

DWS Investment S.A.

# DWS Osteuropa

Annual Report 2022

Investment Fund Organized under Luxembourg Law



Investors for a new now



**DWS Osteuropa**

# Contents

**Annual report 2022**  
for the period from January 1, 2022, through December 31, 2022

2 / General information

6 / Annual report and annual financial statements  
DWS Osteuropa

13 / Report of the réviseur d'entreprises agréé

Supplementary information

18 / Remuneration disclosure

20 / Information pursuant to Regulation (EU) 2015/2365

# General information

**The fund described in this report is subject to the laws of Luxembourg.**

## Performance

The investment return, or performance, of a mutual fund investment is measured by the change in value of the fund's units. The net asset values per unit (= redemption prices) with the addition of intervening distributions are used as the basis for calculating the value. Past performance is not a guide to future results.

The corresponding benchmark – if available – is also presented in the report. All financial data in this publication is **as of December 31, 2022** (unless otherwise stated).

## Sales prospectuses

Fund units are purchased on the basis of the current sales prospectus and management regulations as well as the key investor information document, in combination with the latest audited annual report and any semiannual report that is more recent than the latest annual report.

## Issue and redemption prices

The current issue and redemption prices and all other information for unitholders may be requested at any time at the registered office of the Management Company and from the paying agents. In addition, the issue and redemption prices are published in every country of distribution through appropriate media (such as the Internet, electronic information systems, newspapers, etc.).

## Russia/Ukraine crisis

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The conflict between Russia and Ukraine marked a dramatic turning point in Europe, which, among other things, is impacting on Europe's security architecture and energy policies in the long term and has caused considerable volatility. This volatility is likely to continue. However, the specific or possible medium-to-long-term effects of the crisis on the economy, individual markets and sectors, as well as the social implications, cannot be conclusively assessed due to the uncertainty at the time of preparing this report. The Management Company is therefore continuing its efforts, within the framework of its risk management strategy, to assess these uncertainties and their possible impact on the activities, liquidity and performance of the fund. The Management Company is taking all measures deemed appropriate to protect investor interests to the greatest possible extent.



The cover page features a white central area with a decorative border of fine, parallel lines in the corners. The text is centered and reads:

**Annual report  
and  
annual financial statements**

# Annual report

## DWS Osteuropa

### Investment objective and performance in the reporting period

The fund DWS Osteuropa sought to achieve sustained capital appreciation compared to the benchmark (MSCI EM Europe 10/40 ex Greece)\*. To achieve this, it invested especially in equities of issuers that are registered or conduct their principal business activity in Eastern Europe, e.g. in Hungary, Poland, the Czech Republic, Turkey, Slovakia or Russia.

In 2022, the international capital markets found themselves in increasingly rough waters. The situation was further compounded by Russia's invasion of Ukraine on February 24, 2022, and the war in Ukraine that ensued. Against the backdrop of this escalated conflict between Russia and Ukraine, certain trading conditions did not function as they normally would. This affected the valuation of the financial instruments concerned and thus the calculation of the net asset value. In view of the extremely volatile and constantly changing market situation, deteriorated trading and settlement capabilities, with respect to the fund DWS Eastern Europe the net asset value calculation, unit issue and redemption has been suspended from March 1, 2022, until further notice\*\*.

In the period from the beginning of January 2022 to the end of February 2022 (date of the last unit value calculation), the DWS Osteuropa fund recorded a decline in value of 46.3% per unit (according to the BVI method) and thus lagged behind its benchmark (-40.9%; both in euros).

### DWS Osteuropa

#### Five-year performance



### DWS Osteuropa

#### Performance at a glance

ISIN	1 year <sup>1)</sup>	3 years <sup>1)</sup>	5 years <sup>1)</sup>
LU0062756647	-39.9%	-40.9%	-39.1%

<sup>1)</sup> Last unit price calculation on February 28, 2022

"BVI method" performance, i.e., excluding the initial sales charge.

Past performance is no guide to future results. As of: December 31, 2022 Data on euro basis

### Information on environmental and/or social characteristics

This financial product is a product within the meaning of Article 6 of Regulation (EU) 2019/2088 (Regulation on sustainability-related disclosure requirements in the financial services sector (SFDR)).

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 the EU criteria for environmentally sustainable economic activities.

The following information is provided for the financial product in accordance with Article 7(1) of Regulation (EU) 2019/2088 on

sustainability-related disclosure requirements in the financial services sector: Portfolio management did not take into account the main adverse impacts on sustainability factors for this financial product, as the product (as indicated above) did not have an ESG and/or sustainable investment policy.

\* The fund's performance benchmark was removed without replacement for the future in September 2022, as it no longer comprehensively reflects the investable investment universe since the introduction of risk-based filters. The removal of the performance benchmark does not result in a change in the investment policy.

\*\* Further details can be found in the note at the end of the section "Annual financial statements".

The format used for complete dates in security names in the investment portfolio is "day month year".

# Annual financial statements

## DWS Osteuropa

### Statement of net assets as of December 31, 2022

	Amount in EUR	% of net assets
<b>I. Assets</b>		
<b>1. Equities (sectors):</b>		
Financials	16 129 379.12	35.02
Consumer Discretionaries	6 605 616.75	14.34
Energy	4 619 250.43	10.03
Consumer Staples	4 554 781.00	9.89
Industrials	3 288 969.33	7.14
Communication Services	2 595 819.53	5.64
Health Care	2 104 712.85	4.57
Basic Materials	1 715 159.66	3.72
Utilities	1 612 760.93	3.50
Other	5.63	0.00
<b>Total equities:</b>	<b>43 226 455.23</b>	<b>93.85</b>
<b>2. Cash at bank</b>	<b>2 870 626.92</b>	<b>6.23</b>
<b>3. Other assets</b>	<b>233.13</b>	<b>0.00</b>
<b>II. Liabilities</b>		
<b>1. Other liabilities</b>	<b>-37 074.12</b>	<b>-0.08</b>
<b>III. Net assets</b>	<b>46 060 241.16</b>	<b>100.00</b>

Negligible rounding errors may have arisen due to the rounding of calculated percentages.

# DWS Osteuropa

## Investment portfolio – December 31, 2022

Security name	Count/ currency (- / '000)	Quantity/ principal amount	Purchases/ additions in the reporting period	Sales/ disposals	Market price	Total market value in EUR	% of net assets in 1000
<b>Securities traded on an exchange</b>						<b>43 226 419.10</b>	<b>93.85</b>
<b>Equities</b>							
CEZ (CZ0005112300)	Count	51 000	58 861	7 861	CZK 763.5000	1612 760.93	3.50
Komerční Banka (CZ0008019106)	Count	60 000	5 000		CZK 654.0000	1625 248.51	3.53
Moneta Money Bank (CZ0008040318)	Count	551 000	39 556	50 000	CZK 75.5000	1723 016.07	3.74
Nova Ljubljanska Banka GDR Reg.S (US66980N2036)	Count	105 795	10 000		EUR 12.6000	1333 017.00	2.89
Polymetal International (JE00B6T5S470)	Count	87 500		160 500	GBP 2.4540	242 476.43	0.53
Magyar Telekom Telecommunications Co. (HU0000073507)	Count	296 351		250 000	HUF 336.5000	249 165.12	0.54
MOL Magyar Olaj- és Gázipari Nyilv. Részv. C.A. (HU0000153937)	Count	336 105		50 000	HUF 2 608.0000	2 190 172.63	4.76
OTP Bank Nyrt. (HU0000061726)	Count	108 231			HUF 10 170.0000	2 750 226.17	5.97
Richter Gedeon Vegyészeti Gyár Nyrt. (HU0000123096)	Count	101 489		36 595	HUF 8 300.0000	2 104 712.85	4.57
Allegro.eu (LU2237380790)	Count	185 000		100 000	PLN 25.1900	993 688.36	2.16
Bank Polska Kasa Opieki (PLPEKAO00016)	Count	95 000	15 000		PLN 86.5600	1 753 441.01	3.81
CD Projekt (PLOPTTC00011)	Count	30 500			PLN 128.7000	837 006.24	1.82
Cyfrowy Polsat (PLCFRPT00013)	Count	93 000			PLN 17.5500	348 024.95	0.76
Dino Polska (PLDINPL00011)	Count	19 500	19 500		PLN 375.6000	1 561 746.36	3.39
Eurocash C.A (PLEURCH00011)	Count	214 053		5 947	PLN 13.5500	618 459.01	1.34
KGHM Polska Miedz (PLKGHM000017)	Count	34 994		17 000	PLN 127.4000	950 633.96	2.06
LPP (PLLPP0000011)	Count	590	489		PLN 10 520.0000	1 323 482.06	2.87
Orange Polska (PLTLKPL00017)	Count	821 895			PLN 6.6280	1 161 580.05	2.52
Pepco Group (NL0015000AU7)	Count	90 000	90 000		PLN 39.6400	760 722.85	1.65
Polski Koncern Naftowy Orlen (PLPKNO000018)	Count	177 000	177 000		PLN 64.3600	2 429 067.65	5.27
Powszechna Kasa Oszczednosci (PKO) Bank Polski (PLPKO0000016)	Count	408 373	28 000		PLN 30.4000	2 647 164.39	5.75
Powszechny Zaklad Ubezpieczen (PLPZU0000011)	Count	270 000	30 000		PLN 35.2400	2 028 850.15	4.40
Santander Bank Polska (PLBZ00000044)	Count	11 220	2 224		PLN 260.8000	623 951.38	1.35
LUKOIL (RU0009024277)	Count	130 000	130 000		RUB 0.0001	0.17	0.00
Magnit (RU000A0JKQU8)	Count	46 692	46 692		RUB 0.0001	0.06	0.00
Novatek (RU000A0DKV55)	Count	460 000	460 000		RUB 0.0001	0.59	0.00
Sberbank of Russia (RU0009029540)	Count	800 000	800 000		RUB 0.0001	1.03	0.00
Akbank Bear. (TRAAKBKN91N6)	Count	500 000	500 000		TRY 19.7500	495 115.28	1.07
Anadolu Efes Biracilik Malt ve Gida (TRAAEFES91A9)	Count	347 993			TRY 68.3500	1 192 554.55	2.59
BIM Birlesik Magazalar Bear. (TREBIMM00018)	Count	170 340		79 660	TRY 138.4000	1 182 012.20	2.57
Eregli Demir Ve Celik Fabrikalari Turk (TRAERGL91G3)	Count	250 000	600 000	350 000	TRY 41.6400	5 219 399.25	11.3
Ford Otomotiv (TRAOOSN91H6)	Count	65 000	65 000		TRY 523.3000	1 705 427.72	3.70
Koc Holding (TRAKCHOL91Q8)	Count	780 000		220 000	TRY 84.1000	3 288 969.33	7.14
Mavi Giyim Sanayi ve Ticaret (TREMAVI00037)	Count	150 000	110 000	80 000	TRY 130.9000	984 464.66	2.14
Tofas Turk Otomobil Fabrikasi C.I.E (TRATOASO91H3)	Count	100 000	100 000		TRY 167.1000	837 810.26	1.82
Turkiye Garanti Bankasi (TRAGARAN91N1)	Count	625 000		2175 000	TRY 30.4800	955 133.78	2.07
Aksionernaya Kompaniya 'ALROSA' (RU0007252813)	Count	1100 000			USD 0.0001	103.25	0.00
Commercial International Bank (US2017122050)	Count	175 000	175 000		USD 1.1820	194 152.43	0.42
Fix Price Group PLC (US33835G2057)	Count	180 000	90 000		USD 0.0001	16.90	0.00
Magnitogorsk Iron & Steel Works GDR Reg S (US5591892048)	Count	59 656		20 344	USD 0.0001	5.60	0.00
Moscow Exchange MICEX-RTS (RU000A0JR4A1)	Count	600 000			USD 0.0001	56.32	0.00
Ozon Holdings GDR (US69269L1044)	Count	42 000			USD 0.0001	3.94	0.00
Polyrus Sp. GDR (US73181M1172)	Count	12 500			USD 0.0001	1.17	0.00
Rosneft Oil GDR (US67812M2070)	Count	100 000		350 000	USD 0.0001	9.39	0.00
TCS Group Holding GDR Reg S (US87238U2033)	Count	59 665	12 000		USD 0.0001	5.60	0.00
X 5 Retail Group GDR Reg S (US98387E2054)	Count	94 000			USD 0.0001	8.82	0.00
Yandex (NL0009805522)	Count	135 000			USD 0.0001	12.67	0.00
<b>Unlisted securities</b>						<b>36.13</b>	<b>0.00</b>
<b>Equities</b>							
Mobile Telesystems ADR (US6074091090)	Count	325 000		100 000	USD 0.0001	30.50	0.00
PhosAgro (US71922G3083)	Count	59 616	59 616		USD 0.0001	5.59	0.00
PhosAgro (US71922G4073)	Count	384	384		USD 0.0001	0.04	0.00
<b>Total securities portfolio</b>						<b>43 226 455.23</b>	<b>93.85</b>

## DWS Osteuropa

Security name	Count/ currency (- / '000)	Quantity/ principal amount	Purchases/ additions in the reporting period	Sales/ disposals	Market price	Total market value in EUR	% of net assets in 1000
<b>Cash at bank</b>						<b>2 870 626.92</b>	<b>6.23</b>
<b>Demand deposits at Depositary</b>							
EUR deposits	EUR	2 829 182.02			% 100	2 829 182.02	6.14
Deposits in other EU/EEA currencies	EUR	12 268.38			% 100	12 268.38	0.02
Deposits in non-EU/EEA currencies							
British pound	GBP	3 317.30			% 100	3 746.03	0.01
Hong Kong dollar	HKD	1.00			% 100	0.12	0.00
Turkish lira	TRY	89 199.09			% 100	4 472.29	0.01
U.S. dollar	USD	21 266.48			% 100	19 961.03	0.04
South African rand	ZAR	18 038.49			% 100	997.05	0.00
<b>Other assets</b>						<b>233.13</b>	<b>0.00</b>
Interest receivable	EUR	233.13			% 100	233.13	0.00
<b>Total assets<sup>1</sup></b>						<b>46 097 315.28</b>	<b>100.08</b>
<b>Other liabilities</b>						<b>-37 074.12</b>	<b>-0.08</b>
Liabilities from cost items	EUR	-31 420.22			% 100	-31 420.22	-0.07
Additional other liabilities	EUR	-5 653.90			% 100	-5 653.90	-0.01
<b>Net assets</b>						<b>46 060 241.16</b>	<b>100.00</b>
Net asset value per unit						260.54	
Number of units outstanding						176 788.746	

Negligible rounding errors may have arisen due to the rounding of calculated percentages.

A list of the transactions completed during the reporting period that no longer appear in the investment portfolio is available free of charge from the Management Company upon request.

### Composition of the reference portfolio (according to CSSF circular 11/512)

MSCI EM Europe ex Greece 10-40 Index (Net)

### Market risk exposure (value-at-risk) (according to CSSF circular 11/512)

Lowest market risk exposure	%	42.259
Highest market risk exposure	%	97.125
Average market risk exposure	%	85.027

The values-at-risk were calculated for the period from January 1, 2022, through December 31, 2022, using the VaR method of historical simulation with a 99% confidence level, a 10-day holding period and an effective historical observation period of one year. Market risk is the risk to the fund's assets arising from an unfavorable change in market prices. The Company determines the potential market risk by means of the **relative value-at-risk approach** as defined in CSSF circular 11/512.

In the reporting period, the average leverage effect from the use of derivatives was 0.0, whereby the total of the nominal amounts of the derivatives in relation to the fund's assets was used for the calculation (sum-of-notional approach).

The gross exposure generated via derivatives pursuant to point 40 a) of the "Guidelines on ETFs and other UCITS issues" of the European Securities and Markets Authority (ESMA) totaled EUR 0.00 as of the reporting date.

### Exchange rates (indirect quotes)

As of December 30, 2022

Czech koruna	CZK	24.144000	= EUR	1
British pound	GBP	0.885550	= EUR	1
Hong Kong dollar	HKD	8.310100	= EUR	1
Hungarian forint	HUF	400.225000	= EUR	1
Polish zloty	PLN	4.689750	= EUR	1
Romanian leu (new)	RON	4.949300	= EUR	1
Russian rouble	RUB	77.774400	= EUR	1
Swedish krona	SEK	11.131300	= EUR	1
Turkish lira	TRY	19.944850	= EUR	1
U.S. dollar	USD	1.065400	= EUR	1
South African rand	ZAR	18.091900	= EUR	1

## DWS Osteuropa

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### Notes on valuation

The Management Company determines the net asset values per unit and performs the valuation of the assets of the fund. The basic provision of price data and price validation are performed in accordance with the method introduced by the Management Company on the basis of the legal and regulatory requirements or the principles for valuation methods defined in the fund prospectus.

If no trading prices are available, prices are determined with the aid of valuation models (derived market values) which are agreed between State Street Bank International GmbH, Luxembourg Branch, as external price service provider and the Management Company and which are based as far as possible on market parameters. This procedure is subject to an ongoing monitoring process. The plausibility of price information from third parties is checked through other pricing sources, model calculations or other suitable procedure.

Due to the situation regarding the Russia-Ukraine conflict, alternative valuation methods for the valuation of certain Russian investments have been implemented until further notice.

Russian equities and depositary receipts such as ADR/GDR were fully written down to the nominal value of 0.0001 per currency and unit as of March 3, 2022, as their trading is excluded from the stock exchanges or Western investors are excluded from the Russian markets. This valuation approach is reviewed during the regular meetings of the DWS Pricing Committee.

From outstanding dividend payments from Russian companies, the fund expected cash inflows in the amount of RUB 105,221,500.00 as of the fiscal year-end December 31, 2022, which are carried off-balance sheet. However, due to the current political situation, it is not possible to estimate whether dividend payments by Russian companies will resume at a later date.

### Footnotes

1 Does not include positions with a negative balance, if such exist.

### Statement of income and expenses (incl. income adjustment)

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## DWS Osteuropa

for the period from January 1, 2022, through December 31, 2022

### I. Income

1. Dividends (before withholding tax) . . . . .	EUR	1980901.99
2. Interest from investments of liquid assets (before withholding tax) . . . . .	EUR	13043.60
3. Deduction for foreign withholding tax . . . . .	EUR	-354282.71
4. Other income . . . . .	EUR	458.55

**Total income . . . . . EUR 1640121.43**

### II. Expenses

1. Interest on borrowings and negative interest on deposits and expenses similar to interest thereof:	EUR	-9656.51
Commitment fees . . . . .	EUR	-415.19
2. Management fee . . . . .	EUR	-586353.68
thereof:		
All-in fee . . . . .	EUR	-586353.68
3. Other expenses . . . . .	EUR	-21667.66
thereof:		
Legal and consulting expenses . . . . .	EUR	-962.44
Taxe d'abonnement . . . . .	EUR	-20705.22

**Total expenses . . . . . EUR -617677.85**

**III. Net investment income . . . . . EUR 1022443.58**

### IV. Sale transactions

1. Realized gains . . . . .	EUR	4231440.47
2. Realized losses . . . . .	EUR	-12042726.89

**Capital gains/losses . . . . . EUR -7811286.42**

**V. Realized net gain/loss for the fiscal year . . . . . EUR -6788842.84**

1. Net change in unrealized appreciation . . . . .	EUR	-13272999.09
2. Net change in unrealized depreciation . . . . .	EUR	-45845400.26

**VI. Unrealized net gain/loss for the fiscal year . . . . . EUR -59118399.35**

**VII. Net gain/loss for the fiscal year . . . . . EUR -65907242.19**

Note: The net change in unrealized appreciation (depreciation) is calculated by subtracting the total of all unrealized appreciation (depreciation) at the end of the fiscal year from the total of all unrealized appreciation (depreciation) at the beginning of the fiscal year. Total unrealized appreciation (depreciation) includes positive (negative) differences resulting from the comparison of the values recognized for the individual assets as of the reporting date with their respective acquisition costs.

Unrealized appreciation/depreciation is shown without income adjustment.

### BVI total expense ratio (TER)

The total expense ratio was 1.18% p.a. The TER expresses total expenses and fees (excluding transaction costs) as a percentage of a fund's average net assets for a given fiscal year.

### Transaction costs

The transaction costs paid in the reporting period amounted to EUR 53876.46.

The transaction costs include all costs that were reported or settled separately for the account of the fund in the reporting period and are directly connected to the purchase or sale of assets. Any financial transaction taxes which may have been paid are included in the calculation.

## Statement of changes in net assets for the fund

### I. Value of the fund's net assets

<b>at the beginning of the fiscal year . . . . .</b>	<b>EUR</b>	<b>113602569.30</b>
1. Net inflows . . . . .	EUR	-1681568.24
a) Inflows from subscriptions . . . . .	EUR	903371.49
b) Outflows from redemptions . . . . .	EUR	-2584939.73
2. Income adjustment . . . . .	EUR	46482.29
3. Net gain/loss for the fiscal year . . . . .	EUR	-65907242.19
thereof:		
Net change in unrealized appreciation . . . . .	EUR	-13272999.09
Net change in unrealized depreciation . . . . .	EUR	-45845400.26

### II. Value of the fund's net assets

**at the end of the fiscal year . . . . . EUR 46060241.16**

## Summary of gains/losses

<b>Realized gains (incl. income adjustment) . . . . .</b>	<b>EUR</b>	<b>4231440.47</b>
from:		
Securities transactions . . . . .	EUR	4002045.11
(Forward) currency transactions . . . . .	EUR	229395.36
<b>Realized losses (incl. income adjustment) . . . . .</b>	<b>EUR</b>	<b>-12042726.89</b>
from:		
Securities transactions . . . . .	EUR	-11796711.67
(Forward) currency transactions . . . . .	EUR	-246015.22
<b>Net change in unrealized appreciation/depreciation . . . . .</b>	<b>EUR</b>	<b>-59118399.35</b>
from:		
Securities transactions . . . . .	EUR	-59116863.39
(Forward) currency transactions . . . . .	EUR	-1535.96

## Details on the distribution policy\*

The income for the fiscal year is reinvested.

\* Additional information is provided in the sales prospectus.

## Changes in net assets and in the net asset value per unit over the last three years

	Net assets at the end of the fiscal year EUR	Net asset value per unit EUR
2022 . . . . .	46060241.16	260.54
2021 . . . . .	113602569.30	630.68
2020 . . . . .	114754199.97	566.75

## Transactions processed for the account of the fund's assets via closely related companies (based on major holdings of the Deutsche Bank Group)

The share of transactions conducted in the reporting period for the account of the fund's assets via brokers that are closely related companies and persons (share of 5% and above) amounted to 0.00% of all transactions. The total volume was EUR 0.00.

## Russia/Ukraine crisis

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Against the backdrop of the conflict between Russia and Ukraine, trading conditions on local markets continue not to function as they would normally function. Due to the extremely volatile and constantly changing market situation and the already imposed and planned comprehensive sanctions against Russia, an adequate valuation of various securities of issuers domiciled or with business focus in Russia, which is reliable through active stock exchange trading, can no longer be guaranteed at any time. Among other things, this means that the net asset value ("NAV") of the DWS Osteuropa fund's units can no longer be calculated with the necessary accuracy and appropriateness. As a result, the issue of units (pursuant to Article 9 of the fund's Management Regulations) and the calculation of the net asset value per unit and the redemption of units of the fund pursuant to Articles 7 and 10 of the fund's Management Regulations are suspended until further notice.

This decision was made in particular to ensure the protection and equal treatment of all investors, as there was insufficient market liquidity as well as valuation certainty from the date of the decisions described above until the date of this report.

All issuance requests received after the order acceptance deadline on February 25, 2022, have been rejected in order to protect investors from disadvantages due to the current market situation. All redemption requests received by the order acceptance deadline of February 25, 2022, were executed and all redemption requests received after the order acceptance deadline of February 25, 2022, were rejected.

The suspension is reviewed at regular intervals. The Management Company will publish all information about the decision to terminate the suspension on the website [www.dws.com](http://www.dws.com).

Following the suspension of the issuance of units, the calculation of the NAV per unit and the redemption of units of the DWS Osteuropa fund, the Management Company DWS Investment S.A. has decided to reduce the fund's all-in fee as follows:

<b>Name</b>	<b>ISIN</b>	<b>All-in fee (old)</b>	<b>All-in fee (new)</b>
DWS Osteuropa	LU0062756647	1.7%	0.85%

The decision will apply retroactively from March 1, 2022, and until further notice.



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**To the unitholders of  
DWS Osteuropa  
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## **REPORT OF THE "REVISEUR D'ENTREPRISES AGREE"**

### **Report on the audit of the annual accounts**

#### **Opinion**

We have audited the accompanying financial statements of DWS Osteuropa ("the fund"), which comprise the statement of net assets, the statement of investments in the securities portfolio and other net assets as of December 31, 2022, the statement of income and expenses and the statement of changes in net assets for the fiscal year then ended, as well as a summary of significant accounting policies.

In our opinion, the attached financial statements give a true and fair view of the financial position of DWS Osteuropa as of December 31, 2022, and of the results of its operations and changes in its net assets for the fiscal year then ended in accordance with Luxembourg legal and regulatory requirements relating to the preparation and presentation of financial statements.

#### **Basis for the audit opinion**

We conducted our audit in compliance with the Law concerning the audit profession ("Law of July 23, 2016") and in accordance with International Standards on Auditing ("ISA") as adopted by the Commission de Surveillance du Secteur Financier ("CSSF") for Luxembourg. Our responsibility under the law of July 23, 2016, and the ISA standards as adopted in Luxembourg by the CSSF is further described in the section "Responsibility of the Réviseur d'Entreprises agréé for the audit of the financial statements". We are also independent of the fund in compliance with the "International Code of Ethics for Professional Accountants, including International Independence Standards", issued by the "International Ethics Standards Board for Accountants" ("IESBA Code") and adopted by the CSSF for Luxembourg together with the ethical standards that we must comply with when performing audits and have met all other professional standards in compliance with these ethical standards. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Material uncertainty about the continued existence of the fund**

Against the backdrop of the conflict between Russia and Ukraine, local capital markets are limited in their ability to function. Due to the extensive sanctions against Russia, an appropriate valuation of various securities of issuers domiciled in or with a business focus in Russia, which is characterized by active stock exchange trading, cannot be guaranteed at present, as foreign investors currently have no access to the relevant capital markets.

In this regard, please refer to the disclosures in the notes on page 10 of the fund's Annual Report on Valuation and Disclosure of Securities and Other Assets as of December 31, 2022, which explain that these events or conditions, together with other matters set forth on page 12, indicate that a material uncertainty exists that may cast significant doubt about the fund's ability to continue as a going concern. Our audit opinion has not been modified in relation to this point.

### **Other information**

The Management Board of the Management Company is responsible for the other information. The other information comprises the information that is contained in the annual report but excluding the annual financial statements and our Report of the "réviseur d'entreprises agréé" on these annual financial statements.

Our audit opinion on the annual accounts does not cover the other information and we do not provide assurances of any kind in relation to this information.

In connection with the audit of the annual accounts, it is our responsibility to read the other information and to assess whether there is a material discrepancy between this information and the annual accounts or the findings obtained during the audit or also whether the other information appears to be materially misrepresented in some other way. If, based on the work that we carry out, we draw the conclusion that the other information contains material misstatements, we are obliged to report this matter. We have nothing to report in this regard.

### **Responsibility of the Management Board of the Management Company and of those in charge of monitoring for the annual financial statements**

The Management Board of the Management Company is responsible for the preparation and proper overall presentation of the annual financial statements in compliance with Luxembourg legal and regulatory requirements relating to the preparation and presentation of annual financial statements and for the internal controls that the Management Board considers necessary to enable the annual financial statements to be prepared such that they are free from material, intentional or unintentional, misstatement.

When preparing the annual financial statements, the Management Board of the Management Company is responsible for assessing the fund's capability of continuing the business activity and, where relevant, for furnishing particulars in relation to the continuation of the business activity and for using the assumption of the company operating as a going concern as an accounting principle, unless the Management Board of the Management Company intends to liquidate the fund, to cease business activities or no longer has any other realistic alternative than to take such action.

Those in charge of monitoring are responsible for monitoring the process of preparing the annual accounts.

## **Responsibility of the réviseur d'entreprises agréé for the audit of the annual financial statements**

The objective of our audit is to obtain reasonable assurance as to whether the annual financial statements as a whole are free from material – intentional or unintentional – misstatement, and to issue a corresponding report of the “réviseur d'entreprises agréé” that contains our audit opinion. Reasonable assurance corresponds to a high degree of certainty but is not a guarantee that an audit in compliance with the Law of July 23, 2016, and in accordance with the ISAs adopted by the CSSF for Luxembourg always finds a material misstatement, if present. Misstatements can result either from inaccuracies or infringements and are considered to be material if it can be reasonably assumed that these, either individually or as a whole, influence the business decisions of addressees taken on the basis of these annual financial statements.

When performing an audit in compliance with the Law of July 23, 2016, and in accordance with the ISAs adopted by the CSSF for Luxembourg, we exercise our professional judgment and adopt a critical approach.

Furthermore:

- We identify and assess the risk of material misstatement in the annual financial statements as a result of inaccuracies or infringements, we plan and conduct audit procedures in response to these risks and obtain audit evidence that is sufficient and appropriate to serve as a basis for the audit opinion. The risk of material misstatements not being discovered is higher for infringements than for inaccuracies, as infringements may entail fraudulent collaboration, forgery, intentional incompleteness, misleading information or the by-passing of internal controls.
- We gain an understanding of the internal control system of relevance to the audit in order to plan audit procedures that are appropriate in the given circumstances, but not, however, with the objective of issuing an audit opinion on the effectiveness of the fund's internal control system.
- We assess the appropriateness of the accounting methods applied by the Management Board of the Management Company, of the accounting-related estimates and of the corresponding explanatory notes.
- We draw conclusions based on the adequacy of the application of the accounting principle of the continuation of the business activity by the Management Board of the Management Company as well as on the basis of the audit evidence obtained as to whether a material uncertainty exists in connection with events or circumstances that could cast significant doubt on the ability of the fund to continue the business activity. If we come to the conclusion that a material uncertainty exists, we are obliged to point out the associated explanatory information provided in the annual accounts in the report of the “Réviseur d'Entreprises agréé” or, if the information is inadequate, to modify the audit opinion. These conclusions are based on the audit evidence obtained up to the date of the report of the “Réviseur d'Entreprises agréé”. Future events or circumstances may, however, lead to the fund no longer being able to continue its business activity.
- We assess the overall presentation, the structure and the content of the annual accounts, including the explanatory notes, and assess whether these appropriately present the underlying business transactions and events.



We communicate the planned scope of the audit and time frame as well as the most significant audit findings, including material weaknesses in the internal control system that we identify in performing the audit, to those in charge of monitoring.

Luxembourg, June 16, 2023

KPMG Audit S.à r.l.  
Cabinet de révision agréé

Pia Schanz

# Supplementary information

# Remuneration disclosure

DWS Investment S.A. (the "Company") is a subsidiary in DWS Group GmbH & Co. KGaA ("DWS KGaA"), and is subject to the regulatory requirements of the Fifth Directive on Undertakings for Collective Investment in Transferable Securities ("UCITS V Directive") and the Alternative Investment Fund Management Directive ("AIFM Directive") as well as the European Securities and Markets Authority's Guidelines on Sound Remuneration Policies ("ESMA Guidelines") with regard to the design of its remuneration system.

## Remuneration Policy & Governance

The Company is governed by the Group-wide Compensation Policy that DWS KGaA has adopted for itself and all of its subsidiaries ("DWS Group" or only "Group").

In line with the Group structure, committees have been set up to ensure the appropriateness of the compensation system and compliance with regulatory requirements on compensation and are responsible for reviewing it.

As such the DWS Compensation Committee was tasked by the DWS KGaA Executive Board with developing and designing sustainable compensation principles, making recommendations on overall compensation and ensuring appropriate governance and oversight with regard to compensation and benefits for the Group.

Furthermore, the Remuneration Committee was established to support the Supervisory Board of DWS KGaA in monitoring the appropriate structure of the remuneration systems for all Group employees. This is done by testing the consistency of the remuneration strategy with the business and risk strategy and taking into account the effects of the remuneration system on the group-wide risk, capital and liquidity management.

The internal annual review at DWS Group level concluded the design of the remuneration system to be appropriate and no significant irregularities were recognized.

## Compensation structure

Employee compensation consists of fixed and variable compensation.

Fixed compensation remunerates employees for their skills, experience and competencies, commensurate with the requirements, size and scope of their role.

Variable compensation takes into account performance at group, divisional and individual level. Variable compensation generally consists of two elements – the "Franchise Component" and the "Individual Component".

The Franchise Component is determined based upon the performance of three Key Performance Indicators (KPIs) at DWS Group level. For the performance year 2022 these were: Adjusted Cost Income Ratio ("CIR"), Net Flows and ESG metrics.

The individual component of variable compensation takes into account a number of financial and non-financial factors, relativities within the peer group, and retention considerations. Variable compensation can be reduced accordingly or cancelled completely in the event of negative performance contributions or misconduct. In principle, it is only granted and paid out if the granting is affordable for the Group. Guaranteed variable compensation is not normally granted to employees. On an exceptional basis, guaranteed variable compensation can be granted to new hires but only during their first year of employment.

The compensation strategy is designed to achieve an appropriate balance between fixed and variable compensation. This helps to align employee compensation with the interests of customers, investors and shareholders, as well as to industry standards. At the same time, it ensures that fixed compensation represents a sufficiently high proportion of total compensation to allow the Group full flexibility in granting variable compensation.

## Determination of variable compensation and appropriate risk-adjustment

The total amount of variable compensation is subject to appropriate risk-adjustment measures which include ex-ante and ex-post risk adjustments. The robust methodology is designed to ensure that the determination of variable compensation reflects Group's risk-adjusted performance as well as the capital and liquidity position.

A number of considerations are used in assessing the performance of the business units. Performance is assessed in the context of financial and non-financial targets based on balanced scorecards. The allocation of variable compensation to the infrastructure areas and in particular to the control functions depends on the overall results of the Group, but not on the results of the business areas they oversee.

Principles for determining variable compensation apply at individual employee level which detail the factors and metrics that must be taken into account when making IVC decisions. These include, for instance, investment performance, client retention, culture considerations, and objective setting and performance assessment based on the "Total Performance" approach. Furthermore, any control function inputs and disciplinary sanctions and their impact on the VC have to be considered as well.

## Sustainable Compensation

Sustainability and sustainability risks are an essential part that determine the variable compensation. Therefore, the remuneration policy is fully in line and consistent with sustainability risks. Hence, DWS Group incentivises behaviour that benefits both interest of clients and the long-term performance of the firm. Relevant sustainability factors are reviewed on a regular basis and incorporated in the design of the compensation system.

## Compensation for 2022

The DWS Compensation Committee has monitored the affordability of VC for 2022 and determined that the Group's capital and liquidity levels remain above regulatory minimum requirements, and internal risk appetite threshold.

As part of the overall 2022 variable compensation granted in March 2023, the Franchise Component is awarded to eligible employees in line with the assessment of the defined KPIs. The Executive Board recognizing the considerable contribution of employees and determined a target achievement rate of 76.25% for 2022.

## Identification of Material Risk Takers

In accordance with the regulatory requirements, the Company has identified Material Risk Takers. The identification process was carried out in accordance with the Group's policies and is based on an assessment of the impact of the following categories of staff on the risk profile of the Company or on a fund it manages: (a) Board Members/Senior Management, (b) Portfolio/Investment managers, (c) Control Functions, (d) Staff heading Administration, Marketing and Human Resources, (e) other individuals (Risk Takers) in a significant position of influence, (f) other employees in the same remuneration bracket as other Risk Takers, whose roles have an impact on the risk profile of the Company or the Group. At least 40% of the VC for Material Risk Takers is deferred. Additionally, at least 50% of both, the upfront and the deferred proportion, are granted in the Group share-based instruments or fund-linked instruments for Key Investment Professionals. All deferred components are subject to a number of performance conditions and forfeiture provisions which ensure an appropriate ex-post risk adjustment. In case the VC is lower than EUR 50,000, the Material Risk Takers receive their entire variable compensation in cash without any deferral.

## Aggregate Compensation Information for the Company for 2022<sup>1</sup>

Number of employees on an annual average	152
Total Compensation <sup>2</sup>	EUR 21,279,765
Fixed Pay	EUR 18,301,194
Variable Compensation	EUR 2,978,570
Thereof: Carried Interest	EUR 0
Total Compensation for Senior Management <sup>3</sup>	EUR 1,454,400
Total Compensation for other Material Risk Takers <sup>4</sup>	EUR 0
Total Compensation for Control Function employees	EUR 1,248,758

<sup>1</sup> In cases where portfolio or risk management activities have been delegated by the Company, the compensation data for delegates are not included in the table.

<sup>2</sup> Considering various elements of remuneration as defined in the ESMA Guidelines which may include monetary payments or benefits (such as cash, shares, options, pension contributions) or none (directly) monetary benefits (such as fringe benefits or special allowances for car, mobile phone, etc.).

<sup>3</sup> Senior Management refers to the members of the Management Board of the Company, only. Members of the Management Board meet the definition of managers. Apart from the members of Senior Management, no further managers have been identified.

<sup>4</sup> Identified risk takers with control functions are shown in the line "Control Function employees".

## **DWS Osteuropa**

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### **Information pursuant to Regulation (EU) 2015/2365 on transparency of securities financing transactions (SFTs) and of reuse and amending Regulation (EU) No. 648/2012 – Statement in accordance with Section A**

There were no securities financing transactions according to the above Regulation in the reporting period.

## Management Company, Central Administration Agent, Transfer Agent, Registrar and Main Distributor

DWS Investment S.A.  
2, Boulevard Konrad Adenauer  
1115 Luxembourg, Luxembourg  
Equity capital as of December 31, 2022:  
EUR 365.1 million before profit appropriation

## Supervisory Board

Claire Peel  
Chairwoman  
DWS Management GmbH,  
Frankfurt/Main

Manfred Bauer  
DWS Investment GmbH,  
Frankfurt/Main

Stefan Kreuzkamp (until December 31, 2022)  
Frankfurt/Main

Dr. Matthias Liermann  
DWS Investment GmbH,  
Frankfurt/Main

Holger Naumann  
DWS Group GmbH & Co. KGaA,  
Frankfurt/Main

Frank Rückbrodt  
Deutsche Bank Luxembourg S.A.,  
Luxembourg

## Management Board

Nathalie Bausch  
Chairwoman  
DWS Investment S.A.,  
Luxembourg

Leif Bjurström  
DWS Investment S.A.,  
Luxembourg

Dr. Stefan Junglen  
DWS Investment S.A.,  
Luxembourg

Barbara Schots  
DWS Investment S.A.,  
Luxembourg

## Auditor

KPMG Audit S.à r.l.  
39, Avenue John F. Kennedy  
1855 Luxembourg, Luxembourg

## Depository

State Street Bank International GmbH  
Luxembourg Branch  
49, Avenue John F. Kennedy  
1855 Luxembourg, Luxembourg

## Fund Manager

DWS Investment GmbH  
Mainzer Landstraße 11-17  
60329 Frankfurt/Main, Germany

## Sales, Information and Paying Agent\*

Luxembourg  
Deutsche Bank Luxembourg S.A.  
2, Boulevard Konrad Adenauer  
1115 Luxembourg, Luxembourg

\* For additional Sales and Paying Agents, please  
refer to the sales prospectus

As of: March 1, 2023

**DWS Investment S.A.**

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