issuers with high or excessive controversies regarding governance (i.e., a letter score of “E” or “F”) are excluded as an investment. Further, issuers with a letter score of “D” in the DWS ESG Quality Assessment are limited to 15% of the sub-fund’s net assets.

• **Exposure to controversial sectors**

The ESG database defines certain business areas and business activities as relevant. Business areas and business activities are defined as relevant if they involve the production or distribution of products in a controversial area (“controversial sectors”). Controversial sectors are defined, for example, as the civil firearms industry, military defence, tobacco and adult entertainment. Other business sectors and business activities that affect the production or distribution of products in other sectors are defined as relevant. Other relevant sectors are, for example, nuclear energy or coal mining and coal-based power generation. Issuers are evaluated according to the share of total revenues they generate in controversial business areas and controversial business activities. The lower the percentage of revenues from the controversial business areas and controversial business activities, the better the score. Issuers (excluding target funds) with a moderate, high or excessive exposure (i.e., a letter score of “D”, “E” or “F”) are excluded as an investment. As regards the involvement in coal mining and coal-based power generation, issuers (excluding target funds) with high or excessive exposure (i.e., a letter score of “E” or “F”) are excluded as an investment.

• **Involvement in controversial weapons**

The ESG database assesses a company’s involvement in the business of controversial weapons. Controversial weapons include for example anti-personnel mines, cluster munitions, depleted uranium weapons, nuclear weapons, chemical and biological weapons. Issuers are assessed based on their degree of involvement (production of controversial weapons, component production, etc) in the manufacturing of controversial weapons, regardless of total revenues they generate from controversial weapons. Issuers (with the exception of target funds) with medium, high or excessive involvement (i.e., a letter score of “D”, “E” or “F”) are excluded as an investment.

• **DWS Use of Proceed Bond Assessment**

By way of derogation from the above, bonds that comply with DWS’ Use-of-proceeds bond assessment are investable also in cases where the bond issuer does not fully comply with the ESG assessment methodology.

The financing of use of proceeds bonds will be assessed via a two-stage process.

In the first stage DWS assesses whether a bond qualifies as a Use of Proceeds Bond. A key element is checking for compliance with the ICMA Green Bond Principles, the ICMA Social Bond Principles or the ICMA Sustainability Bond Principles. The assessment focuses on the use of proceeds, the selection of the projects financed by these proceeds, the management of the proceeds spending as well as the annual reporting on the use of proceeds to investors.

If a bond complies with these principles, the second stage assesses the ESG quality of the issuer of

that bond in relation to defined minimum standards in respect to environmental, social, and corporate governance factors. This assessment is based on the ESG assessment methodology as described above and excludes

- corporate issuers with poor ESG quality compared to their peer group (i.e. a letter score of “E” or “F”),
- sovereign issuers with high or excessive controversies regarding governance (i.e. a letter score of “E” or “F”),
- issuers with highest severity of norm issues (i.e. a letter score “F”), or
- issuers with excessive exposure to controversial weapons (i.e. a letter score of “D”, “E” or “F”).”

To the extent that the sub-fund seeks to attain the promoted environmental and social characteristics as well as corporate governance practices by means of an investment in target funds, the latter must meet the DWS standards on Climate and Transition Risk-, Norm- and DWS ESG Quality Assessment (excluding the assessment of sovereigns) outlined above.

Derivatives are currently not used to attain the environmental or social characteristics promoted by the sub-fund and are therefore not taken into account for the calculation of the minimum share of assets complying with these characteristics. However, derivatives on individual issuers may only be acquired for the sub-fund if the issuers of the underlying comply with the ESG assessment methodology.

Ancillary liquid assets will not be evaluated via the ESG assessment methodology.

### **Sustainability investment assessment methodology**

Further, for the proportion of sustainable investments DWS will measure the contribution to one or several UN SDGs via its sustainability investment assessment which evaluates potential investments in relation to different criteria to conclude that an economic activity can be considered as sustainable as further detailed in section “What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?”

What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?

The applied ESG investment strategy does not pursue a committed minimum reduction of the scope of the investments.

**Good governance** practices include sound management structures, employee relations, remuneration of staff and tax compliance.

What is the policy to assess good governance practices of the investee companies?

The procedure to assess the good governance practices of the investee companies is based on the DWS Norm Assessment, as further detailed in the dedicated section “What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?”. Accordingly, the assessed investee companies follow good governance practices.

Further, the management company considers active ownership as a strong driver to improve governance, policies and practices, and thus for a better long-term performance of investee companies. Active ownership means using the position as shareholders to influence the activities or behaviour of the investee companies. An engagement activity can be initiated with the investee companies regarding matters such as strategy, financial and non-financial performance, risk, capital structure, social and environmental impact as well as corporate governance including topics like disclosure, culture and remuneration. The engagement activity can be undertaken via, e.g., issuer meetings or engagement letters. Furthermore, for equity investments it could also be an interaction with the company resulting from proxy voting activities or participation at general meetings.

What is the asset allocation planned for this financial product?

This sub-fund invests at least 51% of its net assets in investments that are aligned with the promoted environmental and social characteristics (#1 Aligned with E/S characteristics). Within this category, at least 10% of the sub-fund’s assets qualify as sustainable investments (#1A Sustainable).

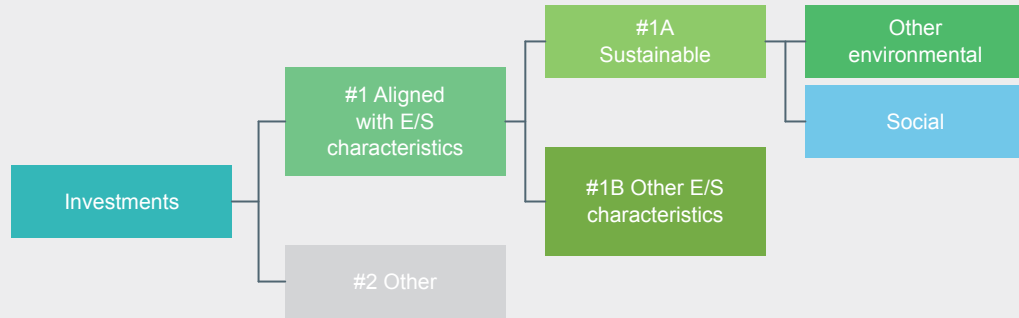
Up to 49% of the investments are not aligned with these characteristics (#2 Other). A more detailed description of the specific asset allocation of this sub-fund can be found in the Special Section of the Sales Prospectus.



**Asset allocation** describes the share of investments in specific assets.

Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.



**#1 Aligned with E/S characteristics** includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

**#2 Other** includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:

- The sub-category **#1A Sustainable** covers sustainable investments with environmental or social objectives.
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?

Derivatives are currently not used to attain the environmental or social characteristics promoted by the sub-fund.

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For nuclear **energy**, the criteria include comprehensive safety and waste management rules.  
**Enabling activities** directly enable other activities to make a substantial contribution to an environmental objective.

**Transitional activities** are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

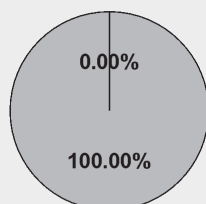


To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

Due to a lack of reliable data the sub-fund does not commit to invest a minimum proportion of sustainable investments with an environmental objective aligned with the EU Taxonomy. Therefore, the minimum percentage of environmentally sustainable investments aligned with the EU Taxonomy is 0% of the sub-fund's net assets. However, it may occur that part of the investments' underlying economic activities are aligned with the EU Taxonomy.

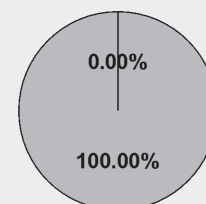
*The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds\*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.*

1. Taxonomy-alignment of investments including sovereign bonds\*



■ Taxonomy-aligned □ Other Investments

2. Taxonomy-alignment of investments excluding sovereign bonds\*



■ Taxonomy-aligned □ Other Investments

\*For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures

What is the minimum share of investments in transitional and enabling activities?

The sub-fund does not have a minimum share of investments in transitional and enabling activities, as it does not commit to a minimum proportion of environmentally sustainable investments aligned with the EU Taxonomy.



are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.



What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

The sub-fund does not intend to make a minimum allocation to environmentally or socially sustainable investments pursuant to Article 2(17) SFDR. However, the minimum share of environmentally and socially sustainable investments shall in total be at least 10% of the net assets of the sub-fund.



What is the minimum share of socially sustainable investments?

The sub-fund does not intend to make a minimum allocation to environmentally or socially sustainable investments pursuant to Article 2(17) SFDR. However, the minimum share of environmentally and socially sustainable investments shall in total be at least 10% of the net assets of the sub-fund.



What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?

This sub-fund promotes a predominant asset allocation in investments that are aligned with environmental and social characteristics (#1 Aligned with E/S characteristics). In addition, and on an ancillary basis, this sub-fund will invest into investments that are not considered aligned with the promoted characteristics (#2 Other). These remaining investments can include all asset classes as foreseen in the specific investment policy including cash and derivatives.

In line with the market positioning of this sub-fund, the purpose of these remaining investments is to provide investors with an exposure to non-ESG aligned investments while at the same time ensuring a predominant exposure to environmentally and socially aligned investments. Remaining investments can be used by the portfolio management for performance, diversification, liquidity and hedging purposes.

This sub-fund does not consider any minimum environmental or social safeguards on these remaining investments.



**Reference benchmarks** are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

This sub-fund has not designated a reference benchmark to determine whether it is aligned with the environmental and/or social characteristics that it promotes.



Where can I find more product specific information online?

The sub-fund has not been launched yet. The Board of Directors of the Investment Company may at any time elect to launch new share classes for the sub-fund in accordance with the share class features as specified in the general section of the Sales Prospectus.

## DWS Concept ESG Arabesque AI US Equities

<b>Investor profile</b>	Growth-oriented
<b>Currency of sub-fund</b>	EUR
<b>Sub-fund manager</b>	DWS Investment GmbH
<b>Performance benchmark</b>	–
<b>Reference portfolio (risk benchmark)</b>	MSCI USA TR net
<b>Leverage effect</b>	2 times the value of the investment sub-fund's assets
<b>Calculation of the NAV per share</b>	Each bank business day in Luxembourg and Frankfurt/Main
<b>Order acceptance</b>	All subscription, redemption and exchange orders are placed on the basis of an unknown net asset value per share. Orders received by the Transfer Agent at or before <b>4:00 PM Luxembourg time</b> on a valuation date are processed on the basis of the net asset value per share on the subsequent valuation date. Orders received after <b>4:00 PM Luxembourg time</b> are processed on the basis of the net asset value per share on the valuation date immediately following that next valuation date.
<b>Value date</b>	In a purchase, the equivalent value is debited three bank business days after issue of the shares. The equivalent value is credited three bank business days after redemption of the shares. The value date for purchase and redemption orders of certain currencies may deviate by one day from the value date as specified in the description of share classes in the general section of the Sales Prospectus.
<b>Fractional shares</b>	Up to three places after the decimal point
<b>Expense cap</b>	Not to exceed 15% of the Management Company fee

The Board of Directors of the Investment Company may at any time elect to launch new share classes in accordance with the share class features as specified in the general section of the Sales Prospectus. The Sales Prospectus will be updated accordingly.

Due to its composition and the techniques applied by its fund management, the sub-fund is subject to markedly increased volatility, which means that the price per share may be subject to **substantial** downward or upward **fluctuation**, even within short periods of time.

For the sub-fund with the name DWS Concept ESG Arabesque AI US Equities, the following provisions shall apply in addition to the terms contained in the general section of the Sales Prospectus.

### Investment policy

This sub-fund promotes environmental and social characteristics and reports as product in accordance with article 8(1) of Regulation (EU) 2019/2088 on sustainability related disclosures in the financial services sector ("SFDR"). While the sub-fund does not have as its objective a sustainable investment, it will invest a minimum proportion of its assets in sustainable investments as defined by article 2 (17) SFDR.

The objective of the investment policy of DWS Concept ESG Arabesque AI US Equities is to achieve long-term capital appreciation.

"AI" relates to "Artificial Intelligence". "Arabesque AI" is a UK-based company focusing on applying Artificial Intelligence (AI) to predict stock price developments. Specifically, it applies high-performance computing to a massive combination of machine learning algorithms, such as neural

networks, support vector machines, etc., applied to fundamental, alternative and technical data to generate signals which help identifying securities with attractive relative return potential over a given time horizon. These signals are provided by Arabesque AI Ltd. and are an essential input to DWS' proprietary quantitative portfolio construction, which also takes risks and costs into consideration. These signals are designed to identify attractive investment opportunities and are not meant to constitute investment advice as such.

The sub-fund is actively managed and is not managed in reference to a benchmark.

At least 70% of the sub-fund's assets are invested in equities, stock certificates, participation and dividend-right certificates, convertible bonds, American Depository Receipts (ADRs) and Global Depository Receipts (GDRs), listed on recognized exchanges and markets and issued by international financial institutions, and equity warrants of United States issuers or, to the extent permitted by the Grand Ducal Regulation of February 8, 2008 and article 41 (1) of the Law of 2010. In case that a derivative is embedded into the depository receipt, such derivative complies with the provisions as set

out in article 41 (1) of the Law of 2010 and articles 2 and 10 of the Grand-Ducal Regulation of February 8, 2008.

A maximum of 30% of the sub-fund's assets may be invested in equities, stock certificates, participation and dividend right certificates, convertible bonds and equity warrants of issuers that do not fulfil the requirements of the preceding paragraphs.

Up to 30% of the assets of the sub-fund may be invested in money market instruments, term deposits, deposits with credit institutions and up to 5% – in money market funds – according to the limit mentioned in the following paragraph below. The investment in money market instruments, money market funds, deposits with credit institutions and the holding of ancillary liquid assets, as referred to below, will not in aggregate exceed 30% of the sub-funds' assets. In exceptionally unfavourable market conditions, it is permitted to temporarily exceed this 30% limit if circumstances so require and to the extent that this appears to be justified with regard to the interests of shareholders.

The sub-fund may hold ancillary liquid assets as specified in article 3.2 (o) of the general section of the Sales Prospectus.

Notwithstanding the investment limit of 10% specified in article 3.2 (i) concerning investments in shares of other UCITS and/or other UCIs (including money market funds) as defined in article 3.1 (e), an investment limit of 5% shall apply to this sub-fund.

Taking into account the investment limits set out in article 3.2 (n), the investment policy can also be implemented through the use of derivatives, including, but not limited to, forwards, futures, single-stock futures, options or equity swaps.

Positions may also be established which anticipate declines in equities or indices.

In accordance with article 3.6 of the general section of the Sales Prospectus, no short sales of securities will be undertaken. Short positions are achieved by using securitized and non-securitized derivative instruments.

The sub-fund will not invest in contingent convertibles.

The sub-fund intends to use securities financing transactions under the conditions and to the extent further described in the general part of the Sales Prospectus.

In addition, the sub-fund's assets may be invested in all other permissible assets specified in article 3.1, including the assets mentioned in article 3.1 (j) of the general part of the Sales Prospectus.

At least 51% of the sub-fund's net assets are invested in assets that comply with DWS standards in respect to environmental and social characteristics as well as good governance practices as detailed below.

The portfolio management of this sub-fund seeks to attain the promoted environmental and social characteristics by assessing potential investments via a proprietary ESG assessment methodology irrespective of economic prospects of success. This methodology is based on the ESG database, which uses data from multiple ESG data providers, public sources and internal assessments (based on a defined assessment and classification methodology) to derive combined scores. The ESG database is therefore constituted by data and figures as well as on internal assessments that take into account factors beyond the processed data and figures, such as an issuer's future expected ESG development, plausibility of the data with regard to past or future events, an issuer's willingness to engage in dialogues on ESG matters or corporate decisions.

The ESG database derives A to F letter coded assessments within different categories as further detailed below. Within each category, issuers receive one of six possible scores, with

"A" being the highest score and "F" being the lowest score. If an issuer's score in one category is deemed insufficient, the portfolio management is prohibited from investing in that issuer, even if it is eligible according to other categories. For exclusion purposes, each letter score in a category is considered individually and may result in exclusion of an issuer.

The ESG database uses a variety of assessment categories to assess the attainment of the promoted environmental and social characteristics, including amongst others:

#### **DWS Climate and Transition Risk Assessment**

The DWS Climate and Transition Risk Assessment evaluates issuers in relation to climate change and environmental changes, e.g. in respect to greenhouse gas reduction and water conservation. Issuers that contribute less to climate change and other negative environmental changes or are less exposed to such risks receive better evaluations. Issuers with excessive climate risk profile (i.e. a letter score of "F") are excluded as an investment. Issuers with high climate risk profile (i.e. a letter score of "E") are limited to 5% of the sub-fund's net assets.

#### **DWS Norm Assessment**

The DWS Norm Assessment evaluates the behaviour of issuers, for example, within the framework of the principles of the United Nations Global Compact, the standards of the International Labour Organization and behaviour within generally accepted international standards and principles. The Norm Assessment examines, for example, human rights violations, violations of workers' rights, child or forced labour, adverse environmental impacts, and business ethics. Issuers with highest severity of norm issues (i.e. a letter score of "F") are excluded as an investment. Issuers with high severity of norm issues (i.e. a letter score of "E") are limited to 5% of the sub-fund's net assets.

#### **DWS ESG Quality Assessment**

The DWS ESG Quality Assessment distinguishes between corporate and sovereign issuers.

For corporate issuers, the DWS ESG Quality Assessment allows for a peer group comparison based on cross vendor consensus on overall ESG assessment (best-in-class approach), for example concerning the handling of environmental changes, product safety, employee management or corporate ethics. The peer group is composed of issuers from the same sector in the same region. Issuers rated better in this peer group comparison receive a better score, while issuers rated worse in the comparison receive a worse score. Corporate issuers rated poorly compared to their peer group (i.e. a letter score of "E" or "F") are excluded as an investment.

For sovereign issuers, the DWS ESG Quality Assessment evaluates a countries' governance from a holistic perspective taking into account, among other things, the assessment of political

and civil liberties. Sovereign issuers with high or excessive controversies regarding governance (i.e. a letter score of "E" or "F") are excluded as an investment.

Further, issuers with a letter score of "D" in the DWS ESG Quality Assessment are limited to 15% of the sub-fund's net assets.

#### **Exposure to controversial sectors**

The ESG database defines certain business areas and business activities as relevant. Business areas and business activities are defined as relevant if they involve the production or distribution of products in a controversial area ("controversial sectors"). Controversial sectors are defined, for example, as the civil firearms industry, military defence, tobacco and adult entertainment. Other business sectors and business activities that affect the production or distribution of products in other sectors are defined as relevant. Other relevant sectors are, for example, nuclear energy or coal mining and coal-based power generation.

Issuers are evaluated according to the share of total revenues they generate in controversial business areas and controversial business activities. The lower the percentage of revenues from the controversial business areas and controversial business activities, the better the score.

Issuers (excluding target funds) with a moderate, high or excessive exposure (i.e. a letter score of "D", "E" or "F") are excluded as an investment.

As regards the involvement in coal mining and coal-based power generation, issuers (excluding target funds) with high or excessive exposure (i.e. a letter score of "E" or "F") are excluded as an investment.

#### **Involvement in controversial weapons**

The ESG database assesses a company's involvement in the business of controversial weapons. Controversial weapons include for example anti-personnel mines, cluster munitions, depleted uranium weapons, nuclear weapons, chemical and biological weapons.

Issuers are assessed based on their degree of involvement (production of controversial weapons, component production, etc) in the manufacturing of controversial weapons, regardless of total revenues they generate from controversial weapons. Issuers (with the exception of target funds) with medium, high or excessive involvement (i.e., a letter score of „D“, „E“ or „F“) are excluded as an investment.

#### **DWS Use of Proceed Bond Assessment**

By way of derogation from the above, bonds that comply with DWS' Use-of-proceeds bond assessment are investable also in cases where the bond issuer does not fully comply with the ESG assessment methodology.



The financing of use of proceeds bonds will be assessed via a two-stage process.

In the first stage DWS assesses whether a bond qualifies as a Use of Proceeds Bond. A key element is checking for compliance with the ICMA Green Bond Principles, the ICMA Social Bond Principles or the ICMA Sustainability Bond Principles. The assessment focuses on the use of proceeds, the selection of the projects financed by these proceeds, the management of the proceeds spending as well as the annual reporting on the use of proceeds to investors. If a bond complies with these principles, the second stage assesses the ESG quality of the issuer of that bond in relation to defined minimum standards in respect to environmental, social, and corporate governance factors. This assessment is based on the ESG assessment methodology as described above and excludes

- corporate issuers with poor ESG quality compared to their peer group (i.e. a letter score of “E” or “F”),
- sovereign issuers with high or excessive controversies regarding governance (i.e. a letter score of “E” or “F”),
- issuers with highest severity of norm issues (i.e. a letter score “F”), or
- issuers with excessive exposure to controversial weapons (i.e. a letter score of “D”, “E” or “F”).

To the extent that the sub-fund seeks to attain the promoted environmental and social characteristics as well as corporate governance practices by means of an investment in target funds, the latter must meet the DWS standards on Climate and Transition Risk-, Norm- and ESG Quality Assessment (excluding the assessment of sovereigns) outlined above.

Derivatives are currently not used to attain the environmental or social characteristics promoted by the sub-fund and are therefore not taken into account for the calculation of the minimum share of assets complying with these characteristics. However, derivatives on individual issuers may only be acquired for the sub-fund if the issuers of the underlying comply with the ESG assessment methodology.

Ancillary liquid assets will not be evaluated via the ESG assessment methodology.

As part of the sub-fund’s investment in assets that meet the DWS standards in respect to environmental and social characteristics as well as good governance practices as further described above, the sub-fund management will invest at least 15% of the sub-fund’s net assets in sustainable investments in accordance with article 2 (17) SFDR. Such sustainable investments will contribute to at least one of the UN SDGs that relate to environmental and/or social objectives, such as the following (non-exhaustive list):

- Goal 1: No poverty
- Goal 2: Zero hunger

- Goal 3: Good health and well-being
- Goal 4: Quality education
- Goal 5: Gender equality
- Goal 6: Clean water and Sanitation
- Goal 7: Affordable and clean energy
- Goal 10: Reduced inequality
- Goal 11: Sustainable cities and communities
- Goal 12: Responsible consumption & production
- Goal 13: Climate action
- Goal 14: Life below water
- Goal 15: Life on land

The extent of contribution to individual UN SDGs will vary based on the actual investments in the portfolio.

DWS will measure the contribution to the UN SDGs via its sustainability investment assessment which evaluates potential investments in relation to different criteria to conclude that an economic activity can be considered as sustainable. Via this assessment, the sub-fund management evaluates (1) whether an economic activity contributes to one or several of the UN SDGs, (2) whether the economic activity or other economic activities of that company significantly harm any of these objectives (Do Not Significantly Harm (DNSH) assessment) and (3) whether the company as such is in line with the DWS safeguard assessment.

The sustainability investment assessment uses data from multiple data providers, public sources and internal assessments (based on a defined assessment and classification methodology) to determine if an activity is sustainable. Activities that contribute positively to the UN SDGs are measured in terms of revenues, capital expenditure (CapEx) and/or operational expenditure (OpEx). If a positive contribution is determined, the activity will be considered sustainable if the company passes the DNSH assessment and complies with the DWS safeguard assessment.

Due to a lack of reliable data the sub-fund does not commit to invest a minimum proportion of sustainable investments with an environmental objective aligned with the EU Taxonomy. Therefore, the minimum percentage of environmentally sustainable investments aligned with the EU Taxonomy is 0% of the sub-fund’s net assets. However, it may occur that part of the investments’ underlying economic activities are aligned with the EU Taxonomy.

The sub-fund management considers the following principle adverse impacts on sustainability factors from Annex I of the Commission Delegated Regulation (EU) 2022/1288 supplementing the SFDR:

- Carbon footprint (no. 2);
- GHG intensity of investee companies (no. 3);
- Exposure to companies active in the fossil fuel sector (no. 4);
- Emissions to water (no. 8);

- Violation of UN Global Compact principles and OECD Guidelines for multinational enterprises (no. 10); and
- Exposure to controversial weapons (no. 14).

The above principal adverse impacts are considered at product level through the exclusion strategy for the sub-funds’ assets that are aligned with environmental and social characteristics via the proprietary ESG assessment methodology. For sustainable investments, the principal adverse impacts are further considered in the DNSH assessment.

This sub-fund has not designated a reference benchmark for the purpose of attaining the environmental and/or social characteristics promoted.

Further, the management company considers active ownership as a strong driver to improve governance, policies, and practices, and thus for a better long-term performance of investee companies. Active ownership means using the position as shareholders to influence the activities or behaviour of the investee companies. An engagement activity can be initiated with the investee companies regarding matters such as strategy, financial and non-financial performance, risk, capital structure, social and environmental impact as well as corporate governance including topics like disclosure, culture, and remuneration. The engagement activity can be undertaken via, e.g., issuer meetings or engagement letters. Furthermore, for equity investments it could also be an interaction with the company resulting from proxy voting activities or participation at general meetings.

Further information about the environmental and social characteristics promoted by this sub-fund is available in the annex to this Sales Prospectus.

Taking into account the investment limits set out in article 3.2 (n), the investment policy can also be implemented through the use of derivatives, including, but not limited to, forwards, futures, single-stock futures, options or equity swaps.

For the purpose of inducing a partial tax exemption within the meaning of the German Investment Tax Act and in addition to the investment limits described in the Articles of Incorporation and this Sales Prospectus (equity fund) at least 51% of the sub-fund’s gross assets (determined as being the value of the sub-fund’s assets without taking into account liabilities) are invested in equities admitted to official trading on a stock exchange or admitted to, or included in, another organized market and which are not:

- units of investment funds;
- equities indirectly held via partnerships;
- units of corporations, associations of persons or estates at least 75% of the gross assets of which consist of immovable property in accordance with statutory provisions or their investment conditions, if such corporations,

- associations of persons or estates are subject to corporate income tax of at least 15% and are not exempt from it or if their distributions are subject to tax of at least 15% and the sub-fund is not exempt from said taxation;
- units of corporations which are exempt from corporate income taxation to the extent they conduct distributions unless such distributions are subject to taxation at a minimum rate of 15% and the sub-fund is not exempt from said taxation;
  - units of corporations the income of which originates, directly or indirectly, to an extent of more than 10%, from units of corporations, that are (i) real estate companies or (ii) are not real estate companies, but (a) are domiciled in member state of the European Union or a member state of the European Economic Area and are not subject in said domicile to corporate income tax or are exempt from it or (b) are domiciled in a third country and are not subject in said domicile to corporate income tax of at least 15% or are exempt from it;
  - units of corporations which hold, directly or indirectly, units of corporations, that are (i) real estate companies or (ii) are not real estate companies, but (a) are domiciled in a member state of the European Union or a member state of the European Economic Area and are not subject in said domicile to corporate income tax or are exempt from it or (b) are domiciled in a third country and are not subject in said domicile to corporate income tax of at least 15% or are exempt from it if the fair market value of units of such corporations equal more than 10% of the fair market value of those corporations.

For the purpose of this investment policy and in accordance with the definition in the German Investment Code (KAGB), an organized market is a market which is recognized, open to the public and which functions correctly, unless expressly specified otherwise. Such organized market also meets the criteria of article 50 of the UCITS Directive.

The respective risks connected with investments in this sub-fund are disclosed in the general section of the Sales Prospectus.

### Integration of sustainability risks

The sub-fund management integrates sustainability risks into its investment decisions as described in the General Section of the Sales Prospectus in the section „Integration of sustainability risks in the investment process“.

### Risk Management

The relative Value-at-Risk (VaR) approach is used to limit market risk in the sub-fund.

In addition to the provisions of the general section of the Sales Prospectus, the potential market risk of the sub-fund is measured using a reference portfolio that does not contain derivatives (“risk benchmark”).

Leverage is not expected to exceed twice the value of the investment sub-fund’s assets. The leverage effect is calculated using the sum of notional approach (absolute (notional) amount of each derivative position divided by the net present value of the portfolio). However, the disclosed expected level of leverage is not intended to be an additional exposure limit for the sub-fund.

### Investment in shares of target funds

In addition to the information in the general section of the Sales Prospectus the following is applicable to this sub-fund:

When investing in target funds associated to the sub-fund, the part of the management fee attributable to shares of these target funds is reduced by the management fee/all-in fee of the acquired target funds, and as the case may be, up to the full amount (difference method).

Pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

**Sustainable investment** means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

**Product name:** DWS Concept ESG Arabesque AI US Equities

**Legal entity identifier:**

**ISIN:**

**Environmental and/or social characteristics**

**Does this financial product have a sustainable investment objective?**

<input checked="" type="radio"/> <input checked="" type="radio"/> <input type="checkbox"/> <b>Yes</b>	<input checked="" type="radio"/> <input type="radio"/> <input checked="" type="checkbox"/> <b>No</b>
<input type="checkbox"/> It will make a minimum of <b>sustainable investments with an environmental objective: __%</b> <ul style="list-style-type: none"> <li><input type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy</li> <li><input type="checkbox"/> in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy</li> </ul> <input type="checkbox"/> It will make a minimum of <b>sustainable investments with a social objective: __%</b>	<input checked="" type="checkbox"/> It <b>promotes Environmental/Social (E/S) characteristics</b> and while it does not have as its objective a sustainable investment, it will have a minimum proportion of 15% of sustainable investments <ul style="list-style-type: none"> <li><input type="checkbox"/> with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy</li> <li><input checked="" type="checkbox"/> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy</li> <li><input checked="" type="checkbox"/> with a social objective</li> </ul> <input type="checkbox"/> It promotes E/S characteristics, but <b>will not make any sustainable investments</b>

**What environmental and/or social characteristics are promoted by this financial product?**

This sub-fund promotes environmental and social characteristics related to climate, governance and social norms as well as general ESG quality through the avoidance of issuers (1) exposed to high or excessive climate and transition risks, (2) exposed to high or highest severity of norm issues (i.e. as regards compliance with international standards of corporate governance, human rights and labour rights, customer and environment safety and business ethics), (3) exposed to high or excessive environmental, social and governance risks compared to their peer group, (4) moderately, highly or excessively exposed to controversial sectors and controversial activities, and/or (5) involved in controversial weapons.

This sub-fund further promotes a minimum proportion of sustainable investments with a positive contribution to one or several of the United Nations Sustainable Development Goals (UN SDGs).

This sub-fund has not designated a reference benchmark for the purpose of attaining the environmental and/or social characteristics promoted.



**Sustainability indicators** measure how the environmental or social characteristics promoted by the financial product are attained.

What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?

The attainment of the promoted environmental and social characteristics as well as the sustainable investment is assessed via the application of a proprietary ESG assessment methodology as further described in section “What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?”. The methodology applies a variety of assessment categories that are used as sustainability indicators to assess the attainment of the promoted environmental and social characteristics, which are as follows:

- **DWS Climate and Transition Risk Assessment** is used as indicator for an issuer’s exposure to climate and transition risks
- **DWS Norm Assessment** is used as indicator for an issuer’s exposure to norm-related issues
- **DWS ESG Quality Assessment** is used as indicator for comparison of an issuer’s environmental, social and governance risks in relation to their peer group
- **Exposure to controversial sectors** is used as indicator for an issuer’s involvement in controversial sectors and controversial activities
- **Involvement in controversial weapons** is used as indicator for an issuer’s involvement in controversial weapons
- **Sustainability Investment Assessment** is used as indicator to measure the proportion of sustainable investments

What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?

The sub-fund will partially invest in sustainable investments according to article 2(17) SFDR. Such sustainable investments will contribute to at least one of the UN SDGs that relate to environmental and/or social objectives, such as the following (non-exhaustive list):

- Goal 1: No poverty
- Goal 2: Zero hunger
- Goal 3: Good health and well-being
- Goal 4: Quality education
- Goal 5: Gender equality
- Goal 6: Clean water and Sanitation
- Goal 7: Affordable and clean energy
- Goal 10: Reduced inequality
- Goal 11: Sustainable cities and communities
- Goal 12: Responsible consumption
- Goal 13: Climate action
- Goal 14: Life below water
- Goal 15: Life on land

The extent of contribution to individual UN SDGs will vary based on the actual investments in the portfolio.

DWS will measure the contribution to the UN SDGs via its sustainability investment assessment which evaluates potential investments in relation to different criteria to conclude that an economic activity can be considered as sustainable. Via this assessment, the sub-fund management evaluates (1) whether an economic activity contributes to one or several of the UN SDGs, (2) whether the economic activity or other economic activities of that company significantly harm any of these objectives (Do Not Significantly Harm (DNSH) assessment) and (3) whether the company as such is in line with the DWS safeguard assessment.

The sustainability investment assessment uses data from multiple data providers, public sources and internal assessments (based on a defined assessment and classification methodology) to determine if an activity is sustainable. Activities that contribute positively to the UN SDGs are measured in terms of revenues, capital expenditure (CapEx) and/or operational expenditure (OpEx). If a positive contribution is determined, the activity will be considered sustainable if the company passes the DNSH assessment and complies with the DWS safeguard assessment as detailed in the section “How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights?”.

The sub-fund will currently not commit to target a minimum proportion of sustainable investments with an environmental objective aligned with the EU Taxonomy.

How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?

The DNSH assessment is integral part of the sustainability investment assessment and evaluates whether an economic activity with a contribution to an UN SDG causes significant harm to any of these objectives. In case that a significant harm is identified, the economic activity fails the DNSH assessment and cannot be considered as sustainable economic activity.

How have the indicators for adverse impacts on sustainability factors been taken into account?

As part of the DNSH assessment under article 2(17) SFDR, the sustainability investment assessment systematically integrates all mandatory principal adverse indicators from Table 1 and relevant indicators from Tables 2 and 3 of Annex I of the Commission Delegated Regulation (EU) 2022/1288 supplementing the Sustainable Finance Disclosure Regulation (SFDR). Taking into account these adverse impacts, DWS has established quantitative thresholds and/or qualitative values to determine if an investment significantly harms any of the environmental or social objectives. These values are set based upon various external and internal factors, such as data availability or market developments and may be adapted going forward.

How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:

As part of its sustainability investment assessment, DWS further evaluates through its safeguard assessment the alignment of a company with international norms. This includes checks in relation to adherence to international norms, for example, the OECD Guidelines for Multinational Enterprises, the UN Guiding Principles on Business and Human Rights, the principles of the United Nations Global Compact and the standards of the International Labour Organization. Companies with assessed and reconfirmed highest violations of one of the international norms are considered as non-compliant to the safeguards and their economic activities cannot be considered sustainable.

*The EU Taxonomy sets out a “do not significant harm” principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.*

The “do no significant harm” principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

*Any other sustainable investments must also not significantly harm any environmental or social objectives.*



**Principal adverse impacts** are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

Does this financial product consider principal adverse impacts on sustainability factors?

**X** Yes, the sub-fund management considers the following principle adverse impacts on sustainability factors from Annex I of the Commission Delegated Regulation (EU) 2022/1288 supplementing the Sustainable Finance Disclosure Regulation:

- Carbon footprint (no. 2);
- GHG intensity of investee companies (no. 3);
- Exposure to companies active in the fossil fuel sector (no. 4);
- Emissions to water (no. 8);
- Violation of UN Global Compact principles and OECD Guidelines for multinational enterprises (no. 10); and
- Exposure to controversial weapons (no. 14).

The above principal adverse impacts are considered at product level through the exclusion strategy for the sub-fund's assets that are aligned with environmental and social characteristics via the proprietary ESG assessment methodology as detailed in section "What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?"

For sustainable investments, the principal adverse impacts are further considered in the DNSH assessment as described above in section "How have the indicators for adverse impacts on sustainability factors been taken into account?"

Further information on principal adverse impacts will be provided in an annex to the sub-fund's annual report.

No



**The Investment strategy** guides investment decisions based on factors such as investment objectives and risk tolerance.

What investment strategy does this financial product follow?

This sub-fund pursues a strategy based on equities as main investment strategy. At least 70% of the sub-fund's assets are invested in equities, stock certificates, participation and dividend-right certificates, convertible bonds, American Depository Receipts (ADRs) and Global Depository Receipts (GDRs) and equity warrants of United States issuers. Up to 30% of the sub-fund's assets may be invested in money market instruments, term deposits and money market funds (up to 5%). Further details regarding the main investment strategy are specified in the Special Section of the Sales Prospectus. The sub-fund's assets are predominantly allocated into investments that comply with the defined standards in respect to the promoted environmental and social characteristics as described in the following sections. The sub-fund's strategy in relation to the promoted environmental or social characteristics is integral part of the ESG assessment methodology, which is continuously monitored via the sub-fund's investment guidelines.

What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?

**ESG assessment methodology**

The portfolio management of this sub-fund seeks to attain the promoted environmental and social characteristics by assessing potential investments via a proprietary ESG assessment methodology irrespective of economic prospects of success. This methodology is based on the ESG database, which uses data from multiple ESG data providers, public sources and internal assessments (based on a defined assessment and classification methodology) to derive combined scores. The ESG database is therefore constituted by data and figures as well as on internal assessments that take into account factors beyond the processed data and figures, such as an issuer's future expected ESG development, plausibility of the data with regard to past or future events, an issuer's willingness to engage in dialogues on ESG matters or corporate decisions.

The ESG database derives "A" to "F" letter coded assessments within different categories as further detailed below. Within each category, issuers receive one of six possible scores, with "A" being the highest score and "F" being the lowest score. If an issuer's score in one category is deemed insufficient, the portfolio management is prohibited from investing in that issuer, even if it is eligible according to other categories. For exclusion purposes, each letter score in a category is considered individually and may result in exclusion of an issuer.

The ESG database uses a variety of assessment categories to assess the attainment of the promoted environmental and social characteristics, including amongst others:

**• DWS Climate and Transition Risk Assessment**

The DWS Climate and Transition Risk Assessment evaluates issuers in relation to climate change and environmental changes, e.g., in respect to greenhouse gas reduction and water conservation. Issuers

that contribute less to climate change and other negative environmental changes or are less exposed to such risks receive better evaluations. Issuers with excessive climate risk profile (i.e., a letter score of “F”) are excluded as an investment. Issuers with high climate risk profile (i.e., a letter score of “E”) are limited to 5% of the sub-fund’s net assets.

• **DWS Norm Assessment**

The DWS Norm Assessment evaluates the behaviour of issuers, e.g., within the framework of the principles of the United Nations Global Compact, the standards of the International Labour Organization and behaviour within generally accepted international standards and principles. The Norm Assessment examines, e.g., human rights violations, violations of workers' rights, child or forced labour, adverse environmental impacts, and business ethics. Issuers with highest severity of norm issues (i.e., a letter score of “F”) are excluded as an investment. Issuers with high severity of norm issues (i.e., a letter score of “E”) are limited to 5% of the sub-fund’s net assets.

• **DWS ESG Quality Assessment**

The DWS ESG Quality Assessment distinguishes between corporate and sovereign issuers. For corporate issuers, the DWS ESG Quality Assessment allows for a peer group comparison based on cross vendor consensus on overall ESG assessment (best-in-class approach), for example concerning the handling of environmental changes, product safety, employee management or corporate ethics. The peer group is composed of issuers from the same sector in the same region. Issuers rated better in this peer group comparison receive a better score, while issuers rated worse in the comparison receive a worse score. Corporate issuers rated poorly compared to their peer group (i.e., a letter score of “E” or “F”) are excluded as an investment.

For sovereign issuers, the DWS ESG Quality Assessment evaluates a countries’ governance from a holistic perspective taking into account, among other things, the assessment of political and civil liberties. Sovereign issuers with high or excessive controversies regarding governance (i.e., a letter score of “E” or “F”) are excluded as an investment.

Further, issuers with a letter score of “D” in the DWS ESG Quality Assessment are limited to 15% of the sub-fund’s net assets.

• **Exposure to controversial sectors**

The ESG database defines certain business areas and business activities as relevant. Business areas and business activities are defined as relevant if they involve the production or distribution of products in a controversial area (“controversial sectors”). Controversial sectors are defined, for example, as the civil firearms industry, military defence, tobacco and adult entertainment. Other business sectors and business activities that affect the production or distribution of products in other sectors are defined as relevant. Other relevant sectors are, for example, nuclear energy or coal mining and coal-based power generation.

Issuers are evaluated according to the share of total revenues they generate in controversial business areas and controversial business activities. The lower the percentage of revenues from the controversial business areas and controversial business activities, the better the score. Issuers (excluding target funds) with a moderate, high or excessive exposure (i.e., a letter score of “D”, “E” or “F”) are excluded as an investment. As regards the involvement in coal mining and coal-based power generation, issuers (excluding target funds) with high or excessive exposure (i.e., a letter score of “E” or “F”) are excluded as an investment.

• **Involvement in controversial weapons**

The ESG database assesses a company’s involvement in the business of controversial weapons. Controversial weapons include for example anti-personnel mines, cluster munitions, depleted uranium weapons, nuclear weapons, chemical and biological weapons.

Issuers are assessed based on their degree of involvement (production of controversial weapons, component production, etc) in the manufacturing of controversial weapons, regardless of total revenues they generate from controversial weapons. Issuers (with the exception of target funds) with medium, high or excessive involvement (i.e., a letter score of “D”, “E” or “F”) are excluded as an investment.

• **DWS Use of Proceed Bond Assessment**

By way of derogation from the above, bonds that comply with DWS’ Use-of-proceeds bond assessment are investable also in cases where the bond issuer does not fully comply with the ESG assessment methodology.

The financing of use of proceeds bonds will be assessed via a two-stage process.

In the first stage DWS assesses whether a bond qualifies as a Use of Proceeds Bond. A key element is checking for compliance with the ICMA Green Bond Principles, the ICMA Social Bond Principles or the ICMA Sustainability Bond Principles. The assessment focuses on the use of proceeds, the selection of the projects financed by these proceeds, the management of the proceeds spending as well as the annual reporting on the use of proceeds to investors.

If a bond complies with these principles, the second stage assesses the ESG quality of the issuer of that bond in relation to defined minimum standards in respect to environmental, social, and corporate governance factors. This assessment is based on the ESG assessment methodology as described above and excludes

- corporate issuers with poor ESG quality compared to their peer group (i.e. a letter score of “E” or “F”),
- sovereign issuers with high or excessive controversies regarding governance (i.e. a letter score of “E” or “F”),
- issuers with highest severity of norm issues (i.e. a letter score “F”), or
- issuers with excessive exposure to controversial weapons (i.e. a letter score of “D”, “E” or “F”).”

To the extent that the sub-fund seeks to attain the promoted environmental and social characteristics as well as corporate governance practices by means of an investment in target funds, the latter must meet the DWS standards on Climate and Transition Risk-, Norm- and DWS ESG Quality Assessment (excluding the assessment of sovereigns) outlined above.

Derivatives are currently not used to attain the environmental or social characteristics promoted by the sub-fund and are therefore not taken into account for the calculation of the minimum share of assets complying with these characteristics. However, derivatives on individual issuers may only be acquired for the sub-fund if the issuers of the underlying comply with the ESG assessment methodology.

Ancillary liquid assets will not be evaluated via the ESG assessment methodology.

#### **Sustainability investment assessment methodology**

Further, for the proportion of sustainable investments DWS will measure the contribution to one or several UN SDGs via its sustainability investment assessment which evaluates potential investments in relation to different criteria to conclude that an economic activity can be considered as sustainable as further detailed in section “What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?”

What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?

The applied ESG investment strategy does not pursue a committed minimum reduction of the scope of the investments.

**Good governance**  
practices include sound management structures, employee relations, remuneration of staff and tax compliance.

What is the policy to assess good governance practices of the investee companies?

The procedure to assess the good governance practices of the investee companies is based on the DWS Norm Assessment, as further detailed in the dedicated section “What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?”. Accordingly, the assessed investee companies follow good governance practices.

Further, the management company considers active ownership as a strong driver to improve governance, policies and practices, and thus for a better long-term performance of investee companies. Active ownership means using the position as shareholders to influence the activities or behaviour of the investee companies. An engagement activity can be initiated with the investee companies regarding matters such as strategy, financial and non-financial performance, risk, capital structure, social and environmental impact as well as corporate governance including topics like disclosure, culture and remuneration. The engagement activity can be undertaken via, e.g., issuer meetings or engagement letters. Furthermore, for equity investments it could also be an interaction with the company resulting from proxy voting activities or participation at general meetings.

What is the asset allocation planned for this financial product?

This sub-fund invests at least 51% of its net assets in investments that are aligned with the promoted environmental and social characteristics (#1 Aligned with E/S characteristics). Within this category, at least 15% of the sub-fund’s assets qualify as sustainable investments (#1A Sustainable).

Up to 49% of the investments are not aligned with these characteristics (#2 Other). A more detailed description of the specific asset allocation of this sub-fund can be found in the Special Section of the Sales Prospectus.

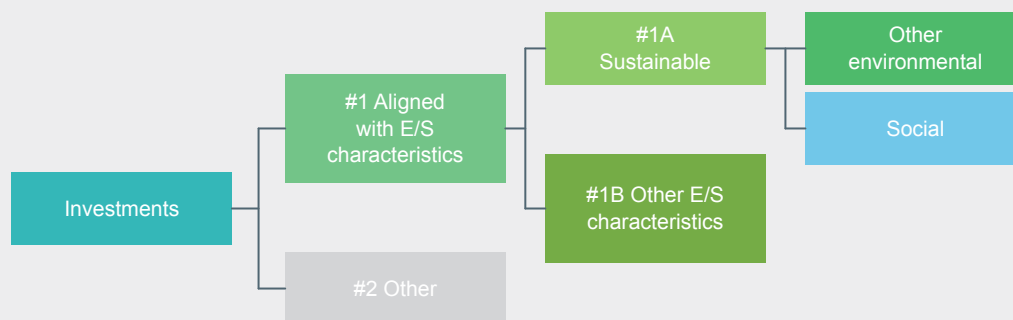




**Asset allocation** describes the share of investments in specific assets.

Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.



**#1 Aligned with E/S characteristics** includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

**#2 Other** includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:

- The sub-category **#1A Sustainable** covers sustainable investments with environmental or social objectives.
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?

Derivatives are currently not used to attain the environmental or social characteristics promoted by the sub-fund.

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For nuclear **energy**, the criteria include comprehensive safety and waste management rules.  
**Enabling activities** directly enable other activities to make a substantial contribution to an environmental objective.

**Transitional activities** are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

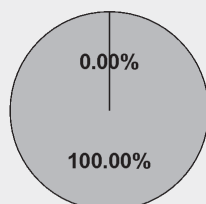


To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

Due to a lack of reliable data the sub-fund does not commit to invest a minimum proportion of sustainable investments with an environmental objective aligned with the EU Taxonomy. Therefore, the minimum percentage of environmentally sustainable investments aligned with the EU Taxonomy is 0% of the sub-fund's net assets. However, it may occur that part of the investments' underlying economic activities are aligned with the EU Taxonomy.

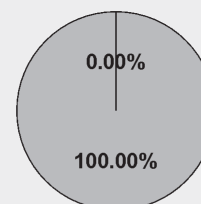
*The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds\*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.*

1. Taxonomy-alignment of investments including sovereign bonds\*



■ Taxonomy-aligned □ Other Investments

2. Taxonomy-alignment of investments excluding sovereign bonds\*



■ Taxonomy-aligned □ Other Investments

\*For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures

What is the minimum share of investments in transitional and enabling activities?

The sub-fund does not have a minimum share of investments in transitional and enabling activities, as it does not commit to a minimum proportion of environmentally sustainable investments aligned with the EU Taxonomy.



are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.



What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

The sub-fund does not intend to make a minimum allocation to environmentally or socially sustainable investments pursuant to Article 2(17) SFDR. However, the minimum share of environmentally and socially sustainable investments shall in total be at least 15% of the net assets of the sub-fund.



What is the minimum share of socially sustainable investments?

The sub-fund does not intend to make a minimum allocation to environmentally or socially sustainable investments pursuant to Article 2(17) SFDR. However, the minimum share of environmentally and socially sustainable investments shall in total be at least 15% of the net assets of the sub-fund.



What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?

This sub-fund promotes a predominant asset allocation in investments that are aligned with environmental and social characteristics (#1 Aligned with E/S characteristics). In addition, and on an ancillary basis, this sub-fund will invest into investments that are not considered aligned with the promoted characteristics (#2 Other). These remaining investments can include all asset classes as foreseen in the specific investment policy including cash and derivatives.

In line with the market positioning of this sub-fund, the purpose of these remaining investments is to provide investors with an exposure to non-ESG aligned investments while at the same time ensuring a predominant exposure to environmentally and socially aligned investments. Remaining investments can be used by the portfolio management for performance, diversification, liquidity and hedging purposes.

This sub-fund does not consider any minimum environmental or social safeguards on these remaining investments.



**Reference benchmarks** are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

This sub-fund has not designated a reference benchmark to determine whether it is aligned with the environmental and/or social characteristics that it promotes.



Where can I find more product specific information online?

The sub-fund has not been launched yet. The Board of Directors of the Investment Company may at any time elect to launch new share classes for the sub-fund in accordance with the share class features as specified in the general section of the Sales Prospectus.

## DWS Concept ESG Blue Economy

<b>Investor profile</b>	Growth-oriented
<b>Nature of shares</b>	Registered shares or bearer shares represented by a global certificate
<b>Currency of sub-fund</b>	EUR
<b>Sub-fund manager</b>	DWS Investment GmbH
<b>Performance benchmark</b>	–
<b>Reference portfolio (risk benchmark)</b>	MSCI World AC Index
<b>Leverage effect</b>	2 times the value of the investment sub-fund's assets
<b>Calculation of the NAV per share</b>	Each bank business day in Luxembourg
<b>Order acceptance</b>	All subscription, redemption and exchange orders are placed on the basis of an unknown net asset value per share. Orders received by the Transfer Agent at or before <b>4:00 PM Luxembourg time</b> on a valuation date are processed on the basis of the net asset value per share on the subsequent valuation date. Orders received after <b>4:00 PM Luxembourg time</b> are processed on the basis of the net asset value per share on the valuation date immediately following that next valuation date.
<b>Value date</b>	In a purchase, the equivalent value is debited three bank business days after issue of the shares. The equivalent value is credited three bank business days after redemption of the shares. The value date for purchase and redemption orders of certain currencies may deviate by one day from the value date as specified in the description of share classes in the general section of the Sales Prospectus.
<b>Fractional shares</b>	Up to three places after the decimal point
<b>Expense cap</b>	Not to exceed 15% of the Management Company fee

### Overview of the share classes

<b>Currency of the share class</b>	LC, FC, TFC, XC, LD, NC, PFC, IC GBP D RD USD LCH (P), USD TFCH (P) JPY FDQ	EUR GBP USD JPY
<b>Front-end load (payable by the investor)</b>	FC, TFC, XC, GBP D RD, PFC, USD TFCH (P), IC, JPY FDQ LC, LD, USD LCH (P) NC	0% up to 5% up to 3%
<b>Management Company Fee p.a. (payable by the sub-fund)</b>	LC, LD, USD LCH (P) FC, TFC, GBP D RD, USD TFCH (P), JPY FDQ XC NC PFC IC	up to 1.5% up to 0.75% up to 0.35% up to 2% up to 1.6% up to 0.5%
<b>Service Fee p.a. (payable by the sub-fund)</b>	LC, FC, TFC, XC, LD, NC, GBP D RD, PFC, USD LCH (P), USD TFCH (P), IC, JPY FDQ	0%
<b>Taxe d'abonnement (payable by the sub-fund)</b>	LC, FC, TFC, XC, LD, NC, GBP D RD, PFC, USD LCH (P), USD TFCH (P), JPY FDQ IC	0.05% p.a. 0.01% p.a.
<b>Launch date</b>	LC, FC, TFC, XC LD NC GBP D RD PFC USD LCH (P), USD TFCH (P) IC JPY FDQ	March 31, 2021 June 30, 2021 July 15, 2021 July 30, 2021 January 17, 2022 August 16, 2021 February 28, 2022 April 22, 2022

\* For additional costs, see Clause 13 of the general section of this Sales Prospectus.

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Due to its composition and the techniques applied by its fund management, the sub-fund is subject to markedly increased volatility, which means that the price per share may be subject to **substantial** downward or upward **fluctuation**, even within short periods of time.

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For the sub-fund with the name DWS Concept ESG Blue Economy, the following provisions shall apply in addition to the terms contained in the general section of the Sales Prospectus.

### Investment policy

This sub-fund promotes environmental and social characteristics and reports as product in accordance with article 8(1) of Regulation (EU) 2019/2088 on sustainability related disclosures in the financial services sector ("SFDR"). While the sub-fund does not have as its objective a sustainable investment, it will invest a minimum proportion of its assets in sustainable investments as defined by article 2 (17) SFDR. The objective of the investment policy of DWS Concept ESG Blue Economy is to achieve an above average appreciation of capital in Euros.

The sub-fund is actively managed and is not managed in reference to a benchmark.

At least 80% of the sub-fund's assets are invested in equities of issuers that are active in the so-called Blue Economy. Blue Economy refers to economic sectors which have a direct or indirect link to sea or fresh water. It especially consists of companies that are primarily active in business areas suited to restoring, protecting or maintaining diverse, productive and resilient marine ecosystems or the availability of clean water and sanitation but also companies with linked targets to ocean and water health or that are active in water risk management or have a clear intention to reduce risk to ocean environments or to enhance business segments towards solutions-oriented.

Investments in the securities mentioned above may also be made through Global Depository Receipts (GDRs) and American Depository Receipts (ADRs) listed on recognized exchanges and markets issued by international financial institutions. When using financial indices, legal provisions apply as set out in article 41 (1) of the Law of 2010, and Article 9 of the Grand-Ducal Regulation of February 8, 2008. In case that a derivative is embedded into the depository receipt, such derivative complies with the provisions as set out in article 41 (1) of the Law of 2010 and articles 2 and 10 of the Grand-Ducal Regulation of February 8, 2008.

Up to 20% of the sub-fund's assets may be invested in short-term deposits, money market instruments deposits with credit institutions and up to 10% in money market funds. The investment in money market instruments, money market funds, deposits with credit institutions and the holding of ancillary liquid assets, as

referred to below, will not in aggregate exceed 20% of the sub-fund's assets. In exceptionally unfavourable market conditions, it is permitted to temporarily exceed this 20% limit if circumstances so require and to the extent that this appears to be justified with regard to the interests of shareholders.

The sub-fund may hold ancillary liquid assets as specified in article 3.2. (o) of the general section of the Sales Prospectus.

The sub-fund will not invest in contingent convertibles.

The sub-fund intends to use securities financing transactions under the conditions and to the extent further described in the general part of the Sales Prospectus.

At least 51% of the sub-fund's net assets are invested in assets that comply with DWS standards in respect to environmental and social characteristics as well as good governance practices as detailed below.

The portfolio management of this sub-fund seeks to attain the promoted environmental and social characteristics by assessing potential investments via a proprietary ESG assessment methodology irrespective of economic prospects of success. This methodology is based on the ESG database, which uses data from multiple ESG data providers, public sources and internal assessments (based on a defined assessment and classification methodology) to derive combined scores. The ESG database is therefore constituted by data and figures as well as on internal assessments that take into account factors beyond the processed data and figures, such as an issuer's future expected ESG development, plausibility of the data with regard to past or future events, an issuer's willingness to engage in dialogues on ESG matters or corporate decisions.

The ESG database derives A to F letter coded assessments within different categories as further detailed below. Within each category, issuers receive one of six possible scores, with "A" being the highest score and "F" being the lowest score. If an issuer's score in one category is deemed insufficient, the portfolio management is prohibited from investing in that issuer, even if it is eligible according to other categories. For exclusion purposes, each letter score in a category is considered individually and may result in exclusion of an issuer.

The ESG database uses a variety of assessment categories to assess the attainment of the promoted environmental and social characteristics, including amongst others:

### DWS Climate and Transition Risk Assessment

The DWS Climate and Transition Risk Assessment evaluates issuers in relation to climate change and environmental changes, e.g. in respect to greenhouse gas reduction and water conservation. Issuers that contribute less to climate change and other negative environmental changes or are less exposed to such risks receive better evaluations. Issuers with excessive climate risk profile (i.e. a letter score of "F") are excluded as an investment. Issuers with high climate risk profile (i.e. a letter score of "E") are limited to 5% of the sub-fund's net assets.

### DWS Norm Assessment

The DWS Norm Assessment evaluates the behaviour of issuers, for example, within the framework of the principles of the United Nations Global Compact, the standards of the International Labour Organization and behaviour within generally accepted international standards and principles. The Norm Assessment examines, for example, human rights violations, violations of workers' rights, child or forced labour, adverse environmental impacts, and business ethics. Issuers with highest severity of norm issues (i.e. a letter score of "F") are excluded as an investment. Issuers with high severity of norm issues (i.e. a letter score of "E") are limited to 5% of the sub-fund's net assets.

### DWS ESG Quality Assessment

The DWS ESG Quality Assessment distinguishes between corporate and sovereign issuers.

For corporate issuers, the DWS ESG Quality Assessment allows for a peer group comparison based on cross vendor consensus on overall ESG assessment (best-in-class approach), for example concerning the handling of environmental changes, product safety, employee management or corporate ethics. The peer group is composed of issuers from the same sector in the same region. Issuers rated better in this peer group comparison receive a better score, while issuers rated worse in the comparison receive a worse score. Corporate issuers rated poorly compared to their peer group (i.e. a letter score of "E" or "F") are excluded as an investment.

For sovereign issuers, the DWS ESG Quality Assessment evaluates a countries' governance from a holistic perspective taking into account, among other things, the assessment of political

and civil liberties. Sovereign issuers with high or excessive controversies regarding governance (i.e. a letter score of "E" or "F") are excluded as an investment.

Further, issuers with a letter score of "D" in the DWS ESG Quality Assessment are limited to 15% of the sub-fund's net assets.

#### Exposure to controversial sectors

The ESG database defines certain business areas and business activities as relevant. Business areas and business activities are defined as relevant if they involve the production or distribution of products in a controversial area ("controversial sectors"). Controversial sectors are defined, for example, as the civil firearms industry, military defence, tobacco and adult entertainment. Other business sectors and business activities that affect the production or distribution of products in other sectors are defined as relevant. Other relevant sectors are, for example, nuclear energy or coal mining and coal-based power generation.

Issuers are evaluated according to the share of total revenues they generate in controversial business areas and controversial business activities. The lower the percentage of revenues from the controversial business areas and controversial business activities, the better the score.

Issuers (excluding target funds) with a moderate, high or excessive exposure (i.e. a letter score of "D", "E" or "F") are excluded as an investment.

As regards the involvement in coal mining and coal-based power generation, issuers (excluding target funds) with high or excessive exposure (i.e. a letter score of "E" or "F") are excluded as an investment.

#### Involvement in controversial weapons

The ESG database assesses a company's involvement in the business of controversial weapons. Controversial weapons include for example anti-personnel mines, cluster munitions, depleted uranium weapons, nuclear weapons, chemical and biological weapons.

Issuers are assessed based on their degree of involvement (production of controversial weapons, component production, etc) in the manufacturing of controversial weapons, regardless of total revenues they generate from controversial weapons. Issuers (with the exception of target funds) with medium, high or excessive involvement (i.e., a letter score of "D", "E" or "F") are excluded as an investment.

#### DWS Use of Proceed Bond Assessment

By way of derogation from the above, bonds that comply with DWS' Use-of-proceeds bond assessment are investable also in cases where the bond issuer does not fully comply with the ESG assessment methodology.

The financing of use of proceed bonds will be assessed via a two-stage process.

In the first stage DWS assesses whether a bond qualifies as a Use of Proceeds Bond. A key element is checking for compliance with the ICMA Green Bond Principles, the ICMA Social Bond Principles or the ICMA Sustainability Bond Principles. The assessment focuses on the use of proceeds, the selection of the projects financed by these proceeds, the management of the proceeds spending as well as the annual reporting on the use of proceeds to investors.

If a bond complies with these principles, the second stage assesses the ESG quality of the issuer of that bond in relation to defined minimum standards in respect to environmental, social, and corporate governance factors. This assessment is based on the ESG assessment methodology as described above and excludes

- corporate issuers with poor ESG quality compared to their peer group (i.e. a letter score of "E" or "F"),
- sovereign issuers with high or excessive controversies regarding governance (i.e. a letter score of "E" or "F"),
- issuers with highest severity of norm issues (i.e. a letter score "F"), or
- issuers with excessive exposure to controversial weapons (i.e. a letter score of "D", "E" or "F").

To the extent that the sub-fund seeks to attain the promoted environmental and social characteristics as well as corporate governance practices by means of an investment in target funds, the latter must meet the DWS standards on Climate and Transition Risk-, Norm- and ESG Quality Assessment (excluding the assessment of sovereigns) outlined above.

#### Exposure to issuers active in the Blue Economy sector and engagement candidates

At least 80% of the sub-fund's assets will be invested in issuers that are active in the Blue Economy sector as further described above.

The sub-fund management will engage with certain issuers on material risks to ocean environments or to enhance business segments towards solution-orientation. Potential engagement candidates are identified based, besides other factors, on the United Nations Environmental Program – Finance Initiative (UNEP FI) - Guidelines.

Derivatives are currently not used to attain the environmental or social characteristics promoted by the sub-fund and are therefore not taken into account for the calculation of the minimum share of assets complying with these characteristics. However, derivatives on individual issuers may only be acquired for the sub-fund if the issuers of the underlying comply with the ESG assessment methodology.

Ancillary liquid assets will not be evaluated via the ESG assessment methodology.

As part of the sub-fund's investment in assets that meet the DWS standards in respect to environmental and social characteristics as well as good governance practices as further described above, the sub-fund management will invest at least 15% of the sub-fund's net assets in sustainable investments in accordance with article 2 (17) SFDR. Such sustainable investments will contribute to at least one of the UN SDGs that relate to environmental and/or social objectives, such as the following (non-exhaustive list):

- Goal 1: No poverty
- Goal 2: Zero hunger
- Goal 3: Good health and well-being
- Goal 4: Quality education
- Goal 5: Gender equality
- Goal 6: Clean water and Sanitation
- Goal 7: Affordable and clean energy
- Goal 10: Reduced inequality
- Goal 11: Sustainable cities and communities
- Goal 12: Responsible consumption & production
- Goal 13: Climate action
- Goal 14: Life below water
- Goal 15: Life on land

The extent of contribution to individual UN SDGs will vary based on the actual investments in the portfolio.

DWS will measure the contribution to the UN SDGs via its sustainability investment assessment which evaluates potential investments in relation to different criteria to conclude that an economic activity can be considered as sustainable. Via this assessment, the sub-fund management evaluates (1) whether an economic activity contributes to one or several of the UN SDGs, (2) whether the economic activity or other economic activities of that company significantly harm any of these objectives (Do Not Significantly Harm (DNSH) assessment) and (3) whether the company as such is in line with the DWS safeguard assessment.

The sustainability investment assessment uses data from multiple data providers, public sources and internal assessments (based on a defined assessment and classification methodology) to determine if an activity is sustainable. Activities that contribute positively to the UN SDGs are measured in terms of revenues, capital expenditure (CapEx) and/or operational expenditure (OpEx). If a positive contribution is determined, the activity will be considered sustainable if the company passes the DNSH assessment and complies with the DWS safeguard assessment.

Due to a lack of reliable data the sub-fund does not commit to invest a minimum proportion of sustainable investments with an environmental objective aligned with the EU Taxonomy. Therefore, the minimum percentage of environmentally sustainable investments aligned with the EU Taxonomy is 0% of the sub-fund's net assets. However, it may occur that part of the investments' underlying economic activities are aligned with the EU Taxonomy

The sub-fund management considers the following principle adverse impacts on sustainability factors from Annex I of the Commission Delegated Regulation (EU) 2022/1288 supplementing the SFDR:

- Carbon footprint (no. 2);
- GHG intensity of investee companies (no. 3);
- Exposure to companies active in the fossil fuel sector (no. 4);
- Emissions to water (no. 8);
- Hazardous waste and radioactive waste ratio (no. 9);
- Violation of UN Global Compact principles and OECD Guidelines for multinational enterprises (no. 10); and
- Exposure to controversial weapons (no. 14).

The above principal adverse impacts are considered at product level through the exclusion strategy, and where applicable through an engagement with issuers, for the sub-funds' assets that are aligned with environmental and social characteristics via the proprietary ESG assessment methodology. For sustainable investments, the principal adverse impacts are further considered in the DNSH assessment.

This sub-fund has not designated a reference benchmark for the purpose of attaining the environmental and/or social characteristics promoted.

Further, the management company considers active ownership as a strong driver to improve governance, policies, and practices, and thus for a better long-term performance of investee companies. Active ownership means using the position as shareholders to influence the activities or behaviour of the investee companies. An engagement activity can be initiated with the investee companies regarding matters such as strategy, financial and non-financial performance, risk, capital structure, social and environmental impact as well as corporate governance including topics like disclosure, culture, and remuneration. The engagement activity can be undertaken via, e.g., issuer meetings or engagement letters. Furthermore, for equity investments it could also be an interaction with the company resulting from proxy voting activities or participation at general meetings.

Further information about the environmental and social characteristics promoted by this sub-fund is available in the annex to this Sales Prospectus.

In addition, the sub-fund's assets may be invested in all other permissible assets specified in article 3.1, including the assets mentioned in article 3.1 (j) of the general section of the Sales Prospectus.

Notwithstanding the investment limit specified in article 3.2 (n) concerning the use of derivatives, the following investment restrictions shall apply with regard to the investment restrictions currently applicable in individual distribution countries:

Derivatives that constitute short positions must have adequate coverage at all times and may be used exclusively for hedging purposes. Hedging is limited to 100% of the underlying instrument covering the derivative. Conversely, no more than 35% of the net value of the assets of the sub-fund may be invested in derivatives that constitute long positions and do not have corresponding coverage.

Notwithstanding the investment limit of 10% specified in article 3.2 (i) concerning investments in shares of other UCITS and/or other UCIs as defined in article 3.1 (e), an investment limit of 5% shall apply to this sub-fund.

For the purpose of inducing a partial tax exemption within the meaning of the German Investment Tax Act and in addition to the investment limits described in the Articles of Incorporation and this Sales Prospectus (Equity fund) at least 51% of the sub-fund's gross assets (determined as being the value of the sub-fund's assets without taking into account liabilities) are invested in equities admitted to official trading on a stock exchange or admitted to, or included in, another organized market and which are not:

- units of investment funds;
- equities indirectly held via partnerships;
- units of corporations, associations of persons or estates at least 75% of the gross assets of which consist of immovable property in accordance with statutory provisions or their investment conditions, if such corporations, associations of persons or estates are subject to corporate income tax of at least 15% and are not exempt from it or if their distributions are subject to tax of at least 15% and the sub-fund is not exempt from said taxation;
- units of corporations which are exempt from corporate income taxation to the extent they conduct distributions unless such distributions are subject to taxation at a minimum rate of 15% and the sub-fund is not exempt from said taxation;
- units of corporations the income of which originates, directly or indirectly, to an extent of more than 10%, from units of corporations, that are (i) real estate companies or (ii) are not real estate companies, but (a) are domiciled in member state of the European Union or a member state of the European Economic Area and are not subject in said domicile to corporate income tax or are exempt from it or (b) are domiciled in a third country and are not subject in said domicile to corporate income tax of at least 15% or are exempt from it;
- units of corporations which hold, directly or indirectly, units of corporations, that are (i) real estate companies or (ii) are not real estate companies, but (a) are domiciled in a member state of the European Union or a member state of the European Economic Area and are not subject in said domicile to corporate income tax or are exempt from it or (b) are domiciled in a third country and are not subject in said domicile to corporate income

tax of at least 15% or are exempt from it if the fair market value of units of such corporations equal more than 10% of the fair market value of those corporations.

For the purpose of this investment policy and in accordance with the definition in the German Investment Code (KAGB), an organized market is a market which is recognized, open to the public and which functions correctly, unless expressly specified otherwise. Such organized market also meets the criteria of article 50 of the UCITS Directive.

The respective risks connected with investments in this sub-fund are disclosed in the general section of the Sales Prospectus.

### Integration of sustainability risks

The sub-fund management integrates sustainability risks into its investment decisions as described in the General Section of the Sales Prospectus in the section "Integration of sustainability risks in the investment process".

### Risk Management

The relative Value-at-Risk (VaR) approach is used to limit market risk in the sub-fund.

In addition to the provisions of the general section of the Sales Prospectus, the potential market risk of the sub-fund is measured using a reference portfolio that does not contain derivatives ("risk benchmark").

Leverage is not expected to exceed twice the value of the investment sub-fund's assets. The leverage effect is calculated using the sum of notional approach (absolute (notional) amount of each derivative position divided by the net present value of the portfolio). However, the disclosed expected level of leverage is not intended to be an additional exposure limit for the sub-fund.

### Investment in shares of target funds

In addition to the information in the general section of the Sales Prospectus the following is applicable to this sub-fund:

When investing in target funds associated to the sub-fund, the part of the management fee attributable to shares of these target funds is reduced by the management fee/all-in fee of the acquired target funds, and as the case may be, up to the full amount (difference method).

Pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

**Sustainable investment** means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

**Product name:** DWS Concept ESG Blue Economy

**Legal entity identifier:** 254900I5KDSB46XL7009

**ISIN:** LU2306921490

**Environmental and/or social characteristics**

**Does this financial product have a sustainable investment objective?**

<input checked="" type="radio"/> <input checked="" type="radio"/> <input type="checkbox"/> <b>Yes</b>	<input checked="" type="radio"/> <input type="radio"/> <input checked="" type="checkbox"/> <b>No</b>
<input type="checkbox"/> It will make a minimum of <b>sustainable investments with an environmental objective: __%</b> <ul style="list-style-type: none"> <li><input type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy</li> <li><input type="checkbox"/> in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy</li> </ul> <input type="checkbox"/> It will make a minimum of <b>sustainable investments with a social objective: __%</b>	<input checked="" type="checkbox"/> It <b>promotes Environmental/Social (E/S) characteristics</b> and while it does not have as its objective a sustainable investment, it will have a minimum proportion of 15% of sustainable investments <ul style="list-style-type: none"> <li><input type="checkbox"/> with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy</li> <li><input checked="" type="checkbox"/> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy</li> <li><input checked="" type="checkbox"/> with a social objective</li> </ul> <input type="checkbox"/> It promotes E/S characteristics, but <b>will not make any sustainable investments</b>



#### What environmental and/or social characteristics are promoted by this financial product?

This sub-fund promotes environmental and social characteristics related to the so-called Blue Economy by investing at least 80% of the sub-fund's assets in equities of issuers that are active in the Blue Economy. Blue Economy refers to economic sectors which have a direct or indirect link to sea or fresh water. It especially consists of companies that are primarily active in business areas suited to restoring, protecting or maintaining diverse, productive and resilient marine ecosystems or the availability of clean water and sanitation but also companies with linked targets to ocean and water health or that are active in water risk management or have a clear intention to reduce risk to ocean environments or to enhance business segments towards solutions-oriented.

In addition, the sub-fund promotes environmental and social characteristics related to climate, governance and social norms as well as general ESG quality through the avoidance of issuers (1) exposed to high or excessive climate and transition risks, (2) exposed to high or highest severity of norm issues (i.e. as regards compliance with international standards of corporate governance, human rights and labour rights, customer and environment safety and business ethics), (3) exposed to high or excessive environmental, social and governance risks compared to their peer group, (4) moderately, highly or excessively exposed to controversial sectors and controversial activities, and/or (5) involved in controversial weapons.

This sub-fund further promotes a minimum proportion of sustainable investments with a positive contribution to one or several of the United Nations Sustainable Development Goals (UN SDGs).

This sub-fund has not designated a reference benchmark for the purpose of attaining the environmental and/or social characteristics promoted.

**Sustainability indicators** measure how the environmental or social characteristics promoted by the financial product are attained.

#### What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?

The attainment of the promoted environmental and social characteristics as well as the sustainable investment is assessed via the application of a proprietary ESG assessment methodology as further described in section "What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?". The methodology applies a variety of assessment categories that are used as sustainability indicators to assess the attainment of the promoted environmental and social characteristics, which are as follows:

- **DWS Climate and Transition Risk Assessment** is used as indicator for an issuer's exposure to climate and transition risks
- **DWS Norm Assessment** is used as indicator for an issuer's exposure to norm-related issues
- **DWS ESG Quality Assessment** is used as indicator for comparison of an issuer's environmental, social and governance risks in relation to their peer group
- **Exposure to controversial sectors** is used as indicator for an issuer's involvement in controversial sectors and controversial activities
- **Involvement in controversial weapons** is used as indicator for an issuer's involvement in controversial weapons
- **Exposure to issuers active in the Blue Economy sector**
- **Number of engaged issuers**
- **Sustainability Investment Assessment** is used as indicator to measure the proportion of sustainable investments



What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?

The sub-fund will partially invest in sustainable investments according to article 2(17) SFDR. Such sustainable investments will contribute to at least one of the UN SDGs that relate to environmental and/or social objectives, such as the following (non-exhaustive list):

- Goal 1: No poverty
- Goal 2: Zero hunger
- Goal 3: Good health and well-being
- Goal 4: Quality education
- Goal 5: Gender equality
- Goal 6: Clean water and Sanitation
- Goal 7: Affordable and clean energy
- Goal 10: Reduced inequality
- Goal 11: Sustainable cities and communities
- Goal 12: Responsible consumption
- Goal 13: Climate action
- Goal 14: Life below water
- Goal 15: Life on land

The extent of contribution to individual UN SDGs will vary based on the actual investments in the portfolio.

DWS will measure the contribution to the UN SDGs via its sustainability investment assessment which evaluates potential investments in relation to different criteria to conclude that an economic activity can be considered as sustainable. Via this assessment, the sub-fund management evaluates (1) whether an economic activity contributes to one or several of the UN SDGs, (2) whether the economic activity or other economic activities of that company significantly harm any of these objectives (Do Not Significantly Harm (DNSH) assessment) and (3) whether the company as such is in line with the DWS safeguard assessment.

The sustainability investment assessment uses data from multiple data providers, public sources and internal assessments (based on a defined assessment and classification methodology) to determine if an activity is sustainable. Activities that contribute positively to the UN SDGs are measured in terms of revenues, capital expenditure (CapEx) and/or operational expenditure (OpEx). If a positive contribution is determined, the activity will be considered sustainable if the company passes the DNSH assessment and complies with the DWS safeguard assessment as detailed in the section "How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights?".

The sub-fund will currently not commit to target a minimum proportion of sustainable investments with an environmental objective aligned with the EU Taxonomy.

How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?

The DNSH assessment is integral part of the sustainability investment assessment and evaluates whether an economic activity with a contribution to an UN SDG causes significant harm to any of these objectives. In case that a significant harm is identified, the economic activity fails the DNSH assessment and cannot be considered as sustainable economic activity.

How have the indicators for adverse impacts on sustainability factors been taken into account?

As part of the DNSH assessment under article 2(17) SFDR, the sustainability investment assessment systematically integrates all mandatory principal adverse indicators from Table 1 and relevant indicators from Tables 2 and 3 of Annex I of the Commission Delegated Regulation (EU) 2022/1288 supplementing the Sustainable Finance Disclosure Regulation. Taking into account these adverse impacts, DWS has established quantitative thresholds and/or qualitative values to determine if an investment significantly harms any of the environmental or social objectives. These values are set based upon various external and internal factors, such as data availability or market developments and may be adapted going forward.

How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:

As part of its sustainability investment assessment, DWS further evaluates through its safeguard assessment the alignment of a company with international norms. This includes checks in relation to adherence to international norms, for example, the OECD Guidelines for Multinational Enterprises, the UN Guiding Principles on Business and Human Rights, the principles of the United Nations Global Compact and the standards of the International Labour Organization. Companies with assessed and reconfirmed highest violations of one of the international norms are considered as non-compliant to the safeguards and their economic activities cannot be considered sustainable.

*The EU Taxonomy sets out a “do not significant harm” principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.*

The “do no significant harm” principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

*Any other sustainable investments must also not significantly harm any environmental or social objectives.*



**Principal adverse impacts** are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

Does this financial product consider principal adverse impacts on sustainability factors?

- Yes, the sub-fund management considers the following principal adverse impacts on sustainability factors from Annex I of the Commission Delegated Regulation (EU) 2022/1288 supplementing the Sustainable Finance Disclosure Regulation:
- Carbon footprint (no. 2);
  - GHG intensity of investee companies (no. 3);
  - Exposure to companies active in the fossil fuel sector (no. 4);
  - Emissions to water (no. 8);
  - Hazardous waste and radioactive waste ratio (no. 9);
  - Violation of UN Global Compact principles and OECD Guidelines for multinational enterprises (no. 10); and
  - Exposure to controversial weapons (no. 14).

The above principal adverse impacts are considered at product level through the exclusion strategy, and where applicable through an engagement with issuers, for the sub-fund’s assets that are aligned with environmental and social characteristics via the proprietary ESG assessment methodology as detailed in section “What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?”.

For sustainable investments, the principal adverse impacts are further considered in the DNSH assessment as described above in section “How have the indicators for adverse impacts on sustainability factors been taken into account?”.

Further information on principal adverse impacts will be provided in an annex to the sub-fund’s annual report.

No



**The Investment strategy** guides investment decisions based on factors such as investment objectives and risk tolerance.

## What investment strategy does this financial product follow?

This sub-fund pursues a strategy based on equities as main investment strategy. At least 80% of the sub-fund's assets invested in equities of issuers that are active in the so-called Blue Economy. Blue Economy refers to economic sectors which have a direct or indirect link to sea or fresh water. Up to 20% of the sub-fund's assets may be invested in short-term deposits, money market instruments, deposits with credit institutions and up to 10% in money market funds.

Further details regarding the main investment strategy are specified in the Special Section of the Sales Prospectus.

The sub-fund's assets are predominantly allocated into investments that comply with the defined standards in respect to the promoted environmental and social characteristics as described in the following sections. The sub-fund's strategy in relation to the promoted environmental or social characteristics is integral part of the ESG assessment methodology, which is continuously monitored via the sub-fund's investment guidelines.

## What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?

### **ESG assessment methodology**

The portfolio management of this sub-fund seeks to attain the promoted environmental and social characteristics by assessing potential investments via a proprietary ESG assessment methodology irrespective of economic prospects of success. This methodology is based on the ESG database, which uses data from multiple ESG data providers, public sources and internal assessments (based on a defined assessment and classification methodology) to derive combined scores. The ESG database is therefore constituted by data and figures as well as on internal assessments that take into account factors beyond the processed data and figures, such as an issuer's future expected ESG development, plausibility of the data with regard to past or future events, an issuer's willingness to engage in dialogues on ESG matters or corporate decisions.

The ESG database derives "A" to "F" letter coded assessments within different categories as further detailed below. Within each category, issuers receive one of six possible scores, with "A" being the highest score and "F" being the lowest score. If an issuer's score in one category is deemed insufficient, the portfolio management is prohibited from investing in that issuer, even if it is eligible according to other categories. For exclusion purposes, each letter score in a category is considered individually and may result in exclusion of an issuer.

The ESG database uses a variety of assessment categories to assess the attainment of the promoted environmental and social characteristics, including amongst others:

#### **• DWS Climate and Transition Risk Assessment**

The DWS Climate and Transition Risk Assessment evaluates issuers in relation to climate change and environmental changes, e.g., in respect to greenhouse gas reduction and water conservation. Issuers that contribute less to climate change and other negative environmental changes or are less exposed to such risks receive better evaluations. Issuers with excessive climate risk profile (i.e., a letter score of "F") are excluded as an investment. Issuers with high climate risk profile (i.e., a letter score of "E") are limited to 5% of the sub-fund's net assets.

#### **• DWS Norm Assessment**

The DWS Norm Assessment evaluates the behaviour of issuers, e.g., within the framework of the principles of the United Nations Global Compact, the standards of the International Labour Organization and behaviour within generally accepted international standards and principles. The Norm Assessment examines, e.g., human rights violations, violations of workers' rights, child or forced labour, adverse environmental impacts, and business ethics. Issuers with highest severity of norm issues (i.e., a letter score of "F") are excluded as an investment. Issuers with high severity of norm issues (i.e., a letter score of "E") are limited to 5% of the sub-fund's net assets.

#### **• DWS ESG Quality Assessment**

The DWS ESG Quality Assessment distinguishes between corporate and sovereign issuers.

For corporate issuers, the DWS ESG Quality Assessment allows for a peer group comparison based on cross vendor consensus on overall ESG assessment (best-in-class approach), for example concerning the handling of environmental changes, product safety, employee management or corporate ethics. The peer group is composed of issuers from the same sector in the same region. Issuers rated better in this peer group comparison receive a better score, while issuers rated worse in the comparison receive a worse score. Corporate issuers rated poorly compared to their peer group (i.e., a letter score of "E" or "F") are excluded as an investment.

For sovereign issuers, the DWS ESG Quality Assessment evaluates a countries' governance from a

holistic perspective taking into account, among other things, the assessment of political and civil liberties. Sovereign issuers with high or excessive controversies regarding governance (i.e., a letter score of “E” or “F”) are excluded as an investment.

Further, issuers with a letter score of “D” in the DWS ESG Quality Assessment are limited to 15% of the sub-fund’s net assets.

• **Exposure to controversial sectors**

The ESG database defines certain business areas and business activities as relevant. Business areas and business activities are defined as relevant if they involve the production or distribution of products in a controversial area (“controversial sectors”). Controversial sectors are defined, for example, as the civil firearms industry, military defence, tobacco and adult entertainment. Other business sectors and business activities that affect the production or distribution of products in other sectors are defined as relevant. Other relevant sectors are, for example, nuclear energy or coal mining and coal-based power generation.

Issuers are evaluated according to the share of total revenues they generate in controversial business areas and controversial business activities. The lower the percentage of revenues from the controversial business areas and controversial business activities, the better the score. Issuers (excluding target funds) with a moderate, high or excessive exposure (i.e., a letter score of “D”, “E” or “F”) are excluded as an investment. As regards the involvement in coal mining and coal-based power generation, issuers (excluding target funds) with high or excessive exposure (i.e., a letter score of “E” or “F”) are excluded as an investment.

• **Involvement in controversial weapons**

The ESG database assesses a company’s involvement in the business of controversial weapons. Controversial weapons include for example anti-personnel mines, cluster munitions, depleted uranium weapons, nuclear weapons, chemical and biological weapons.

Issuers are assessed based on their degree of involvement (production of controversial weapons, component production, etc) in the manufacturing of controversial weapons, regardless of total revenues they generate from controversial weapons. Issuers (with the exception of target funds) with medium, high or excessive involvement (i.e., a letter score of “D”, “E” or “F”) are excluded as an investment.

• **DWS Use of Proceed Bond Assessment**

By way of derogation from the above, bonds that comply with DWS’ Use-of-proceeds bond assessment are investable also in cases where the bond issuer does not fully comply with the ESG assessment methodology.

The financing of use of proceed bonds will be assessed via a two-stage process.

In the first stage DWS assesses whether a bond qualifies as a Use of Proceeds Bond. A key element is checking for compliance with the ICMA Green Bond Principles, the ICMA Social Bond Principles or the ICMA Sustainability Bond Principles. The assessment focuses on the use of proceeds, the selection of the projects financed by these proceeds, the management of the proceeds spending as well as the annual reporting on the use of proceeds to investors.

If a bond complies with these principles, the second stage assesses the ESG quality of the issuer of that bond in relation to defined minimum standards in respect to environmental, social, and corporate governance factors. This assessment is based on the ESG assessment methodology as described above and excludes

- corporate issuers with poor ESG quality compared to their peer group (i.e. a letter score of “E” or “F”),
- sovereign issuers with high or excessive controversies regarding governance (i.e. a letter score of “E” or “F”),
- issuers with highest severity of norm issues (i.e. a letter score “F”), or
- issuers with excessive exposure to controversial weapons (i.e. a letter score of “D”, “E” or “F”).

To the extent that the sub-fund seeks to attain the promoted environmental and social characteristics as well as corporate governance practices by means of an investment in target funds, the latter must meet the DWS standards on Climate and Transition Risk- and Norm Assessment outlined above.

Derivatives are currently not used to attain the environmental or social characteristics promoted by the sub-fund and are therefore not taken into account for the calculation of the minimum share of assets complying with these characteristics. However, derivatives on individual issuers may only be acquired for the sub-fund if the issuers of the underlying comply with the ESG assessment methodology.

Ancillary liquid assets will not be evaluated via the ESG assessment methodology.

• **Exposure to issuers active in the Blue Economy sector and engagement candidates**

At least 80% of the sub-fund's assets will be invested in issuers that are active in the Blue Economy sector as further described above.

The sub-fund management will engage with certain issuers on material risks to ocean environments or to enhance business segments towards solution-orientation. Potential engagement candidates are identified based, besides other factors, on the United Nations Environmental Program - Finance Initiative (UNEP FI) - Guidelines.

Derivatives are currently not used to attain the environmental or social characteristics promoted by the sub-fund and are therefore not taken into account for the calculation of the minimum share of assets complying with these characteristics. However, derivatives on individual issuers may only be acquired for the sub-fund if the issuers of the underlying comply with the ESG assessment methodology.

Ancillary liquid assets will not be evaluated via the ESG assessment methodology.

**Sustainability investment assessment methodology**

Further, for the proportion of sustainable investments DWS will measure the contribution to one or several UN SDGs via its sustainability investment assessment which evaluates potential investments in relation to different criteria to conclude that an economic activity can be considered as sustainable as further detailed in section "What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?"

What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?

The applied ESG investment strategy does not pursue a committed minimum reduction of the scope of the investments.

**Good governance** practices include sound management structures, employee relations, remuneration of staff and tax compliance.

What is the policy to assess good governance practices of the investee companies?

The procedure to assess the good governance practices of the investee companies is based on the DWS Norm Assessment, as further detailed in the dedicated section "What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?". Accordingly, the assessed investee companies follow good governance practices.

Further, the management company considers active ownership as a strong driver to improve governance, policies and practices, and thus for a better long-term performance of investee companies. Active ownership means using the position as shareholders to influence the activities or behaviour of the investee companies. An engagement activity can be initiated with the investee companies regarding matters such as strategy, financial and non-financial performance, risk, capital structure, social and environmental impact as well as corporate governance including topics like disclosure, culture and remuneration. The engagement activity can be undertaken via, e.g., issuer meetings or engagement letters. Furthermore, for equity investments it could also be an interaction with the company resulting from proxy voting activities or participation at general meetings.

What is the asset allocation planned for this financial product?

This sub-fund invests at least 51% of its net assets in investments that are aligned with the promoted environmental and social characteristics (#1 Aligned with E/S characteristics). Within this category, at least 15% of the sub-fund's assets qualify as sustainable investments (#1A Sustainable).

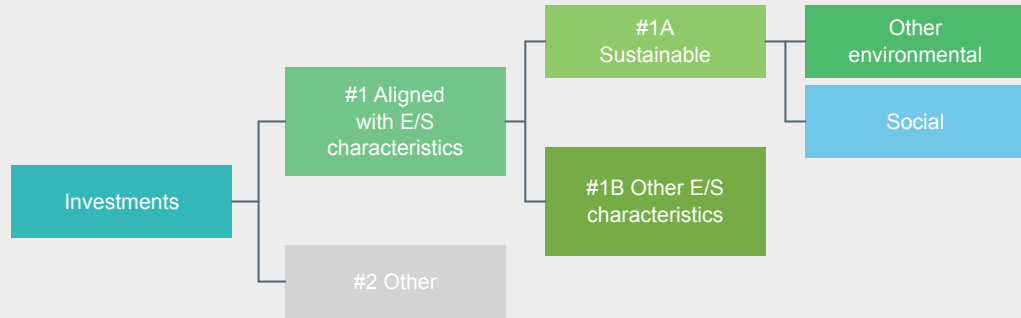
Up to 49% of the investments are not aligned with these characteristics (#2 Other). A more detailed description of the specific asset allocation of this sub-fund can be found in the Special Section of the Sales Prospectus.



**Asset allocation** describes the share of investments in specific assets.

Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.



**#1 Aligned with E/S characteristics** includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

**#2 Other** includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:

- The sub-category **#1A Sustainable** covers sustainable investments with environmental or social objectives.
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?

Derivatives are currently not used to attain the environmental or social characteristics promoted by the sub-fund.

**Enabling activities** directly enable other activities to make a substantial contribution to an environmental objective.

**Transitional activities** are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

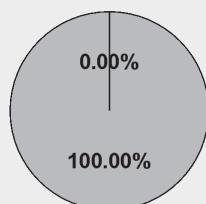


To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

Due to a lack of reliable data the sub-fund does not commit to invest a minimum proportion of sustainable investments with an environmental objective aligned with the EU Taxonomy. Therefore, the minimum percentage of environmentally sustainable investments aligned with the EU Taxonomy is 0% of the sub-fund's net assets. However, it may occur that part of the investments' underlying economic activities are aligned with the EU Taxonomy.

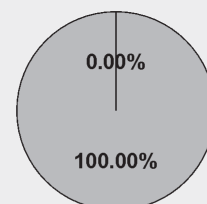
*The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds\*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.*

1. Taxonomy-alignment of investments including sovereign bonds\*



■ Taxonomy-aligned □ Other Investments

2. Taxonomy-alignment of investments excluding sovereign bonds\*



■ Taxonomy-aligned □ Other Investments

\*For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures

What is the minimum share of investments in transitional and enabling activities?

The sub-fund does not have a minimum share of investments in transitional and enabling activities, as it does not commit to a minimum proportion of environmentally sustainable investments aligned with the EU Taxonomy.



are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.



What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

The sub-fund does not intend to make a minimum allocation to environmentally or socially sustainable investments pursuant to Article 2(17) SFDR. However, the minimum share of environmentally and socially sustainable investments shall in total be at least 15% of the net assets of the sub-fund.



What is the minimum share of socially sustainable investments?

The sub-fund does not intend to make a minimum allocation to environmentally or socially sustainable investments pursuant to Article 2(17) SFDR. However, the minimum share of environmentally and socially sustainable investments shall in total be at least 15% of the net assets of the sub-fund.



What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?

This sub-fund promotes a predominant asset allocation in investments that are aligned with environmental and social characteristics (#1 Aligned with E/S characteristics). In addition, and on an ancillary basis, this sub-fund will invest into investments that are not considered aligned with the promoted characteristics (#2 Other). These remaining investments can include all asset classes as foreseen in the specific investment policy including cash and derivatives.

In line with the market positioning of this sub-fund, the purpose of these remaining investments is to provide investors with an exposure to non-ESG aligned investments while at the same time ensuring a predominant exposure to environmentally and socially aligned investments. Remaining investments can be used by the portfolio management for performance, diversification, liquidity and hedging purposes.

This sub-fund does not consider any minimum environmental or social safeguards on these remaining investments.



**Reference benchmarks** are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

This sub-fund has not designated a reference benchmark to determine whether it is aligned with the environmental and/or social characteristics that it promotes.



Where can I find more product specific information online?

**More product-specific information can be found on the website:** <https://funds.dws.com/en-lu/equity-funds/LU2306921490/> as well as on your local country website [www.dws.com/fundinformation](http://www.dws.com/fundinformation).

## DWS Concept Institutional Fixed Income

<b>Investor profile</b>	An investment in the sub-fund is suitable for investors who are able and willing to invest in a sub-fund with a medium risk grading. A “medium risk” grading applies to sub-funds exposed to capital losses either because the asset classes to which the sub-funds are exposed have a medium intrinsic volatility and/or because the sub-funds entail some capital protection.
<b>Nature of shares</b>	Registered shares or bearer shares represented by a global certificate
<b>Sub-fund currency</b>	USD
<b>Fund manager</b>	DWS Investment GmbH
<b>Performance benchmark</b>	–
<b>Risk benchmark</b>	Synthetic 40Y Bond Zero Coupon
<b>Leverage effect</b>	Up to 8 times the value of the investment sub-fund’s assets
<b>Calculation of the NAV per share</b>	The net asset value for each share class will be calculated on each Business Day on the basis of the closing prices of (“Valuation Day”) the underlying securities and transactions composing the Reference Portfolio. The net asset value per share class will therefore be published daily, one Business Day following each Business Day considered for the calculation of the net asset value. However, subscriptions and redemptions will only be possible in respect of each Transaction Day. Business Day is a day other than a Saturday or a Sunday on which commercial banks and foreign exchange markets are open and settle payments in Luxembourg, Frankfurt, New York and London, and which is also a day on which each Clearing Agent is open for business. Transaction Day means every second and fourth Monday of each calendar month, starting immediately after the launch date and provided such day is a Business Day. If such day is not a Business Day, the relevant Transaction Day will be the immediately following Business Day. Attention of investors is drawn to the applicable Upfront Subscription Sales Charge after the Offering Period and Redemption Charge mentioned below.
<b>Order acceptance (“Redemptions and Subscriptions Deadline”)</b>	For each share class, means 3:00 p.m. (Luxembourg time) 8 Business Days prior to the relevant Transaction Day. If such day is not a Business Day, the deadline shall be the Business Day immediately preceding such day. Any orders received after the deadline will be deferred to the next following Transaction Day and will be done at the net asset value per share calculated in respect of such Transaction Day. An Early Redemption Event will occur if: (i) the OTC swap transactions with the Swap Counterparty are terminated; or (ii) the net asset value of the sub-fund is less than the Minimum Net Asset Value. On the occurrence of such an event, the Board of Directors may decide to redeem all of the shares then outstanding and the sub-fund will be closed. The Minimum Net Asset Value per share class is EUR 50,000,000. Provided that, in the event that the net asset value of a share class is below the Minimum Net Asset Value per share class, the Management Company reserves the right to close the relevant share class (and, as the case may be, the sub-fund) and make a final payment to shareholders at the NAV per share on the official closing date of the relevant share class. Such closure of the share class shall occur with no less than 6 months notice to the shareholders. For the avoidance of doubt, shareholders of the relevant share class may bear the additional trading costs linked to the unwinding of the relevant Reference Portfolio following the closure of such share class, which will be reflected in the applicable NAV.
<b>Value date</b>	3 Business Days following the relevant Transaction Day
<b>Fractional shares</b>	Up to 3 decimal places
<b>Maturity (“Maturity Date”)</b>	The maturity date of the sub-fund will be the latest date among the maturity dates mentioned in the table below describing the share class features or any such earlier or later date as determined by the Board of Directors and communicated accordingly to the relevant shareholders.
<b>Investment policy</b>	Indirect Investment Policy, using Fully Funded Swaps
<b>Swap Counterparties</b>	Deutsche Bank AG and such other First Class Institutions as may be appointed from time to time by the sub-fund for the purpose of entering into derivative contracts.



## Overview of the share classes

<b>Currency of the share class</b>	I4D, I6D, I7D, I8D	EUR
<b>Launch date</b>	I4D I6D I7D I8D	May 15, 2013* June 1, 2015* February 18, 2016* May 31, 2016*.
<b>Maturity date</b>	I4D, I6D, I7D, I8D	A date as agreed by the Board of Directors with the shareholder(s).

\* Initial launch date of the share classes of the merged sub-fund DB Platinum IV Institutional Fixed Income

For the sub-fund with the name DWS Concept Institutional Fixed Income (the sub-fund), the following provisions of this special section shall apply in addition to the terms contained in the general section of this Sales Prospectus. In the event of any inconsistency between the general section and the special section of the Sales Prospectus, the special section shall prevail.

Specific information relevant for the sub-fund and particular terms used in this special section of the Sales Prospectus are described in section "General information relevant for the sub-fund DWS Concept Institutional Fixed Income" below.

### Investment Objective and Policy

The sub-fund qualifies as a "Sub-Fund with an Indirect Investment Policy" (as described in section "General information relating to Indirect Investment Funds" below).

The investment objective of the sub-fund is to provide the shareholders with a fixed or variable income, depending on the class of shares held by the investor, until the Maturity Date of the relevant share class of the sub-fund. The sub-fund will also aim to provide the shareholders with a Final Payout upon the Maturity Date of each relevant share class. The Maturity Date of the sub-fund is equal to the latest Maturity Date of the share classes and depends on the date of maturity of the longest maturing debt security composing the Reference Assets as described in further detail below. The nature and frequency of the income distributed to investors is set out under the section "Dividend Information" below. The Final Payout is set out below in section "Further information in respect of the share classes".

The sub-fund is actively managed and is not managed in reference to a benchmark.

In order to achieve its investment objective, the sub-fund will invest part or all of the net proceeds of any issue of shares in one or more swap agreements negotiated at arm's length with the Swap Counterparty (the "OTC Swap Transaction") exchanging the invested net proceeds against the performance of a Reference Portfolio. The "Reference Portfolio" is defined for each share class by the combined investment into:

- (i) "Reference Assets" which shall be notional debt securities issued by (i) financial institutions or corporates and/or (ii) sovereign states that are OECD Member States and/or supra-national organisations/entities and/or their local authorities (iii) special purpose vehicles that are invested in debt securities mentioned

under (i), and/or (iv) cash deposits with financial institutions with investment grade or equivalent long-term credit ratings and/or (v) other assets determined by the Board of Directors in their discretion from time to time, provided that investment in such assets complies with the investment restrictions set out in the Sales Prospectus. The initial composition of the Reference Assets is disclosed in section "Further information in respect of the share classes".

- (ii) One or more further notional OTC swap transactions in respect of the Reference Assets (the "Asset Swap(s)"). The Asset Swap(s) will be selected in accordance with the investment restrictions set out in the Sales Prospectus. The purpose of the Asset Swap(s) is to exchange the expected income and expected performance of the Reference Assets against the relevant dividend payments for each relevant share class as further specified below under "Dividend Information", as well as to hedge any foreign currency exposure of the Reference Assets, should these be denominated in a different currency to the relevant share class. The Asset Swap may embed a protection against the issuer risk linked to the Reference Assets. The terms of such protection, if applicable, will be mentioned under in section "Further information in respect of the share classes".

For a given share class, the aggregate marked to market value of the Reference Assets may be greater than the net asset value of the share class, by a coefficient lower than two (thereafter, the "MTM Multiplication Factor"). However, the loss incurred to the sub-fund with regard to the corresponding Reference Portfolio will be lower than or equal to such net asset value of the share class.

The composition of the Reference Portfolio is intended to remain stable until the maturation of the debt security with the shortest maturity date (hereafter, the "First Maturation Day") of the

relevant share class. However, such composition will be amended if the Board of Directors:

- (i) is required by law to make such a change; or
- (ii) agrees with the Swap Counterparty and the shareholders to make such a change.

In both cases the sub-fund may bear the relevant trading costs linked to such change.

On or around the maturation day of any Reference Asset which is a debt security, the net redemption proceeds of such matured debt securities will be synthetically reinvested, within the Reference Portfolio, in collateralised money market transactions with the Swap Counterparty, with an aim to generate money market gains in line with the relevant overnight interest rates.

The sub-fund will bear at all times the issuer risk in respect of the Reference Assets. The sub-fund will at all times bear the counterparty risk (linked to the Swap Counterparty's performance of its obligations) in respect of the OTC Swap Transactions.

The OTC Swap Transactions along with any fees and expenses of the sub-fund will be valued on each Valuation Day in order to determine the net asset value of the sub-fund in accordance with the rules set out in the Sales Prospectus.

The sub-fund will not invest in units or shares of other UCITS or other UCIs.

The sub-fund may hold ancillary liquid assets as specified in article 3.2 (o) of the general section of the Sales Prospectus.

The following disclosure is made for the sub-fund in accordance with article 7(1) of Regulation (EU) 2019/2088 on sustainability-related disclosures in the financial services sector: The sub-fund management does not consider any principle adverse impacts on sustainability factors for this financial

product, as it does not pursue any environmental or social characteristics in its investment strategy.

The following is the disclosure in accordance with article 7 of Regulation (EU) 2020/852 of June 18, 2020 on the establishment of a framework to facilitate sustainable investment: The investments underlying this financial product do not take into account EU criteria for environmentally sustainable economic activities.

The sub-fund will not invest in contingent convertibles.

The sub-fund does not use securities financing transactions.

When applying the limits specified in sections 3.2 c) and d) of the chapter "Investment Limits" to the OTC swap transactions, reference must be made to the net counterparty risk exposure. The Investment Company will reduce the overall counterparty risk of the sub-fund's OTC swap transactions by causing the Swap Counterparty to deliver collateral as indicated in the general section of the Sales Prospectus, and furthermore described in the section "OTC Derivative Transactions entered into on behalf of Indirect Investment Funds" (see "General information relating to Indirect Investment Funds" below). In addition to the assets listed in the section "General information relating to Indirect Investment Funds", the assets which may be posted as collateral for the sub-fund may include cash in AUD, CAD, DKK, NZD, NOK, GBP, SEK and CHF at a valuation percentage of 100%. The costs (if any) generated by the delivery of collateral by the Swap Counterparty will be borne by the sub-fund. Such costs will correspond to (i) in relation to cash, the net funding costs of the Swap Counterparty (i.e. gross funding costs decreased by the remuneration earned on the account in which the collateral is deposited) and (ii) in relation to securities, the funding cost for the Swap Counterparty for such securities, and will be disclosed in the Annual Report.

If the net counterparty risk of the sub-fund (calculated as the difference between the collateral posted by the Swap Counterparty and the overall counterparty risk of the OTC Swap Transactions) exceeds limits agreed between the sub-fund and the Swap Counterparty, the sub-fund may be required to deliver cash as collateral to the Swap Counterparty. This may materialise if the market value of the posted collateral exceeds the market value of the Reference Portfolio.

Where the sub-fund enters into OTC financial derivatives and/ or efficient portfolio management transactions, the collateral may consist of up to 100% of transferable securities and money market instruments as set out above in the general section of the sales prospectus regarding "Collateral policy for OTC derivatives transactions and efficient portfolio management techniques" sub section VI. issued by either a government of a single country, one or more of its local authorities, a third country

or public international body provided (i) it includes securities from at least six different issues and (ii) the value (before application of the valuation percentage) of any single issue is not greater than 30% of the net asset value of the sub-fund. Eligible issuers are amongst others Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Luxembourg, The Netherlands, New Zealand, Norway, Sweden, Switzerland, the United Kingdom and the United States, provided that such issuer has a long-term credit rating of at least investment grade.

The Investment Company may borrow for the account of a sub-fund up to 10% of the net asset value of such sub-fund provided that such borrowing is on a temporary basis. Such borrowing may only be used for liquidity purposes (e.g., to cover shortfall caused by mismatched settlement dates on purchase and sale transactions, finance repurchases or pay fees reverting to a service provider) and/or for investment purposes. The assets of such sub-fund may be charged as security for any such borrowings in accordance with the principle of segregation of assets and liabilities provided by article 181 (5) of the Law of 2010.

Derivative instruments can be used for both investment and hedging purposes. Under such derivative instruments, the sub-fund itself can be economically leveraged and could therefore be subject to the risk that any decrease of the assets to which the sub-fund is exposed under the derivative instruments concerned will be greater than any required payments by the sub-fund under those derivative instruments which may lead to an accelerated decrease of the net asset value of the sub-fund, it being understood that the global exposure resulting from the use of financial derivative instruments will never exceed the net asset value of the sub-fund.

The sub-fund has a predefined payout profile. Investors' attention is therefore drawn to the section "General information relating to Indirect Investment Funds" and in particular, the section entitled "Pre-hedging Arrangements".

### Integration of sustainability risks

The sub-fund management integrates sustainability risks into its investment decisions as described in the General Section of the Sales Prospectus in the section "Integration of sustainability risks in the investment process".

### Risk Management

The relative Value-at-Risk (VaR) approach is used to limit market risk in the sub-fund. In addition to the provisions of the general section of this Sales Prospectus, the potential market risk of the sub-fund is measured using a reference portfolio that does not contain derivatives ("Risk Benchmark").

Contrary to the provision of the general section of the Sales Prospectus, because of the investment strategy of the sub-fund it is expected that the leverage effect from the use of derivatives will not

be any higher than eight times the sub-fund assets. The disclosed expected level of leverage is not intended to be an additional exposure limit for the sub-fund.

### Dividend Information

For each share class of the sub-fund it is the intention to distribute dividends according to a pre-defined annual rate (the "Dividend Rate"), upon pre-defined dividend distribution days (each a "Dividend Payment Date"), applying on the relevant Initial Issue Price and paid in the relevant Share Class' Reference Currency.

The Dividend Rate will be fixed or variable and paid upon each anniversary of the Dividend Reference Date until the Maturity Date of the relevant share class and with a frequency equaling the Dividend Payment Frequency. If such day is not a Business Day, then the Dividend Payment Date is deemed to be the immediately following Business Day.

The payment of the dividend will be based upon the Dividend Rate and the relevant Dividend Period, being the period of time between two successive Dividend Payment Dates (the first Dividend Period being the period of time between the Launch Date and the first Dividend Reference Date).

The "Dividend Reference Date" is disclosed for each share class under the section entitled "Further information in respect of the share classes" and can be amended upon decision of the Board of Directors and communicated accordingly to the relevant shareholders.

In addition, from time to time, the Board of Directors may decide to declare and pay additional dividends upon consultation with the shareholders.

### Additional Risk Factors ("Specific Risk Warnings")

In addition to the outlined risks in the general section of this Sales Prospectus, there may be other risks that a prospective investor should consider that are relevant to its particular circumstances or generally. Investors should consider the following Specific Risk Warnings, among others:

Investors subscribing for shares after the Launch Date and redeeming those shares before the Maturity Date will also bear costs and risks arising from:

- (i) credit and liquidity risks on the Reference Assets;
- (ii) trading costs;
- (iii) residual foreign exchange risks, in relation to the costs of the sub-fund, for those Reference Assets not denominated in the relevant Share Class Reference Currency;
- (iv) residual inflation risks, in case the Reference Assets contain inflation-linked debt securities, that will be represented by the cost difference

between gaining exposure to inflation linked debt securities and hedging this exposure via OTC swap transactions. Such risk arises when the discounted value of all inflation-hedged cashflows from an inflation-linked debt security deviates from the market price of the debt security in question. This "basis" risk arises from a number of reasons such as market supply and demand factors and liquidity;

- (v) changes in the market perceptions of the credit risk attached to the Reference Assets within the Reference Portfolio of the relevant share class (i.e., the creditworthiness of the issuers of such Reference Assets). If the market perceives a deterioration in such creditworthiness then the value of shares of the sub-fund is likely to be lower; and
- (vi) risks linked to the assets underlying the exposure provided via the payment of the dividends.

Attention is brought to investors that due to the MTM Multiplication Factor the effects of the above-mentioned costs and risks may be amplified before the Maturity Date. Accordingly, the value of the respective share class may rise or fall more quickly than if the MTM Multiplication Factor was equal to 1 (one).

Investors should note that in the event of a default by an issuer of Reference Assets, the value of the OTC Swap Transaction on the relevant Reference Portfolio will fall. Therefore, the payment of the Dividend Rate as well as of the Final Payout by the sub-fund is subject to the performance of each issuer's obligations.

Pursuant to the terms of the Credit Support Annex of the ISDA Agreement or equivalent Master Agreements on derivatives trading entered into by the fund with Deutsche Bank AG with respect to the sub-fund, the Swap Counterparty will deliver collateral for the OTC Swap Transaction entered into in respect of each share class, and such collateral may include the Reference Assets. As the collateral will be delivered in aggregate for all share classes, in the event of default of the Swap Counterparty Investors will own a pro-rata share of the collateral posted in respect to all share classes, and as a result may thereafter have exposure to Reference Assets of other share classes. The pro-rata share of ownership will be based on the relative market value of the separate OTC Swap Transactions, and hence the NAV of each share classes, at the time of default of the Swap Counterparty.

Investors should note that general risks as described in the section "General Risk Warnings" of the Sales Prospectus should also apply to the Reference Assets for the purposes of this special section.

Investors should note that the sub-fund (or its share classes) is not guaranteed or capital protected, and that the amount invested in the sub-fund by an investor is not guaranteed or protected. Investors in this sub-fund should be prepared and able to sustain losses of the capital invested, up to a total loss. Investors will also bear all risks relating to the Reference Assets as described in section "General Risk Warnings".

## Further information in respect of the share classes

<b>Share class</b>	I4D																																			
<b>German Security Identification Number (WKN)</b>	A0NGCC																																			
<b>ISIN Code</b>	LU0441707956																																			
<b>Initial Issue Price</b>	EUR 100,000																																			
<b>Minimum Initial Subscription Amount</b>	1 share																																			
<b>Minimum Subsequent Subscription Amount</b>	1 share																																			
<b>Dividend Reference Date</b>	April 30, 2014																																			
<b>Dividend Payment Frequency</b>	Annual																																			
<b>Dividend Rate</b>	<p>(i) Until a date on or after the First Maturation Day (the “Swaption End Date”), the Dividend Rate shall be paid annually and be equal to the sum of a Variable Coupon and a Fixed Coupon: The Variable Coupon shall reflect the variable payout of a series of EUR interest rate swaptions based on long-term rate underlyings (the “Swaptions”). The Maturity of the Swaptions shall not exceed the Swaption End Date. For the avoidance of doubt, the Variable Coupon shall be a non-negative rate. In accordance with the sub-fund’s Investment Objective and Policy, such Swaptions shall be embedded within the Asset Swaps. The Fixed Coupon shall be a fixed rate, subject to a floor of 0%, applying on top of the Variable Coupon.</p> <p>(ii) Following the Swaption End Date, the Dividend Rate shall be paid semi-annually and set in line with the prevalent money market rates. All Coupons shall be paid in arrears with Act/Act Daycount until the Swaption End Date and Act/360 Day-count thereafter. The Dividend Rate and the composition of the Reference Assets may be amended if the Board of Directors agrees with the Swap Counterparty and the shareholders of the I4D share class to make such a change, as described under “Investment Objective and Policy”. For the avoidance of doubt, the Board of Directors will only determine a Maturity Date with the unanimous consent of the shareholders. Further details about the Dividend Rate and the composition of the Reference Assets will be made available to the shareholders under <a href="http://www.dws.com">www.dws.com</a>.</p>																																			
<b>Final Payout</b>	Shall be equal to the sum of the applicable initial bond cash investment amounts (corresponding to the “EUR Swap Notional Amount” below) of the Reference Assets upon the Maturity Date of the share class. Investors should note that the payment of the Final Payout by the sub-fund is subject to the performance of each issuer’s obligations within the Reference Assets.																																			
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2) The Fixed Fee of each share class is a maximum percentage that will be calculated upon each Valuation Day on the basis of the Initial Issue Price of each share class and expressed in the sub-fund’s Reference Currency. The Fixed Fee will include the Taxe d’Abonnement. For details see section “General information relating to the Fixed Fee” below.

<b>Share class</b>	I6D																																			
<b>German Security Identification Number (WKN)</b>	A14NDR																																			
<b>ISIN Code</b>	LU1181617348																																			
<b>Initial Issue Price</b>	EUR 100,000																																			
<b>Minimum Initial Subscription Amount</b>	1 share																																			
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4) The Conversion Charge, the amount of which will revert to the relevant Distributor, is a maximum percentage that will be calculated on the basis of the net asset value of the shares the shareholder wishes to convert from. The Conversion Charge will only apply from and including November 1, 2009.

\*) The Board of Directors will determine the final conditions (the "Final Conditions") in relation to each share class immediately prior to the launch of the relevant share class and will update this document as indicated by "\*)". Such update is in accordance with the initial approval by the CSSF and consequently does not require any new official approval by the CSSF.

<b>Share class</b>	I7D																																			
<b>German Security Identification Number (WKN)</b>	A14NDS																																			
<b>ISIN Code</b>	LU1181618742																																			
<b>Initial Issue Price</b>	EUR 100,000																																			
<b>Minimum Initial Subscription Amount</b>	1 share																																			
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<b>Share class</b>	I8D																																			
<b>German Security Identification Number (WKN)</b>	A2AEX3																																			
<b>ISIN Code</b>	LU1369628331																																			
<b>Initial Issue Price</b>	EUR 100,000																																			
<b>Minimum Initial Subscription Amount</b>	1 share																																			
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<b>Dividend Payment Frequency</b>	Annual																																			
<b>Dividend Rate</b>	<p>(i) Until a date on or after the First Maturation Day (the "Swaption End Date"), the Dividend Rate shall be paid annually and be equal to the sum of a Variable Coupon and a Fixed Coupon: The Variable Coupon shall reflect the variable payout of a series of EUR interest rate swaptions based on long-term rate underlyings (the "Swaptions"). The Maturity of the Swaptions shall not exceed the Swaption End Date. For the avoidance of doubt, the Variable Coupon shall be a non-negative rate. In accordance with the sub-fund's Investment Objective and Policy, such Swaptions shall be embedded within the Asset Swaps. The Fixed Coupon shall be a fixed rate, subject to a floor of 0%, applying on top of the Variable Coupon.</p> <p>(ii) Following the Swaption End Date, the Dividend Rate shall be paid semi-annually and set in line with the prevalent money market rates. All Coupons shall be paid in arrears with Act/Act Daycount until the Swaption End Date and Act/360 Daycount thereafter. The Dividend Rate and the composition of the Reference Assets may be amended if the Board of Directors agrees with the Swap Counterparty and the shareholders of the I6D share class to make such a change, as described under "Investment Objective and Policy". For the avoidance of doubt, the Board of Directors will only determine a Maturity Date with the unanimous consent of the shareholders. Further details about the Dividend Rate and the composition of the Reference Assets will be made available to the shareholders under <a href="http://www.dws.com">www.dws.com</a>.</p>																																			
<b>Final Payout</b>	<p>Shall be equal to the sum of the applicable initial bond cash investment amounts (corresponding to the "EUR Swap Notional Amount" below) of the Reference Assets upon the Maturity Date of the share class. Investors should note that the payment of the Final Payout by the sub-fund is subject to the performance of each issuer's obligations within the Reference Assets.</p>																																			
<b>Initial composition of the Reference Assets (relating to the Assets Under Management of the relevant share class)</b>	<table border="1"> <thead> <tr> <th>Reference Asset</th> <th>Identifier</th> <th>EUR Swap Notional Amount</th> <th>Maturity Date</th> <th>Bond Notional Amount (EUR)</th> </tr> </thead> <tbody> <tr> <td>ESM 1 3/4 10/20/45</td> <td>EU000A1U9902</td> <td>10,000,000</td> <td>October 20, 2045</td> <td>8,960,000</td> </tr> <tr> <td>RAGB 1 1/2 02/20/47</td> <td>AT0000A1K9F1</td> <td>15,000,000</td> <td>February 20, 2047</td> <td>14,360,000</td> </tr> <tr> <td>EFSF 1 3/8 05/31/47</td> <td>EU000A1G0DJ1</td> <td>25,000,000</td> <td>May 31, 2047</td> <td>25,190,000</td> </tr> <tr> <td>BGB 1.6 06/22/47</td> <td>BE0000338476</td> <td>20,000,000</td> <td>June 22, 2047</td> <td>19,780,000</td> </tr> <tr> <td>FRTR 3 1/4 05/25/45</td> <td>FR0011461037</td> <td>20,000,000</td> <td>May 25, 2045</td> <td>14,080,000</td> </tr> <tr> <td>FRTR 4 04/25/55</td> <td>FR0010171975</td> <td>10,000,000</td> <td>April 25, 2055</td> <td>5,950,000</td> </tr> </tbody> </table>	Reference Asset	Identifier	EUR Swap Notional Amount	Maturity Date	Bond Notional Amount (EUR)	ESM 1 3/4 10/20/45	EU000A1U9902	10,000,000	October 20, 2045	8,960,000	RAGB 1 1/2 02/20/47	AT0000A1K9F1	15,000,000	February 20, 2047	14,360,000	EFSF 1 3/8 05/31/47	EU000A1G0DJ1	25,000,000	May 31, 2047	25,190,000	BGB 1.6 06/22/47	BE0000338476	20,000,000	June 22, 2047	19,780,000	FRTR 3 1/4 05/25/45	FR0011461037	20,000,000	May 25, 2045	14,080,000	FRTR 4 04/25/55	FR0010171975	10,000,000	April 25, 2055	5,950,000
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<b>Management Company Fee <sup>1)</sup></b>	0.05% p.a.																																			
<b>Fixed Fee <sup>2)</sup></b>	Up to 0.15% p.a.																																			
<b>Upfront Subscription Sales Charge after the Offering Period <sup>3)</sup></b>	Up to 5.00%																																			
<b>Conversion Charge <sup>4)</sup></b>	Up to 1%																																			
<b>Redemption Charge</b>	The Redemption Charge shall correspond to the trading costs generated by the corresponding unwinding of part or all of the notional positions entered into within the Reference Portfolio in relation to the portion of the Reference Portfolio attributed to each share class. An indication of such Redemption Charge, if applicable, will be communicated to the shareholders prior to its application.																																			

4) The Conversion Charge, the amount of which will revert to the relevant Distributor, is a maximum percentage that will be calculated on the basis of the net asset value of the shares the shareholder wishes to convert from. The Conversion Charge will only apply from and including November 1, 2009.

\*) The Board of Directors will determine the final conditions (the "Final Conditions") in relation to each share class immediately prior to the launch of the relevant share class and will update this document as indicated by "\*\*". Such update is in accordance with the initial approval by the CSSF and consequently does not require any new official approval by the CSSF.

## General information relevant for the sub-fund DWS Concept Institutional Fixed Income

The following information is of general character and shall be read in conjunction with the information provided in the sections above

### a) General information relating to Indirect Investment Funds

#### Sub-Funds with an Indirect Investment Policy

Sub-funds with an Indirect Investment Policy ("**Indirect Investment Funds**") may not invest directly in the Underlying Asset or its constituents. Instead, the exposure to the performance of the Underlying Asset will be achieved by way of derivative transactions and/or instruments. In particular, an Indirect Investment Fund will conclude OTC Total Return Swap transactions negotiated at arm's length with one or more Swap Counterparties ("**OTC Swap Transaction(s)**"). For the avoidance of doubt, the OTC Swap Transactions would qualify as total return swaps within the meaning of Regulation (EU) 2015/2365 of the European Parliament and of the Council of November 25, 2015 on transparency of securities financing transactions and of reuse and amending Regulation (EU) No 648/2012 (the "**SFTR**").

Swap Counterparties are regulated financial institutions headquartered in OECD countries which have, either directly or at parent level, an investment grade rating from a credit rating agency and which comply with article 3 of the SFTR.

#### a) Indirect Investment Policies

The OTC Swap Transaction(s) used by an Indirect Investment Fund may be either unfunded or funded. In order to achieve its investment objective and in accordance with the investment restrictions, an Indirect Investment Fund may at any time invest part or all of the net proceeds of any issue of its shares:

- (i) in Hedging Asset(s) and use one or more OTC Swap Transaction(s) the purpose of which is to exchange all or part of the performance and/or income of such Hedging Asset(s) to gain exposure to the Underlying Asset (an "**Unfunded Swap**"); and/or,
- (ii) in one or more OTC Swap Transaction(s) the purpose of which is to exchange all or part of the invested proceeds to gain exposure to the Underlying Asset (a "**Funded Swap**").

An Indirect Investment Fund may, with due regard to the best interests of its shareholders and subject to any conditions set forth in the special section of the Sales Prospectus or any legal or regulatory requirements, decide from time to time to switch partially or totally from a Funded Swap to an Unfunded Swap, and vice versa.

For Funded Swaps, the maximum proportion of the net asset value that is subject to OTC Swap Transactions is 800%, excluding the impact of fees and FX hedging arrangements, as applicable; whilst the expected proportion of the net asset value that is subject to OTC Swap Transactions is 650%, excluding the impact of fees and FX hedging arrangements, as applicable.

For Unfunded Swaps, the maximum proportion of the net asset value that is subject to OTC Swap Transactions in relation to the Underlying Asset, is 110%, excluding the impact of fees and FX hedging arrangements, as applicable; whilst the expected proportion of the net asset value that is subject to OTC Swap Transactions in relation to the Underlying Asset is 100%, excluding the impact of fees and FX hedging arrangements, as applicable.

For Unfunded Swaps, the maximum and expected proportion of the net asset value that is subject to OTC Swap Transactions in relation to Hedging Assets is the same proportion as the proportion of the value of Hedging Assets to the net asset value of the relevant sub-fund.

The Hedging Assets that can be subject to an Unfunded Swap are as set out in the special section of the Sales Prospectus. Any returns or losses generated by the OTC Swap Transactions (net of spreads negotiated with the Swap Counterparties) will be for the benefit of the relevant sub-fund.

#### b) Counterparty exposure

Depending on the value of the OTC Swap Transaction(s) and its chosen structure (as described above), an Indirect Investment Fund will at any time be exposed to the Swap Counterparty. In order to keep the percentage of the counterparty risk exposure within the limits set out in the Regulations and Regulation (EU) No 648/2012 of July 4, 2012 on OTC derivatives, central counterparties and trade repositories ("**EMIR**"), appropriate collateral or other counterparty risk mitigation arrangements will be implemented as further specified in chapter "Risk Spreading" and in the section "OTC Derivative Transactions entered into on behalf of Indirect Investment Funds" below.

Indirect Investment Funds may reduce the overall counterparty risk of the sub-fund's OTC Swap Transaction(s) by (i) causing the Swap Counterparty to deliver to the Depository or to a third party bank collateral in the form of eligible financial assets as further described in chapter "Risk Spreading" and in the section "OTC Derivative Transactions entered into on behalf of Indirect Investment Funds" below and/or (ii) resetting the OTC Swap Transaction(s).



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In the case of (i) such collateral will be enforceable by the Investment Company at all times and will be marked to market on a daily basis. The amount of collateral to be delivered will be at least equal to 100% of the exposure to the Swap Counterparty, subject to minimum transfer amounts. Where available, information in relation to the composition of the collateral portfolio may be obtained on the Management Company's Website.

In the case of (ii) the effect of resetting the OTC Swap Transaction(s) is to reduce the marked to market value of the OTC Swap Transaction and, herewith, reduce the net counterparty exposure.

Please refer to section "OTC Derivative Transactions entered into on behalf of Indirect Investment Funds" below.

### **c) Pre-hedging Arrangements**

Sub-funds to which a Maturity Date is designated will follow an investment strategy that aims at providing investors with one or more predefined payout(s) by the maturity of the sub-fund. The predefined payout(s) may be either relating to minimum payout(s) or to fixed payout(s).

The ability to provide investors with such a predefined payout is dependent upon a number of parameters, including certain market movements between the determination of the payout upon the inception of the sub-fund and the moment the sub-fund or one of its particular share classes is launched.

In order to avoid any adverse effect of such market movements, the sub-fund intends to take pre-hedging arrangements to the extent and size required to deliver the pre-defined payout and in accordance with the investment restrictions.

The cost per share of such pre-hedging transactions will be equal to the difference between the Initial Issue Price per share and the value per share of the sub-fund's portfolio (or in the case of the launch of a new share class, the value per share of the sub-fund's portfolio attributable to such share class) (including such pre-hedging transactions) at the Launch Date.

This cost (hereafter "**Pre-hedging Cost**") represents the cost of the Swap Counterparty bearing the market risk of entering into such pre-hedging arrangements prior to the Launch Date. Such Pre-hedging Costs will be accounted for in the relevant OTC Swap Transaction(s) and accordingly in determining the net asset value per share. Therefore, such Pre-hedging Costs will when positive be borne by investors upon subscription. In the event that the value per share of the sub-fund's portfolio at the Launch Date is higher than the Initial Issue Price per share, the Pre-hedging Costs will be negative and the Swap Counterparty will bear such negative Pre-hedging Costs.

The Pre-Hedging Costs as determined above may continue to be borne by new investors in the sub-fund, or class of shares, as applicable, for a period after the Launch Date in order to avoid any dilution of the investments made by the investors who invested into the Sub-Fund on or during such period after the Launch Date. Such period will be agreed by the Swap Counterparty and the Management Company on or about the Launch Date and shall expire no later than one year after the Launch Date. After such period of time, the Pre-Hedging Costs will be either written off or accrued, as appropriate, over a predefined period of time, unless otherwise specified in the sub-fund's special section of the Sales Prospectus

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### **Tracking Error and Tracking Difference**

Indirect Investments Funds aim to provide the investors with a return linked to an Underlying Asset. Investors should be aware that the ability of such sub-funds to track the performance of the Underlying Asset will be impacted by certain factors as further explained in the section "General Risk Warnings".

In relation to such sub-funds, which Underlying Asset is an index, shareholder should take note of the Tracking Difference and the Tracking Error. The difference between the return of the sub-fund and the return of its Underlying Asset (the "Tracking Difference") should be differentiated from the tracking error, which is defined as the volatility (as measured by the standard deviation) of the Tracking Difference over a given period of time (the "Tracking Error"). In other words, while the Tracking Difference indicates the accuracy with which a sub-fund tracked its Underlying Asset, the Tracking Error indicates the consistency of the difference of return during a certain period of time.

The anticipated level of Tracking Error, in normal market conditions, is disclosed for each relevant sub-fund in the relevant special section of the Sales Prospectus. Investors' attention is drawn to the fact that these figures are only estimates of the anticipated Tracking Error level in normal market conditions and should not be understood as strict limits.

For each relevant sub-fund, the Annual Report and Semi-annual Report will state the actual size of the Tracking Error at the end of the period under review. The Annual Report will also provide an explanation of any divergence between the anticipated and realised Tracking Error for the relevant period and disclose and explain the annual Tracking Difference between the performance of the relevant sub-fund and the performance of its underlying index.

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## Change of Underlying Asset

In respect of Indirect Investment Funds, the Board of Directors may decide, if it considers it to be in accordance with the Law of 2010 and any other applicable laws or regulations, and in the interest of the Investment Company or any relevant sub-fund to do so, to substitute the existing Underlying Asset of a sub-fund for another Underlying Asset.

The Board of Directors may, for instance, decide to substitute an Underlying Asset in the following circumstances:

- the OTC Swap Transaction(s) and any other derivative transactions and/or instruments described under “Risk Spreading” which are necessary for the implementation of the relevant sub-fund’s investment objective and investment policy cease to be available in a manner which is regarded as acceptable by the Board of Directors;
- in the determination of the Board of Directors, the accuracy and availability of data of a particular Underlying Asset has deteriorated;
- the components of the Underlying Asset would cause the sub-fund (if it were to follow the Underlying Asset closely) to be in breach of the limits set out under “Risk Spreading” and/or materially affect the taxation or fiscal treatment of the Investment Company or any of its shareholders;
- the particular Underlying Asset ceases to exist or, in the determination of the Board of Directors, there is a material change in the formula for or the method of calculating a component of the Underlying Asset or there is a material modification of the component of the Underlying Asset;
- the counterparty to the OTC Swap Transaction(s) or any other derivative transactions or instruments notifies the Investment Company that there is limited liquidity in a portion of the component securities of the Underlying Asset;
- the Underlying Asset Sponsor increases its licence fees to a level which the Board of Directors considers excessive;
- the licence agreement with the Underlying Asset Sponsor is terminated; or
- any successor Underlying Asset Sponsor is not considered acceptable by the Board of Directors.

The above list is indicative only and cannot be understood as being exhaustive or limiting the ability of the Board of Directors to change the Underlying Asset in any other circumstances as the Board of Directors considers appropriate. The shareholders of the relevant sub-fund will be notified of the decision of the Board of Directors to change the Underlying Asset by means as required by the applicable law and regulation in Luxembourg and the respective jurisdictions in which the shares are made available for public distribution. The Sales Prospectus will be updated in case of substitution of the existing Underlying Asset of a sub-fund for another Underlying Asset.

## OTC Derivative Transactions entered into on behalf of Indirect Investment Funds

Under EMIR, both parties to OTC derivative contracts not subject to central clearing obligations and not cleared through a CCP within the meaning of EMIR (“Non-cleared OTC Transactions”), are required to implement appropriate procedures and arrangements to measure, monitor and mitigate operational risk and counterparty credit risk. This includes the need to put in place between the parties to these Non-Cleared OTC Transactions measures to ensure timely, accurate and appropriately segregated exchange of collateral.

As a result thereof, the Investment Company may have to provide variation margin for a sub-fund (i.e. collateral collected by a counterparty to reflect the results of the daily marking-to-market or marking-to-model of outstanding non-cleared OTC derivative contracts) to its counterparty to a Non-cleared OTC Transaction.

In relation to the OTC derivative transactions entered into between the Investment Company and counterparties (including Swap Counterparties), the Investment Company may deliver or receive requested collateral by way of title transfer or by way of pledge, depending on the terms of the agreement between the Investment Company for the relevant sub-fund and the counterparty. Each party will deliver cash or securities with a view to reduce the net exposure of the relevant sub-fund to each counterparty, and vice versa, to 0% (zero per cent), albeit a minimum transfer amount of up to EUR 500,000 (or currency equivalent) will be applicable. Unless otherwise specified in section “Investment Objective and Policy” above, the assets which may be posted as collateral are listed below. There will also be diversification requirements such that concentration of collateral to cash, single issuer or single issuance is within the “Risk Diversification” requirements set out in the section “Investment Limits”. The applicable haircuts for each of the relevant types of assets are expressed below as a valuation percentage range depending on credit rating and maturity.

Type of Assets	Valuation Percentage
Cash in GBP, USD and EUR	100%
Debt obligations issued by the governments of certain OECD countries in the currency agreed with the Swap Counterparty	
– having a remaining maturity at issuance of not more than one year	85 – 99.5%
– having a remaining maturity at issuance of more than one year but not more than 5 years	85 – 98%
– having a remaining maturity at issuance of more than 5 years	85 – 96%

The market value of securities received as collateral on any day is the bid price at close of business on the preceding day, which is in line with market practice.

Further information on the issuer credit quality, liquidity, valuation, collateral diversification, correlation policies and the management of collateral received are available in section “Collateral policy for OTC derivatives transactions and efficient portfolio management techniques” in the general section of this Sales Prospectus.

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## Specific Risks relating to Indirect Investment Funds

Indirect Investment Funds aim to provide the investors with a return linked to an Underlying Asset by using an Unfunded Swap and/or a Fully Funded Swap.

### a) Derivatives

The use of such Unfunded Swap and/or a Fully Funded Swap is subject to certain risks that relate to derivatives, please refer to the general section of the Sales Prospectus, in particular "Use of Derivatives".

### b) Underlying Asset

#### (i) Licence to Use the Underlying Asset

Certain sub-funds have been granted a licence by the relevant Underlying Asset Sponsor to use the relevant Underlying Asset in order to create a sub-fund based on the relevant Underlying Asset and to use certain trademarks and any copyright in the relevant Underlying Asset. A sub-fund may not be able to fulfil its investment objective and may be terminated if the licence agreement between the sub-fund and the relevant Index Sponsor is terminated. A sub-fund may not be able to fulfil its investment objective and may be terminated if the licence agreement is terminated.

#### (ii) Lack of Discretion of the Management Company to Adapt to Market Changes

Indirect Investment Funds are not "actively managed". Accordingly, the Management Company will not adjust the composition of such sub-funds' portfolio except (where relevant) in order to seek to closely correspond to the composition, duration and total return of the relevant Underlying Asset. Such sub-funds do not try to "beat" the market they reflect and do not seek temporary defensive positions when markets decline or are judged to be overvalued. Accordingly, a fall in the Underlying Asset may result in a corresponding fall in the value of the shares of the relevant sub-fund.

#### (iii) Calculation and Publication of the Underlying Asset

There is no assurance that the Underlying Asset will continue to be calculated and published on the basis described in this Sales Prospectus or that it will not be amended significantly. Any change to the Underlying Asset may adversely affect the value of the shares.

#### (iv) Changes to or Termination of the Underlying Asset

A sub-fund may be terminated if the relevant Underlying Asset ceases to be managed, compiled or published and there is no replacement for the Underlying Asset that, according to the Management Company in its reasonable discretion, uses the same or a substantially similar formula, calculation method or strategy as used in the calculation of the relevant Underlying Asset.

#### (v) Rebalancing Frequency and Costs

Each investor should consider the rebalancing frequency of the relevant Underlying Asset with reference to their investment strategy.

Investors should note that index rebalancing allows the relevant Underlying Asset to adjust its constituent weightings to ensure it is accurately reflecting the market(s) it is aiming to represent. Index rebalancing can either occur (i) on a scheduled basis (please see the relevant special section for a more detailed description of the rebalancing frequency of the relevant Underlying Asset, if applicable); or (ii) on an ad hoc basis to reflect, for example, corporate activity such as mergers and acquisitions.

For sub-funds having an Indirect Investment Policy, the costs of rebalancing may be reflected in the value of the Underlying Asset, which will thus be reflected in the net asset value of the relevant sub-fund. Where applicable, such rebalancing costs will be disclosed in the relevant special section. In this respect, it should be noted that such costs may be referred to by different terms, such as amongst others: rebalancing costs, replication costs, reconstitution costs, roll(ing) costs, trading costs or transaction costs.

### c) The ability of an Indirect Investment Fund to track the performances of the Underlying Asset

Investors should be aware and understand that the value and performance of the shares may vary from those of the Underlying Asset. Underlying Assets may be theoretical constructions which are based on certain assumptions and sub-funds aiming to reflect such Underlying Assets may be subject to constraints and circumstances which may differ from the assumptions in the relevant Underlying Asset. The following is a non-exhaustive list of factors which are likely to affect the ability of an Indirect Investment Fund to track the performance of the Underlying Asset:

- transaction costs and other fees and expenses to be borne by the sub-funds (including costs, fees and expenses to be borne in relation to the use of financial techniques and instruments);
- the sub-funds may bear the risks associated to the Hedging Asset(s);
- legal, regulatory, tax and/or investment constraints (including the Investment Restrictions) affecting the Investment Company;
- the sub-fund may use risk mitigation and hedging techniques to reduce certain market risks such as interest rate or exchange rate risks relating to the Underlying Asset;
- exchange rate factors where the Underlying Asset or Hedging Asset(s) of the sub-fund are denominated in a different currency to the Reference Currency or Share Class Currency;
- any differences between the expected lifespan of the sub-fund and the maturity date of the relevant OTC Swap Transaction(s) and any other derivative transaction and/or instruments; There can be no assurance that any new derivative contracts entered into will have terms similar to those previously entered into;
- the possible existence of idle (non-invested) cash or cash assimilated positions held by a sub-fund and, as the case may be, cash or cash assimilated positions beyond what is required to reflect the Underlying Asset (also known as "cash drag").

## b) General information relating to the Fixed Fee

The fees and expenses covered by the Fixed Fee are Transaction Fees and Administrative Expenses (including the administration fee, the depositary Fee, the registrar and transfer agent fee and other administrative expenses) as listed in more detail below.

The Fixed Fee includes the following ordinary fees, expenses and costs unless disclosed otherwise above:

### (i) Transaction Fees

Transaction Fees are any fees and expenses incurred in buying and selling securities or other investments held by a sub-fund, e.g., brokerage costs and commissions and correspondence fees for transferring securities or investments or other interests, unless otherwise specified in the relevant Product Annex.

### (ii) Administrative Expenses

#### a. Administration fee

The Investment Company shall pay to the Central Administration Agent an administration fee according to current bank practice in Luxembourg for its services. The Central Administration Agent is also entitled to receive reimbursement for any reasonable disbursements and out-of-pocket expenses incurred in connection with the Investment Company.

#### b. Registrar and Transfer Agent Fee

In accordance with and subject to the terms of the registrar and transfer agency agreement, the Investment Company pays to the Registrar and Transfer Agent a monthly registrar and transfer agent fee according to current bank practice in Luxembourg for its services as registrar and transfer agent. The Registrar and Transfer Agent is also entitled to receive reimbursement for any reasonable disbursements and out-of-pocket expenses incurred in connection with the Investment Company.

#### c. Depositary Fee

In accordance with and subject to the terms of the Depositary Agreement, the Investment Company pays to the Depositary a Depositary Fee according to current bank practice in Luxembourg for its services as depositary bank. The fee will be calculated on the basis of a percentage of the assets of each sub-fund under the custody of the Depositary and will be paid on a monthly basis by the Investment Company to the Depositary. The Depositary is entitled to receive reimbursement for its reasonable out-of-pocket expenses incurred in connection with the Investment Company.

#### d. Other administrative expenses

Other administrative expenses include but are not limited to, the costs and expenses relating to the establishment of the Investment Company; organisation and registration costs; licence fees payable to licence holders of an index; expenses for legal and auditing services and in respect of any tax reporting; cost of any proposed listings; maintaining such listings; printing Share certificates; all reasonable out-of-pocket expenses of the Board of Directors and any remuneration to be paid to any Director (as may be applicable); foreign registration fees and fees relating to the maintenance of such registrations including translation costs and local legal costs and other expenses due to supervisory authorities in various jurisdictions and local representatives' remunerations in foreign jurisdictions; insurance; interest; brokerage costs and costs of publication of the Net Asset Value and such other information which is required to be published in the different jurisdictions; compiling and printing of prospectuses, key information documents and shareholder reports; preparation, maintenance, translation and updating of investors fact-sheets of sub-funds; monitoring the performance of the sub-funds including the costs of any software associated with such monitoring; and, maintaining the website in respect of the Investment Company and the sub-funds which provides investors with information on the Investment Company and the sub-funds including, but not limited to, provision of Net Asset Values, secondary market prices and updated prospectuses.

The Fixed Fee particularly covers the payment of invoices of legal advisers, local legal advisers, local paying agents and translators.

Since the Fixed Fee will be determined at the outset on a yearly basis by the Investment Company and the Management Company, investors should note that the amount paid to the Management Company may at year end be greater than if the Investment Company would have paid directly the relevant expenses. Conversely, the expenses the Investment Company would have had to pay might be greater than the Fixed Fee and the effective amount paid by the Investment Company to the Management Company would be less and the Management Company would bear the shortfall. The Fixed Fee will be determined and will correspond to anticipated costs determined on an arm's length basis by the Investment Company and the Management Company and will be disclosed above.

Except otherwise provided in the sub-fund's special section above, the Fixed Fee does not include the following fees, expenses and costs:

- the costs of any marketing agencies appointed by the Investment Company to provide certain marketing and distribution services to the Investment Company;
- the Distribution Fee;
- the Investment Management Fee, where applicable;
- the Management Company Fee;
- any unamortised formation expenses incurred;
- in principle, any taxes or fiscal charges which the Investment Company may be required to pay, for example, the annual tax in Luxembourg (the "Taxe d'Abonnement") or, if it should be payable, any value added tax or similar sales or services tax payable by the Investment Company (VAT) (all such taxes or fiscal charges), unless otherwise specified in the relevant part of the special section above;
- any commissions payable to sales agents arising out of any dealing in shares;
- any costs and expenses incurred outside of the Investment Company's ordinary course of business such as Extraordinary Expenses (e.g. legal fees incurred in prosecuting or defending, a claim or allegation, by or against, the Investment Company); nor
- Collateral Costs.

## DWS Concept Kaldemorgen

<b>Investor profile</b>	Growth-oriented
<b>Nature of shares</b>	Registered shares or bearer shares represented by a global certificate
<b>Currency of sub-fund</b>	EUR
<b>Fund manager</b>	DWS Investment GmbH
<b>Performance benchmark</b>	-
<b>Risk benchmark</b>	40% MSCI AC World & 60% iBoxx EUR Overall
<b>Leverage effect</b>	Up to 5 times the value of the investment sub-fund's assets
<b>Calculation of the NAV per share</b>	Each bank business day in Luxembourg ("valuation date"). A bank business day is any day on which banks are open for business and payments are processed in Luxembourg.
<b>Order acceptance</b>	All subscription, redemption and exchange orders are placed on the basis of an unknown net asset value per share. Orders received by the Transfer Agent at or before <b>4:00 p.m. (Luxembourg time)</b> on a valuation date are processed on the basis of the net asset value per share on that valuation date. Orders received after <b>4:00 p.m. (Luxembourg time)</b> are processed on the basis of the net asset value per share on the next valuation date.
<b>Value date</b>	In a purchase, the equivalent value is debited latest three bank business days after issue of the shares. The equivalent value is credited latest three bank business days after redemption of the shares.
<b>Performance fee</b>	Yes, for certain share classes and in accordance with the methodology described below.
<b>Expense cap</b>	15%
<b>Fractional shares</b>	Up to 4 decimal places

### Overview of the share classes

<b>Currency of the share class</b>	LC, LD, FC, SLD, NC, FC, FD, IC, SC, SCR, SFC, VC, RVC, TFC, TFD, PFC, IC 100 USD TFCH, USD LCH, USD FCH, USD SCH, USD SFDMH CHF SFCH, CHF FCH, CHF FCH100 GBP CH RD AUD SFDMH JPY SCH	EUR  USD CHF GBP AUD JPY
<b>Front-end load (payable by the investor)</b>	FC, FD, IC, SC, SCR, TFC, TFD, USD TFCH, USD FCH, CHF FCH, GBP CH RD, PFC, IC 100, USD SCH, CHF FCH100, JPY SCH LC, LD, SLD, SFC, VC, RVC, USD LCH, CHF SFCH, AUD SFDMH, USD SFDMH NC	0%  up to 5% up to 3%
<b>Management Company Fee p.a. (payable by the sub-fund)*</b>	LC, LD, SLD, USD LCH NC FC, FD, TFC, TFD, USD TFCH, USD FCH, CHF FCH IC SC PFC USD SCH, JPY SCH SCR, VC SFC, CHF SFCH RVC, GBP CH RD IC 100, CHF FCH100 AUD SFDMH, USD SFDMH	up to 1.5% plus an additional performance fee up to 2% plus an additional performance fee up to 0.75% plus an additional performance fee up to 0.6% plus an additional performance fee up to 0.5% plus an additional performance fee up to 1.4% plus an additional performance fee up to 0.7% plus an additional performance fee up to 1.5% up to 1.8% up to 0.75% up to 0.35% up to 1.65%
<b>Service Fee p.a. (payable by the sub-fund)*</b>	LC, LD, SLD, FC, FD, IC, SC, SCR, SFC, VC, RVC, TFC, TFD, USD TFCH, USD LCH, USD FCH, CHF SFCH, CHF FCH, GBP CH RD, PFC, IC 100, AUD SFDMH, USD SCH, USD SFDMH, CHF FCH100, JPY SCH NC	0% 0.2%

## Overview of the share classes (continued)

<b>Taxe d'abonnement (payable by the sub-fund)</b>	LC, LD, SLD, NC, FC, FD, SC, SCR, SFC, VC, RVC, TFC, TFD, USD TFCH, USD LCH, USD FCH, CHF SFCH, CHF FCH, GBP CH RD, PFC, AUD SFDMH, USD SCH, USD SFDMH, CHF FCH100 IC, IC 100, JPY SCH	0.05% p.a.  0.01% p.a.
<b>Launch date</b>	LC, LD, NC, FC SLD FD IC SC SCR, VC, CHF FCH SFC, CHF SFCH RVC, TFC, TFD, USD TFCH USD LCH, USD FCH GBP CH RD PFC IC 100 AUD SFDMH, USD SCH, USD SFDMH CHF FCH100 JPY SCH	May 2, 2011 May 15, 2017 January 30, 2017 November 12, 2012 March 24, 2014 August 31, 2015 October 29, 2015 December 5, 2017 February 24, 2014 June 15, 2016 July 15, 2019 October 31, 2019 January 31, 2020 September 30, 2022 October 7, 2022

\* For additional costs, see Clause 13 of the general section of this Sales Prospectus.

Due to its composition and the techniques applied by its fund management, the sub-fund is subject to markedly **increased volatility**, which means that the price per share may be subject to **substantial** downward or upward **fluctuation**, even within short periods of time. **The sub-fund is therefore only suitable for experienced investors who are familiar with the opportunities and risks of volatile investments and who are in a position to temporarily bear substantial losses.**

For the sub-fund with the name DWS Concept Kaldemorgen (the sub-fund), the following provisions of this special section shall apply in addition to the terms contained in the general section of this Sales Prospectus.

### Investment Policy

This sub-fund promotes environmental and social characteristics and reports as product in accordance with article 8(1) of Regulation (EU) 2019/2088 on sustainability related disclosures in the financial services sector ("SFDR"). While the sub-fund does not have as its objective a sustainable investment, it will invest a minimum proportion of its assets in sustainable investments as defined by article 2 (17) SFDR.

The return and risk targets may exceed or fall short of this objective and there can be no assurance or guarantee as to a positive return or that there will be any return on invested capital.

Up to 100% of the sub-fund's assets may be invested globally in equities, bonds, certificates and money market instruments, deposits with credit institutions, including, but not limited to, equity certificates, index certificates, convertible bonds, inflation-linked bonds, warrant-linked bonds whose underlying warrants are for securities, warrants for securities, dividend-right and participation certificates as well as interest-bearing debt

securities, short-term deposits, regularly traded money market instruments and liquid assets.

Investments in equities also comprise real estate companies and real estate investment companies including closed real estate investment trusts (REITs) of any legal form, provided that these equities are eligible under clause 3.1 of the general section of this Sales Prospectus and applicable laws.

Equity investments may also be made through Global Depository Receipts (GDRs) listed on recognized exchanges and markets, through American Depository Receipts (ADRs) issued by top-rated international financial institutions or, to the extent permitted by the Grand Ducal Regulation of February 8, 2008 relating to certain definitions of the 2002 Act (the 2008 Regulation), article 41(1) or (2) of the Law of 2010, through Participatory Notes (P-Notes).

The investments in debt securities may also comprise, among others, but not limited to, the following asset backed securities:

Classic asset backed securities (car loans, credit card loans, consumer loans, student loans, corporate leases, auto leases, non-performing loans, asset backed commercial papers (ABCPs), collateralized loan obligations (CLO), mortgage-backed securities (MBS), residential mortgage-backed

securities (RMBS), commercial mortgage-backed securities (CMBS), collateralized debt obligations (CDO), collateralized bond obligations (CBO) or collateralized mortgage obligations (CMO). Asset backed securities may be less liquid than corporate debt securities. The Management Board of the Management Company is aware of such reduced liquidity which may, in certain situations, lead to losses if securities need to be sold in times of unfavourable market conditions and will only invest in such securities if it considers this investment not to be detrimental to the sub-fund's overall liquidity. The sub-fund's investments in asset backed securities shall be limited to 20% of the sub-fund's net asset value.

At least 51% of the sub-fund's net assets are invested in assets that comply with DWS standards in respect to environmental and social characteristics as well as good governance practices as detailed below.

The portfolio management of this sub-fund seeks to attain the promoted environmental and social characteristics by assessing potential investments via a proprietary ESG assessment methodology irrespective of economic prospects of success. This methodology is based on the ESG database, which uses data from multiple ESG data providers public sources and internal assessments (based on a defined assessment and classification methodology) to derive combined scores. The ESG database

is therefore constituted by data and figures as well as on internal assessments that take into account factors beyond the processed data and figures, such as an issuer's future expected ESG development, plausibility of the data with regard to past or future events, an issuer's willingness to engage in dialogues on ESG matters or corporate decisions.

The ESG database derives A to F letter coded assessments within different categories as further detailed below. Within each category, issuers receive one of six possible scores, with "A" being the highest score and "F" being the lowest score. If an issuer's score in one category is deemed insufficient, the portfolio management is prohibited from investing in that issuer, even if it is eligible according to other categories. For exclusion purposes, each letter score in a category is considered individually and may result in exclusion of an issuer.

The ESG database uses a variety of assessment categories to assess the attainment of the promoted environmental and social characteristics, including amongst others:

#### **DWS Climate and Transition Risk Assessment**

The DWS Climate and Transition Risk Assessment evaluates issuers in relation to climate change and environmental changes, e.g. in respect to greenhouse gas reduction and water conservation. Issuers that contribute less to climate change and other negative environmental changes or are less exposed to such risks receive better evaluations. Issuers with excessive climate risk profile (i.e. a letter score of "F") are excluded as an investment.

#### **DWS Norm Assessment**

The DWS Norm Assessment evaluates the behaviour of issuers, for example, within the framework of the principles of the United Nations Global Compact, the standards of the International Labour Organization and behaviour within generally accepted international standards and principles. The Norm Assessment examines, for example, human rights violations, violations of workers' rights, child or forced labour, adverse environmental impacts and business ethics. Issuers with highest severity of norm issues (i.e. a letter score of "F") are excluded as an investment.

#### **DWS Sovereign Assessment**

The DWS Sovereign Assessment evaluates the assessment of political and civil liberties. Sovereign issuers with high or excessive controversies regarding political and civil liberties (i.e. a letter score of "E" or "F") are excluded as an investment.

#### **Exposure to controversial sectors**

The ESG database defines certain business areas and business activities as relevant. Business areas and business activities are defined as relevant if they involve the production or distribution of products in a controversial area ("controversial sectors"). Controversial sectors are defined, for example, as the civil firearms indus-

try, military defence and tobacco. Other business sectors and business activities that affect the production or distribution of products in other sectors are defined as relevant. Other relevant sectors are, for example, coal mining and coal-based power generation.

Issuers are evaluated according to the share of total revenues they generate in controversial business areas and controversial business activities. The lower the percentage of revenues from the controversial business areas and controversial business activities, the better the score.

As regards the involvement in tobacco and civil firearms, issuers (excluding target funds) with a moderate, high or excessive exposure (i.e. a letter score of "D", "E" or "F") are excluded as an investment.

As regards the involvement in the military defence industry, issuers (excluding target funds) with high or excessive exposure (i.e. a letter score of "E" or "F") are excluded as an investment.

As regards the involvement in coal mining and coal-based power generation or other controversial sectors and controversial business practices, issuers (excluding target funds) with excessive exposure (i.e. a letter score "F") are excluded as an investment.

#### **Involvement in controversial weapons**

The ESG database assesses a company's involvement in the business of controversial weapons. Controversial weapons include for example anti-personnel mines, cluster munitions, depleted uranium weapons, nuclear weapons, chemical and biological weapons.

Issuers are assessed based on their degree of involvement (production of controversial weapons, component production, etc) in the manufacturing of controversial weapons, regardless of total revenues they generate from controversial weapons. Issuers (with the exception of target funds) with medium, high or excessive involvement (i.e., a letter score of "D", "E" or "F") are excluded as an investment.

#### **DWS Use of Proceed Bond Assessment**

By way of derogation from the above, bonds that comply with DWS' Use-of-proceeds bond assessment are investable also in cases where the bond issuer does not fully comply with the ESG assessment methodology.

The financing of use of proceed bonds will be assessed via a two-stage process.

In the first stage DWS assesses whether a bond qualifies as a Use of Proceeds Bond. A key element is checking for compliance with the ICMA Green Bond Principles, the ICMA Social Bond Principles or the ICMA Sustainability Bond Principles. The assessment focuses on the use of proceeds, the selection of the projects financed by these proceeds, the management of the

proceeds spending as well as the annual reporting on the use of proceeds to investors.

If a bond complies with these principles, the second stage assesses the ESG quality of the issuer of that bond in relation to defined minimum standards in respect to environmental, social, and corporate governance factors. This assessment is based on the ESG assessment methodology as described above and excludes

- corporate issuers with poor ESG quality compared to their peer group (i.e. a letter score of "E" or "F"),
- sovereign issuers with high or excessive controversies regarding governance (i.e. a letter score of "E" or "F"),
- issuers with highest severity of norm issues (i.e. a letter score "F"), or
- issuers with excessive exposure to controversial weapons (i.e. a letter score of "D", "E" or "F").

To the extent that the sub-fund seeks to attain the promoted environmental and social characteristics as well as corporate governance practices by means of an investment in target funds, the latter must meet the DWS standards on Climate and Transition Risk- and Norm Assessment outlined above.

Derivatives are currently not used to attain the environmental or social characteristics promoted by the [sub-fund] and are therefore not taken into account for the calculation of the minimum share of assets complying with these characteristics. However, derivatives on individual issuers may only be acquired for the sub-fund if the issuers of the underlying comply with the ESG assessment methodology.

Ancillary liquid assets will not be evaluated via the ESG assessment methodology.

As part of the sub-fund's investment in assets that meet the DWS standards in respect to environmental and social characteristics as well as good governance practices as further described above, the sub-fund management will invest at least 10% of the sub-fund's net assets in sustainable investments in accordance with article 2 (17) SFDR. Such sustainable investments will contribute to at least one of the UN SDGs that relate to environmental and/or social objectives, such as the following (non-exhaustive list):

- Goal 1: No poverty
- Goal 2: Zero hunger
- Goal 3: Good health and well-being
- Goal 4: Quality education
- Goal 5: Gender equality
- Goal 6: Clean water and Sanitation
- Goal 7: Affordable and clean energy
- Goal 10: Reduced inequality
- Goal 11: Sustainable cities and communities
- Goal 12: Responsible consumption & production
- Goal 13: Climate action
- Goal 14: Life below water
- Goal 15: Life on land

The extent of contribution to individual UN SDGs will vary based on the actual investments in the portfolio.

DWS will measure the contribution to the UN SDGs via its sustainability investment assessment which evaluates potential investments in relation to different criteria to conclude that an economic activity can be considered as sustainable. Via this assessment, the sub-fund management evaluates (1) whether an economic activity contributes to one or several of the UN SDGs, (2) whether the economic activity or other economic activities of that company significantly harm any of these objectives (Do Not Significantly Harm (DNSH) assessment) and (3) whether the company as such is in line with the DWS safeguard assessment.

The sustainability investment assessment uses data from multiple data providers, public sources and internal assessments (based on a defined assessment and classification methodology) to determine if an activity is sustainable. Activities that contribute positively to the UN SDGs are measured in terms of revenues, capital expenditure (CapEx) and/or operational expenditure (OpEx). If a positive contribution is determined, the activity will be considered sustainable if the company passes the DNSH assessment and complies with the DWS safeguard assessment.

Due to a lack of reliable data the sub-fund does not commit to invest a minimum proportion of sustainable investments with an environmental objective aligned with the EU Taxonomy. Therefore, the minimum percentage of environmentally sustainable investments aligned with the EU Taxonomy is 0% of the sub-fund's net assets. However, it may occur that part of the investments' underlying economic activities are aligned with the EU Taxonomy.

The sub-fund management considers the following principle adverse impacts on sustainability factors from Annex I of the Commission Delegated Regulation (EU) 2022/1288 supplementing the SFDR:

- Carbon footprint (no. 2);
- GHG intensity of investee companies (no. 3);
- Exposure to companies active in the fossil fuel sector (no. 4);
- Violation of UN Global Compact principles and OECD Guidelines for multinational enterprises (no. 10); and
- Exposure to controversial weapons (no. 14).

The above principal adverse impacts are considered at product level through the exclusion strategy for the sub-funds' assets that are aligned with environmental and social characteristics via the proprietary ESG assessment methodology. For sustainable investments, the principal adverse impacts are further considered in the DNSH assessment.

This sub-fund has not designated a reference benchmark for the purpose of attaining the environmental and/or social characteristics promoted.

Further, the management company considers active ownership as a strong driver to improve governance, policies, and practices, and thus for a better long-term performance of investee companies. Active ownership means using the position as shareholders to influence the activities or behaviour of the investee companies. An engagement activity can be initiated with the investee companies regarding matters such as strategy, financial and non-financial performance, risk, capital structure, social and environmental impact as well as corporate governance including topics like disclosure, culture, and remuneration. The engagement activity can be undertaken via, e.g., issuer meetings or engagement letters. Furthermore, for equity investments it could also be an interaction with the company resulting from proxy voting activities or participation at general meetings.

Further information about the environmental and social characteristics promoted by this sub-fund is available in the annex to this Sales Prospectus.

In compliance with the investment limits specified in Clause 3.2 of the general section of the Sales Prospectus, the sub-fund may use suitable derivative financial instruments and techniques in order to implement the investment policy and to achieve the investment objective. These derivative financial instruments may include, among others, options, forwards, futures, futures contracts on financial instruments and options on such contracts, as well as privately negotiated OTC contracts on any type of financial instrument, including single stock futures, single stock forwards, single stock swaps, inflation swaps, interest rate swaps, total return swaps, swaptions, variance swaps, constant maturity swaps as well as credit default swaps.

Credit default swaps may be acquired for investment and hedging purposes to the extent permitted by law.

Derivative positions are also built up in order to hedge market risks, among others, but not limited to equity, bond and currency markets. In addition, positions may also be built up that anticipate declining prices of different instruments, markets and index levels, i.e. the investment strategy also involves investments wherein positively regarded return sources are bought (long positions) and/or negatively regarded return sources are sold (short positions).

According to the prohibition stipulated in Clause 3.6 of the general section of the Sales Prospectus no short sales of securities will be undertaken. Short positions are achieved by using securitized and non-securitized derivative instruments.

The sub-fund may use a wide range of techniques and instruments in order to hedge currency risks as well as to profit from price movements of currency markets, e.g. forward foreign exchange transactions incl. non-deliverable forwards.

Non-deliverable forwards (NDFs) are forward currency transactions, which may be used as an investment of the sub-fund as well as to hedge the exchange rate between a freely convertible currency (usually the U.S. dollar or the euro) and a currency that is not freely convertible. The following is stipulated in the NDF agreement:

- a specified amount in one of the two currencies;
- the forward price (NDF price);
- the maturity date;
- the direction (purchase or sale).

Unlike with a normal forward transaction, only a compensatory payment is made in the freely convertible currency on the maturity date. The amount of the compensatory payment is calculated from the difference between the agreed NDF price and the reference price (price on the maturity date).

Depending on the price performance, the compensatory payment is either made to the purchaser or the seller of the NDF.

The described investment policy may also be implemented by using Synthetic Dynamic Underlyings (SDU).

The sub-fund also intends from time to time to utilize the developments on the international natural resources and commodity markets up to 10% of the sub-fund's assets. For this purpose and within this 10% limit, the sub-fund may acquire derivative financial instruments whose underlying instruments are commodity indices and sub-indices in accordance with the 2008 Regulation, equities, interest-bearing securities, convertible bonds, convertible debentures and warrant-linked bonds, index certificates, participation and dividend-right certificates and equity warrants, as well as 1:1 certificates (including Exchange Traded Commodities (ETCs)) the underlying of which are single commodities/precious metals and that meet the requirements of transferable securities as determined in 3.1(a). The sub-fund does not invest into futures on soft commodities, e.g. cotton, sugar, rice and wheat as well as all manner of livestock.

Risk exposure with respect to a counterparty arising from credit default swaps and other derivatives, including equity swaps and index swaps, is subject to the regulations on risk limitation and risk spreading.

The sub-fund may hold ancillary liquid assets as specified in article 3.2 (o) of the general section of the Sales Prospectus.



A sub-fund will not invest more than 10% of its NAV in shares or units of other UCITS or other UCIs.

The sub-fund will not invest in contingent convertibles.

The sub-fund intends to use securities financing transactions under the conditions and to the extent further described in the general part of the Sales Prospectus.

The sub-fund may invest in all other permissible assets specified in clause 3 of the general section of the Sales Prospectus.

For the purpose of inducing a partial tax exemption within the meaning of the German Investment Tax Act and in addition to the investment limits described in the Articles of Incorporation and this Sales Prospectus (mixed fund) at least 25% of the sub-fund's gross assets (determined as being the value of the sub-fund's assets without taking into account liabilities) are invested in equities admitted to official trading on a stock exchange or admitted to, or included in, another organized market and which are not:

- units of investment funds;
- equities indirectly held via partnerships;
- units of corporations, associations of persons or estates at least 75% of the gross assets of which consist of immovable property in accordance with statutory provisions or their investment conditions, if such corporations, associations of persons or estates are subject to corporate income tax of at least 15% and are not exempt from it or if their distributions are subject to tax of at least 15% and the sub-fund is not exempt from said taxation;
- units of corporations which are exempt from corporate income taxation to the extent they conduct distributions unless such distributions are subject to taxation at a minimum rate of 15% and the sub-fund is not exempt from said taxation;
- units of corporations the income of which originates, directly or indirectly, to an extent of more than 10%, from units of corporations, that are (i) real estate companies or (ii) are not real estate companies, but (a) are domiciled in member state of the European Union or a member state of the European Economic Area and are not subject in said domicile to corporate income tax or are exempt from it or (b) are domiciled in a third country and are not subject

in said domicile to corporate income tax of at least 15% or are exempt from it;

- units of corporations which hold, directly or indirectly, units of corporations, that are (i) real estate companies or (ii) are not real estate companies, but (a) are domiciled in a member state of the European Union or a member state of the European Economic Area and are not subject in said domicile to corporate income tax or are exempt from it or (b) are domiciled in a third country and are not subject in said domicile to corporate income tax of at least 15% or are exempt from it if the fair market value of units of such corporations equal more than 10% of the fair market value of those corporations.

For the purpose of this investment policy and in accordance with the definition in the German Investment Code (KAGB), an organized market is a market which is recognized, open to the public and which functions correctly, unless expressly specified otherwise. Such organized market also meets the criteria of article 50 of the UCITS Directive.

The respective risks connected with investments in this sub-fund are disclosed in the general section of the Sales Prospectus.

### Integration of sustainability risks

The sub-fund management integrates sustainability risks into its investment decisions as described in the General Section of the Sales Prospectus in the section "Integration of sustainability risks in the investment process".

### Performance Fee

The Management Company receives a performance fee for the share classes LC, LD, SLD, NC, FC, FD, IC, PFC, SC, TFC, TFD, USD TFCH, USD LCH, USD FCH and CHF FCH.

The amount of the performance fee totals up to 15% of the absolute performance of the asset value per share of the respective share class (less all costs) provided that the asset value per share exceeds the high water mark at the end of a settlement period; such amount shall, however, not exceed 4% of the average net asset value of the respective share class during the settlement period ('Cap').

The high water mark is the highest level of the asset value per share at the end of a settlement period at which a performance fee was calculated

and paid during the reference period. The high water mark at the inception of the respective share class corresponds to the initial value per share. The reference period for the high water mark, at the end of which the mechanism for compensating for an earlier negatively deviating performance can be initiated, commences upon the inception of the respective share class and corresponds to five settlement periods.

The performance fee is determined on each valuation date when calculating the net asset value per share, less all costs and taking into account the average number of shares in circulation. If the performance of the asset value per share of the respective share class (less all costs) in accordance with the comparison carried out each valuation date is above the high water mark (positive performance), any performance fee accrued is deferred. If the performance of the asset value per share of the respective share class (less all costs) in accordance with the comparison carried out each valuation date is below the high water mark, any previously deferred performance fee is reversed again on a pro rata basis.

A deferred performance fee is generally credited to the respective recipient on an annual basis if the performance of the asset value per share of the respective share class (less all costs) at the end of the settlement period is above the high water mark.

The settlement period in each case commences on January 1 and ends on December 31 of each calendar year. The first settlement period commences upon the calculation of the first asset value per share of the respective share class. If the sub-fund or a share class is closed or merged during the settlement period or if shares are redeemed or exchanged by the investors and a performance fee is accrued for the shares affected by this, the performance fee is credited to the recipient on a pro rata basis up to the date of the closure or merger or up to the date on which the shares were returned or exchanged.

The performance fee is paid out at the expense of and in the currency of the respective share class. It is exclusive of any value-added tax payable.

The Management Company shall pass on any accruing performance fee to the sub-fund manager.

### Sample calculation of the performance fee:

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
Average number of shares	100.00	100.00	100.00	100.00	100.00	100.00
Shares	100.00	100.00	100.00	100.00	100.00	100.00
Average fund assets	10,125.00	10,208.70	10,290.00	10,354.40	10,325.00	12,400.00
Sub-fund NAV - Beginning	100.00	102.17	102.00	103.59	103.50	103.00
Sub-fund NAV - End (before Performance Fees)	102.50	102.00	103.80	103.50	103.00	145.00
High water mark	100.00	102.17	102.17	103.59	103.59	103.59
Performance fee rate	15%	15%	15%	15%	15%	15%
Perf Fee Rate (effective)	13%	13%	13%	13%	13%	13%
Performance fee (yes/no)	Yes	No	Yes	No	No	Yes
Performance fee per share (before Cap)	0.33	-	0.21	-	-	5.40
Performance fee (before Cap)	32.61	-	21.21	-	-	540.16
Cap 4%	405.00	408.35	411.60	414.18	413.00	496.00
Performance fee per share (after Cap)	0.33	-	0.21	-	-	4.96
Performance fee (amount)	32.61	-	21.21	-	-	496.00

#### Year 1

The sub-fund price exceeds the applicable high water mark (EUR 100). A performance fee is accrued. The high water mark rises to EUR 102.17 in the following year.

#### Year 2

The sub-fund price falls below the applicable high water mark (EUR 102.17). No performance fee is accrued.

#### Year 3

The sub-fund price exceeds the applicable high water mark (EUR 102.17). A performance fee is accrued. The high water mark rises to EUR 103.59 in the following year.

#### Year 4

The sub-fund price falls below the applicable high water mark (EUR 103.59). No performance fee is accrued.

#### Year 5

The sub-fund price falls below the applicable high water mark (EUR 103.59). No performance fee is accrued.

#### Year 6

The sub-fund price exceeds the applicable high water mark (EUR 103.59) and exceeds the Performance Fee Cap (EUR 496 vs EUR 540,16). A performance fee is accrued up to the amount of the Performance Fee Cap (EUR 496). The high water mark rises to EUR 140.04 in the following year.

### Benchmark

The sub-fund is actively managed. The sub-fund uses a benchmark for measuring the performance of certain share classes for the purpose of computing performance fees. Such benchmark only serves to calculate an eventual performance fee and does not limit the sub-fund management in any respect in the context of the composition of the sub-fund's portfolio.

### Risk Management

The relative Value-at-Risk (VaR) approach is used to limit market risk in the sub-fund.

In addition to the provisions of the general section of the Sales Prospectus, the potential market risk of the sub-fund is measured using a reference portfolio that does not contain derivatives.

Leverage is not expected to exceed five times the value of the investment sub-fund's assets. The leverage effect is calculated using the sum of notional approach (absolute (notional)

amount of each derivative position divided by the net present value of the portfolio). However, the disclosed expected level of leverage is not intended to be an additional exposure limit for the sub-fund.

### Specific Risk Warnings

The sub-fund may invest up to 20% of its assets in asset backed securities (ABS), as further described under Clause 1 of this Special Section. Investments in ABS entail, among others, the following specific risks:

#### a) Credit Risk

Credit risk is the risk of loss due to a debtor's non-payment of a loan or bond, (either the principal or interest (coupon) or both).

#### b) Interest Rate Risk

Interest rate risk is the risk (variability in value) borne by an interest-bearing asset, such as a bond

due to variability of interest rates. In general, as rates rise, the price of a fixed rate bond will fall, and vice versa.

#### c) Prepayment Risk

Some ABS are considered as callable bonds, whose cash flow can be altered during the life of the bond. The principal of the bond can be received sooner than expected (prepayment) or later than expected (extension). The publication of a prepayment rate, which differs from that which was anticipated by the market value of the ABS, modifies the schedule of cash flow received by an investor. This can have either a positive or negative effect on the price.

#### d) Counterparty Risk

The counterparty risk is understood as non-payment risk of a cash flow (or of a commitment) due to the counterparty with which the positions have been traded and the commitments signed.

e) Liquidity Risk

ABS assets may be highly illiquid and therefore prone to substantial price volatility.

**Investment in shares of target funds**

In addition to the information in the general section of the Sales Prospectus the following is applicable to this sub-fund:

When investing in target funds associated to the sub-fund, the part of the management fee attributable to shares of these target funds is reduced by the management fee/all-in fee of the acquired target funds, and as the case may be, up to the full amount (difference method).

Pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

**Sustainable investment** means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

**Product name:** DWS Concept Kaldemorgen  
**Legal entity identifier:** 549300Q2LE5ES354XA11  
**ISIN:** LU0599946893

**Environmental and/or social characteristics**

**Does this financial product have a sustainable investment objective?**

<input checked="" type="radio"/> <input checked="" type="radio"/> <input type="checkbox"/> <b>Yes</b>	<input checked="" type="radio"/> <input type="radio"/> <input checked="" type="checkbox"/> <b>No</b>
<input type="checkbox"/> It will make a minimum of <b>sustainable investments with an environmental objective: __%</b>  <input type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy  <input type="checkbox"/> in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy  <input type="checkbox"/> It will make a minimum of <b>sustainable investments with a social objective: __%</b>	<input checked="" type="checkbox"/> <b>It promotes Environmental/Social (E/S) characteristics</b> and while it does not have as its objective a sustainable investment, it will have a minimum proportion of 10% of sustainable investments  <input type="checkbox"/> with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy  <input checked="" type="checkbox"/> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy  <input checked="" type="checkbox"/> with a social objective  <input type="checkbox"/> It promotes E/S characteristics, but <b>will not make any sustainable investments</b>



**What environmental and/or social characteristics are promoted by this financial product?**

This sub-fund promotes environmental and social characteristics related to climate, governance and social norms as well as sovereign matters through the avoidance of (1) issuers exposed to excessive climate and transition risks, (2) issuers exposed to highest severity of norm issues (i.e. as regards compliance with international standards of corporate governance, human rights and labour rights, customer and environment safety and business ethics), (3) sovereign issuers with high or excessive controversies regarding political and civil liberties, (4) issuers moderately, highly or excessively exposed to controversial sectors and controversial activities, and/or (5) issuers involved in controversial weapons.

This sub-fund further promotes a minimum proportion of sustainable investments with a positive contribution to one or several of the United Nations Sustainable Development Goals (UN SDGs).

This sub-fund has not designated a reference benchmark for the purpose of attaining the environmental and/or social characteristics promoted.

**Sustainability indicators** measure how the environmental or social characteristics promoted by the financial product are attained.

What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?

The attainment of the promoted environmental and social characteristics as well as the sustainable investment is assessed via the application of a proprietary ESG assessment methodology as further described in section “What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?”. The methodology applies a variety of assessment categories that are used as sustainability indicators to assess the attainment of the promoted environmental and social characteristics, which are as follows:

- **DWS Climate and Transition Risk Assessment** is used as indicator for an issuer’s exposure to climate and transition risks
- **DWS Norm Assessment** is used as indicator for an issuer’s exposure to norm-related issues
- **DWS Sovereign Assessment** is used as indicator for a sovereign issuer’s extent of controversies regarding governance, such as political and civil liberties
- **Exposure to controversial sectors** is used as indicator for an issuer’s involvement in controversial sectors and controversial activities
- **Involvement in controversial weapons** is used as indicator for an issuer’s involvement in controversial weapons
- **Sustainability Investment Assessment** is used as indicator to measure the proportion of sustainable investments

What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?

The sub-fund will partially invest in sustainable investments according to article 2(17) SFDR. Such sustainable investments will contribute to at least one of the UN SDGs that relate to environmental and/or social objectives, such as the following (non-exhaustive list):

- Goal 1: No poverty
- Goal 2: Zero hunger
- Goal 3: Good health and well-being
- Goal 4: Quality education
- Goal 5: Gender equality
- Goal 6: Clean water and Sanitation
- Goal 7: Affordable and clean energy
- Goal 10: Reduced inequality
- Goal 11: Sustainable cities and communities
- Goal 12: Responsible consumption
- Goal 13: Climate action
- Goal 14: Life below water
- Goal 15: Life on land

The extent of contribution to individual UN SDGs will vary based on the actual investments in the portfolio.

DWS will measure the contribution to the UN SDGs via its sustainability investment assessment which evaluates potential investments in relation to different criteria to conclude that an economic activity can be considered as sustainable. Via this assessment, the sub-fund management evaluates (1) whether an economic activity contributes to one or several of the UN SDGs, (2) whether the economic activity or other economic activities of that company significantly harm any of these objectives (Do Not Significantly Harm (DNSH) assessment) and (3) whether the company as such is in line with the DWS safeguard assessment.

The sustainability investment assessment uses data from multiple data providers, public sources and internal assessments (based on a defined assessment and classification methodology) to determine if an activity is sustainable. Activities that contribute positively to the UN SDGs are measured in terms of revenues, capital expenditure (CapEx) and/or operational expenditure (OpEx). If a positive contribution is determined, the activity will be considered sustainable if the company passes the DNSH assessment and complies with the DWS safeguard assessment as detailed in the section “How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights?”.

The sub-fund will currently not commit to target a minimum proportion of sustainable investments with an environmental objective aligned with the EU Taxonomy.

How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?

The DNSH assessment is integral part of the sustainability investment assessment and evaluates whether an economic activity with a contribution to an UN SDG causes significant harm to any of these objectives. In case that a significant harm is identified, the economic activity fails the DNSH assessment and cannot be considered as sustainable economic activity.

How have the indicators for adverse impacts on sustainability factors been taken into account?

As part of the DNSH assessment under article 2(17) SFDR, the sustainability investment assessment systematically integrates all mandatory principal adverse indicators from Table 1 and relevant indicators from Tables 2 and 3 of Annex I of the Commission Delegated Regulation (EU) 2022/1288 supplementing the Sustainable Finance Disclosure Regulation (SFDR). Taking into account these adverse impacts, DWS has established quantitative thresholds and/or qualitative values to determine if an investment significantly harms any of the environmental or social objectives. These values are set based upon various external and internal factors, such as data availability or market developments and may be adapted going forward.

How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:

As part of its sustainability investment assessment, DWS further evaluates through its safeguard assessment the alignment of a company with international norms. This includes checks in relation to adherence to international norms, for example, the OECD Guidelines for Multinational Enterprises, the UN Guiding Principles on Business and Human Rights, the principles of the United Nations Global Compact and the standards of the International Labour Organization. Companies with assessed and reconfirmed highest violations of one of the international norms are considered as non-compliant to the safeguards and their economic activities cannot be considered sustainable.

*The EU Taxonomy sets out a “do not significant harm” principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.*

The “do no significant harm” principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

*Any other sustainable investments must also not significantly harm any environmental or social objectives.*



**Principal adverse impacts** are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

Does this financial product consider principal adverse impacts on sustainability factors?

**X** Yes, the sub-fund management considers the following principle adverse impacts on sustainability factors from Annex I of the Commission Delegated Regulation (EU) 2022/1288 supplementing the Sustainable Finance Disclosure Regulation:

- Carbon footprint (no. 2);
- GHG intensity of investee companies (no. 3);
- Exposure to companies active in the fossil fuel sector (no. 4);
- Violation of UN Global Compact principles and OECD Guidelines for multinational enterprises (no. 10); and
- Exposure to controversial weapons (no. 14).

The above principal adverse impacts are considered at product level through the exclusion strategy for the sub-fund's assets that are aligned with environmental and social characteristics via the proprietary ESG assessment methodology as detailed in section "What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?".

For sustainable investments, the principal adverse impacts are further considered in the DNSH assessment as described above in section "How have the indicators for adverse impacts on sustainability factors been taken into account?".

Further information on principal adverse impacts will be provided in an annex to the sub-fund's annual report.

No



**The Investment strategy** guides investment decisions based on factors such as investment objectives and risk tolerance.

What investment strategy does this financial product follow?

This sub-fund pursues a strategy based on multiple asset classes as main investment strategy. The sub-fund may invest up to 100% of the sub-fund's assets globally in equities, bonds, certificates and money market instruments, deposits with credit institutions, including, but not limited to, equity certificates, index certificates, convertible bonds, inflation-linked bonds, warrant-linked bonds whose underlying warrants are for securities, warrants for securities, dividend-right and participation certificates as well as interest-bearing debt securities, short-term deposits, regularly traded money market instruments and liquid assets. In addition the fund may invest in derivatives for hedging and investment purposes. Up to 20% may be invested into asset backed securities. Further details regarding the main investment strategy are specified in the Special Section of the Sales Prospectus. The sub-fund's assets are predominantly allocated into investments that comply with the defined standards in respect to the promoted environmental and social characteristics as described in the following sections. The sub-fund's strategy in relation to the promoted environmental or social characteristics is integral part of the ESG assessment methodology, which is continuously monitored via the sub-fund's investment guidelines.

What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?

**ESG assessment methodology**

The portfolio management of this sub-fund seeks to attain the promoted environmental and social characteristics by assessing potential investments via a proprietary ESG assessment methodology irrespective of economic prospects of success. This methodology is based on the ESG database, which uses data from multiple ESG data providers, public sources and internal assessments (based on a defined assessment and classification methodology) to derive combined scores. The ESG database is therefore constituted by data and figures as well as on internal assessments that take into account factors beyond the processed data and figures, such as an issuer's future expected ESG development, plausibility of the data with regard to past or future events, an issuer's willingness to engage in dialogues on ESG matters or corporate decisions.

The ESG database derives "A" to "F" letter coded assessments within different categories as further detailed below. Within each category, issuers receive one of six possible scores, with "A" being the highest score and "F" being the lowest score. If an issuer's score in one category is deemed insufficient, the portfolio management is prohibited from investing in that issuer, even if it is eligible according to other categories. For exclusion purposes, each letter score in a category is considered individually and may result in exclusion of an issuer.

The ESG database uses a variety of assessment categories to assess the attainment of the promoted environmental and social characteristics, including amongst others:

- **DWS Climate and Transition Risk Assessment**

The DWS Climate and Transition Risk Assessment evaluates issuers in relation to climate change and environmental changes, e.g. in respect to greenhouse gas reduction and water conservation. Issuers that contribute less to climate change and other negative environmental changes or are less exposed to such risks receive better evaluations. Issuers with excessive climate risk profile (i.e. a letter score of “F”) are excluded as an investment.

• **DWS Norm Assessment**

The DWS Norm Assessment evaluates the behaviour of issuers, for example, within the framework of the principles of the United Nations Global Compact, the standards of the International Labour Organization and behaviour within generally accepted international standards and principles. The Norm Assessment examines, for example, human rights violations, violations of workers' rights, child or forced labour, adverse environmental impacts and business ethics. Issuers with highest severity of norm issues (i.e. a letter score of “F”) are excluded as an investment.

• **DWS Sovereign Assessment**

The DWS Sovereign Assessment evaluates the assessment of political and civil liberties. Sovereign issuers with high or excessive controversies regarding political and civil liberties (i.e. a letter score of “E” or “F”) are excluded as an investment.

• **Exposure to controversial sectors**

The ESG database defines certain business areas and business activities as relevant. Business areas and business activities are defined as relevant if they involve the production or distribution of products in a controversial area (“controversial sectors”). Controversial sectors are defined, for example, as the civil firearms industry, military defence and tobacco. Other business sectors and business activities that affect the production or distribution of products in other sectors are defined as relevant. Other relevant sectors are, for example, coal mining and coal-based power generation.

Issuers are evaluated according to the share of total revenues they generate in controversial business areas and controversial business activities. The lower the percentage of revenues from the controversial business areas and controversial business activities, the better the score.

As regards the involvement in tobacco and civil firearms, issuers (excluding target funds) with a moderate, high or excessive exposure (i.e. a letter score of “D”, “E” or “F”) are excluded as an investment.

As regards the involvement in the military defence industry, issuers (excluding target funds) with high or excessive exposure (i.e. a letter score of “E” or “F”) are excluded as an investment.

As regards the involvement in coal mining and coal-based power generation or other controversial sectors and controversial business practices, issuers (excluding target funds) with excessive exposure (i.e. a letter score “F”) are excluded as an investment.

• **Involvement in controversial weapons**

The ESG database assesses a company’s involvement in the business of controversial weapons. Controversial weapons include for example anti-personnel mines, cluster munitions, depleted uranium weapons, nuclear weapons, chemical and biological weapons.

Issuers are assessed based on their degree of involvement (production of controversial weapons, component production, etc) in the manufacturing of controversial weapons, regardless of total revenues they generate from controversial weapons. Issuers (with the exception of target funds) with medium, high or excessive involvement (i.e., a letter score of “D”, “E” or “F”) are excluded as an investment.

• **DWS Use of Proceed Bond Assessment**

By way of derogation from the above, bonds that comply with DWS’ Use-of-proceeds bond assessment are investable also in cases where the bond issuer does not fully comply with the ESG assessment methodology.

The financing of use of proceeds bonds will be assessed via a two-stage process.

In the first stage DWS assesses whether a bond qualifies as a Use of Proceeds Bond. A key element is checking for compliance with the ICMA Green Bond Principles, the ICMA Social Bond Principles or the ICMA Sustainability Bond Principles. The assessment focuses on the use of proceeds, the selection of the projects financed by these proceeds, the management of the proceeds spending as well as the annual reporting on the use of proceeds to investors.

If a bond complies with these principles, the second stage assesses the ESG quality of the issuer of that bond in relation to defined minimum standards in respect to environmental, social, and corporate governance factors. This assessment is based on the ESG assessment methodology as described above and excludes

- corporate issuers with poor ESG quality compared to their peer group (i.e. a letter score of “E” or “F”),



- sovereign issuers with high or excessive controversies regarding governance (i.e. a letter score of “E” or “F”),
- issuers with highest severity of norm issues (i.e. a letter score “F”), or
- issuers with excessive exposure to controversial weapons (i.e. a letter score of “D”, “E” or “F”).”

To the extent that the sub-fund seeks to attain the promoted environmental and social characteristics as well as corporate governance practices by means of an investment in target funds, the latter must meet the DWS standards on Climate and Transition Risk- and Norm Assessment outlined above.

Derivatives are currently not used to attain the environmental or social characteristics promoted by the sub-fund and are therefore not taken into account for the calculation of the minimum share of assets complying with these characteristics. However, derivatives on individual issuers may only be acquired for the sub-fund if the issuers of the underlying comply with the ESG assessment methodology.

### **Sustainability investment assessment methodology**

Further, for the proportion of sustainable investments DWS will measure the contribution to one or several UN SDGs via its sustainability investment assessment which evaluates potential investments in relation to different criteria to conclude that an economic activity can be considered as sustainable as further detailed in section “What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?”

What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?

The applied ESG investment strategy does not pursue a committed minimum reduction of the scope of the investments.

**Good governance** practices include sound management structures, employee relations, remuneration of staff and tax compliance.

What is the policy to assess good governance practices of the investee companies?

The procedure to assess the good governance practices of the investee companies is based on the DWS Norm Assessment, as further detailed in the dedicated section “What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?”. Accordingly, the assessed investee companies follow good governance practices.

Further, the management company considers active ownership as a strong driver to improve governance, policies and practices, and thus for a better long-term performance of investee companies. Active ownership means using the position as shareholders to influence the activities or behaviour of the investee companies. An engagement activity can be initiated with the investee companies regarding matters such as strategy, financial and non-financial performance, risk, capital structure, social and environmental impact as well as corporate governance including topics like disclosure, culture and remuneration. The engagement activity can be undertaken via, e.g., issuer meetings or engagement letters. Furthermore, for equity investments it could also be an interaction with the company resulting from proxy voting activities or participation at general meetings.

What is the asset allocation planned for this financial product?

This sub-fund invests at least 51% of its net assets in investments that are aligned with the promoted environmental and social characteristics (#1 Aligned with E/S characteristics). Within this category, at least 10% of the sub-fund’s assets qualify as sustainable investments (#1A Sustainable).

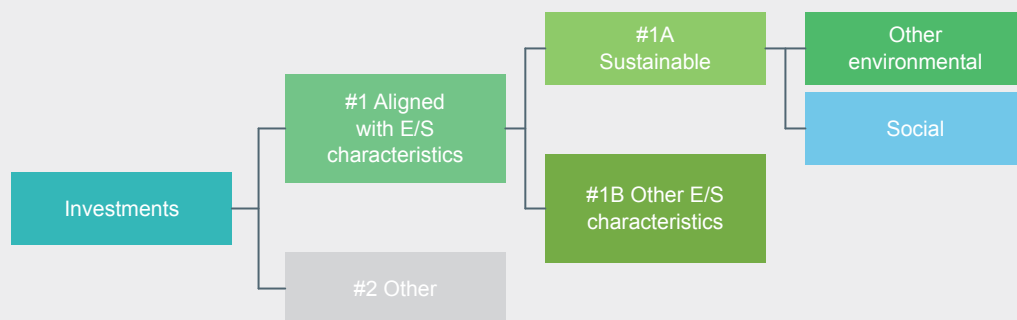
Up to 49% of the investments are not aligned with these characteristics (#2 Other). A more detailed description of the specific asset allocation of this sub-fund can be found in the Special Section of the Sales Prospectus.



**Asset allocation** describes the share of investments in specific assets.

Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.



**#1 Aligned with E/S characteristics** includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

**#2 Other** includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:

- The sub-category **#1A Sustainable** covers sustainable investments with environmental or social objectives.
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?

Derivatives are currently not used to attain the environmental or social characteristics promoted by the sub-fund.

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For nuclear **energy**, the criteria include comprehensive safety and waste management rules.  
**Enabling activities** directly enable other activities to make a substantial contribution to an environmental objective.

**Transitional activities** are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

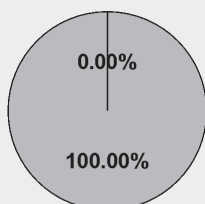


To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

Due to a lack of reliable data the sub-fund does not commit to invest a minimum proportion of sustainable investments with an environmental objective aligned with the EU Taxonomy. Therefore, the minimum percentage of environmentally sustainable investments aligned with the EU Taxonomy is 0% of the sub-fund's net assets. However, it may occur that part of the investments' underlying economic activities are aligned with the EU Taxonomy.

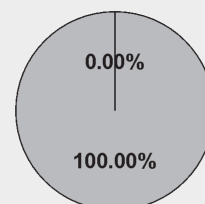
*The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds\*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.*

1. Taxonomy-alignment of investments including sovereign bonds\*



■ Taxonomy-aligned □ Other Investments

2. Taxonomy-alignment of investments excluding sovereign bonds\*



■ Taxonomy-aligned □ Other Investments

\*For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures

What is the minimum share of investments in transitional and enabling activities?

The sub-fund does not have a minimum share of investments in transitional and enabling activities, as it does not commit to a minimum proportion of environmentally sustainable investments aligned with the EU Taxonomy.



are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.



What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

The sub-fund does not intend to make a minimum allocation to environmentally or socially sustainable investments pursuant to Article 2(17) SFDR. However, the minimum share of environmentally and socially sustainable investments shall in total be at least 10% of the net assets of the sub-fund.



What is the minimum share of socially sustainable investments?

The sub-fund does not intend to make a minimum allocation to environmentally or socially sustainable investments pursuant to Article 2(17) SFDR. However, the minimum share of environmentally and socially sustainable investments shall in total be at least 10% of the net assets of the sub-fund.



What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?

This sub-fund promotes a predominant asset allocation in investments that are aligned with environmental and social characteristics (#1 Aligned with E/S characteristics). In addition, and on an ancillary basis, this sub-fund will invest into investments that are not considered aligned with the promoted characteristics (#2 Other). These remaining investments can include all asset classes as foreseen in the specific investment policy including cash and derivatives.

In line with the market positioning of this sub-fund, the purpose of these remaining investments is to provide investors with an exposure to non-ESG aligned investments while at the same time ensuring a predominant exposure to environmentally and socially aligned investments. Remaining investments can be used by the portfolio management for performance, diversification, liquidity and hedging purposes.

This sub-fund does not consider any minimum environmental or social safeguards on these remaining investments.



**Reference benchmarks** are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

This sub-fund has not designated a reference benchmark to determine whether it is aligned with the environmental and/or social characteristics that it promotes.



Where can I find more product specific information online?

**More product-specific information can be found on the website:** <https://funds.dws.com/en-lu/total-return-strategies/LU0599946893/> as well as on your local country website [www.dws.com/fundinformation](http://www.dws.com/fundinformation).

## DWS Concept Platow

<b>Investor profile</b>	Risk-tolerant
<b>Nature of shares</b>	Registered shares or bearer shares represented by a global certificate
<b>Currency of sub-fund</b>	EUR
<b>Sub-fund manager</b>	DWS Investment GmbH
<b>Investment Advisor</b>	pfp Advisory GmbH, Börsenstraße 14, 60313 Frankfurt/Main, Germany The fund manager has entered into an advisory agreement with pfp Advisory GmbH. The investment advice shall thereby encompass analysis and recommendations of suitable investment instruments, which take into account sustainability risks.
<b>Performance benchmark</b>	-
<b>Risk benchmark</b>	CDAX
<b>Leverage effect</b>	Up to 2 times the value of the investment sub-fund's assets
<b>Calculation of the NAV per share</b>	Each bank business day in Luxembourg ("valuation date"). A bank business day is any day on which banks are open for business and payments are processed in Luxembourg.
<b>Swing Pricing</b>	The sub-fund may apply Swing Pricing. If implemented, it will be disclosed in the fund facts section on the website of the Management Company <a href="http://www.dws.com">www.dws.com</a> .
<b>Order acceptance</b>	All subscription, redemption and exchange orders are placed on the basis of an unknown net asset value per share. Orders received by the Transfer Agent at or before <b>4:00 p.m. Luxembourg time</b> on a valuation date are processed on the basis of the net asset value per share on the next valuation date. Orders received after <b>4:00 p.m. Luxembourg time</b> are processed on the basis of the net asset value per share on the valuation date immediately following that next valuation date.
<b>Value date</b>	In a purchase, the equivalent value is debited latest three bank business days after issue of the shares. The equivalent value is credited latest three bank business days after redemption of the shares.
<b>Expense cap</b>	Not to exceed 15% of the Management Company fee. The applied expense cap of a share class will not exceed 0.10% p.a. based on the net asset value of the relevant share class.
<b>Fractional shares</b>	Up to 4 decimal places

### Overview of the share classes

<b>Currency of the share class</b>	SIC, LC, IC5	EUR
<b>Front-end load (payable by the investor)</b>	SIC, IC5 LC	0% up to 4%
<b>Management Company Fee p.a. (payable by the sub-fund)</b>	SIC, LC IC5	up to 1.50% up to 1.00%
<b>Service Fee p.a. (payable by the sub-fund)</b>	SIC, LC, IC5	0%
<b>Taxe d'abonnement (payable by the sub-fund)</b>	SIC, IC5 LC	0.01% p.a. 0.05% p.a.
<b>Launch date</b>	SIC, LC, IC5	December 4, 2018

\* Includes the advisory fee payable to pfp Advisory GmbH.

Due to its composition and the techniques applied by its fund management, the sub-fund is subject to markedly **increased volatility**, which means that the price per share may be subject to **substantial** downward or upward **fluctuation**, even within short periods of time. The sub-fund is therefore only suitable for experienced investors who are familiar with the opportunities and risks of volatile investments and who are in a position to temporarily bear substantial losses.

For the sub-fund with the name DWS Concept Platow (the sub-fund), the following provisions of this special section shall apply in addition to the terms contained in the general section of this Sales Prospectus.

### Investment Objective

The objective of the Investment Strategy is to seek to achieve long-term capital appreciation through an allocation of the sub-fund's assets to a portfolio of "Target Securities" and "Reserve Assets", as defined and described in more detail below.

The return and risk targets may exceed or fall short of this objective and there can be no assurance or guarantee as to a positive return or that there will be any return on invested capital.

### Investment Strategy

Pursuant to the terms of the Investment Advisor Agreement, the Fund Manager has appointed the Investment Advisor to propose the Fund Manager allocations and re-allocations of the sub-fund's assets among the Target Securities. The sub-fund invests predominantly in Target Securities as defined below. The Fund Manager will in its sole discretion decide on the allocation of assets to Target Securities. Such decisions will primarily be based on the advice it receives from the Investment Advisor. Assets not allocated to Target Securities will in principle be allocated by the Fund Manager to Reserve Assets. The Investment Advisor will not be responsible for any advice regarding the allocation of assets among the Reserve Assets.

The sub-fund is actively managed and is not managed in reference to a benchmark.

The sub-fund will have no maturity date. However, the Board of Directors may decide to terminate the sub-fund in accordance with the rules set out in the Prospectus and the articles of incorporation.

The sub-fund will not invest more than 10% of its assets in units or shares of other UCITS or other UCIs in order to be eligible for investment by UCITS governed by the UCITS Directive. This includes investments in money market funds.

The sub-fund will in no circumstances be leveraged for investment purposes and will therefore not be subject to any shortfall risk. In this regard, shortfall risk means the risk that any decrease of the sub-fund's assets will result in an accelerated decrease of the Net Asset Value of the sub-fund due to the use of any borrowed funds. The risk would be materialised, if income and appreciation on investments made with borrowed funds are less than the required interest payments on the borrowed funds.

The value of the sub-fund's Shares is largely linked to the performance of the selected Target Securities, which may rise or fall. Hence, investors should note that the value of their investment could fall as

well as rise and they should accept that there is no guarantee that the selection methodology of the Investment Manager will indeed result in a return above any comparable investment strategy or that they will recover their initial investment.

The Fund Manager will monitor compliance of the Investment Advisor with the terms and conditions of the Investment Advisor Agreement and the Prospectus and report any instances of non-compliance to the Board of Directors.

### Integration of sustainability risks

The sub-fund management integrates sustainability risks into its investment decisions as described in the General Section of the Sales Prospectus in the section "Integration of sustainability risks in the investment process".

### Target Securities

Target Securities are (i) equity securities relating to Blue Chip companies (stocks of highly regarded, international companies with a big market capitalisation), Mid Caps (stocks of companies with a medium size market capitalisation) and/or Small Caps (stocks of companies with a small market capitalisation) or (ii) securities linked to the performance of such equity securities and/or indices comprising such equity securities. The Target Securities are mainly issued by companies domiciled, or exercising the predominant part of their activity, in Germany, but may also be issued by companies not domiciled in Germany. Within the limits of the Investment Restrictions, the Target Securities can also include funds.

The Investment Advisor will apply its proprietary research and investment selection techniques and will take the Investment Restrictions and the Investment Objective into account when selecting the Target Securities for its advice. Depending on the market cycle, the Investment Advisor may place particular emphasis on Target Securities issued by companies that are undervalued and therefore represent intrinsic investment value. In a market of rising stock prices and with the overall expectation that the stock prices will continue to rise, the Investment Advisor will mainly suggest Target Securities that show a high correlation to the market performance.

### Reserve Assets

Reserve Assets are cash deposits, deposits with credit institutions and money market instruments. Assets not allocated to Target Securities will in principle be allocated by the Management Company to Reserve Assets. The Investment Advisor will not be responsible for any advice regarding the allocation of assets among the Reserve Assets.

### Selection Process

The Investment Advisor will review the investments on a regular basis and suggest adjustments to the allocations where necessary. It will continuously monitor the selected Target Securities and maintain an ongoing process of review of potential new Target Securities.

In accordance with the Advisory Agreement, on each Product Business Day, the Investment Advisor may propose allocations and re-allocations of the sub-fund's assets among the Target Securities to the Fund Manager. The Fund Manager will, in its sole discretion decide on the allocation of assets to Target Securities. Such decision will primarily be based on the advice it receives from the Investment Advisor.

In the event of any market disruptions or other circumstances, there may be exceptions to the timing of the transactions described above. In addition, certain charges, deductions, fees or assessments will be withheld from the redemption proceeds received from Target Securities or may be deducted from the subscription proceeds delivered to Target Securities.

### Investment Advisor

The Investment Advisor is pfp Advisory GmbH. pfp Advisory GmbH has its registered office in Frankfurt/Main, Germany, is registered at the commercial register of district court of Frankfurt/Main with the HRB number 106016 and is a majority-owned subsidiary of Platow Medien GmbH. Its main objective is to provide investment advice to investment funds and institutional investors, specializing in the analysis of equity and other securities. At the heart of their investment strategy is a systematic and extensive stock analysis process that is focused on identifying the opportunities and risks of individual securities. pfp Advisory GmbH uses a tried and tested combination of key ratio analysis, knowledge of listed firms and stringent long-term investment principles.

### Investment Advisor Agreement

The Fund Manager has entered into an Investment Advisor Agreement with the Investment Advisor (as amended from time to time, the "Investment Advisor Agreement"), which is for an undetermined duration. The Investment Advisor Agreement is governed by German Law.

In accordance with the terms of the Investment Advisor Agreement, the Fund Manager or the Investment Advisor may terminate the Investment Advisor Agreement upon 30 calendar days' notice. The Fund Manager may also terminate the appointment of the Investment Advisor at any time and with immediate effect if the Investment Advisor is no longer able to perform its services, breaches any material obligation under the Investment Advisor Agreement or if doing so is deemed necessary to safeguard the interest of the shareholders of the sub-fund.

### Specific Investment Limits

It is the sub-fund's objective to hold Reserve Assets only up to 10% of its Net Asset Value, but this amount may occasionally be exceeded on a temporary basis. The sub-fund may hold ancillary liquid assets as specified in article 3.2. (o) of the general section of the Sales Prospectus.

## Further Information

The Investment Advisor maintains an internet site at the following address where further information may be available in respect of the sub-fund: <http://www.pfp-advisory.de>

The sub-fund will not invest in contingent convertibles. The sub-fund will not enter into securities lending transactions.

The sub-fund may invest in all other permissible assets specified in clause 3 of the general section of the Sales Prospectus.

For the purpose of inducing a partial tax exemption within the meaning of the German Investment Tax Act and in addition to the investment limits described in the Articles of Incorporation and this Sales Prospectus (equity fund) at least 51% of the sub-fund's gross assets (determined as being the value of the sub-fund's assets without taking into account liabilities) are invested in equities admitted to official trading on a stock exchange or admitted to, or included in, another organized market and which are not:

- units of investment funds;
- equities indirectly held via partnerships;
- units of corporations, associations of persons or estates at least 75% of the gross assets of which consist of immovable property in accordance with statutory provisions or their investment conditions, if such corporations, associations of persons or estates are subject to corporate income tax of at least 15% and are not exempt from it or if their distributions are subject to tax of at least 15% and the sub-fund is not exempt from said taxation;
- units of corporations which are exempt from corporate income taxation to the extent they conduct distributions unless such distributions are subject to taxation at a minimum rate of 15% and the sub-fund is not exempt from said taxation;
- units of corporations the income of which originates, directly or indirectly, to an extent of more than 10%, from units of corporations, that are (i) real estate companies or (ii) are not real estate companies, but (a) are domiciled in member state of the European Union or a member state of the European Economic Area and are not subject in said domicile to corporate income tax or are exempt from it or (b) are domiciled in a third country and are not subject in said domicile to corporate income tax of at least 15% or are exempt from it;
- units of corporations which hold, directly or indirectly, units of corporations, that are (i) real estate companies or (ii) are not real estate companies, but (a) are domiciled in a member state of the European Union or a member state of the European Economic Area and are not subject in said domicile to corporate income tax or are exempt from it or (b) are domiciled in a third country and are not subject in said domicile to corporate income tax of at least 15% or are exempt from it if the

fair market value of units of such corporations equal more than 10% of the fair market value of those corporations.

For the purpose of this investment policy and in accordance with the definition in the German Investment Code (KAGB), an organized market is a market which is recognized, open to the public and which functions correctly, unless expressly specified otherwise. Such organized market also meets the criteria of article 50 of the UCITS Directive.

The following disclosure is made for the sub-fund in accordance with article 7(1) of Regulation (EU) 2019/2088 on sustainability-related disclosures in the financial services sector: The sub-fund management does not consider any principle adverse impacts on sustainability factors for this financial product, as it does not pursue any environmental or social characteristics in its investment strategy.

The following is the disclosure in accordance with article 7 of Regulation (EU) 2020/852 of June 18, 2020 on the establishment of a framework to facilitate sustainable investment:

The investments underlying this financial product do not take into account EU criteria for environmentally sustainable economic activities.

The respective risks connected with investments in this sub-fund are disclosed in the general section of the Sales Prospectus.

## Risk Management

The relative Value-at-Risk (VaR) approach is used to limit market risk in the sub-fund.

In addition to the provisions of the general section of this prospectus, the potential market risk of the sub-fund is measured using a reference portfolio that does not contain derivatives.

Leverage is not expected to exceed twice the value of the investment sub-fund's assets. The leverage effect is calculated using the sum of notional approach (absolute (notional) amount of each derivative position divided by the net present value of the portfolio). However, the disclosed expected level of leverage is not intended to be an additional exposure limit for the sub-fund.

## Specific Risk Warnings

In addition to the outlined risks in the general section of this prospectus, there may be other risks that a prospective investor should consider that are relevant to its particular circumstances or generally. Investors should consider the following Specific Risk Warnings, among others:

## Potential Conflicts of Interest

The Investment Advisor, its affiliates, and their principals (the "Interested Parties") may be deemed to have a fiduciary relationship with the sub-fund in certain circumstances and consequently the responsibility for dealing fairly with the sub-fund. However, the Interested Parties may engage in a variety of activities, including investment management and financial advisory activities that are independent from and may from time to time diverge from or conflict with the interests of the sub-fund and the potential investors.

The Interested Parties are not required to refrain from any other activity, to account for any profits from any such activities or to devote all or any particular part of their time and effort to the sub-fund and its affairs, but only to devote so much of their time as, in their judgement, the proper discharge of their contractual responsibilities will reasonably require. The Interested Parties may engage in transactions with, and may provide services to, companies in which the sub-fund invests or could invest. The Interested Parties may also serve as investment adviser or investment manager for other investment vehicles that may invest in assets or employ strategies that overlap with the sub-fund's strategy. Further, the Interested Parties may invest in, advise or sponsor other investment vehicles and other persons or entities (including prospective investors in the sub-fund) which may also have similar structures and investment objectives and policies to those of the sub-fund. These vehicles may therefore, compete with the sub-fund for investment. The Interested Parties and their respective employees may make investment decisions for themselves, clients and their affiliates that may be different from those made by the Investment Advisor on behalf of the sub-fund (including the timing and nature of the action taken), even where the investment objectives are the same or similar to those of the sub-fund. There is no undertaking or guarantee that the investment returns of the sub-fund will be similar or identical to the investment returns of any other fund or account advised or managed by the Interested Parties.

## Investment in shares of target funds

In addition to the information in the general section of the Sales Prospectus the following is applicable to this sub-fund:

When investing in target funds associated to the sub-fund, the part of the management fee attributable to shares of these target funds is reduced by the management fee/all-in fee of the acquired target funds, and as the case may be, up to the full amount (difference method).

# Management and Administration

## Investment Company

DWS Concept  
2, Boulevard Konrad Adenauer  
1115 Luxembourg, Grand Duchy of Luxembourg

## Board of Directors of the Investment Company

Niklas Seifert  
Chairman  
DWS Investment S.A.,  
Luxembourg

Thilo Hubertus Wendenburg  
Medius Capital,  
Frankfurt/Main

Sven Sendmeyer  
DWS Investment GmbH,  
Frankfurt/Main

Gero Schomann  
DWS International GmbH,  
Frankfurt/Main

Elena Wichmann  
DWS Investment S.A.,  
Luxembourg

## Fund Management

DWS Investment GmbH  
Mainzer Landstraße 11-17  
60329 Frankfurt/Main, Germany

The address of an additional (sub-) fund manager and/or investment advisor is specified in the special section of the affected sub-fund.

## Management Company, Central Administration Agent, Registrar and Transfer Agent, Main Distributor

DWS Investment S.A.  
2, Boulevard Konrad Adenauer  
1115 Luxembourg, Grand Duchy of Luxembourg

Sub-Registrar and Sub-Transfer Agent for the Sub-Fund DWS Concept Platow

MorgenFund GmbH,  
Luxembourg Branch  
Parc d'Activite Syrdall 2,  
18-20, rue Gabriel Lippmann  
5365 Munsbach  
Grand Duchy of Luxembourg

RBC Investor Services Bank S.A.  
14, Porte de France  
4360 Esch-sur-Alzette  
Grand Duchy of Luxembourg

## Supervisory Board of the Management Company

Claire Peel  
Chairwoman  
DWS Management GmbH,  
Frankfurt/Main

Manfred Bauer  
DWS Management GmbH,  
Frankfurt/Main

Frank Rückbrodt  
Deutsche Bank Luxembourg S.A.,  
Luxembourg

Dr. Matthias Liermann  
DWS Investment GmbH,  
Frankfurt/Main

Holger Naumann  
DWS Investments Hong Kong Ltd.,  
Hong Kong

## Management Board of the Management Company

Nathalie Bausch  
Chairwoman  
DWS Investment S.A., Luxembourg

Leif Bjurstroem  
DWS Investment S.A., Luxembourg

Dr. Stefan Junglen  
DWS Investment S.A., Luxembourg

Barbara Schots  
DWS Investment S.A., Luxembourg

## Custodian and Sub-Administrator

State Street Bank International GmbH  
Luxembourg Branch  
49, Avenue John F. Kennedy  
1855 Luxembourg, Grand Duchy of Luxembourg

## Auditor

KPMG Luxembourg S.A.  
39, Avenue John F. Kennedy  
1855 Luxembourg, Grand Duchy of Luxembourg

## Information and Paying Agents

Luxembourg  
Deutsche Bank Luxembourg S.A.  
2, Boulevard Konrad Adenauer  
1115 Luxembourg, Grand Duchy of Luxembourg

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