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# Publication pursuant to SFDR - Summary

## DWS Invest Artificial Intelligence

This financial product promotes environmental and social characteristics and qualifies as product in accordance with article 8(1) of Regulation (EU) 2019/2088.

### No sustainable investment objective

This financial product promotes environmental or social characteristics, but does not have as its objective sustainable investment. The sub-fund commits to partially invest in sustainable investments. DWS evaluates whether an economic activity with a contribution to an UN SDG causes significant harm to any environmental or social sustainable investment objective (DNSH assessment). Any economic activity which fails the DNSH assessment cannot be considered as sustainable economic activity. The DNSH assessment also systematically integrates all mandatory principle adverse indicators from Table 1 and relevant indicators from Table 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 any 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 and market developments and may be adapted going forward. 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. DNSH assessment as well as the safeguard assessment are part of DWS sustainability investment assessment.

### Environmental or social characteristics of the 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).

### Investment strategy

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 of all market capitalizations, stock certificates, participation and dividend right certificates, convertible bonds and equity warrants issued by foreign and domestic companies whose business will benefit from/or is currently related to the evolution of artificial intelligence. At least 60% of the sub-fund's assets are invested in equities. 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. 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 derives "A" to "F" letter coded assessments within the different categories 1) Climate and Transition Risk Assessment, 2) DWS Norm Assessment, 3) DWS Sovereign Assessment, 4) Exposure to controversial sectors, 5) Involvement in controversial weapons and 6) Sustainability Investment. These assessment categories are further detailed in the "Methodologies" section. The investment limits for the sub-fund within each assessment category can be found in the pre-contractual disclosure for financial products. The procedure to assess the good governance practices of the investee companies is based on the above mentioned DWS Norm Assessment. Accordingly, the assessed investee companies follow good governance practices.

### Proportion of investments

This sub-fund invests at least 51% of its net assets in investments that are aligned with the promoted environmental and social characteristics. At least 10% of the sub-fund's assets qualify as sustainable investments in the sense of article 2(17) SFDR. Up to 49% of the investments are not aligned with these environmental or social

characteristics. Derivatives are currently not used to attain the environmental or social characteristics promoted by the sub-fund.

## Monitoring of environmental or social characteristics

The ESG investment limits resulting from the ESG assessment methodology and investment limits for eligible assets which are described in the prospectus are coded and embedded into the Investment Management System where they are monitored pre- and post-trade on a daily basis to ensure the compliance with the investment guidelines. The pre-trade monitoring ensures that investment limits are complied with before trading. In case a breach is detected in post-trade monitoring it will be investigated for its cause and scope, addressed and corrected.

## Methodologies

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 which 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 uses a variety of assessment categories to assess the attainment of the promoted environmental and social characteristics, including among others:

- **DWS Climate and Transition Risk Assessment** is used as an indicator for an issuer's exposure to climate and transition risks
- **DWS Norm Assessment** is used as an indicator for an issuer's exposure to norm-related issues
- **DWS Sovereign Assessment** is used as an indicator for a sovereign issuer's extent of controversies regarding governance, such as political and civil liberties
- **Exposure to controversial sectors** is used as an indicator for an issuer's involvement in controversial sectors and controversial activities
- **Involvement in controversial weapons** is used as an indicator for an issuer's involvement in controversial weapons
- **Sustainability Investment Assessment** is used as an indicator to measure the proportion of sustainable investments

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.

## Data sources and processing

For the purpose of assessing the assets concerning sustainability DWS utilizes commercial vendor data from ESG Book, ISS ESG, Morningstar Sustainalytics, MSCI ESG and S&P TruCost. This information is supplemented with NGO data, e.g. from Urgewald. Quality and process controls apply on both sides, by the vendor and by DWS. DWS applies an internal software solution, the DWS ESG Engine, to standardize and aggregate the inbound ESG data into DWS ESG assessments, which are then used in the investment process. As DWS's ESG assessments are based on external vendor data, it does not estimate ESG data on its own.

## Limitations to methodologies and data

Limitations to sustainability data originate mainly from the fact that they may carry a high amount of subjectivity (e.g. with qualitative ESG ratings or estimation processes for numerical data). DWS aims to mitigate that challenge by utilising multiple vendors.

## Due diligence

The due diligence carried out on the underlying assets of a financial product is governed by relevant internal policies, key operating documents and handbooks. The due diligence is founded on the availability of ESG data which the management company sources from external ESG data vendors. In addition to the external quality assurance by the vendors, the management company has processes and governance bodies in place that control the quality of the ESG signals.

## Engagement policies

An engagement activity can be initiated with the individual issuers 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 exercised by, for example, proxy voting, company meetings or engagement letters.

## Designated reference benchmark

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.