



# DWS Invest II

Prospectus

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

December 30, 2025



# Additional Information for Unitholders / Shareholders in Belgium

The Sales Prospectus, key information document, articles of incorporation or management regulations, semi-annual and annual reports, issue and redemption prices are available free of charge from the Management Company and on the website of the Management Company at [www.dws.com/fundinformation](http://www.dws.com/fundinformation). In addition, the aforementioned documents are available free of charge on [www.fundinfo.com](http://www.fundinfo.com).

Other notices to investors are published on the website of the Management Company at [www.dws.com/fundinformation](http://www.dws.com/fundinformation) and, where applicable, on [www.fundinfo.com](http://www.fundinfo.com).

## Facilities in Belgium pursuant to Article 92 of Directive 2009/65/EC, as amended by Article 1(4) of Directive 2019/1160:

### Tasks

**Processing of subscription, repurchase and redemption orders and other payments to unitholders and shareholders** for units and shares of the fund in accordance with the terms and conditions set out in the Sales Prospectus, the articles of incorporation, the management regulations, the KID and the latest semi-annual and annual report:

### Information about the facilities

DWS Investment S.A.  
2, Boulevard Konrad Adenauer  
1115 Luxembourg  
Grand Duchy of Luxembourg  
[info@dws.com](mailto:info@dws.com)

**Provision of information to investors** on how to place subscription, repurchase, redemption and other payment orders and how redemption proceeds are paid out:

Deutsche Bank AG, Brussels Branch  
Investment Tribe  
Avenue Marnixlaan 13-15  
1000 Brussels  
Belgium  
Tel: +32 2-5516210

Facilitating the handling of information and access to procedures and arrangements for the handling of **investor complaints**:

DWS Investment S.A.  
2, Boulevard Konrad Adenauer  
1115 Luxembourg  
Grand Duchy of Luxembourg  
Tel: +352 4 21 01 - 1  
[dws.lu@dws.com](mailto:dws.lu@dws.com)

Free provision of sales documents, issue and redemption prices of units and other information and documents to be published in the fund's country of domicile:

Deutsche Bank AG, Brussels Branch  
Investment Tribe  
Avenue Marnixlaan 13-15  
1000 Brussels  
Belgium  
Tel: +32 2-5516210

Provision of relevant information to investors on a durable medium about the tasks performed by the facility:

DWS Investment S.A.  
2, Boulevard Konrad Adenauer  
1115 Luxembourg  
Grand Duchy of Luxembourg  
[info@dws.com](mailto:info@dws.com)

# Country Supplement

## Additional Information for Shareholders in Ireland

This Supplement contains specific information for Shareholders in Ireland investing in a sub-fund of DWS Invest II SICAV (the **Company**), an umbrella type open-ended investment company with variable capital and segregated liability between sub-funds of the Company (the **Sub-Funds**) governed by the laws of Luxembourg and authorised by the Commission de Surveillance du Secteur Financier of Luxembourg as a UCITS pursuant to the Regulations.

**This Supplement forms part of and should be read in conjunction with the general description of the Company contained in the Prospectus dated December 30, 2025 (the Prospectus).**

The Directors of the Company, whose names appear in the **Management and Administration** section of the Prospectus, accept responsibility for the information contained in the Prospectus and this Supplement. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that such is the case) such information is in accordance with the facts and does not omit anything likely to affect the import of such information. The Directors accept responsibility accordingly.

Words and expressions defined in the Prospectus shall, unless the context otherwise requires, have the same meaning when used in this Supplement.

**Dated February 1, 2025**

A UCITS which intends to market its units in the State shall make available in the State facilities to perform a number of tasks as set out in legislation.

### Facilities

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The institutions or persons listed below will provide the facilities to Irish investors.

#### Issue and Redemption of Shares, Subscription and Payment Procedure

1. Process subscriptions, repurchase and redemption orders and make other payments to unit-holders relating to the units of the UCITS:

The facilities to Shareholders shall be provided by State Street Bank International GmbH at Solmsstr. 83, Frankfurt am Main, Germany and DWS Investment S.A. (Register Funds only) at 2, Boulevard Konrad Adenauer, 1115 Luxembourg, Grand Duchy of Luxembourg.

2. Provide investors with information on how orders can be made and how repurchase and redemption proceeds are paid:

The facilities to Shareholders shall be provided by DWS Investment S.A. at 2, Boulevard Konrad Adenauer, 1115 Luxembourg, Grand Duchy of Luxembourg, +352 4 21 01-1, [dws.lu@dws.com](mailto:dws.lu@dws.com)

3. Facilitate the handling of information and access to procedures and arrangements referred to in Article 15 of Directive 2009/65/EC relating to investors' exercise of their rights arising from their investment in the UCITS in the Member State where the UCITS is marketed:

The facilities to Shareholders shall be provided by DWS Investment S.A. at 2, Boulevard Konrad Adenauer, 1115 Luxembourg, Grand Duchy of Luxembourg, [complaints.am-lu@db.com](mailto:complaints.am-lu@db.com)

4. Make the information and documents required pursuant to Chapter IX of Directive 2009/65/EC available to investors in the English language to be inspected free of charge and copies to be obtained free of charge:

- (i) the current Prospectus, supplements or key investor information document, as applicable, and any addenda or amendments thereto of the Company;
- (ii) the annual and half-yearly reports of the Company most recently prepared and published; and
- (iii) any other documents required to be made available in accordance with applicable laws and regulations of Ireland:

The facilities to Shareholders shall be provided by DWS Investment S.A. at  
2, Boulevard Konrad Adenauer, 1115 Luxembourg, Grand Duchy of Luxembourg,  
+352 4 21 01-1, [dws.lu@dws.com](mailto:dws.lu@dws.com)

5. Provide investors with information relevant to the tasks that the facilities perform in a durable medium:

The facilities to Shareholders shall be provided by DWS Investment S.A. at  
2, Boulevard Konrad Adenauer, 1115 Luxembourg, Grand Duchy of Luxembourg,  
+352 4 21 01-1, [dws.lu@dws.com](mailto:dws.lu@dws.com)

6. Act as a contact point for communicating with the competent authorities:

The facilities to Shareholders shall be provided by DWS Investment GmbH at  
Mainzer Landstraße 11-17, 60329 Frankfurt am Main, Germany, [ldm.mutualfunds@db.com](mailto:ldm.mutualfunds@db.com)

## Marketing in Ireland

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It is the current intention of the Company to market its shares to institutional clients such as asset managers, private banks, family offices, stockbrokers, wealth managers and advisers. At present, it is not intended to market directly to retail investors, however retail investors may invest through their brokers or wealth advisers.

## Publications

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The Company may arrange for the publication of the Net Asset Value per Share on the following website:  
[www.dws.com](http://www.dws.com)

## Irish Taxation

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The following information is based on the law in force in Ireland as of the date of this Supplement. This summary deals only with Shares held as capital assets by Irish resident Shareholders and does not address special classes of Shareholders such as dealers in securities or persons that may be exempt from tax such as Irish pension funds and charities. This summary is not exhaustive and Shareholders are advised to consult their own tax advisors with respect to the taxation consequences of the ownership or disposition of Shares.

## The Company

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It is the intention of the Directors to conduct the affairs of the Company so that it is neither resident in Ireland for tax purposes nor carrying on a trade in Ireland through a branch or agency. Accordingly, the Company should not be subject to Irish corporation tax.

## Irish Shareholders

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### (a) Tax generally

Shares in the Company are likely to constitute a “material interest” in an offshore fund for the purposes of Chapter 4 of Part 27 of the Taxes Consolidation Act 1997.

### (b) Reporting of acquisition

An Irish resident or ordinarily resident person acquiring Shares in the Company is required to disclose details of the acquisition in his annual tax return. Where an intermediary in the course of carrying on a business in Ireland acquires Shares in the Company it must report details of the acquisition to the Irish Revenue Commissioners.

### (c) Income and capital gains

An Irish resident corporate Shareholder will be liable to corporation tax at 25% on income distributions received from the Company except where the corporate Shareholder holds the Shares as part its trading activities in which case the rate of corporation tax applicable will be that applicable to trading income.

An Irish resident corporate Shareholder which disposes of Shares in the Company will be liable for corporation tax at a rate of 25% on the amount of any gain arising except where the corporate Shareholder holds the Shares as part its trading activities in which case the rate of corporation tax applicable will be that applicable to trading income. It should be noted that no indexation allowance is available in respect of the gain.

Where an Irish resident or ordinarily resident person who is not a company holds Shares in the Company and receives an income distribution from the Company, that Shareholder will be liable to Irish tax at 41%, on the amount of such distribution.

Where an Irish resident or ordinarily resident person who is not a company disposes of a Share, a liability to Irish tax at the 41% will arise on the amount of the gain. No indexation allowance is available and the death of a Shareholder would constitute a deemed disposal of a Share.

There is a deemed disposal and reacquisition at market value for the purposes of Irish tax of Shares held by an Irish resident or ordinarily resident investor on a rolling eight year basis where the Shares are acquired on or after January 1, 2001. This deemed disposal takes place at market value so that Irish resident or ordinarily resident Shareholders will be subject to tax at the rate of 41% for individuals or 25% for a corporate Shareholder on the increase in value of their Shares at eight year intervals commencing on the 8<sup>th</sup> anniversary of the date of acquisition of the Shares.

To the extent that any tax arises on such a deemed disposal such tax will be taken into account to ensure that any tax payable on the subsequent encashment, redemption, cancellation or transfer of the relevant Shares does not exceed the tax that would have arisen had the deemed disposal not occurred.

## Anti-avoidance provision

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There is an anti-avoidance provision imposing higher rates of tax on Irish resident investors in “personal portfolio investment undertakings” (**PPIU**). A PPIU is a fund in which the investor, or a person connected with the investor, has a right under the terms of the fund or any other agreement, to influence the selection of the assets of the fund. If a fund is treated as a PPIU the Irish resident investor can suffer tax at rates of up to 60% on amounts received from the fund where an income tax return has been filed (or 80% where no income tax return is filed), or on the rolling eight year deemed disposal.

Specific exemptions apply where the ability to select the property invested in has been clearly identified in the offshore fund’s marketing and promotional literature and the investment is widely marketed to the public.

## Withholding obligation on paying agents

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If any dividend is paid through an encashment agent established in Ireland such an agent would be obliged to deduct tax from such dividend at the rate of 25% and account for this to the Revenue Commissioners. The recipient of the dividend would be entitled to claim a credit for the sum deducted by the paying agent against his tax liability for the relevant year.

## Stamp duty

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Transfers for cash of Shares in the Company will not be subject to Irish stamp duty.

## Gift and inheritance tax

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A gift or inheritance of Shares in the Company received from a person who is resident or ordinarily resident in Ireland or received by such a person will be within the charge to Irish capital acquisitions tax. Capital acquisitions tax is charged at a rate of 33% above a tax free threshold which is determined by the amount of the benefit and of previous benefits within the charge to capital acquisitions tax, and the relationship between the person treated as disposing of such shares and the successor or donee. Tax chargeable on a gain arising on a deemed disposal by an individual on their death shall be treated as an amount paid in respect of capital gains tax for the purposes of crediting such amount paid against gift or inheritance tax arising on such death.

## Transfers between Sub-Funds

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The Directors have been advised that in the Republic of Ireland the exchange of Shares in one Sub-Fund for shares in another Sub-Fund of an umbrella scheme will not in itself constitute a disposal of such Shares and will not give rise to a charge to tax.

## FATCA/CRS

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To the extent that the Company may be a financial institution for the purposes of FATCA and/or CRS it may require shareholders to provide information to the Company to comply with its obligations under those automatic exchange of information regimes. (Further information on FATCA and CRS can be found in the Prospectus.)

# Additional Information for Unitholders / Shareholders in Italy

The Sales Prospectus, key information document, articles of incorporation or management regulations, semi-annual and annual reports, issue and redemption prices are available free of charge from the Management Company and on the website of the Management Company at [www.dws.com/fundinformation](http://www.dws.com/fundinformation). In addition, the aforementioned documents are available free of charge on [www.fundinfo.com](http://www.fundinfo.com).

Other notices to investors are published on the website of the Management Company at [www.dws.com/fundinformation](http://www.dws.com/fundinformation) and, where applicable, on [www.fundinfo.com](http://www.fundinfo.com).

## Facilities in Italy pursuant to Article 92 of Directive 2009/65/EC, as amended by Article 1(4) of Directive 2019/1160:

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### Tasks

**Processing of subscription, repurchase and redemption orders and other payments to unitholders and shareholders** for units and shares of the fund in accordance with the terms and conditions set out in the Sales Prospectus, the articles of incorporation, the management regulations, the KID and the latest semi-annual and annual report:

### Information about the facilities

DWS Investment S.A.  
2, Boulevard Konrad Adenauer  
1115 Luxembourg  
Grand Duchy of Luxembourg  
[info@dws.com](mailto:info@dws.com)

**Provision of information to investors** on how to place subscription, repurchase, redemption and other payment orders and how redemption proceeds are paid out:

Allfunds Bank S.A.U. Milan Branch  
Via Bocchetto, 6  
20123 Milano  
Italy  
[milan.staticdata.ita@allfunds.com](mailto:milan.staticdata.ita@allfunds.com)  
[productservicesitaly@allfundsbank.com](mailto:productservicesitaly@allfundsbank.com)

CACEIS Bank, Italy Branch  
Piazza Cavour, 2  
20121 Milan  
Italy  
[Milan.LPA.Customer@caceis.com](mailto:Milan.LPA.Customer@caceis.com)

Banca Monte dei Paschi di Siena  
Piazza Salimbeni, 3  
Siena  
Italy  
[gestione.bancacorrispondente@mps.it](mailto:gestione.bancacorrispondente@mps.it)

SGSS S.p.A.  
Via Benigno Crespi, 19A  
Milan MAC2  
Italy  
[fundservice@socgen.com](mailto:fundservice@socgen.com)

State Street Bank S.p.A.  
Via Ferrante Aporti, 10  
20125 Milan  
Italy  
[LPA\\_SSBITALY\\_TA@statestreet.com](mailto:LPA_SSBITALY_TA@statestreet.com)  
[ssbmilan.BancaCorrispondente@statestreet.com](mailto:ssbmilan.BancaCorrispondente@statestreet.com)

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Facilitating the handling of information and access to procedures and arrangements for the handling of **investor complaints**:

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dws.lu@dws.com

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Provision of relevant information to investors on a durable medium about the tasks performed by the facility:

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# Additional Information for Unitholders / Shareholders in the Netherlands

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Other notices to investors are published on the website of the Management Company at [www.dws.com/fundinformation](http://www.dws.com/fundinformation) and, where applicable, on [www.fundinfo.com](http://www.fundinfo.com).

Facilities in the Netherlands pursuant to Article 92 of Directive 2009/65/EC, as amended by Article 1(4) of Directive 2019/1160:

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## Tasks

## Information about the facilities

**Processing of subscription, repurchase and redemption orders and other payments to unitholders and shareholders** for units and shares of the fund in accordance with the terms and conditions set out in the Sales Prospectus, the articles of incorporation, the management regulations, the KID and the latest semi-annual and annual report:

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**Provision of information to investors** on how to place subscription, repurchase, redemption and other payment orders and how redemption proceeds are paid out:

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[dws.lu@dws.com](mailto:dws.lu@dws.com)

Free provision of sales documents, issue and redemption prices of units and other information and documents to be published in the fund's country of domicile:

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[info@dws.com](mailto:info@dws.com)

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[info@dws.com](mailto:info@dws.com)

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# Additional Information for Unitholders / Shareholders in Portugal

The Sales Prospectus, key information document, articles of incorporation or management regulations, semi-annual and annual reports, issue and redemption prices are available free of charge from the Management Company and on the website of the Management Company at [www.dws.com/fundinformation](http://www.dws.com/fundinformation). In addition, the aforementioned documents are available free of charge on [www.fundinfo.com](http://www.fundinfo.com).

Other notices to investors are published on the website of the Management Company at [www.dws.com/fundinformation](http://www.dws.com/fundinformation) and, where applicable, on [www.fundinfo.com](http://www.fundinfo.com).

## Facilities in Portugal pursuant to Article 92 of Directive 2009/65/EC, as amended by Article 1(4) of Directive 2019/1160:

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### Tasks

### Information about the facilities

**Processing of subscription, repurchase and redemption orders and other payments to unitholders and shareholders** for units and shares of the fund in accordance with the terms and conditions set out in the Sales Prospectus, the articles of incorporation, the management regulations, the KID and the latest semi-annual and annual report:

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# Additional Information for Unitholders / Shareholders in Spain

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Other notices to investors are published on the website of the Management Company at [www.dws.com/fundinformation](http://www.dws.com/fundinformation) and, where applicable, on [www.fundinfo.com](http://www.fundinfo.com).

## Facilities in Spain pursuant to Article 92 of Directive 2009/65/EC, as amended by Article 1(4) of Directive 2019/1160:

### Tasks

### Information about the facilities

**Processing of subscription, repurchase and redemption orders and other payments to unitholders and shareholders** for units and shares of the fund in accordance with the terms and conditions set out in the Sales Prospectus, the articles of incorporation, the management regulations, the KID and the latest semi-annual and annual report:

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[info@dws.com](mailto:info@dws.com)

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Tel: +352 4 21 01 - 1  
[dws.lu@dws.com](mailto:dws.lu@dws.com)

Free provision of sales documents, issue and redemption prices of units and other information and documents to be published in the fund's country of domicile:

DWS Investment S.A.  
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# A. Prospectus – General Section

## 1. General

### 1.1 Glossary

<b>Articles of Incorporation</b>	The articles of incorporation of the Fund, as amended.
<b>Benchmark Regulation</b>	Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 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, as amended.
<b>Board of Directors</b>	The board of directors of the Fund, whose members are further identified in section 1.4 “Organization of the Fund”.
<b>Bank Business Day</b>	A bank business day is any day on which banks are open for business and payments are processed.
<b>Share Class</b>	A class of shares of a Sub-Fund created by the Fund having a specific distribution policy, sales and redemption mechanism, fee structure, holding requirements, currency and hedging policy or other specific characteristics.
<b>CoCos</b>	Contingent convertible bonds.
<b>CRD IV</b>	Directive 2013/36/EU of the European Parliament and of the Council of June 26, 2013, on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms, amending Directive 2002/87/EC and repealing Directives 2006/48/EC and 2006/49/EC (Capital Requirements Directive IV), as amended.
<b>CRR</b>	Regulation (EU) No 575/2013 of the European Parliament and of the Council of June 26, 2013, on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No 646/2012 (Capital Requirements Regulation), as amended.
<b>CRS Law</b>	Law of December 18, 2015, on the obligation to automatically exchange information in tax matters, as amended.
<b>CSSF</b>	Commission de Surveillance du Secteur Financier, the Grand Duchy of Luxembourg supervisory authority of the financial sector.
<b>CSSF Circular 08/356</b>	CSSF Circular 08/356 of June 4, 2008, determining the rules applicable to undertakings for collective investment when they employ certain techniques and instruments relating to transferable securities and money market instruments, as amended.
<b>CSSF Circular 11/512</b>	CSSF Circular 11/512 of May 30, 2011, determining the presentation of the main regulatory changes in risk management following the publication of CSSF Regulation 10-04 and ESMA clarifications, further clarifications from the CSSF on risk management rules and the definition of the content and format of the risk management process to be communicated to the CSSF, as amended.
<b>CSSF Circular 14/592</b>	CSSF Circular 14/592 of September 30, 2014, on the guidelines of the ESMA on exchange traded funds (ETFs) and other UCITS issues, as amended.
<b>CSSF Regulation 10-04</b>	CSSF Regulation 10-04 of December 20, 2010, transposing Commission Directive 2010/43/EU of July 1, 2010, implementing Directive 2009/65/EC of the European Parliament and of the Council as regards organizational requirements, conflicts of interest, conduct of business, risk management and content of the agreement between a depositary and a management company, as amended.
<b>Cut-Off</b>	The day and time by which subscription, redemption or conversion orders must be received, as defined in the Special Section of the Prospectus.
<b>Depositary</b>	The depositary bank appointed by the Fund in accordance with the provisions of the Law of 2010 and the depositary agreement, as identified in section 1.4 “Organisation of the Fund”.
<b>Main Distributor</b>	The Management Company acts as main distributor of the shares of the Fund.
<b>ESMA</b>	The European Securities and Markets Authority, an independent EU Authority that contributes to safeguarding the stability of the European Union’s financial system by enhancing the protection of investors and promoting stable and orderly financial markets.
<b>ESMA/2014/944</b>	Statement issued by the European Securities and Markets Authority of July 31, 2014, on “Potential Risks Associated with Investing in Contingent Convertible Instruments”.
<b>EU Law</b>	European Union Law, including without limitation EU Treaties, EU Directives, EU Regulations, delegated acts, implementing acts and case law of the Court of Justice of the European Union (CJEU) and any other legal instrument creating EU Law.
<b>Exchange Trading Day</b>	Exchange trading day means any day on which the relevant stock exchange, as specified in the Special Section of the Prospectus, is open for trading and on which normal trading activities take place.

<b>FATCA</b>	The provisions of the United States Hiring Incentives to Restore Employment (HIRE) Act of 18 March 2010, commonly referred to as the Foreign Account Tax Compliance Act.
<b>Fund</b>	Designation of the fund named on the cover page qualifying as société d'investissement à capital variable, an investment company with variable capital subject to Part I of the Law of 2010 which has adopted the legal corporate form of a société anonyme governed by the Law of 10 August 1915 on commercial companies.
<b>General Section of the Prospectus</b>	Means the general section of the Prospectus outlining the general UCITS framework, investment restrictions, risk factors, governance structure and other specifics applicable to the Fund and its Sub-Funds.
<b>Grand-Ducal Regulation of February 8, 2008</b>	Grand-Ducal Regulation of February 8, 2008, relating to certain definitions of the amended Law of December 20, 2002, on collective investment undertakings superseded by the Law of 2010, as amended.
<b>Investment Advisor</b>	The investment advisor appointed by the Management Company and/or the Fund Manager, as the case may be, with the consent of the Fund in accordance with the provisions of the Law of 2010 and the investment advisory agreement, as defined in the Special Section of the Prospectus, as the case may be.
<b>KID</b>	Key Information Document (pursuant to Regulation (EU) 1286/2014 on key information documents for PRIIPs) or Key Investor Information Document (pursuant to Commission Regulation (EU) 583/2010 (for example for Share Classes distributed into the United Kingdom)), providing information on each Share Class of a Sub-Fund.
<b>Law of 2010</b>	The Luxembourg law of 17 December 2010 relating to undertakings for collective investment, as amended.
<b>Law of 2019</b>	Law of January 13, 2019, establishing a register of beneficial owners and 1. transposing Article 30 of Directive (EU) 2015/849 of the European Parliament and of the Council of May 20, 2015, on the prevention of the use of the financial system for the purposes of money laundering or terrorist financing, amending Regulation (EU) No 648/2012 of the European Parliament and of the Council, and repealing Directive 2005/60/EC of the European Parliament and of the Council and Commission Directive 2006/70/EC; and 2. amending the amended Law of December 19, 2002, on the trade and companies register as well as on company accounting and annual accounts, as amended.
<b>Management Company</b>	The management company appointed by the Fund in accordance with the provisions of the Law of 2010 and the management company agreement, as identified in section 1.4 "Organization of the Fund".
<b>Member State</b>	A state that is a contracting party to the treaty creating the European Union. The states that are contracting parties to the treaty creating the European Economic Area, other than the member states of the European Union, within the limits set forth by such agreement and related acts, are considered as equivalent to member states of the European Union.
<b>MIFID II Directive</b>	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, as amended.
<b>NAV</b>	Net asset Value, in relation to any Share Class in a Sub-Fund, is the value of the net assets of that Sub-Fund attributable to that Share Class and calculated in accordance with the provisions described in section 7 "Calculation and publication of the NAV".
<b>OECD</b>	Organisation for Economic Co-operation and Development.
<b>OTC</b>	Over-The-Counter, which refers to the process of how securities are traded via a broker-dealer network as opposed to on a centralised exchange.
<b>Prospectus</b>	This prospectus including all appendices and supplements, as may be amended.
<b>RCS</b>	Registre de Commerce et des Sociétés, the Grand Duchy of Luxembourg trade and company register.
<b>RESA</b>	The Recueil Electronique des Sociétés et Associations, the Grand Duchy of Luxembourg Electronic Compendium of Companies and Associations.
<b>Register of Shareholders</b>	An investment company with variable capital shall keep a register of shareholders. This register contains the name of each shareholder, their residence or registered office, the number of shares held and, where applicable, the class of such shares.
<b>SFDR</b>	Regulation (EU) 2019/2088 of the European Parliament of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector, as amended.
<b>SFTR</b>	Regulation (EU) 2015/2365 of the European Parliament and of the Council of 25 November 2015 on transparency of securities financing transactions and of reuse and amending Regulation (EU) No 648/2012, as amended.
<b>Share(s)</b>	The share(s) issued by the Fund from time to time within a specific Sub-Fund or within a Share Class relating to a Sub-Fund.
<b>Shareholder(s)</b>	A person who is the holder of shares of the Fund.

<b>Special Section of the Prospectus</b>	The supplement(s) to this Prospectus with Sub-Fund specific information for each Sub-Fund, which form an integral part of this Prospectus.
<b>Sub-Fund(s)</b>	One or several of the sub-funds of the Fund.
<b>Sub-Fund Manager(s)</b>	The Sub-Fund Manager is appointed by the Management Company with the consent of the Fund, in accordance with the provisions of the Law of 2010 and the investment management agreement. For each Sub-Fund, the Management Company delegates the investment management function to DWS Investment GmbH, which may (i) perform the investment management itself, (ii) further delegate it to one or more Sub-Fund Managers, or (iii) jointly perform the investment management function together with an additional Sub-Fund Manager. The Sub-Fund Manager(s) appointed for each Sub-Fund are disclosed in Special Section of the Prospectus.
<b>Third Country</b>	Means a state other than a Member State.
<b>Other UCI</b>	Undertaking for Collective Investment other than UCITS, i.e. not covered by Part I of the Law of 2010.
<b>UCI Administrator</b>	The entity, as identified in section 1.4 "Organisation of the Fund", performing the activity of UCI administration. This activity may cover one, two or all of three function(s) of the UCI administration function as further described in section 2.5 "UCI administration".
<b>UCITS</b>	Undertaking for Collective Investment in Transferable Securities in accordance with Part I of the Law of 17 December 2010 relating to collective investment or the UCITS Directive.
<b>UCITS Directive</b>	Directive 2009/65/EC of the European Parliament and of the Council of 13 July 2009 on the coordination of laws, regulations and administrative provisions relating to UCITS, as amended.
<b>UCITS Regulation</b>	Commission Delegated Regulation (EU) 2016/438 of December 17, 2015, supplementing the UCITS Directive with regard to obligations of depositaries, as amended.
<b>Valuation Date</b>	Each Bank Business Day as of which a Sub-Fund's assets and liabilities are valued as further described in section 7.1 "Calculation of the NAV".
<b>VaR</b>	Value-at-Risk, a method of calculation of global exposure approach as detailed in applicable laws and regulations including but not limited to Circular CSSF 11/512, as amended, and further described in section 4.4 "Global exposure approach".

## 1.2 Preface

DWS Invest II is authorised in the Grand Duchy of Luxembourg as a UCITS under Part I of the Law of 2010 and qualifies as a UCITS for the purpose of the UCITS Directive and the UCITS Regulation. The Fund is structured as an umbrella investment fund with a view to providing investors with one or more Sub-Funds invested in specific assets, as further detailed in the Special Section of the Prospectus. The Fund has appointed DWS Investment S.A. as its management company, as further detailed in section 1.4 "Organisation of the Fund".

### Prospectus and other Fund documents

This Prospectus is valid only if accompanied by the latest KID, the latest annual report, and also the latest semi-annual report if this was published after the latest annual report. These documents shall be deemed to form part of this Prospectus. Prospective investors shall be provided with the latest version of the KID in good time before their proposed subscription for shares. Depending on applicable legal and regulatory requirements (including but not limited to MIFID II) in the countries of distribution, additional information on the Fund, the Sub-Funds and the shares may be made available to investors under the responsibility of local intermediaries/distributors.

This Prospectus has been prepared solely for, and is being made available to, investors for the

purposes of evaluating an investment in shares. Investors should only consider investing in the Fund if they understand the risks involved including the risk of losing all capital invested. Potential investors should thus read and consider the risk factors in section 4 "Risk management systems and risk factors", before investing in the Fund, and also inform themselves as to the possible tax consequences, the legal requirements and any foreign exchange restrictions or exchange control requirements which they might encounter under the laws of the countries of their citizenship, residence or domicile and which might be relevant to the subscription, holding, conversion, redemption or disposal of shares. Further tax considerations are set out in section 9 "Tax considerations".

This Prospectus does not constitute an offer or solicitation to subscribe for shares by anyone in any jurisdiction in which such offer or solicitation is not lawful or in which the person making such offer or solicitation is not qualified to do so or to anyone to whom it is unlawful to make such offer or solicitation. It is thus the responsibility of any persons in possession of this Prospectus and any persons wishing to apply for subscription for shares pursuant to this Prospectus to inform themselves of and to observe all applicable laws and regulations of any relevant jurisdiction. Further selling restrictions considerations are set out below.

All the statements made in this Prospectus are based on the law and regulatory practice currently in force in the Grand Duchy of Luxembourg and are subject to changes in such law and regulatory practice. For the avoidance of doubt, the authorisation and qualification of the Fund as UCITS does not imply any positive appraisal by the CSSF and any other Luxembourg authority of the contents of this Prospectus or the portfolio of assets held by the Sub-Fund(s). Any representation to the contrary is unauthorised and unlawful.

Prospective investors who are in any doubt about the contents of this Prospectus should consult their bank, broker, tax or legal advisor, accountant or other professional financial advisor.

This Prospectus has been prepared in English but may be translated into other languages. To the extent that there is any inconsistency between the Prospectus in English version and a version in another language, the Prospectus in English version shall prevail, unless stipulated otherwise by the laws of any jurisdiction in which the shares are sold.

### United States of America

The shares being offered hereby have not been approved by the United States Securities and Exchange Commission (the "SEC") or any other United States governmental authority and neither the SEC nor any such other authority has



passed upon the accuracy or adequacy of this Prospectus. The shares will be offered and sold outside of the United States in accordance with Regulation S promulgated under the United States Securities Act of 1933, as amended (the "Securities Act"). Any person that is a United States Person (as defined in Regulation S of the Securities Act) is not eligible to invest in the shares. The Fund has not and will not be registered as an investment company under the United States Investment Company Act of 1940, as amended (the "Investment Company Act"), and therefore, the Fund will not be subject to the provisions of the Investment Company Act designed to protect investors in registered investment companies. The shares may not be sold, assigned, transferred, exchanged, pledged, charged, hypothecated, encumbered, granted a participation in, or made subject to, any derivatives contract, swap, structured note or any other arrangement, directly, indirectly or synthetically (each, a "Transfer") to a United States Person and any such Transfer to a United States Person will be void. This Prospectus may not be distributed in the United States of America. The distribution of this Prospectus and the offering of the shares may also be restricted in certain other jurisdictions.

#### **Investors rights**

The Fund 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 meetings of Shareholders if the investor is registered himself and in his own name in the Register of Shareholders of the Fund. In cases where an investor invests in the Fund through an intermediary investing into the Fund in its own name but on behalf of the investor, (1) it may not always be possible for the investor to exercise certain Shareholder rights directly against the Fund and (2) an investor's right to indemnification in the event of NAV errors/non-compliance with the investment rules applicable to a Sub-Fund may be impacted and only exercisable indirectly. Investors are recommended to take advice on their rights.

### **1.3 General data protection**

The Fund and the Management Company as well as their service providers will hold and process personal data of investors in accordance with Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, as amended (the "GDPR"), along with any implementing legislation and available guidance from competent data protection and financial authorities.

Further information is available in the data protection information on website: <https://www.dws.com/en-lu/footer/legal-resources/privacy-notice/> (the "Data Protection Information").

The Fund, the Management Company and its service providers may transfer personal data of investors to their supporting parties and/or delegates.



## 1.4 Organisation of the Fund

### Registered Office

2, Boulevard Konrad Adenauer  
1115 Luxembourg, Grand Duchy of Luxembourg  
Tel.: +352 4 21 01-1  
Fax: +352 4 21 01-900  
www.dws.com

### Board of Directors of the Fund

Niklas Seifert  
Chairperson and Director  
DWS Investment S.A.,  
Luxembourg

Oliver Bolinski  
Director  
DWS Investment S.A.,  
Luxembourg

Stefan Robert Kreuzkamp  
Director  
Trier

Jan-Oliver Meissler  
Director  
DWS Investment GmbH,  
Frankfurt/Main

Henning Potstada  
Director  
DWS Investment GmbH,  
Frankfurt/Main

Sven Sendmeyer  
Director  
DWS Investment GmbH,  
Frankfurt/Main

Thilo Hubertus Wendenburg  
Director  
Medius Capital,  
Frankfurt/Main

Elena Wichmann  
Director  
DWS Investment S.A.,  
Luxembourg

Julia Witzemann  
Director  
DWS Investment GmbH,  
Frankfurt/Main

Christoph Zschätzsch  
Director  
DWS International GmbH,  
Frankfurt/Main

### Management Company

DWS Investment S.A.  
2, Boulevard Konrad Adenauer  
1115 Luxembourg, Grand Duchy of Luxembourg

### Management Board of the Management Company

Nathalie Bausch  
Chairwoman  
DWS Investment S.A.,  
Luxembourg, Grand Duchy of Luxembourg

Leif Bjurstroem  
DWS Investment S.A.,  
Luxembourg, Grand Duchy of Luxembourg

Dr. Stefan Junglen  
DWS Investment S.A.,  
Luxembourg, Grand Duchy of Luxembourg

Michael Mohr  
DWS Investment S.A.,  
Luxembourg, Grand Duchy of Luxembourg

### Supervisory Board of the Management Company

Manfred Bauer  
Chairman  
DWS Investment GmbH,  
Frankfurt/Main, Germany

Dr. Matthias Liermann  
DWS Investment GmbH,  
Frankfurt/Main, Germany

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

Corinna Orbach  
DWS Group GmbH & Co. KGaA,  
Frankfurt/Main, Germany

### Auditor of the Management Company

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

### Administration, Service Providers and other Main Parties

#### Depository Bank

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

#### Domiciliary Agent

DWS Investment S.A.  
2, Boulevard Konrad Adenauer  
1115 Luxembourg, Grand Duchy of Luxembourg

#### UCI Administrator

DWS Investment S.A.  
2, Boulevard Konrad Adenauer  
1115 Luxembourg, Grand Duchy of Luxembourg

- Registrar function
- NAV calculation and accounting function delegated to State Street Bank International GmbH, Luxembourg Branch
- Client communication function

#### Sub-Fund Manager

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

Information about further delegated Sub-Fund Manager(s) and any Investment Advisor is specified in the Special Section of the Prospectus of the respective Sub-Fund.

#### Main Distributor

DWS Investment S.A.  
2, Boulevard Konrad Adenauer  
1115 Luxembourg, Grand Duchy of Luxembourg

#### Statutory auditor of the Fund

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

#### Information and Paying Agent(s)

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

As of: February 1, 2025

## 1.5 Other fund structure related information

### The Fund

The Fund is an open-ended UCITS in the legal form of an investment company with variable capital (société d'investissement à capital variable; SICAV), subject to Part I of the Law of 2010.

The Fund has been incorporated as a public limited liability company (société anonyme; S.A.) on June 15, 2012, for an unlimited time. The Fund's Articles of Incorporation have been deposited with the RCS under number B 169.544 and a mention of their deposit with the RCS has been published in the RESA.

A mention of deposit of any amendments of the Articles of Incorporation is made with the RCS and has been published in the RESA. The legally binding version of the Articles of Incorporation is deposited with the RCS where they are available for inspection and where copies thereof may be obtained. A copy of the Fund's Articles of Incorporation and of its most recent financial statements may also be obtained free of charge upon request at the registered office of the Fund during normal business hours and on the Management Company's website.

The share capital of the Fund corresponds to the total NAV of the Fund and must at any time after six months after registration as a UCITS exceed one million two hundred and fifty thousand euro (EUR 1,250,000).

### The Board of Directors

The Board of Directors shall, based upon the principle of risk diversification, have power to determine the corporate and investment policy for the investments relating to each Sub-Fund and the course of conduct of the management and business affairs of the Fund.

### The Management Company

The Fund has appointed DWS Investment S.A as Management Company. In this capacity, the Management Company is vested with the investment management, administration and marketing functions in relation to the Fund in accordance with the Law of 2010.

Further details on the Management Company and the manner according to which it performs and/or has delegated the above-mentioned functions in relation to the Fund are specified in section 2 "Management and administration of the Fund".

### The Sub-Funds

The Fund has an umbrella structure and therefore consists of at least one Sub-Fund. Each Sub-Fund represents a portfolio containing different assets and liabilities and is considered to be a separate entity in relation to the Shareholders and third parties. The rights of Shareholders and creditors concerning a Sub-Fund or which have arisen in relation to the establishment, operation or liquidation of a Sub-Fund are limited to the assets of that

Sub-Fund. No Sub-Fund will be liable with its assets for the liabilities of another Sub-Fund.

The list of the existing individual Sub-Funds, their denomination and reference currency is provided in the Special Section of the Prospectus.

The Board of Directors of the Fund may at any time establish new Sub-Funds with shares having similar or other characteristics to the shares in the existing Sub-Funds. If the Board of Directors establishes a new Sub-Fund, the corresponding details shall be set out in this Prospectus.

### The classes of shares

The shares in the Sub-Funds may be allocated to several classes of shares. Each class of shares may be vested with different characteristics, for example in relation to the allocation of income, hedged or un-hedged classes, different investment currencies and/or other characteristics.

Some of the classes of shares may be listed on the Luxembourg stock exchange or other stock exchanges.

The Board of Directors may at any time create and issue new classes of shares within any Sub-Fund. Section 5.7 "Share Classes" of the Prospectus details the classes of shares that the Board of Directors can create within a Sub-Fund. A new class of shares may have different characteristics than the currently existing classes of shares.

Further information about the characteristics and the rights attached to each possible class of shares and of any offering of new classes of shares is provided in section 5 "Shares" and the Special Section of the Prospectus. Information about the performance of the classes of shares is contained in the KID and on the website of the Management Company [www.dws.com/fundinformation](http://www.dws.com/fundinformation).

## 1.6 Financial year

The financial year of the Fund starts on January 1 of each year and ends on December 31 of each year.

The audited annual reports of the Fund will be published within four (4) months after the financial year-end and the unaudited semi-annual reports of the Fund will be published within two (2) months after the end of the relevant period to which they refer. Such reports will be made available to investors on request and free of charge at the registered office of the Fund during normal business hours as well as on the Management Company's website [www.dws.com/fundinformation](http://www.dws.com/fundinformation).

## 1.7 Accounting standards

The Fund's financial statements will be prepared and the NAV will be calculated in accordance with Luxembourg Generally Accepted Accounting Principles (LUX GAAP).

## 1.8 Reference currency

The reference currency of the Fund is EUR.

The reference currency in which the performance and the NAV of a Sub-Fund or a Share Class of a given Sub-Fund is calculated and expressed may differ from the Fund's reference currency and is specified in the Special Section of the Prospectus.

## 2. Management and Administration of the Fund

### 2.1 Management Company

The Board of Directors of the Fund has designated DWS Investment S.A. to act as its management company.

The Management Company was incorporated on 15 April 1987 in the Grand Duchy of Luxembourg as a société anonyme (public limited company) for an indefinite period and is registered with the RCS, under RCS number B 25.754. The Management Company has its registered office at 2, Boulevard Konrad Adenauer, 1115 Luxembourg, Grand Duchy of Luxembourg.

The subscribed and fully paid-up capital of the Management Company amounts to EUR 30,677,400.

The Management Company is authorised as a management company in accordance with the provisions of Chapter 15 of the Law of 2010 and is supervised by the CSSF. It is registered on the official list of Luxembourg management companies governed by Chapter 15 of the Law of 2010.

Under the supervision of the Board of Directors of the Fund, the Management Company is responsible on a day-to-day basis for providing investment management, administration and marketing services in respect of all Sub-Funds of the Fund.

Subject to the requirements set forth by the Law of 2010, the Management Company is authorised to delegate under its responsibility and supervision part or all of its functions and duties to third parties.

### 2.2 Other funds managed by Management Company

As of the date of the Prospectus, the Management Company manages in addition to the Fund other UCI, the list of which is available at the registered office of the Management Company and on its website [www.dws.com/fundinformation](http://www.dws.com/fundinformation).

### 2.3 Remuneration policy

The Management Company as a subsidiary of DWS Group GmbH & Co. KGaA is included in the remuneration strategy of the DWS Group (DWS Group GmbH & Co. KGaA and its subsidiaries). All matters related to remuneration, as well as compliance with regulatory requirements, are monitored by the relevant governing bodies of the DWS Group. The 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 corporate development. Under the remuneration strategy, employees at the level of senior manage-

ment in particular receive a portion of the variable remuneration in the form of deferred remuneration elements, which are largely linked to the long-term performance of the DWS share or of the investment products.

In addition, the remuneration policy applies the following guidelines:

- a) The remuneration policy is consistent with and conducive to solid and effective risk management and does not encourage the assumption of excessive risk.
- b) The remuneration policy is consistent with the business strategy, objectives, values, and interests of the DWS Group (including the Management Company, the investment funds it manages and the investors of these investment funds) and includes measures to avoid conflicts of interest.
- c) The performance of portfolio managers is generally evaluated on a multi-year basis.
- d) The fixed and variable components of the total remuneration are proportionate to each other, with the proportion of the fixed component in the total remuneration being high enough to provide complete flexibility with regard to the variable remuneration components, including the possibility of waiving payment of a variable component.

Further details on the current remuneration policy are published on the website at <https://download.dws.com/download?elib-assetguid=c05fac94a9004a968154a521c7fa6ec4>. This includes the description of the remuneration system for employees, including the principles related to granting the variable remuneration, the consideration of sustainability and sustainability risks, and the description of the remuneration committee established below the management board of DWS Group GmbH & Co. KGaA. The Management Company shall provide this information free of charge in paper form upon request. Moreover, the Management Company provides additional information on employee remuneration in the annual report.

## 2.4 Investment management

The Board of Directors has designated the Management Company to perform the investment management function.

The Management Company may, however, at its own expense and under its responsibility, control and supervision, and subject to the approval of its competent authority appoint one or more Sub-Fund Managers to perform the investment management function and implement the investment policy of one or several Sub-Funds. In this respect, the appointed Sub-Fund Manager(s) will perform the day-to-day management of the assets of one or more Sub-Funds and take the related investment and divestment decisions.

The Sub-Fund Manager may at its own expense and in accordance with the provisions of the investment management agreement, and subject

to the approval of its competent authority, appoint one or more additional Sub-Fund Managers to perform the day-to-day management of the assets of a Sub-Fund and take the related investment and divestment decisions.

The Sub-Fund Manager(s) appointed per Sub-Fund are disclosed in the respective Special Section of the Prospectus.

## 2.5 Investment Advisors

The Management Company or the Sub-Fund Manager may, under its responsibility, control and supervision appoint one or more Investment Advisors to provide investment related information and recommendations regarding prospective and existing investments of the Sub-Funds. Any investment proposal or recommendation given by the Investment Advisor will be analysed critically and independently by the Management Company or the Sub-Fund Manager before it takes the investment or divestment decision.

The role of the Investment Advisor is limited to the provision of investment and divestment related information and recommendations. The Management Company or the Sub-Fund Manager is not bound by such information and recommendations and will take the investment and divestment decision.

The Investment Advisor(s) and sub-investment advisor(s) (if any) appointed per Sub-Fund are indicated in the respective Special Section of the Prospectus.

If there is a performance fee that applies and the Investment Advisor is entitled to receive a part of this performance fee, that Investment Advisor and its portion of the performance fee must be disclosed in the respective Special Section of the Prospectus.

## 2.6 Depositary and sub-depositaries

### 2.6.1 The Depositary

The Fund has appointed State Street Bank International GmbH, acting through State Street Bank International GmbH, Luxembourg Branch, as 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 the Grand Duchy of 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 RCS under number B148186. 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.

### 2.6.2 Depositary's functions

The relationship between the Fund and the Depositary is subject to the Law of 2010 and 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 Fund and the Management 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.

### 2.6.3 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 19 of the Law of 2010, the Depositary shall return financial instruments of identical type or the corresponding amount to the Fund 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 and the UCITS Regulation.

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 Fund provided that this does not lead to a duplication of redress or to unequal treatment of the Shareholders.

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

## 2.6.4 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 Congress Street, Suite 1, Boston, Massachusetts 02114-2016, USA, whom it has appointed as its global sub-depositary. State Street Bank and Trust Company as global sub-depositary has appointed local sub-depositaries 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 Management Company or at the following website: <https://www.statestreet.com/disclosures-and-disclaimers/lu/subcustodians>.

## 2.6.5 Conflicts of interest between the Depositary and the Fund

The Depositary is part of an international group of companies and businesses (State Street) 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:

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

The Depositary or its affiliates:

- i. will seek to profit from such activities and are entitled to receive and retain any profits or compensation in any form and, except as required by law, the Depositary is not bound to disclose to the Fund any such profits or compensation in any form earned by the Depositary or its affiliates when acting in any other capacity;
- ii. 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 Fund;
- iv. may provide the same or similar services to other clients including competitors of the Fund and the fee arrangements it has in place will vary;
- v. may be granted creditors' and other rights by the Fund, e.g. indemnification which it may exercise in its own interest. In exercising such rights the Depositary or its affiliates may have the advantage of an increased knowledge about the affairs of the Fund relative to third party creditors thus improving its ability to enforce and may exercise such rights in a way that may conflict with the Fund's strategy.

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

Where cash belonging to the Fund is deposited with an affiliate being a bank, cash is not segregated from its own assets and a 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.

The Fund may also be a client or counterparty of the Depositary or its affiliates and a conflict may arise where the Depositary refuses to act if the Fund directs or otherwise instructs the Depositary to take certain actions that might be in direct conflict with the interests of the investors in a Fund.

The types and levels of risk that the Depositary is willing to accept may conflict with the Fund's preferred investment policy and strategy. Conflicts that may arise in the Depositary's use of sub-depositaries include the following broad categories:

- i. The global depositary and sub-depositaries seek to make a profit as part of or in addition to their custody services. Examples include profit through the fees and other charges for the services, profit from deposit taking activities, revenue from sweeps and repo arrangements, foreign exchange transactions, contractual settlement, error correction (where consistent with applicable law) and commissions for sale of fractional shares;
- ii. The Depositary will typically only provide depositary services where global custody is delegated to an affiliate of the Depositary. The global depositary in turn appoints a network of

affiliated and non-affiliated sub-depositaries. Multiple factors influence the determination of our global depositary to engage a particular sub-depositary or allocate assets to them, including their expertise and capabilities, financial condition, service platforms and commitment to the custody business as well as the negotiated fee structure (which may include terms that result in fee reductions or rebates to the global depositary), significant business relationships and competitive considerations;

- iii. sub-depositaries, both affiliated and non-affiliated, act for other clients and in their own proprietary interest, which might conflict with clients' interests and the fee arrangements they have in place will vary;
- iv. sub-depositaries, 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
- v. sub-depositaries may have creditors' rights against client assets and other rights that they have an interest in enforcing.

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 to be properly identified, managed and monitored. Additionally, in the context of the Depositary's use of sub-depositaries, the Depositary imposes contractual restrictions to address some of the potential conflicts and maintains due diligence and oversight of sub-depositaries. The Depositary makes available frequent reporting on clients' activity and holdings, with the underlying sub-depositaries subject to internal and external control audits. Finally, the Depositary segregates the Fund's assets from the Depositary's proprietary assets and follows a standard of conduct that requires employees to act ethically, fairly and transparently with clients.

## 2.6.6 Global conflicts of interest policy

State Street has implemented a global policy laying down the standards required for identifying, assessing, recording and managing all conflicts of interest which may arise in the course of business. Each State Street business unit, including the Depositary, is responsible for establishing and maintaining a Conflicts of Interest program for the purpose of identifying and managing organizational conflicts of interest that may arise within the business unit in connection with providing services to its clients or in delivering its functional responsibilities.

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 to Shareholders on request.

## 2.7 UCI administration activity

The responsibilities of the Management Company include, amongst others, the UCI administration activity. It may be split into three main functions: (1) the registrar function, (2) the NAV calculation and accounting function, and (3) the client communication function.

The registrar function encompasses all tasks necessary to the maintenance of the Register of Shareholders, as well as tasks related to the maintenance of the global certificate, and performs the registrations, alterations or deletions necessary to ensure regular update and maintenance. In addition, it covers the reception and execution of subscription, redemption, transfer and cancellation orders, the application of the relevant prices, and the reconciliation of such orders with related cash flows, as well as the distribution of income.

The NAV calculation and accounting function is responsible for the correct and complete recording of transactions to adequately keep the Fund's books and records in compliance with applicable legal, regulatory and contractual requirements as well as corresponding accounting principles. It is also responsible for the calculation and production of the NAV of the Fund in accordance with the applicable regulation in force.

The client communication function is comprised of the production and delivery of the confidential documents intended for investors.

The Management Company may, under its responsibility and at its own expense, delegate individual functions to third parties. In case one or several functions are delegated, the name of the appointed entities can be found in section 1.4 "Organisation of Fund".

The Management Company is responsible for and carries out the following two functions of the UCI administration activity: (1) the registrar function and (2) the client communication function. When performing the tasks relating to the registrar function, the Management Company receives support from State Street Bank International GmbH and MorgenFund GmbH, Luxembourg Branch. State Street Bank International GmbH assumes, in particular, the task of administering the global certificate deposited with Clearstream Europe AG. MorgenFund GmbH, Luxembourg branch, assumes, in particular, the tasks of maintaining the Register of Shareholders. For the purpose of performing KYC (Know Your Client) and AML (Anti Money Laundering) related tasks, MorgenFund GmbH, Luxembourg branch, transfers information related to investors to its supporting party located in Germany. When performing the tasks relating to the client communication function, the Management Company receives support

from DWS Beteiligungs GmbH and MorgenFund GmbH, Luxembourg Branch.

The Management Company has delegated the NAV calculation and accounting function to State Street Bank International GmbH, Luxembourg Branch.

## 2.8 Main Distributor and sub-distributors

The Management Company acts as the Main Distributor of the Fund. The Distributor is entitled to delegate all or part of its duties to one or several sub-distributors. The Distributor may enter into sub-distribution agreements with any professional agent, particularly banks, insurance companies, fund platforms, independent managers, brokers, management companies or any other institution whose primary or secondary activity is the distribution of investment funds and customer service.

Distributor and sub-distributors are authorised to receive subscription orders, redemption orders and conversion orders for each Sub-Fund and will send them to the relevant entity in charge of the registrar function.

The Distributor and/or sub-distributors shall only sell shares of Sub-Fund(s) in countries where these shares are authorised for sale.

## 2.9 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 Fund or a third party commissioned by the Fund and is available to the Fund, this Prospectus must not be regarded as a public offer for the acquisition of Sub-Fund shares and/or this Prospectus must not be used for the purpose of such a public offer.

This Prospectus may be used for sales purposes only by persons who possess an explicit written permit from the Fund (either directly or indirectly via correspondingly commissioned sales agents).

## 2.10 Statutory auditor

The approved statutory auditor of the Fund's annual financial statements as appointed by the general meeting of Shareholders is KPMG Audit S.à r.l., an entity subject to the supervision of the CSSF.

## 3. Investment objectives, policies and restrictions

Each Sub-Fund's assets shall be invested in compliance with the principle of risk-spreading in transferable securities and other assets as specified in article 41 of the Law of 2010 and set out in this chapter pursuant to the investment objective and policy laid down in the respective Special Section of the Prospectus.

## 3.1 Investments

a) A Sub-Fund may invest in transferable securities and money market instruments admitted to or dealt in on a regulated market within the meaning of the MiFID II Directive, i.e. a market on the list of regulated markets prepared by each Member State, that functions regularly characterised by the fact that the regulations issued or approved by the competent authorities set out the conditions of operation and access to the market, as well as the conditions that a given financial instrument must meet in order to be traded on the market, compliance with all information and transparency obligations prescribed in Directive 2014/65/EU, as well as any other regulated, recognised market open to the public that operates regularly.

b) A Sub-Fund may invest in transferable securities and money market instruments dealt in on another market in a Member State which is regulated, operates regularly and is recognised and open to the public.

c) A Sub-Fund may invest in transferable securities and money market instruments admitted to official listing on a stock exchange in a non-member state of the European Union or dealt in on another market in a non-member state of the European Union, which is regulated, operates regularly, is recognised, open to the public and the choice of the stock exchange or market has been provided for in the Articles of Incorporation of the Fund.

d) A Sub-Fund may invest in recently issued transferable securities and money market instruments, provided that:

- the terms of issue include an undertaking that application will be made for admission to official listing on a stock exchange or to another regulated market and the choice of the stock exchange or market has been provided for in the Articles of Incorporation of the Fund; and
- the admission is secured within one year of issue.

e) A Sub-Fund may invest in units of UCITS and/or other UCIs within the meaning of article 1 (2) (a) and (b) of the UCITS Directive, whether or not established in a Member State, provided that

- such other UCIs are authorized under laws, which provide that they are subject to supervision considered by the CSSF to be equivalent to that laid down in EU Law, and that cooperation between authorities is sufficiently ensured;
- the level of protection for unitholders in the other UCIs is equivalent to that provided for unitholders in a UCITS, and in particular that the rules on asset segregation, borrowing, lending, and uncovered sales 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 of the assets and liabilities, income and operations over the reporting period;
- no more than 10% of the net assets of the UCITS or of the other UCIs whose acquisition is contemplated can, according to its contract terms or articles of incorporation, be invested in aggregate in units of other UCITS or other UCIs.

f) A Sub-Fund may invest in deposits with a credit institution which are repayable on demand or have the right to be withdrawn, and maturing in no more than twelve months, provided that the credit institution has its registered office in a Member State or, if the registered office of the credit institution is situated in a Third Country, provided that it is subject to prudential rules considered by the CSSF as equivalent to those laid down in EU Law.

g) A Sub-Fund may invest in financial derivative instruments, including equivalent cash-settled instruments, dealt in on a regulated market referred to in article 41 (1) (a), (b) and (c) of the Law of 2010 and/or financial derivative instruments dealt in over-the-counter (OTC derivatives), provided that:

- the underlying consists of instruments covered by article 41 (1) of the Law of 2010, 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 Fund's initiative.

h) A Sub-Fund may invest in money market instruments other than those dealt in 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 by a central bank of a Member State, the European Central Bank, the European Union or the European Investment Bank, a Third Country or, in the case of a federal state, by one of the members making up the federation, or by a public international body to which one or more Member States belong; or
- issued by an undertaking any securities of which are dealt in on regulated markets referred to in points (a), (b) or (c) above; or
- issued or guaranteed by an establishment subject to prudential supervision in accordance with the criteria defined by EU Law, or by an

establishment which is subject to and complies with prudential rules considered by the CSSF to be at least as stringent as those laid down by EU 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 indent and provided that the issuer is a company whose capital and reserves amount to at least ten million euro (EUR 10,000,000) and which presents and publishes its annual accounts in accordance with the Fourth Council Directive 78/660/EEC, is an entity which, within a group of companies which includes one or several listed companies, is dedicated to the financing of the group or is an entity which is dedicated to the financing of securitization vehicles which benefit from a banking liquidity line.

**i) Notwithstanding the principle of risk-spreading, a Sub-Fund may invest up to 100% of its net assets in different transferable securities and money market instruments issued or guaranteed by a Member State, one or more of its local authorities, a non-member state of the European Union (in principle, but not limited to, member states of the EEA, the OECD, the G20, Singapore or Hong Kong) or by public international bodies to which one or more Member States belong, provided that the Sub-Fund concerned holds securities from at least six different issues, but securities from any single issue shall not account for more than 30% of the total net assets of the Sub-Fund.**

j) A Sub-Fund shall not acquire either precious metals or certificates representing them;

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 1 (34) of the Law of 2010.

### 3.2 Investment limits

The following investment limits and investment guidelines apply to the investment of the Fund's assets held in the individual Sub-Funds. Differing investment limits may apply to individual Sub-Funds, as specified in the Special Section of the Prospectus.

- a) No more than 10% of the Sub-Fund's net assets may be invested in transferable securities or money market instruments issued by the same body.
- b) No more than 20% of the Sub-Fund's net assets may be invested in deposits made with the same body.
- c) The risk exposure to a counterparty in OTC derivative transactions may not exceed 10% of the Sub-Fund's net assets when the counterparty is a credit institution as defined in article 41 (1) (f) of

the Law of 2010, or 5% of the Sub-Fund's net assets in other cases.

d) The total value of transferable securities and money market instruments of issuers in which the Sub-Fund respectively invests more than 5% of its net assets shall not exceed 40% of the value of its net assets.

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

Notwithstanding the individual upper limits specified in article 43 (1) of the Law of 2010, the Sub-Fund shall not combine, where this would lead to investment of more than 20% of its net assets in a single body, any of the following:

- investments in transferable securities or money market instruments issued by that body; and/or
- deposits made with that body; and/or
- exposures arising from OTC derivative transactions undertaken with that body.

e) The limit of 10% specified in the first sentence of article 43 (1) of the Law of 2010 rises to 35% if the transferable securities or money market instruments are issued or guaranteed by

- a Member State or its public local authorities; or
- a Third Country; or
- public international bodies of which one or more Member States belong.

f) The limit specified in the first sentence of article 43 (1) of the Law of 2010 rises from 10% to 25% for

- the covered bonds (obligations guaranties) as defined in point 1 of article 3 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 the UCITS Directive and Directive 2014/59/EU, and
- for certain bonds if they are issued before July 8, 2022 by a credit institution which has its registered office in a Member State and is subject by law to special public supervision designed to protect bondholders.

In particular, sums deriving from the issue of those bonds shall be invested in accordance with the law in assets which, during the whole period of validity of the bonds, are capable of covering claims attaching to the bonds and which, in case of bankruptcy of the issuer, would be used on a priority basis for the reimbursement of the principal and payment of the accrued interest.

If a Sub-Fund invests more than 5% of its net assets in the bonds referred to in the first subparagraph which are issued by a single issuer, the total value of such investments may not exceed 80% of the value of the net assets of the Sub-Fund.

g) The transferable securities and money market instruments referred to in article 43 (3) and (4) of the Law of 2010 shall not be taken into account for the purpose of applying the limit of 40% referred to in article 43 (2) of the Law of 2010.

h) The limits set out in article 43 (1), (2), (3) and (4) of the Law of 2010 shall not be combined, and thus investments in transferable securities or money market instruments issued by the same body or in deposits or derivative instruments made with this body carried out in accordance with article 43 (1), (2), (3) and (4) of the Law of 2010 shall not exceed in total 35% of the Sub-Fund's net assets.

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

The Sub-Fund may cumulatively invest up to a limit of 20% of its assets in transferable securities and money market instruments within the same group.

i) A Sub-Fund shall not invest more than 10% of its net assets in transferable securities or money market instruments other than those specified in section 3.1 "Investments".

j) Unless otherwise provided for in the Special Section of the Prospectus, a Sub-Fund may invest no more than 10% of its net assets in units of UCITS and/or other UCIs as defined in article 41 (1) (e) of the Law of 2010.

However, by way of derogation and in accordance with the provisions and requirements of chapter 9 of the Law of 2010, a Sub-Fund may be structured as a feeder fund as detailed in section 3.9 "Master/feeder structure".

k) If the investment policy of a Sub-Fund in the Special Section of the Prospectus allows it to invest more than 10% of its net assets in units of UCITS and/or other UCIs as defined in article 41 (1) (e) of the Law of 2010, the following shall apply by way of derogation from point (j) above:

- the Sub-Fund may invest up to 20% of its net assets in a single UCITS and/or other UCI;
- each Sub-Fund of an umbrella fund is to be regarded as a separate issuer, provided that the principle of segregation of liabilities per Sub-Fund is ensured;
- investments in other UCIs other than UCITS shall not exceed 30% of the Sub-Fund's net assets in total;
- the assets held by the target UCITS and/or other UCIs shall not be taken into account for the purpose of applying the limits set out in article 43 of the Law of 2010;
- where a Sub-Fund invests in UCITS and/or other UCIs that are managed, directly or by delegation, by the same Management Com-

pany or by any other company with which the Management Company is linked by common management or control, or by a substantial direct or indirect holding, (regarded as more than 10% of the voting rights or share capital or any other possibility to exercise a significant influence over the management of this company), that management company or other company may not charge subscription or redemption fees on account of such investment;

- the maximum level of management fees that may be charged both to the Sub-Fund and at the level of the target UCITS and/or other UCIs shall be disclosed in the respective Special Section of the Prospectus;
- the annual report shall indicate for each Sub-Fund the maximum proportion of management fees charged both to the Sub-Fund and to the UCITS and/or other UCIs in which the Sub-Fund invests.

l) If admission to one of the markets defined under article 41 (1) (a), (b) or (c) of the Law of 2010 is not obtained within the one-year deadline, new issues shall be considered unlisted transferable securities and money market instruments and counted towards the investment limit stated there.

m) The Fund or the Management Company acting in connection with all of the common funds which it manages and which fall within the scope of Part I of the UCITS Directive, may not acquire any shares carrying voting rights which would enable it to exercise significant influence over the management of the issuing body.

The respective Sub-Fund may acquire no more than

- 10% of the non-voting shares of the same issuer;
- 10% of the debt securities of the same issuer;
- 25% of the units of the same fund;
- 10% of the money market instruments of any single 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 the instruments in issue cannot be calculated.

n) The investment limits specified in article 48 (1) and (2) of the Law of 2010 are waived as regards:

- transferable securities and money market instruments issued or guaranteed by a Member State or its local authorities;
- transferable securities and money market instruments issued or guaranteed by a non-member state of the European Union;
- transferable securities and money market instruments issued by public international bodies of which one or more member states of the European Union are members;

- units held by the Sub-Fund in the capital of a company incorporated in a third country of the European Union, which invests its assets mainly in the securities of issuing bodies having their registered office in that state, where under the legislation of that state, such a holding represents the only way in which the Sub-Fund can invest in the securities of issuing bodies of that state. This derogation, however, shall apply only if in its investment policy the company from the third country of the European Union complies with the limits set in article 43, 46 and article 48 (1) and (2) of the Law of 2010. Where the limits set in article 43 and 46 of the Law of 2010 are exceeded, article 49 of the Law of 2010 shall apply accordingly;
- units held by one or more investment companies in the capital of subsidiary companies which, carry on the business of management, advice or marketing in the country where the subsidiary is established, in regard to the repurchase of units at the request of unitholders exclusively on its or their behalf.

o) Notwithstanding the limits laid down in article 48 of the Law of 2010, the maximum limits specified in article 43 of the Law of 2010 are raised to a maximum of 20% for investments in units and/or debt securities issued by the same body when, the aim of the investment policy is to replicate the composition of a certain stock or debt securities index or a leveraged index, which is recognised by the CSSF, on the following basis:

- 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 limit specified in article 44 (1) of the Law of 2010 is raised to 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. The investment up to this limit is only permitted for a single issuer.

p) The Sub-Fund shall ensure that its global exposure relating to derivative instruments does not exceed the total net value of its portfolio. The exposure is calculated taking into account the current value of the underlying assets, the counterparty risk, future market movements and the time available to liquidate the positions.

The Sub-Fund may invest, as a part of its investment policy and within the limits laid down in article 43 (5) of the Law of 2010 in financial derivative instruments, provided that the exposure to the underlying assets does not exceed in aggregate the investment limits laid down in article 43 of the Law of 2010.

If the Sub-Fund invests in index-based financial derivative instruments, those investments are not

required to be combined for the purposes of the limits laid down in article 43 of the Law of 2010.

When a transferable security or a money market instrument embeds a derivative instrument, the latter shall be taken into account when complying with the requirements of article 42 of the Law of 2010.

q) In addition, the 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.

### 3.3 Exceptions to the investment limits

a) A Sub-Fund is not required to comply with the limits when exercising subscription rights attaching to transferable securities or money market instruments which form part of its assets.

b) While ensuring observance of the principle of risk spreading, a newly authorised Sub-Fund may derogate from articles 43, 44, 45 and 46 of the Law of 2010 for six months provided that such deviation is in compliance with applicable regulations and/or regulatory practice.

### 3.4 Cross-investments between Sub-Funds

A Sub-Fund (the cross investing Sub-Fund) may subscribe for, acquire and/or hold securities to be issued or issued by one or more other Sub-Funds of the same Fund. Any acquisition of units 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 Prospectus):

a) the target Sub-Fund does not, in turn, invest in the cross-investing Sub-Fund;

b) no more than 10% of the assets of the target Sub-Fund, whose acquisition is contemplated, may be invested pursuant to the Articles of Incorporation in UCITS (including other Sub-Funds) or other UCIs;

c) voting rights, if any, attaching to the relevant securities are suspended for as long as they are held by the Sub-Fund concerned and without prejudice to the appropriate processing in the accounts and the periodic reports; and

d) in any event, for as long as these securities are held by the relevant Sub-Fund, their value will not be taken into consideration for the calculation of the net assets of the Fund for the purpose of

verifying the minimum threshold of the net assets imposed by the Law of 2010.

### 3.5 Credit restrictions

No borrowing may be undertaken by the Fund for the account of the 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 the Sub-Fund's net assets, provided that such borrowing is on a temporary basis;
- up to the equivalent of 10% of the Sub-Fund's net assets, provided that the borrowing is to enable 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 shall not in any case in total exceed 15% of the Sub-Fund's net assets.

The Fund shall not grant loans for the account of a Sub-Fund, nor shall it act as guarantor on behalf of third parties.

This shall not prevent a Sub-Fund from acquiring transferable securities, money market instruments or other financial instruments referred to in article 41 (1) (e), (g) and (h) of the Law of 2010 which are not fully paid.

### 3.6 Uncovered sales

The Fund shall not engage in uncovered sales of transferable securities, money market instruments or other financial instruments referred to in article 41 (1) (e), (g) and (h) of the Law of 2010 for the account of a Sub-Fund.

### 3.7 Encumbrance

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

### 3.8 Acquisition of operational assets

The Fund may acquire movable and immovable property which is essential for the direct pursuit of its business.

### 3.9 Master/feeder structure

Under the conditions and within the limits laid down by the Law of 2010 the Fund can, to the widest extent permitted by Luxembourg laws and regulations, create one or more Sub-Funds that qualify as a master UCITS or as a feeder UCITS, or can designate any existing Sub-Fund a master UCITS or a feeder UCITS in which case further details in this respect are provided in the Special Section of the Prospectus.

A feeder UCITS is a Sub-Fund which has been approved to invest at least 85% of its net assets in units of another fund set up as a UCITS or in a

sub-fund thereof. A feeder UCITS may hold up to 15% of its net assets in ancillary liquid assets or financial derivative instruments which must only be used for hedging purposes. In measuring its global exposure relating to financial derivative instruments, and in order to be compliant with article 42 (3) of the Law of 2010, the feeder UCITS must combine its own direct exposure with either:

- the master UCITS' actual exposure to financial derivative instruments in proportion to the feeder Sub-Fund's investment into the master UCITS or
- the master UCITS' potential maximum global exposure to financial derivative instruments provided for in the master UCITS' management regulations or articles of incorporation in proportion to the feeder UCITS' investment into the master UCITS.

In case the Fund decides to put in place a feeder structure, the set up shall be subject to the prior approval of the CSSF and details are specifically disclosed in the Special Section of the Prospectus.

The master UCITS and the feeder UCITS must have the same Bank Business Days, share Valuation Dates and the Cut-Off times for order processing must be coordinated so that orders for shares of the feeder UCITS can be processed and the resulting orders for shares of the master UCITS can be placed before the master UCITS's Cut-Off time of the same day.

### 3.10 Consideration of sustainability risks

The Management Company and the Sub-Fund management consider sustainability risks at one or more stages of the respective Sub-Fund's investment process, such as in the investment decision and risk monitoring. This may also comprise in-house ESG-integrated issuer analysis depending on the investment strategy of the respective Sub-Fund.

The consideration of sustainability risks is primarily based on a proprietary software tool that combines information from one or several ESG data providers, public sources and/or internal assessments.

Sustainability risks can arise from multiple factors including but not limited to the impact of climate change or the violation of internationally recognized standards and principles of responsible business conduct. These internationally recognized guidelines include, in particular, the framework of the principles of the United Nations Global Compact, the United Nations Guiding Principles, the standards of the International Labour Organization and the OECD Guidelines for Multinational Enterprises.

If a Sub-Fund's approach for the consideration of sustainability risks differs from the approach described above, the respective Special Section of the Prospectus or, where applicable, the annex to this Prospectus (Precontractual information)



discloses the approach used by the Sub-Fund management for including sustainability risks in its investment process.

### 3.11 Principal adverse impacts

The Management Company considers the principal adverse impacts of its investment decisions on sustainability factors as described in its disclosed statement following article 4 of the SFDR.

Information on the consideration of principal adverse impacts on Sub-Fund level can be found in the Special Section of the Prospectus or, where applicable, the annex to this Prospectus.

### 3.12 Investments in financial derivative instruments and use of efficient portfolio management techniques

A Sub-Fund may, subject to the conditions and within the limits laid down in the Luxembourg laws and regulations and the provisions of this Prospectus:

- invest in all kinds of financial derivative instruments for investment purposes, for efficient portfolio management or to provide protection against risks (market, securities, interest rate, credit and other risks) and/or
- enter into securities financing transactions (i.e. (reverse) repurchase transactions and securities lending transactions) as efficient portfolio management transaction as covered by SFTR,

as further described for each Sub-Fund in the Special Section of the Prospectus.

Other securities financing transactions, such as buy-sell back transactions, sell-buy back transactions are currently not used by the Sub-Funds. Should the Fund decide to provide for such possibility, the Prospectus will be updated prior to the use of these types of securities financing transactions.

#### Choice of counterparty

The conclusion of OTC derivative transactions (including, for example, total return swaps), securities lending and (reverse) repurchase transactions, 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 states of the 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. 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 OTC derivative transactions (including, for example, total return swaps), securities lending and (reverse) repurchase 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.

#### 3.12.1 Financial derivative instruments

A Sub-Fund may use financial derivative instruments for the purposes and to the extent further disclosed in the Special Section of the Prospectus.

Financial derivative instruments may include, but are not limited to futures, forwards, options, swaps (including, but not limited to total return swaps, credit and credit-default swaps, interest rate swaps, currency swaps, inflation swaps and equity swaps), swaptions, forward foreign currency contracts and synthetic dynamic underlyings (SDUs). New financial derivative instruments may be developed which may be suitable for use by the Sub-Funds and the Sub-Funds may employ such financial derivative instruments in accordance with the applicable regulations and collateral received will be in accordance with the Fund's collateral policy.

The conditions of use and the limits applicable shall in all circumstances comply with the provisions laid down in the Law of 2010, in the Luxembourg law and regulations and the Prospectus.

Under no circumstances shall these operations cause the Fund and its Sub-Funds to diverge from its investment policies and restrictions.

#### Swaps

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

#### Total return swaps

Total return swaps are financial derivative instruments in which one counterparty transfers the total economic performance, including income from interest and fees, gains and losses from price movements, and credit losses, of a reference obligation to another counterparty. Further information on total return swaps is included below.

#### 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.

#### Synthetic dynamic underlyings

Synthetic Dynamic Underlyings (SDUs) are structured financial instruments that enable UCITS to gain exposure to synthetic portfolios through

derivatives, certificates and notes. These portfolios are not traditional financial indices, but dynamically composed baskets of eligible securities. All of these instruments can be used to participate in the performance of such portfolios, provided the underlying assets comply with article 41(1) of the Law of 2010 and article 2 of the Grand-Ducal Regulation of February 8, 2008. The respective Sub-Fund may use SDUs, if (1) an appropriate risk management system is in place and (2) 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. 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, derivative transactions admitted for trading on an exchange or included in another regulated market as well as OTC transactions. It shall include a process for accurate and independent assessment of the value of OTC derivative instruments.

#### 3.12.2 Use of securities financing transactions and total return swaps

In order to reduce risks or costs or to procure capital gains or revenues, a Sub-Fund may use techniques and instruments (including securities lending, repurchase agreements and reverse repurchase transactions) relating to transferable securities and money market instruments for the purpose of efficient portfolio management where this is in the best interest of the Sub-Fund and in line with its investment objective.

Under no circumstances shall these operations cause a Sub-Fund to diverge from its investment objectives or result in additional risk higher than its risk profile as described in its Special Section of the Prospectus.

Such techniques and instruments will be conducted in compliance with the rules specified in:

- Article 11 of the Grand-Ducal Regulation of February 8, 2008 relating to certain definitions of the Law of 20 December 2002 on undertakings for collective investment;
- Circular CSSF 08/356 relating to the rules applicable to undertakings for collective investments when they use certain techniques and instruments relating to transferable securities and money market instruments;
- Circular CSSF 14/592;
- SFTR and
- any other applicable laws and regulations.

Risks linked to such techniques and instruments will be adequately covered by the Management Company's risk management process. For further information on risks linked to such techniques and instruments and the effect on investors' returns are described in section 4.6 "Risk factors". There can be no guarantee that the objective of the use of such techniques and instruments will be achieved.

The risk exposure to a counterparty generated through efficient portfolio management techniques and OTC financial derivative instruments must be combined when calculating counterparty risk limits.

Further information on the use of such techniques (or not) shall be provided for each Sub-Fund in the Special Section of the Prospectus.

The Management Company has appointed DWS Investment GmbH for initiating, preparing and executing securities lending as well as (reverse) repurchase transactions on behalf of the Fund (Securities Lending Agent).

Information on the fees and charges related to such transactions are included in section 8 "Fees and expenses".

### 3.12.2.1 Securities lending transactions

If indicated for a Sub-Fund in its Special Section of the Prospectus, the Fund may more specifically enter into securities lending transactions in relation to a Sub-Fund provided that the following rules are complied with in addition to the above-mentioned conditions:

- the borrower in a securities lending transaction must be subject to prudential supervision rules considered by the CSSF as equivalent to those prescribed by EU Law;
- the Fund may only lend securities to a borrower either directly or through a standardised

system organised by a recognised clearing institution or through a lending system organised by a financial institution subject to prudential supervision rules considered by the CSSF as equivalent to those provided by EU Law and specialised in this type of transaction;

- the Fund may only enter into securities lending transactions provided that it is entitled at any time under the terms of the agreement to request the return of the securities lent or to terminate the agreement.

Where a Sub-Fund enters into securities lending transactions, it is expected that, depending on market conditions and market demand, 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 Fund reserves the right to transfer a maximum of up to 100% of a Sub-Fund's securities to counterparties as a loan.

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 (1) the securities lending fee, (2) the income (e.g., dividends, interest payments, corporate actions) from the securities that can be demanded back upon exercise of the option and (3) 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.

The collateral received shall comply with the requirements set out in sub-section 3.12.3 "Management of collateral and collateral policy". Further details regarding such transactions are disclosed in the Fund's annual report. The risks related to the use of securities lending transactions and the effect on investors returns are described in section 4.6 "Risk factors".

### 3.12.2.2 Repurchase and reverse repurchase transactions

If indicated for a Sub-Fund in its Special Section of the Prospectus, the Fund may enter into:

- repurchase agreements that consist of forward transactions at the maturity of which the Fund (seller) has the obligation to repurchase the assets sold and the counterparty (buyer) the obligation to return the assets purchased under the transactions; and/or;

- reverse repurchase agreements that consist of forward transactions at the maturity of which the counterparty (seller) has the obligation to repurchase the asset sold and the Fund (buyer) the obligation to return the assets purchased under the transactions.

The Fund's involvement in such transactions is, however, subject to the following rules:

- the counterparty to these transactions must be subject to prudential supervision rules considered by the CSSF as equivalent to those prescribed by EU Law;
- the value of a transaction is maintained at a level that allows the Fund to meet its redemption obligations at any time; and
- the Fund may only enter into repurchase agreement and/or reverse repurchase agreement transactions provided that it is able, at any time, (1) to recall the full amount of cash in a reverse repurchase agreement or any securities subject to a repurchase agreement or (2) to terminate the agreement in accordance with applicable regulations. However, fixed-term transactions that do not exceed seven days should be considered as arrangements on terms that allow the assets to be recalled at any time by the Fund.

Where a Sub-Fund may enter into repurchase and reverse repurchase transactions, the underlying assets and investment strategies to which exposure will be gained are those allowed as per the Sub-Fund's investment policy and objectives specified in its Special Section of the Prospectus.

Where a Sub-Fund enters into repurchase and reverse repurchase transactions, it is expected that, depending on market conditions and market demand, 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 Fund 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 policy.

The collateral received shall comply with the requirements set out in sub-section 3.12.3 "Management of collateral and collateral policy". Further details regarding such transactions are disclosed in the Fund's annual report. The risks related to the use of (reverse) repurchase transactions and the effect on investors returns are described in section 4.6 "Risk factors".

### 3.12.2.3 Total return swaps

To the extent disclosed in the Special Section of the Prospectus, a Sub-Fund may use total return swaps in order to achieve its investment objective.

Total return swaps are financial derivative instruments in which one counterparty transfers the total economic performance, including income from interest and fees, gains and losses from price movements, and credit losses, of a reference obligation to another counterparty.

The Fund will enter into total return swaps on behalf of the relevant Sub-Fund by private agreement (OTC) with counterparties as further defined below.

Where a Sub-Fund uses total return swaps, the underlying assets and investment strategies to which exposure will be gained are those allowed as per the Sub-Fund's investment policy and objectives set out in the Special Section of the Prospectus.

In any case, such total return swaps and other financial derivative instruments that display the same characteristics may have underlying assets such as currencies, interest rates, transferable securities, a basket of transferable securities, indices, or UCI.

Where a Sub-Fund enters into total return swaps, the maximum and the expected proportion of such Sub-Fund's net assets that could be subject to total return swaps will be specified in its Special Section of the Prospectus.

Further information on the use of total return swaps (or not) shall be provided in the Special Section of the Prospectus. If a Sub-Fund uses total return swaps, the Special Section of the Prospectus will include further information with respect to investments in total return swaps. The risk of counterparty default and the effect on investor's returns are described in section 4.6 "Risk factors".

## 3.12.3 Management of collateral and collateral policy

### 3.12.3.1 General

In the context of OTC financial derivative instruments (in particular, total return swaps) and efficient portfolio management techniques, each Sub-Fund concerned may receive collateral with a view to reduce its counterparty risk. This section sets out the collateral policy applied by the Fund in such case. All assets received by a Sub-Fund in the context of efficient portfolio management techniques shall be considered as collateral for the purposes of this section.

### 3.12.3.2 Eligible collateral

Collateral received by the Sub-Fund may be used to reduce its counterparty risk exposure if it complies with the criteria set out in the regulations notably in terms of liquidity, valuation, issuer credit quality, correlation, risks linked to the management

of collateral and enforceability. In particular, collateral should comply with the following conditions:

- any collateral received other than cash should be of high quality, 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;
  - it should be valued on at least a daily basis and assets that exhibit high price volatility should not be accepted as collateral unless suitably conservative haircuts are in place;
  - any collateral received other than cash or shares/units of a UCI/UCITS should be issued by an entity not affiliated to the counterparty and is expected not to display a high correlation with the performance of the counterparty;
  - it should be sufficiently diversified in terms of country, markets and issuers with a maximum exposure of 20% of the concerned Sub-Fund's NAV to any single issuer on an aggregate basis, taking into account all collateral received. By way of derogation, a Sub-Fund may be fully collateralised in different transferable securities and money market instruments issued or guaranteed by a Member State, one or more of its local authorities, a Third Country or a public international body to which one or more Member States belong. In such an event, the relevant Sub-Fund should receive securities from at least six different issues, but securities from any single issue should not account for more than 30% of the concerned Sub-Fund's NAV;
  - risks linked to the management of collateral, such as operational and legal risks, are identified, managed and mitigated by the risk management process;
  - where there is a title transfer, the collateral received will be held by the Depositary. For other types of collateral arrangement, the collateral will be held by a third-party depositary which is subject to prudential supervision and which is unrelated to the provider of the collateral; and
  - it should be capable of being fully enforced by the relevant Sub-Fund at any time without reference to or approval from the counterparty.
- Subject to the abovementioned conditions, collateral received by the Sub-Funds may consist of:
- cash and cash equivalents, including short-term bank certificates and money market instruments, letters of credit, and guarantees at first demand issued by a first-class credit institution not affiliated with the counterparty;
  - bonds issued or guaranteed by a member state of the OECD or by their local public authorities or by supranational institutions and undertakings with European Union, regional or world-wide scope;
  - shares or units issued by money market undertakings for collective investment calculating a daily NAV and being assigned 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 adequate liquidity;
- 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, on the condition that these shares are included in a main index.

### 3.12.3.3 Level of collateral

With respect to securities lending transactions, the relevant Sub-Fund will generally require the borrower to post collateral representing a certain value of the security lent at any time during the lifetime of the agreement. The applicable collateralization ratio for collateral received in relation to securities lending and (reverse) repurchase transactions as well as OTC derivative transactions can be found in the table below.

### 3.12.3.4 Collateral valuation and haircut policy

The Fund pursues a strategy for the assessment of haircuts applied to financial assets which are accepted as collateral (haircut policy).

Collateral will be valued, on a daily basis, using available market prices and taking into account appropriate discounts which will be determined based on the haircut policy. The haircut policy takes into account a variety of factors, depending on the nature of the collateral received, such as the issuer's credit standing, the maturity, currency, price volatility of the assets and, where applicable, the outcome of liquidity stress tests carried out by a Sub-Fund under normal and exceptional liquidity conditions. No haircut will generally be applied to cash collateral.

The value of collateral will correspond to the market value of the relevant securities reduced by at least the applicable haircut percentage specified in the table below. Subject to specific disclosure to the contrary in its Special Section of the Prospectus, the collateral haircut policy applicable to each Sub-Fund applies as follows:

Collateralization ratio for	at least
Cash	100%
Fixed Income (depended upon credit rating and instrument type)	102%
Equity (depended upon liquidity)	104%
ETF	102%
Convertible Bonds	104%
The above collateralization table is applicable for collateral received in relation to securities lending and (reverse) repurchase transactions as well as OTC derivative transactions.	

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 Fund 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 Fund 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 Fund 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.

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:

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

### 3.12.3.5 Re-investment policy

The Sub-Fund management determines for each Sub-Fund the required level of collateral for OTC financial derivative instruments and efficient portfolio management techniques, taking into account the nature and characteristics of the transactions, the creditworthiness and identity of counterparties and prevailing market conditions.

Cash collateral received by a Sub-Fund in relation to any of these transactions may be reinvested in a manner consistent with the investment objective of such Sub-Fund in:

- shares or units issued by short-term money market undertakings for collective investment as defined in the CESR Guidelines on a Common Definition of European Money Market Funds (Ref. CESR/10-049);
- short-term bank deposits;
- high-quality government bonds issued or guaranteed by a Member State, Switzerland, Canada, Japan or the United States or by their local authorities or by supranational institutions and undertakings with European Union, regional or world-wide scope; and
- reverse repurchase agreement transactions provided the transactions are with credit institutions subject to prudential supervision and the UCITS is able to recall, at any time, the full amount of cash on accrued basis. Such reinvestment will be taken into account for the calculation of each concerned Sub-Fund's

global exposure, in particular if it creates a leverage effect.

Re-invested cash collateral should be diversified in accordance with the diversification requirements applicable to non-cash collateral. Following reinvestment of collateral received in cash, all risks associated with a normal investment will apply.

Non-cash collateral received by a Sub-Fund may not be sold, re-invested or pledged.

### 3.12.4 Information in the annual report

The following information will be disclosed in the Fund's annual report:

- the exposure of each Sub-Fund obtained through techniques for efficient portfolio management and total return swaps;
- the identity of the counterparties for these techniques for efficient portfolio management and total return swaps;
- the relationship of these counterparties with the Management Company, the Fund Manager, the relevant Sub-Fund Manager or the Depositary;
- the type and amount of collateral received by the Sub-Funds to decrease exposure to counterparty risk;
- the revenues deriving from efficient portfolio management techniques and total return swaps for the whole reporting period, with the direct and indirect operational costs and fees borne;
- the identity of the entities to which such costs and fees are paid; and
- any other information required by SFTR.

### 3.13 Execution of buy and sell orders; selection of brokers and use of research services

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 (best execution principle).

The Management Company may conclude agreements with selected brokers, traders and other research and 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.

## 4. Risk management systems and risk factors

### 4.1 Permanent risk management function

In accordance with CSSF Regulation 10-04, the Management Company must establish and maintain a permanent risk management function. This permanent risk management function is hierarchically and functionally independent from operating units.

The Management Company ensures that appropriate safeguards against conflicts of interest have been adopted so as to allow an independent performance of risk management activities, and that its risk management process satisfies the requirements of article 42 of the Law of 2010.

The permanent risk management function is responsible for:

- implementing the risk management policy and procedures;
- ensuring compliance with the Fund's risk limit system concerning global exposure and counterparty risk in accordance with articles 46, 47 and 48 of CSSF Regulation 10-04;
- providing advice to the Board of Directors of the Fund as regards the identification of the risk profile of the Fund / Sub-Fund;
- providing regular reports to the Board of Directors of the Fund and, where it exists, the supervisory function, on:
  - the consistency between the current levels of risk incurred by the Fund and its risk profile,
  - the compliance of the Fund with relevant risk limit systems,
  - the adequacy and effectiveness of the risk management process, indicating in particular whether appropriate remedial measures have been taken in the event of any deficiencies;
- providing regular reports to senior management outlining the current level of risk incurred by the Fund and any actual or foreseeable breaches of their limits, so as to ensure that prompt and appropriate action can be taken;
- reviewing and supporting, where appropriate, the arrangements and procedures for the valuation of OTC financial derivatives as referred to in article 49 of CSSF Regulation 10-04.

The permanent risk management function has the necessary authority and access to all relevant information necessary to fulfil the tasks set out above.

## 4.2 Concept of risk profile

Article 13 (3) (c) of CSSF Regulation 10-04 requires the permanent risk management function of management companies to provide advice to the management board of the Management Company as regards the definition of the risk profile of each managed UCITS. Circular CSSF 11/512, as amended from time to time, specifies that the management board of the Management Company must define, for each managed UCITS, a risk profile resulting from a process of risk identification which considers all risks that may be material for the managed UCITS. This risk profile must then be approved by the management board of the Management Company before launching the UCITS.

In accordance with article 45 (2) (d) of CSSF Regulation 10-04, the Management Company must also establish, implement and maintain a documented system of internal limits concerning the measures used to manage and control the relevant risks to which the Fund is exposed, considering all risks which may be material to the Fund as referred to in article 43 of said regulation and ensuring consistency with the Fund risk profile.

The risk profile must be updated in the context of a decision of the management board of the Management Company, whenever it is impacted by a material modification.

## 4.3 Risk management policy

In accordance with the Law of 2010 and CSSF Regulation 10-04 as regards risk management, the Management Company must employ a risk management policy which enables it to monitor and measure at any time the risk of the positions in the Sub-Funds' portfolios and their contribution to the overall risk profile of these portfolios.

The Management Company has accordingly implemented a risk management policy which will be followed in relation to the Fund and its Sub-Funds. The risk management policy enables the Management Company to assess the exposure of the Sub-Funds to market, liquidity and counterparty risks, and to all other risks, including operational risks and sustainability risks, which are material for each Sub-Fund. The management board of the Management Company will review such risk management policy at least annually and on other occurrence.

The Management Company deploys a risk management policy which enables it to monitor and measure at any time the risk of the positions and their contribution to the overall risk profile of each individual Sub-Fund. Furthermore, the Management Company deploys a process for accurate and independent assessment of the value of OTC financial derivative instruments which is communi-

cated to the CSSF on a regular basis in accordance with Luxembourg law.

Upon request of investors, the Management Company can provide supplementary information relating to the risk management policy.

## 4.4 Global exposure approach

The Management Company will deploy a risk-management policy which enables them to monitor and measure at any time the risk of the positions and their contribution to the overall risk profile of each Sub-Fund. The Management Company will deploy, if applicable, a process for accurate and independent assessment of the value of any OTC financial derivative instruments.

There are three possible risk measurement approaches, as described below. The Management Company chooses which approach each Sub-Fund will use, based on the Sub-Fund's investment strategy.

The management board of the Management Company can require a Sub-Fund to use an additional approach (for reference only, however, not for purposes of determining compliance), and can change the approach if it believes the current method no longer adequately expresses the Sub-Fund's overall market exposure.

### Approach

#### Absolute Value-at-Risk (Absolute VaR)

### Description

The Management Company estimates the level which the loss on the Sub-Fund's NAV over a 1-month time frame (meaning 20 trading days) may exceed with a 1% probability in normal market conditions. This estimated level should not be higher than 20%.

#### Relative Value-at-Risk (Relative VaR)

The ratio of the Sub-Fund's VaR over the VaR of a chosen benchmark (typically an appropriate market index or combination of indices) should not exceed 200%.

#### Commitment

The Management Company calculates all derivatives exposures of the Sub-Fund as if they were direct investments in the underlying positions. This allows the Management Company to include the effects of any hedging or offsetting positions as well as some positions taken for efficient portfolio management where applicable. The exposure calculated using this approach should not exceed 100% of total assets.

The risk measurement approach used for the respective Sub-Fund is indicated in the special section of the Prospectus.

## 4.5 Concept of leverage

The expected / maximum level of leverage per Sub-Fund for which a VaR risk measurement approach is used for the Sub-Fund's global risk exposure and which is calculated by using the "Sum of Notionals" of the derivatives used is maximum twice the value of the Sub-Fund's assets unless otherwise set out in Special Section of the Prospectus.

The "Sum of Notionals" calculation shows the absolute (notional) amount of each derivative position divided by the net present value of the portfolio, whereas the commitment calculation

converts each financial derivative instrument position into the market value of an equivalent position in the underlying asset of that financial derivative instrument, including applicable netting and/or hedging arrangements.

Investors should note that the expected level of leverage is an estimate only and there is possibility of higher leverage levels in certain circumstances, e.g., where the Sub-Fund management may make more extensive use of financial derivative instruments for investment purposes (within the limits of each Sub-Fund's investment objective) as opposed to a more limited use for hedging purposes. Such circumstances are further detailed in Special Section of the Prospectus. The disclosed expected level of leverage is not intended to be an additional exposure limit for the Sub-Fund.

An expected level of leverage does not necessarily represent an increase of risk in the Sub-Fund as some of the derivative instruments used may even reduce the risk. Shareholders should note that the "Sum of Notionals" calculation method of the expected level of leverage does not make a distinction as to the intended use of a derivative e.g., being either hedging or investment purposes.

The "Sum of Notionals" calculation typically results in a higher leverage figure than for the commitment approach calculation predominantly due to the exclusion of any netting and/or hedging arrangements.

This may be varied within applicable limits if considered to be in the best interests of the Sub-Fund.



Investors' attention is drawn to the fact that such methodology is different to the risk measurement approaches described herein and that as a consequence, in some instances, this could result in a Sub-Fund having a more restrictive use of financial derivative instruments than what it is allowed, based on the limits outlined above. However, the maximum expected exposure is not expected to impact the achievement of the investment objectives of the relevant Sub-Funds.

#### 4.6 Risk factors

All investments involve risks and the risks involved when investing in a Sub-Fund may vary depending on the investment policy and strategies of the Sub-Fund.

The risk information in this Prospectus is intended to give an overview of the main and material risks associated with each Sub-Fund.

Any of these risks could cause a Sub-Fund to lose money, to perform less well than similar investments, to experience high volatility (ups and downs in NAV), or to fail to meet its objective over any period of time. Shareholders could lose part or even all of the capital invested in a Sub-Fund. Appreciation of capital cannot be guaranteed.

Investors should also carefully consider all of the information set out in this section as well as the information provided in the respective Special Section of the Prospectus before making an investment decision in any Sub-Fund. This section does not purport to be a complete explanation of all risks involved in an investment in any Sub-Fund or Share Class and other risks may also be or become relevant from time to time.

#### 4.6.1 Risk of investing in the Fund

In the following, the risks typically associated with an investment in a UCITS are presented. These risks can have an adverse effect on the NAV per share, on the capital invested by the investor and on the investor's planned holding period for the investment. The NAV per share at the time of the sale of the share may therefore be lower than that at the time of the purchase of the share. The investor may therefore possibly get back an amount that is lower than the amount originally invested.

##### 4.6.1.1 Fluctuation of a Sub-Fund's NAV per share

The NAV per share is calculated as the value of a Sub-Fund divided by the number of shares in circulation. The value of a Sub-Fund is equal to the sum of the market values of all assets held in the Sub-Fund, less the market values of all liabilities of the Sub-Fund. The Sub-Fund's NAV per share is thus dependent on the assets held in the Sub-Fund and on the amount of the Sub-Fund's liabilities. If the value of these assets declines, or if the value of the liabilities rises, the Sub-Fund's NAV per share falls.

##### 4.6.1.2 Impact of tax aspects on individual results

The tax treatment of investment income depends on the individual circumstances of the respective investor and may be subject to change in the future. The investor should consult their personal tax advisor on investor-specific issues – giving particular consideration to the personal tax situation.

##### 4.6.1.3 Suspension of the redemption of shares

The Fund may temporarily suspend the redemption of shares under exceptional circumstances that make a suspension appear necessary when taking into consideration the interests of investors. Exceptional circumstances by this definition can be, for example, economic or political crises, exceptionally extensive redemption requests, the closing of stock exchanges or markets, trading constraints or other factors that adversely affect the determination of the NAV per share. In addition, the CSSF can order the Fund to suspend the redemption of shares if that is necessary in the interests of the investors or the public. The investor cannot return shares during such periods. The NAV per share can fall even when the redemption of shares is suspended, as would be the case if the Fund were forced to sell assets below market value during a suspension of the redemption of shares. The NAV per share after resumption of the redemption of shares can be lower than the NAV per share before suspension of redemption.

A suspension without subsequent resumption of the redemption of shares can lead directly to a liquidation of the Sub-Fund, for example, when the Fund decides to liquidate the Sub-Fund. For the investor, this entails the risk that the planned holding period might not be realized, and that significant portions of the capital invested might not be available for an indefinite period of time or may be lost entirely.

##### 4.6.1.4 Amendment of the Prospectus

The Fund can change the Prospectus with the approval of the CSSF. This may have an effect on the investor's rights. The Fund may, for example, amend the investment policy or increase the costs to be charged to the respective Sub-Fund. This can result in a change to the risk associated with the respective Sub-Fund.

##### 4.6.1.5 Liquidation and merger of a Sub-Fund

The Fund may decide to liquidate or merge a Sub-Fund if this appears necessary or appropriate, taking into account the interests of the investors, to protect the interests of the Fund or in the interest of investment policy.

##### 4.6.1.6 Transfer of the Fund to another asset management company

The Fund can decide to entrust its management to another asset management company. The Fund remains unchanged by such transfer, as does the position of the investor. The investor must, however, decide in the context of the transfer whether the new asset management company can be considered just as suitable as the previous one. If the investor does not wish to remain invested in the Fund under the new management, the shares held by the investor must be returned. Income taxes may be incurred in this case.

##### 4.6.1.7 Profitability and fulfilment of the investor's investment objectives

No assurance can be given that the investor will achieve the desired investment performance. The NAV per share of the Sub-Fund can fall and lead to investor losses. There are no guarantees from the Fund, the Management Company or from third parties concerning a particular minimum payment commitment upon redemption or a particular investment performance of a Sub-Fund unless otherwise provided for in the Special Section of the Prospectus. A subscription fee paid in a purchase of shares, or a redemption fee paid in a sale of shares, can additionally reduce or even completely consume the performance of an investment, particularly in the case of a short investment period. Investors could receive back an amount that is lower than the amount originally invested.

#### 4.6.2 Risk of negative performance of the Fund (market risk)

The risks described below can affect the performance of a Sub-Fund or of the assets held in the Sub-Fund and can thus also adversely affect the NAV per share and the capital invested by the investor.

##### 4.6.2.1 Risks of changes in value

The assets in which the Management Company and the Sub-Fund management invests for the account of the respective Sub-Fund are subject to risks. Losses of value can thus occur if the market value of the assets falls in relation to the purchase price, or if spot and forward prices develop differently.

##### 4.6.2.2 Risk of negative interest on deposits

The Management Company invests liquid assets of the respective Sub-Fund with the Depositary or other banks for the account of the respective Sub-Fund. For some of these bank balances, an interest rate is agreed that corresponds to the European Interbank Offered Rate (Euribor) less a specific margin. If the Euribor falls below the agreed margin, this leads to negative interest rates on the relevant account. Depending on the development of the interest rate policy of the European

Central Bank, short-term, medium-term and even long-term deposits can attract negative interest.

#### 4.6.2.3 Capital 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 rumours can also have an effect on general price performance, particularly on a stock exchange. Fluctuations of market prices and values can also be attributable to changes in interest rates, exchange rates or the creditworthiness of an issuer.

#### 4.6.2.4 Capital market risk related to sustainability risks

Environmental, social or corporate governance risks may affect the market price. Market prices can therefore change if companies do not do business sustainably and do not make investments in sustainable changes. The strategic alignments of companies that do not take sustainability into account may also have a negative effect on the market price. The reputational risk that arises from companies failing to act in a sustainable way may also have negative consequences. Finally, physical damage caused by climate change or measures to switch over to a low carbon economy may have negative effects on the market price.

#### 4.6.2.5 Company-specific risk

The price performance of the securities and money market instruments held directly or indirectly by the respective Sub-Fund is also dependent on company specific factors, for example, on the economic situation of the issuer. If the company specific factors deteriorate, the market value of the respective security may fall significantly and permanently, irrespective of any generally positive stock market development.

#### 4.6.2.6 Risk of changes in interest rates

Investing in fixed rate securities is associated with the possibility that the level of market interest rates existing at the time a security is issued will change. If market interest rates rise in comparison with the interest rates at the time of the issue, the prices for fixed rate securities will fall as a rule. If, on the other hand, the market interest rate falls, the price of fixed rate securities will rise. This price trend means that the current return on a fixed rate security is roughly equivalent to the current market interest rate. However, these price fluctuations vary in intensity according to the (residual) term to maturity of the fixed rate securities. Fixed rate securities with shorter maturities are generally associated with lower price risks than fixed rate securities with longer maturities. Conversely, fixed rate securities with shorter maturities generally have lower returns than longer-term fixed rate securities. Due to their short terms not exceeding 397 days, money market instruments tend to be

associated with lower price risks. In addition, the interest rates of different interest related financial instruments denominated in the same currency and with similar residual terms to maturity can perform differently.

#### 4.6.2.7 Risk of price changes in convertible and warrant-linked bonds

Convertible and warrant linked bonds securitise the right to convert the bond into stock, or to acquire stock. The change in the value of convertible and warrant linked bonds is thus dependent on the price performance of the underlying stock. The performance risk of the underlying stocks can therefore also have an effect on the performance of the convertible or warrant linked bond. Warrant linked bonds that give the issuer the right to issue to the investor a predetermined number of shares instead of paying back a principal amount (reverse convertibles) are dependent on the price of the corresponding stock to a greater extent.

#### 4.6.2.8 Risks associated with derivative transactions

The Fund may enter into derivative transactions for a Sub-Fund. The purchase and sale of options, as well as the conclusion of futures contracts or swaps (including total return swaps), involves the following risks:

- Using derivatives can result in losses that may even exceed the amounts invested for the derivative transaction.
- Price changes in the underlying can cause a decrease in the value of the option or future. If the value decreases and the derivative thus becomes worthless, the Fund may be forced to allow the rights acquired to expire. Changes in the value of the asset underlying a swap or a total return swap can also result in losses for the Sub-Fund.
- The leverage effect of options may alter the value of a Sub-Fund's assets more strongly than the direct purchase of underlyings would. The risk of loss may not be determinable when entering into the transaction.
- There may be no liquid secondary market for a specific instrument at a particular point in time. In that case, it may not be possible to close a derivative position under certain circumstances.
- The purchase of options entails the risk that the call options are not exercised because the prices of the underlyings do not change as expected, meaning that the Sub-Fund loses the option premium it paid. If options are sold, there is the risk that the Sub-Fund may be obligated to buy assets at a price that is higher than the current market price, or obliged to deliver assets at a price that is lower than the current market price. In that case, the Sub-Fund suffers a loss amounting to the price difference less the option premium received.
- In futures contracts, there is a risk that the

Fund will be obligated, for the account of the Sub-Fund, to bear the difference between the price

underlying the contract when it was entered into and the market price when the transaction is closed or matures. That would result in losses for the Sub-Fund. The risk of loss is not determinable when entering into the futures contract.

- Any necessary back-to-back transactions (closing of position) incur costs.
- Forecasts made by the Fund about the future development of underlying assets, interest rates, prices and currency markets may turn out to be incorrect in retrospect.
- It may not be possible to buy or sell the assets underlying the derivatives at a favourable time; conversely, it may be necessary to buy or sell them at an unfavourable time.

The following risks can occur in OTC transactions:

- There may be no regulated market, and it may therefore be difficult or impossible for the Fund to sell the financial instruments acquired in the OTC market for the account of the Sub-Fund.
- Given the individual nature of agreements, back-to-back transactions (closing of position) may be difficult or impossible or may entail substantial costs.

#### 4.6.2.9 Risks in connection with investments in special purpose acquisition companies (SPACs)

SPACs may constitute permissible investments for UCITS provided they qualify as transferable securities as defined by article 41 of the Law of 2010 at all times during their life cycle. Investments in SPACs may involve specific risks related to dilution, liquidity, conflicts of interest or uncertainty regarding the identification, valuation and suitability of the target company and may be difficult to assess due to a lack of company history or a lack of information in the public domain. In addition, SPACs may have a complex structure and their characteristics may vary significantly from one SPAC to another. The Fund shall therefore review each SPAC individually to ensure that such SPAC investments meet all applicable eligibility requirements and are consistent with the risk profile of the UCITS.

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

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

#### 4.6.2.10.1 Risks in securities lending transactions

If the Fund grants a loan of securities for the account of the respective Sub-Fund, it transfers the securities to a borrower, which returns securities of the same kind, quantity, and quality at the end of the transaction (securities loan). For the duration of the transaction, the Fund has no right to use securities lent. If the security loses value during the transaction and the Fund wants to dispose of the security altogether, it must terminate the lending transaction and await the customary settlement cycle, which can result in a risk of loss for the respective Sub-Fund.

#### 4.6.2.10.2 Risks in repurchase agreement transactions

If the Fund sells securities under a repurchase agreement, it undertakes to buy them back at the end of the agreement term in return for a premium. The repurchase price and the premium to be paid by the seller at the end of the term is set when the agreement is entered into. If the securities sold under a repurchase agreement should lose value during the term of the agreement, and if the Fund wanted to sell them to limit the losses of value, it can do so only by exercising the right of early termination. Early termination of the agreement can entail financial losses for the respective Sub-Fund. It is also possible that the premium payable at the end of the term will turn out to be higher than the income the Fund generated, for the account of the respective Sub-Fund, through reinvestment of the cash received as the purchase price.

#### 4.6.2.10.3 Counterparty risks

If the other party (counterparty) to a (reverse) repurchase agreement transaction or securities lending transaction should default, the respective 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 respective Sub-Fund in connection with the securities lending or (reverse) repurchase agreement transaction are less than the repurchase price or, as the case may be, the value of the underlying securities. In addition, the respective Sub-Fund may also suffer losses as a result of bankruptcy or similar proceedings against the counterparty of securities lending or the repurchase agreement transaction or any other type of non-performance of the return of the securities, e.g., loss of interest or loss of the respective securities, as well as default and enforcement costs in relation to the securities lending or repurchase agreement transaction. The use of such techniques may have a significant effect, either negative or positive, on the respective Sub-Fund's NAV although it is expected that the use of repurchase agreement transactions, reverse repurchase agreement transactions and securities lending will generally not have a material negative impact on the respective Sub-Fund's performance.

#### 4.6.2.10.4 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 Fund, 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.

#### 4.6.2.10.5 Liquidity risks

The respective Sub-Fund is subject to liquidity risks which arise when a particular instrument is difficult to dispose of.

#### 4.6.2.10.6 Custody risks

Custody risk is the risk of loss of securities held with a Depositary as a result of insolvency, negligence or fraudulent action by the Depositary. 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 Depositary, the Depositary's choice of sub-depositaries and other intermediaries, and the law governing the custody relationship.

#### 4.6.2.10.7 Risks in securities lending transactions

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 contract on securities lending and borrowing or (reverse) repurchase agreement transactions 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.

#### 4.6.2.10.8 Risks associated with the acceptance of collateral

The Fund receives collateral for the account of a Sub-Fund for derivative transactions, securities lending transactions and repurchase agreement transactions. Derivatives, securities lent and securities sold under repurchase agreement transactions can increase in value. In that case, the collateral received may no longer fully cover the Fund's delivery or retransfer claim against the counterparty.

The Fund can for the account of a Sub-Fund invest cash collateral in blocked cash accounts, in high-quality government bonds or in money market funds with short-term maturity structures. However, it is possible for the credit institution holding the bank balances to default. Government bonds and money market funds can perform negatively. When the transaction is ended, the collateral thus invested might no longer be fully available, even though collateral must be returned by the Fund for the respective Sub-Fund in the

amount originally granted. The respective Sub-Fund would then have to bear the losses suffered on the collateral.

#### 4.6.2.10.9 Risks associated with the management of collateral

The Fund receives collateral for the account of a Sub-Fund for derivative transactions, securities lending transactions and repurchase agreement transactions. The management of this collateral requires the deployment of systems and the definition of certain processes. The failure of these processes, as well as any human or system failure at the Fund or at external third parties in connection with the management of collateral, may result in the risk that the collateral could lose value and no longer be sufficient to fully cover the Fund's delivery or retransfer claim for the relevant Sub-Fund with respect to the counterparty.

#### 4.6.2.11 Risk of change in the regulatory admissibility of securities

If the regulatory requirements applicable to the investment guidelines of the respective Sub-Fund were to change, the Management Company could be obliged, in the interests of the investors, to initiate measures to sell any no longer admissible securities held in the respective Sub-Fund assets. Given the possible legal requirements for banks, fund companies and insurance companies, there is a risk that the Management Company will not be able to sell such securities, or will be able to do so only with deep price discounts or after very long delays.

#### 4.6.2.12 Inflation risk

All assets are subject to a risk of devaluation through inflation. This is also true for the assets held in the respective Sub-Fund. The rate of inflation can exceed the growth rate of the respective Sub-Fund.

#### 4.6.2.13 Currency risk

Assets of the respective Sub-Fund can be invested in a currency other than the respective Sub-Fund's currency. The respective Sub-Fund receives the income, repayments and proceeds of such investments in that other currency. If the value of that currency falls in relation to the respective Sub-Fund's currency, the value of such investments, and thus also the value of the respective Sub-Fund's assets, is reduced.

Sub-Funds for which Share Classes are offered in a currency other than the base currency may be subject to positive or negative currency effects due to the time lag between the necessary order processing and posting steps.

#### 4.6.2.14 Concentration risk

If investment is concentrated on particular assets or markets, the respective Sub-Fund becomes particularly heavily dependent on the performance of these assets or markets.



#### 4.6.2.15 Risks associated with investment in investment fund units / shares

The risks entailed in units/shares of other investment undertakings that are acquired for a Sub-Fund (target funds) are closely linked to the risks inherent in the individual assets contained in these target funds, and in the investment strategies pursued by these target funds. However, since the fund managers of the individual target funds operate independently of one another, it is also possible that several target funds will be engaged in similar or mutually opposing investment strategies. This can result in a cumulative effect of existing risks, and any opportunities might be offset.

It is generally not possible for the Fund to control the fund management of the target funds. Their investment decisions do not necessarily have to concur with the Fund's assumptions or expectations. The Fund often will not have timely knowledge of the current composition of target funds. If the composition does not match the Fund's assumptions or expectations, it may not be able to react without a considerable delay by returning target fund shares. Open-ended investment undertakings in which the respective Sub-Fund acquires units might additionally suspend the redemption of units from time to time. In that case, the Fund is prevented from disposing of the units of the target fund by returning them to the Management Company or Depositary of the target fund against payment of the redemption price.

#### 4.6.2.16 Risks arising from the investment spectrum

In observance of the investment principles and limits stipulated in the law and in the investment conditions, which provide the respective Sub-Fund with a very wide framework, the actual investment policy can also be directed at primarily acquiring assets of only a few industries, markets or regions/countries, for example. This concentration on a few specific investment sectors can entail risks (e.g., narrow markets, broad range of fluctuation within certain economic cycles). The annual report provides retrospective information regarding the content of the investment policy for the reporting year ended.

#### 4.6.2.17 Risks of investing in contingent convertibles

Contingent convertibles (CoCos) are a form of hybrid financial instrument. From the perspective of the issuer, they act as a capital buffer and contribute to the fulfilment of certain regulatory capital requirements. Under their terms and conditions of issue, CoCos are either converted into equity or their principal amount is written down upon the occurrence of certain trigger events linked to regulatory capital thresholds.

The conversion event can also be triggered by the supervisory authorities, independently of the trigger events and outside of the control of the issuer, if the supervisory authorities call into question the long-term viability of the issuer, or of

companies related to the issuer, as a going concern (conversion/write-down risk).

Following a trigger event, the recovery of the capital invested depends essentially on the configuration of the CoCo. CoCos can use one of the following three methods to recover their fully or partially written-down nominal value: conversion into equity, temporary write-down or permanent write-off. In the case of a temporary write-down, the write-down is completely discretionary, taking into account certain regulatory restrictions. Any coupon payments after the trigger event are based on the reduced nominal value.

A CoCo investor may therefore, under certain circumstances, incur losses ahead of equity investors and other holders of debt instruments in respect of the same issuer.

In accordance with the minimum requirements set out in the EU Capital Requirements Directive IV / Capital Requirements Regulation (CRD IV/CRR), the configuration of the terms and conditions of CoCos can be complex and can vary depending on the issuer or the bond.

Investment in CoCos is associated with some additional risks, such as:

##### 4.6.2.17.1 Risk of falling below the specified trigger (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 as, for example, in the case of a write-down of the nominal value or a conversion into equity capital.

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.

##### 4.6.2.17.2 Risk of suspension of the coupon payment (coupon cancellation risk)

Although the interest payable on the CoCo is specified by the coupon in principle, the issuer or the supervisory authority can suspend the coupon payments at any time without such suspension signifying a default of the CoCo. Any lost coupon payments are not made up for when coupon payments are resumed. That means for the CoCo investor that there is a risk that not all of the

coupon payments expected at the time of acquisition will be received.

##### 4.6.2.17.3 Risk of a change of coupon (coupon resetting 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.

##### 4.6.2.17.4 Risk due to prudential requirements (risk of a reversal of the capital structure)

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

##### 4.6.2.17.5 Call risk and risk of the competent supervisory authority preventing a call (prolongation risk)

CoCos are long-term debt securities, often perpetual, 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 entails corresponding market and liquidity risks if the issuer does not effectively call the CoCo on one or more of the defined call dates. If there is no sufficiently liquid secondary market in the event of a lack of demand, a CoCo cannot be sold, or only with substantial losses.

##### 4.6.2.17.6 Equity capital and subordination risk (risk of a reversal of the capital structure)

In the case of conversion to equity, CoCo investors become Shareholders when the trigger occurs. In the event of insolvency, claims of Shareholders

have subordinate priority and are dependent on the remaining funds available.

Therefore, a conversion of the CoCo may lead to a total loss of capital. Under certain circumstances, CoCo investors may even incur the initial losses when the trigger occurs, even before the holders of equity.

#### **4.6.2.17.7 Risk of concentration on a sector**

Due to the special structure of CoCos, the risk of concentration on one sector may arise due to the uneven distribution of risks with regard to financial securities. By law, CoCos are part of the capital structure of financial institutions.

#### **4.6.2.17.8 Liquidity risk**

CoCos entail a liquidity risk in a tense market situation. This is due to the special investor base and the lower total market volume compared with that of normal bonds.

#### **4.6.2.17.9 Income valuation risk**

Due to the fact that CoCos can be called on a flexible basis, it is not clear which date should be used for calculating the income. There is a risk on each call date that the maturity of the bond will be postponed and the income calculation must then be adjusted to the new date, which can lead to a different yield.

#### **4.6.2.17.10 Unknown risk**

Due to the innovative nature of CoCos and the highly changeable regulatory environment for financial institutions, risks may arise that cannot be foreseen at the present time.

For further information, please refer to ESMA/2014/944.

### **4.6.3 Risks of restricted or elevated liquidity of the respective Sub-Fund and risks associated with increased subscription or increased redemption (liquidity risk)**

In the following, the risks that may adversely affect the liquidity of the respective Sub-Fund are presented. This may result in the respective Sub-Fund being temporarily or permanently unable to meet its payment obligations, and in the Fund being temporarily or permanently unable to meet the redemption requests of investors. The investor may not be able to realise a potentially planned holding period, and some or all of the capital invested may not be available to the investor for an indefinite period of time. The realisation of the liquidity risks could also cause the value of the respective Sub-Fund's assets, and thus the NAV per share, to decline in cases where, for instance, the Management Company is forced, if legally permissible, to sell assets for the respective Sub-Fund at less than market value. If the Fund is unable to meet the redemption requests of investors, this may additionally lead to the suspension of redemptions and, in extreme cases, to the subsequent liquidation of the respective Sub-Fund.

#### **4.6.3.1 Risk from investing in assets**

It is also permitted to acquire assets for the respective Sub-Fund that are neither admitted to a stock exchange nor admitted to or included in another regulated market. A potential sale of these assets may be possible only with high price discounts or with delays, or not at all. Even for assets admitted to a stock exchange, a potential sale might not be possible or might only be possible with high price discounts, depending on the market situation, the volume, the time frame and planned costs.

#### **4.6.3.2 Risk from borrowing**

The Fund may, where required, obtain short-term loans of no more than 10% of the respective Sub-Fund's assets for the account of the respective Sub-Fund. If the Fund is required to repay a loan and is not able to pay it with follow-up financing or the liquidity available in the respective Sub-Fund, it may be forced to sell assets at terms inferior to those planned. Short-term variable rate loans can additionally have a negative impact on respective Sub-Fund assets when interest rates rise.

#### **4.6.3.3 Risks from increased redemptions or subscriptions**

Buy and sell orders from investors cause liquidity to flow into and out of a Sub-Fund, respectively. The inflows and outflows, after netting, can result in either a net inflow or a net outflow of the respective Sub-Fund's liquid assets. This net inflow or net outflow can cause the Fund to buy or sell assets, which generates transaction costs. This is especially true when liquid assets exceed or fall short of a ratio set by the Fund for the respective Sub-Fund as a result of the inflows or outflows.

The resulting transaction costs are charged to the respective Sub-Fund and can adversely affect the respective Sub-Fund's performance. In the case of inflows, an increased Sub-Fund liquidity can diminish the performance of the respective Sub-Fund if the Fund cannot invest the funds under adequate conditions, or cannot do so in a timely manner.

#### **4.6.3.4 Risk associated with public holidays in specific regions / countries**

According to the investment strategy, investments for the respective Sub-Fund are to be made in specific regions and countries in particular. Local public holidays in these regions or countries may result in differences between stock exchange trading days of these regions or countries and the Valuation Dates of the respective Sub-Fund. The respective Sub-Fund may consequently be unable to react to market developments in these regions or countries on the same day if that day is not a Valuation Date, or it may be unable to act on a Valuation Date that is not a trading day in the markets of these regions or countries. As a result, the respective Sub-Fund might be prevented from selling assets in the time required. This can adversely affect the ability of the respective Sub-Fund to meet redemption requests or other payment obligations.

#### **4.6.3.5 Counterparty risk**

The respective Sub-Fund may incur risks in the context of a contractual relationship with another party (a "counterparty"). Here there is a risk that the counterparty might no longer be able to meet its contractual obligations. These risks can affect the performance of the respective Sub-Fund and can thus also adversely affect the NAV per share and the capital invested by the investor.

When OTC transactions are entered into, the respective Sub-Fund may be exposed to risks relating to the creditworthiness of its counterparties and their ability to meet the terms of such contracts. For example, the respective Sub-Fund may use futures, options and swap transactions or other derivative techniques, such as total return swaps, in which the respective Sub-Fund is subject to the risk that the counterparty will not fulfil its obligations under the respective contract.

In the event of a counterparty's bankruptcy or insolvency, the respective Sub-Fund may suffer significant losses due to a delay in liquidating positions, including the loss of value of the investments while the respective Sub-Fund enforces its rights. It is also possible that the use of the agreed techniques may be terminated through bankruptcy, illegality or changes in the law in comparison with those in force at the time of conclusion of the agreements.

The respective Sub-Fund may, among other things, enter into transactions on OTC and interdealer markets. The participants in these markets are typically not subject to financial supervision in the same way as the participants in regulated markets are. A Sub-Fund that invests in swaps, total return swaps, derivatives, synthetic instruments or other OTC transactions in these markets assumes the counterparty's credit risk and is also subject to the counterparty's default risk. These risks can be materially different from those of regulated market transactions, which are secured by guarantees, daily mark-to-market valuations, daily settlement and corresponding segregation and minimum capital requirements. Transactions concluded directly between two counterparties do not benefit from this protection.

The respective Sub-Fund is also subject to the risk that a counterparty will not execute the transaction as agreed, due to a discrepancy in the terms of the contract (irrespective of whether or not it is in good faith) or due to a credit or liquidity problem. This may result in losses for the respective Sub-Fund. This counterparty risk increases for contracts with a longer maturity period, as events may prevent a settlement, or if the respective Sub-Fund has focused its transactions on a single counterparty or a small group of counterparties.

If the counterparty defaults, the respective Sub-Fund may be subjected to opposing market movements during the execution of substitute transactions. The respective Sub-Fund may conclude a transaction with any counterparty. It can also conclude an unlimited number of transactions with

a single counterparty. The ability of the respective Sub-Fund to conclude transactions with any counterparty, the lack of a meaningful and independent evaluation of the counterparty's financial characteristics and the absence of a regulated market for concluding agreements can increase the respective Sub-Fund's loss potential.

#### 4.6.3.6 Credit risk

Bonds or debt securities entail credit risk with respect to the issuer, for which the issuer's credit rating can be used as a measure. Bonds or debt instruments issued by issuers with a lower rating are usually considered to be securities with a higher credit risk and a higher probability of default by the issuer than those issued by issuers with a better rating. If an issuer of bonds or debt securities encounters financial or economic difficulties, this may affect the value of the bonds or debt securities (which may fall to zero) and the payments made on these bonds or debt securities (which may fall to zero). In addition, some bonds or debt instruments are also classified as subordinated in the financial structure of an issuer. In the event of financial difficulties, serious losses can therefore occur. At the same time, the probability that the issuer will meet these obligations is lower than for other bonds or debt instruments. This in turn leads to high price volatility of these instruments.

#### 4.6.3.7 Risk of default / Counterparty risks (except central counterparties)

The default of an issuer or of a contracting party against which the respective Sub-Fund has claims can lead to losses for the respective Sub-Fund. Issuer risk describes the effect of particular developments at the individual issuer that, alongside general trends in the capital markets, will affect the price of a security. The risk of a decline in the assets of issuers cannot be entirely eliminated even through careful selection of securities. The other party to a contract entered into for the account of the respective Sub-Fund may default in whole or in part (counterparty risk). This applies to all contracts that are entered into for the account of the respective Sub-Fund.

#### 4.6.3.8 Risk from central counterparties

A central counterparty (CCP) acts as an intermediary institution in particular transactions for the respective Sub-Fund, especially transactions in derivative financial instruments. In this case, the CCP acts as the buyer toward the seller, and as the seller toward the buyer. A CCP uses a series of protective measures to hedge against the risk of its business partner not being able to provide the agreed services. These protective measures enable the CCP at all times to offset losses from the transactions entered into (e.g., through the use of collateral). Regardless these protective measures, it cannot be ruled out that a CCP might itself become overindebted and default, which would also affect claims of the Fund for the respective Sub-Fund. This may give rise to losses for the respective Sub-Fund.

#### 4.6.3.9 Risks of default in repurchase agreement transactions

If the Fund sells securities under a repurchase agreement for the account of the respective Sub-Fund, it must provide sufficient collateral to protect against the default of the counterparty. In the event of a default of the counterparty during the term of the repurchase agreement transaction, the Fund has a right of use with respect to the collateral provided. A risk of loss to the respective Sub-Fund can ensue from the fact that the collateral provided is no longer sufficient to cover the Fund's retransfer claim for the account of the respective Sub-Fund in full, e.g., because the prices of the securities sold have risen.

#### 4.6.3.10 Risks of default in securities lending transactions

If the Fund grants a loan of securities for the account of the respective Sub-Fund, it must obtain sufficient collateral to protect against the default of the counterparty. Collateral is provided in an amount at least equivalent to the market value of the securities transferred in the securities loan. The borrower must provide additional collateral if the value of the securities lent increases, if the quality of the collateral provided decreases or if the financial situation of the borrower deteriorates and the collateral already provided is not sufficient. If the borrower is unable to meet this obligation to provide additional collateral, there is a risk that the Fund's retransfer claim is not fully hedged in the event of a counterparty default. If the collateral is held in custody at an institution other than the Depositary, there is also the risk that the collateral might not be available for full or immediate use in the event of a borrower default.

#### 4.6.4 Operational and other risks of the Fund

In the following, the risks that can arise, for example, from inadequate internal processes and from human error or system failures at the Management Company, the Fund or at external third parties are presented. These risks can affect the performance of the respective Sub-Fund and can thus also adversely affect the NAV per share and the capital invested by the investor.

##### 4.6.4.1 Risks from criminal acts, shortcomings, natural disasters or failure to take sustainability into account

The Fund may become a victim of fraud or other criminal acts. A Sub-Fund may suffer losses due to errors by employees of the Management Company, the Fund or of external third parties, or be damaged by outside events such as natural disasters or pandemics.

These events may be caused or exacerbated by failure to take sustainability into account. The Management Company strives to minimise operational risks and possible associated financial consequences that could adversely affect the value of a Sub-Fund's assets as much as reasonably possible, and has set up processes and procedures to identify, manage and minimise such risks.

#### 4.6.4.2 Country or transfer risk

There is a risk that a foreign borrower, despite ability to pay, cannot make payments at all, or not on time, or can only pay in another currency, because the currency in the country of domicile is not freely transferable or the country of domicile is unwilling to execute transfers, or for similar reasons. This means that, for example, payments to which the Fund is entitled for the account of the respective Sub-Fund may not occur or may be in a currency that is not convertible (anymore) due to restrictions on currency exchange or may be in another currency. If the borrower pays in another currency, this position is subject to the currency risk presented above.

#### 4.6.4.3 Geopolitical risks

Political events or changing political conditions, such as unexpected armed conflicts, terrorist attacks or tensions between states, that threaten peaceful exchanges may give rise to major challenges for the respective Sub-Fund's business activity and affect the global economic and financial system. Assets held by the respective Sub-Fund in such countries may therefore entail valuation uncertainties and liquidity difficulties and thus depreciate, become completely worthless or illiquid. This can give rise to the risk of the respective Sub-Fund suffering losses or missing out on upside opportunities in the short term.

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

Assets that the respective Sub-Fund holds in Russia, Belarus and/ or Ukraine, if applicable, may entail valuation uncertainties and liquidity difficulties and may depreciate, become completely worthless or illiquid. This can give rise to the risk of the respective Sub-Fund suffering losses or missing out on upside opportunities in the short term. The Management Company will monitor the situation and shall, where possible, take suitable measures within the framework of liquidity management and valuation.

#### 4.6.4.4 Investments in Russia

If provided for in the Special Section of the 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). The exchange is a recognized and regulated market as defined by article 41 (1) of the Law of 2010. Additional details are specified in the Special Section of the Prospectus.

#### 4.6.4.5 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 depositary 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 fulfil 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 Fund.
- 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 Fund or, in some cases, even completely eliminate such a holding. Neither the Sub-Fund nor the fund manager nor the Depositary nor the Management Company nor the Board of Directors of the Fund 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.

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

##### 4.6.4.6.1 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.

##### 4.6.4.6.2 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.

##### 4.6.4.6.3 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.

##### 4.6.4.6.4 Risks relating to the depositary in the PRC (PRC Depositary) and other agents

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

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 Depositary 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 Depositary will make arrangements to ensure that the PRC Depositary has appropriate procedures to properly safe-keep the Sub-Fund’s assets.

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 Depositary will not be segregated but will be a

debt owing from the PRC Depositary to the Sub-Fund as a depositor. Such cash will be co-mingled with cash belonging to other clients of the PRC Depositary. In the event of bankruptcy or liquidation of the PRC Depositary, 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 Depositary. 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.

##### 4.6.4.6.5 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 depositaries' 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 depositary (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.

#### **4.6.4.6.6 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 fulfil 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.

#### 4.6.4.6.7 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 NAV of the Sub-Fund which will be denominated in USD.

#### 4.6.4.6.8 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.

#### 4.6.4.6.9 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 NAV of the Sub-Fund.

#### 4.6.4.6.10 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.

#### 4.6.4.6.11 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 NAV of the Sub-Fund.

#### 4.6.4.6.12 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.

#### 4.6.4.6.13 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.

#### 4.6.4.6.14 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 NAV 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.

#### 4.6.4.6.15 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.

#### 4.6.4.6.16 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 NAV 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 NAV may be higher.

#### 4.6.4.6.17 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.

#### 4.6.4.6.18 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.

#### 4.6.4.6.19 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.

#### 4.6.4.6.20 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.

#### 4.6.4.6.21 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 NAV 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.

#### 4.6.4.6.22 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.

#### 4.6.4.7 Legal and political risks

Investments for the respective Sub-Fund may be undertaken in jurisdictions in which Luxembourg law does not apply, or where, in the case of disputes, the place of jurisdiction is outside Luxembourg. Any resulting rights and obligations of the Fund for the account of a Sub-Fund may differ from those in Luxembourg to the detriment of the respective Sub-Fund or the investor.

Political or legal developments, including changes to the legal framework in these jurisdictions, may not be detected by the Management Company, or may be detected too late, or they may lead to restrictions in terms of acquirable assets or assets that have already been acquired. These consequences can also arise when the legal framework

for the Management Company and/or the administration of the Fund in Luxembourg changes. Furthermore, changes or handling of existing laws by the authorities in the US, the UK, Germany and, where appropriate, other investment states, as well as future legislative changes, can have negative consequences for the Fund and its investors. Such changes may concern, for example, the tax treatment of the income of the Fund or its Sub-Funds and the income of its investors.

#### 4.6.4.8 Changes in the tax framework, tax risk

The information provided in this Prospectus is based on the current understanding of applicable tax laws. The summary of tax regulations is addressed to persons subject, without limitation, to individual or corporate income tax 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.

#### 4.6.4.9 Key individual risk

If the investment performance of the respective Sub-Fund during a particular period is very positive, this success may also depend on the abilities of the individuals acting on behalf of the Sub-Fund, and hence on the correct management decisions. Fund management personnel can change, however. New decision-makers might not be as successful.

#### 4.6.4.10 Custody risk

The custody of assets, especially in foreign countries, involves a risk of loss that may result from insolvency or violation of due diligence on the part of the Depository, or from force majeure.

#### 4.6.4.11 Settlement risk

In the settlement of securities transactions, there is a risk that one of the contracting parties is late or fails to pay, or fails to deliver securities on time. This settlement risk also exists accordingly when trading other assets for the respective Sub-Fund.

#### 4.6.4.12 Creditworthiness risk

The credit quality (ability and willingness to pay) of the issuer of a security or money market instrument held directly or indirectly by the respective Sub-Fund may subsequently decline. As a rule, this leads to price declines of the respective security that exceed the general market fluctuations.

#### 4.6.4.13 Assets in emerging markets

An investment in assets of emerging markets is generally subject to higher risks (including (possibly considerable) legal, economic and political risks) than an investment in assets of markets in industrial countries.

Emerging markets are markets that, by definition, are "in upheaval" and are therefore exposed to risks of rapid political change and economic setbacks. In recent years, many emerging-market countries have experienced significant political, economic and social changes. In many cases, political considerations have led to considerable

economic and social tension, and, in some cases, there was both political and economic instability in these countries. Political or economic instability may affect investor confidence, which in turn may have a negative effect on exchange rates and on the prices of securities or other assets in the emerging markets.

Exchange rates and prices of securities or other assets in emerging markets are often extremely volatile. Changes to these prices are attributable, among other things, to interest rates, a changing relationship between supply and demand, forces that affect the market from the outside (especially in respect of important trading partners), trade, and monetary programs, the policies of governments, as well as international political and economic events.

In emerging markets, the development of securities markets is mostly in the early stages. This leads to risks and practices (such as higher volatility) that usually do not occur in more developed securities markets and these may have a negative impact on the value of the securities listed on the stock exchanges in these countries. In addition, markets in emerging-market countries are often characterised by illiquidity in the form of low turnover rates of some listed securities.

It is important to note that exchange rates, securities and other assets in emerging markets are more likely to be sold in the course of a "flight to quality" in times of economic stagnation than other types of assets that involve a low risk and that their value may deteriorate accordingly.

#### 4.6.4.14 Sustainability risks

Sustainability risk is defined by SFDR as an environmental, social or governance event or condition that, if it occurs, could cause an actual or a potential material negative impact on the value of the investment.

These events or conditions may relate, among others, to the following factors:

- Environmental factors, such as greenhouse gas emissions, energy sources and usage, water consumption
- Social factors, such as human rights, labour standards and principles of responsible business conduct
- Governance-related factors, such as anti-bribery and anti-corruption measures

Sustainability risk can either represent a risk on its own or have an impact on other risks and contribute significantly to those other risks, such as market risk, operational risk, liquidity risk or counterparty risk.

Sustainability risks can lead to a significant deterioration in the financial profile, liquidity, profitability or reputation of the underlying investment. Unless the sustainability risk was already reflected in the valuation of the investment, it 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.

#### 4.7 Investor profiles

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 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 higher capital appreciation while accepting increased risks. 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 NAV per 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 shares by distribution agents or distribution partners, or if such agents or partners act as intermediaries for the purchase of shares, they may therefore present additional information to

the investor that also relates to the profile of a typical investor.

##### **Performance**

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/fundinformation](http://www.dws.com/fundinformation), in the KID, or in the Fund's semi-annual and annual reports.

## 5. Shares of the Fund

### 5.1 General Provisions

The capital of the Fund shall at any time be equal to the total net assets of the Fund's various Sub-Funds, and it is represented by fully paid-up shares of no par value. The shares may be issued as registered shares and/or as bearer shares represented by global share certificates. Shareholders are not entitled to the delivery of physical share certificates.

#### **(1) Registered shares**

The Fund may resolve to issue registered shares.

If shares are issued as registered shares, the entry of the shareholder's name in the Register of Shareholders constitutes definitive proof of ownership of these shares. The Register of Shareholders is maintained by the entity supporting the registrar function in connection with the maintenance of the Register of Shareholders. Registered shares are issued without share certificates. Instead of a physical share certificate, Shareholders of registered shares receive a confirmation of their shareholding.

Each Shareholder whose holding has been entered in the Register of Shareholders must provide the entity supporting the registrar function in connection with the maintenance of the Register of Shareholders with an address, to which all notices and announcements by the Management Company of the Fund may be delivered. This address is also recorded in the Register of Shareholders. In the case of joint ownership of shares (joint ownership is restricted to a maximum of four persons), only the address of the first-named joint owner is entered, and all notices are sent exclusively to that address.

If a Shareholder does not provide an address, the respective entity supporting the registrar function may enter a remark to this effect in the Register of Shareholders. In this case, the address of the registered office of the entity supporting the registrar function in connection with the maintenance of the Register of Shareholders or another address entered in each instance by the entity supporting the registrar function in connection with the maintenance of the Register of Shareholders is deemed to be the address of the Shareholder

until the Shareholder provides the entity supporting the registrar function with another address. The Shareholder may, at any time, change the address recorded in the Register of Shareholders by way of written notice, which must be sent to the entity supporting the registrar function in connection with the maintenance of the Register of Shareholders or to another address, specified for each instance, by the entity supporting the registrar function in connection with the maintenance of the Register of Shareholders.

A transfer of registered shares takes place by written declaration of transfer to be registered in the Register of Shareholders, recorded by the entity supporting the registrar function in connection with the maintenance of the Register of Shareholders upon receipt of the necessary documentation and upon fulfilment of all other preconditions for transfer, as required by the entity supporting the registrar function in connection with the maintenance of the Register of Shareholders.

#### **(2) Bearer shares represented by global share certificates**

The Fund may resolve to issue bearer shares that are always deposited in a securities settlement system and represented by one or several global share certificates.

Global share certificates are issued in the name of the Fund and are deposited with the clearing agent(s). Investors receive the bearer shares represented by a global share certificate when they are posted to the securities accounts of their financial intermediaries, which in turn are held directly or indirectly by the clearing agents. Bearer shares are always deposited in a securities settlement system and represented by a global share certificate, thereby losing their bearer securities nature.

Bearer shares represented by a global share certificate are transferable according to and in compliance with the provisions contained in this Prospectus, the laws and regulations that apply to the respective exchange (if any) and/or the clearing agent undertaking the transfer. Shareholders that do not participate in such a system can transfer bearer shares represented by a global share 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 share certificates take place by way of credits to the accounts at the relevant clearing agent of the financial intermediaries of the Shareholders.

The Fund may issue fractional shares. Unless otherwise provided for a particular Sub-Fund or Share Class, fractional shares are rounded, in accordance with commercial practice, to up to three places after the decimal point. Such rounding may be to the benefit of either the respective Shareholder or the Sub-Fund.

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 detailed for the respective Share Class. The differences between the various Share Classes are explained in section 5.7 "Shares Classes" and specified in the respective Special Section of the Prospectus.

Shares of a Sub-Fund may be listed or traded on an official stock exchange or on other markets.

Shares are issued and redeemed through the Management Company, by the entity supporting the registrar function and through all paying agents.

## 5.2 Subscription and issuance of shares

Shares are issued on each Valuation Date at the issue price. The issue price is (1) the initial subscription price during the initial subscription period or (2) after the initial subscription period, the NAV per share, calculated in accordance with section 7 "Calculation and publication of the NAV", plus a subscription fee and/or commissions and/or any adjustment to avoid dilution, if applicable. Such fees and commissions are generally paid to the Main Distributer, sub-distributors, intermediaries and agents active in the placing of the shares as compensation for their services. The Special Section of the Prospectus contains precise provisions for individual Sub-Funds or Share Classes with respect to the timing of the payment of the issue price.

The subscription fee is expressed as a percentage of the NAV and, if a subscription fee is payable, the maximum amount of same is disclosed for each Share Class in the respective Special Section of the Prospectus. The Fund is free to charge a lower subscription fee.

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

The number of shares to be issued is determined by subtracting any subscription fee from the gross investment amount (i.e., the total amount invested by the investor) and dividing the result by the applicable NAV per share. For illustrative purposes this is shown by a sample calculation below<sup>1</sup>:

gross investment	EUR	10,000.00
– subscription fee (e.g., 5%)	EUR	500.00
<b>= net investment</b>	EUR	9,500.00
÷ NAV per share	EUR	100.00
<b>= number of shares</b>		<u>95</u>

Alternative calculation methods may be applied through specific distribution partners or channels. These methods may affect the way the subscription amount is processed. However, the determination of the number of shares to be issued in proportion to the total amount invested by the investor remains unaffected.

Registered shares are issued on the basis of subscription orders received by the entity supporting the registrar function in connection with the maintenance of the Register of Shareholders. Bearer shares certified in the form of global share certificates are issued on the basis of subscription orders forwarded by the entity, at which the subscriber holds his custody account, to the entity supporting the registrar function in connection with the maintenance of the global share certificate.

If the subscription order is incorrect or incomplete, the subscription order will be rejected and will have to be re-submitted.

The Fund reserves the right to reject any order for the subscription of shares at its absolute discretion.

Orders received after the Cut-Off time on a Valuation Date will be treated as having been received on the following Valuation Date. The respective Special Section of the Prospectus may contain different Cut-Off times applicable to individual Sub-Funds and to individual Share Classes.

Subscribed shares are issued to the investor upon receipt of payment by the Depositary or the approved correspondent banks. From a bookkeeping standpoint, however, the corresponding shares are already taken into account in the calculation of the NAV on the Valuation Date following the corresponding securities settlement and can be cancelled up 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.

In case of a temporary suspension of the NAV calculation, the Fund is obliged to temporarily suspend the issue and subscription of shares. Further information on the possibility of such a suspension can be found in section 12 "Temporary suspension of the issue, redemption and conversion of shares and of the calculation of the NAV per share".

The Fund may, at its own discretion, reject any and all securities offered as payment for a subscription, without having to give reasons.

If the Fund determines that it would be detrimental to the existing Shareholders to accept a subscription application that exceeds a certain level determined by the Fund, the Fund may postpone the acceptance of such subscription application and, in consultation with the incoming Shareholder, may require such incoming

Shareholder to stagger their proposed subscription over an agreed period of time.

Regular savings or withdrawal plans are offered in certain countries in which the respective Sub-Fund has been authorized.

## 5.3 Redemption of shares

Shares are redeemed on each Valuation Date at the redemption price. The redemption price is the NAV per share, calculated in accordance with section 7 "Calculation and publication of the NAV", less any redemption fee and/or any adjustment to avoid dilution, if applicable. The Special Section of the Prospectus will contain more precise regulations for individual Sub-Funds or Share Classes with respect to the timing of the payment of the redemption price.

The redemption fee is expressed as a percentage of the NAV and, if a redemption fee is payable, the maximum amount of same is disclosed for each Share Class in the respective Special Section of the Prospectus. The Fund is free to charge a lower redemption fee.

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

The amount paid out to the investor is determined by subtracting any redemption fee from the NAV per share and multiplying the result by the applicable number of shares to be redeemed. For illustrative purposes this is shown by a sample calculation below<sup>2</sup>:

NAV per shares	EUR	100.00
– redemption fee (e.g., 5%)	EUR	5.00
<b>= net redemption price per share</b>	EUR	95.00
x number of redeemed shares (e.g., 100)		100
<b>= total redemption price</b> (excl. any taxes)	EUR	<u>9,500.00</u>

Registered shares are redeemed on the basis of redemption orders received by the entity supporting the registrar function. Bearer shares certified in the form of global share certificates are redeemed on the basis of redemption orders forwarded by the entity, at which the subscriber holds his custody account, to the entity supporting the registrar function in connection with the maintenance of the global share certificate.

The time of receipt of the redemption order by the entity supporting the registrar function shall be decisive with respect to processing the order. If the redemption order is incorrect or incomplete, the redemption order will be rejected and will have to be re-submitted.

<sup>1</sup> Note: The sample calculations are simplified and intended for illustrative purposes only. The calculations do not take into account fractions of shares and do not permit any conclusions to be drawn concerning the performance of the NAV per share of any Sub-Fund.

<sup>2</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 NAV per share of any Sub-Fund.

Orders received after the Cut-Off time on a Valuation Date will be treated as having been received on the following Valuation Date. The respective Special Section of the Prospectus may contain different Cut-Off times applicable to individual Sub-Funds and to individual Share Classes.

Redeemed shares are cancelled upon payment of the redemption price. Payment of the redemption price, as well as any other payments to the Shareholders, shall be made via the Depositary and the paying agents, if any. The Depositary is only obliged to make payment insofar as there are no legal provisions, such as exchange control regulations or other circumstances beyond the Depositary's control, prohibiting the transfer of the redemption price to the country of the applicant.

Shareholders should also consider section 11 "Liquidity management tools of the Fund to manage temporary constrained market liquidity" to be informed on specific measures the Fund may apply in case of redemptions under temporary constrained liquidity conditions.

In case of a temporary suspension of the NAV calculation, the Fund is obliged to temporarily suspend the redemption of shares. Further information on the possibility of such a suspension can be found in section 12 "Temporary suspension of the issue, redemption and conversion of shares and of the calculation of the NAV per share".

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

The Fund has the right to carry out substantial redemptions only once the corresponding assets of the Sub-Fund have been sold. In general, redemption requests valued above 10% of the NAV of a Sub-Fund are considered as substantial redemptions and the Fund is under no obligation to immediately execute substantial redemption requests. Further information on deferrals with respect to redemption requests can be found in section 11.1 "Deferral of redemption requests".

## 5.4 Conversion of shares

Shareholders may on each Valuation Date request the conversion of some or all of their shares into shares of a different Share Class of the same Sub-Fund. The Fund reserves the right to reject any conversion request in whole or part at its absolute discretion. Conversions between different Sub-Funds are prohibited unless otherwise permitted by the Fund, which may accept or reject such conversions at its sole discretion.

Conversions are subject to a conversion fee, which is calculated on the amount to be invested in the target Share Class or Sub-Fund. The fee is charged for the benefit of the Management Company, which may waive or pass it on at its discretion. The conversion fee may amount to:

- up to 1% of the NAV of the target Share Class or Sub-Fund for Share Classes or Sub-Funds denominated in USD, SGD, HKD or RMB; or
- the applicable subscription fee minus 0.5% for Share Classes or Sub-Funds denominated in EUR, GBP, CHF, AUD, NZD, CAD, JPY, NOK, SEK, PLN, CZK or Russian rouble;

unless shares are converted from a Share Class or Sub-Fund without a subscription fee into one with a subscription fee, in which case the conversion fee may correspond to the full subscription fee.

If the shareholder holds shares via a financial institution, that institution may charge additional fees and charges in excess of the conversion fee.

The conversion fee is payable on or immediately after the corresponding Valuation Date. The Fund may apply a lower conversion fee. Certain fees and other costs may apply in specific distribution countries.

The number of shares to be issued in a conversion is based on the respective NAV of the Share Classes on the Valuation Date, on which the conversion order was executed, in consideration of any applicable conversion fees, and is calculated as follows:

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

where

A = the number of shares of the new Share Class to which the Shareholder will be entitled;  
 B = the number of shares of the original Share Class whose conversion the Shareholder has requested;  
 C = the NAV per share of the shares to be converted;  
 D = conversion fee in % (if applicable);  
 E = the NAV per share of the shares to be issued as a result of the conversion.

In case of a conversion, the characteristics of the chosen Share Class (e.g., minimum initial investment amount, institutional character of the investor) must be fulfilled. In terms of the minimum initial investment amount the Fund reserves the right to deviate from this rule at its own discretion.

Registered shares are converted on the basis of conversion orders by the entity supporting the registrar function. Bearer shares certified in the form of global share certificates are converted on the basis of conversion orders forwarded to the entity supporting the registrar function in connection with the maintenance of the global share certificate by the entity with whom the Shareholder holds his custody account.

The time of receipt of the conversion order by the entity supporting the registrar function shall be decisive with respect to processing the order. If the conversion order is incorrect or incomplete, the

conversion order will be rejected and will have to be re-submitted.

The Fund reserves the right to reject any order for the conversion of shares in whole or in part at its absolute discretion.

Orders received after the Cut-Off time on a Valuation Date will be treated as having been received on the following Valuation Date. The respective Special Section of the Prospectus may contain different Cut-Off times applicable to individual Sub-Funds and to individual Share Classes.

In case of a temporary suspension of the NAV calculation, the Fund is obliged to temporarily suspend the conversion of shares. Further information on the possibility of such a suspension can be found in section 12 "Temporary suspension of the issue, redemption and conversion of shares and of the calculation of the NAV per share".

Restriction to the conversion of shares:

- Conversions between Share Classes that are denominated in different currencies are not permitted.
- Conversions between Share Classes set-up as registered shares and bearer shares represented by a global share certificate are not permitted. This restriction does not prevent shareholders from asserting their rights pursuant to article 430-8 of the Law of 1915.
- Conversions between Sub-Funds and/or Share Classes with deviating settlement cycles are not permitted.
- Shareholders of Share Classes with the "PF" designator cannot, at any time, convert any of their shares into shares of a different Sub-Fund or shares of a different Share Class of the same Sub-Fund. After a pre-defined amortization period as defined in the Special Section of the Prospectus, 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 converted into a corresponding number of shares of the corresponding Share Class of the same Sub-Fund to avoid prolonged amortization. In this case, neither a conversion fee nor a deferred sales charge is charged.

## 5.5 Restriction of the issue of shares and compulsory redemption of shares

### 5.5.1 Restriction of the issue of shares at the Fund's discretion

The Fund 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 Fund or its Shareholders.

The issuance of shares as part of existing regular savings plans is not necessarily affected. In general, all existing regular savings plans will be continued even during the suspension of share issuance, except if the issuance of shares is discontinued for savings plans by the Fund. The Fund will promptly refund payments on subscription applications (without any interest payments) that have not yet been executed.

## 5.5.2 Limited permit for public distribution

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 Fund or a third party commissioned by the Fund and is available to the Fund, this Prospectus must not be regarded as a public offer for the acquisition of Sub-Fund shares and/or this 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 (as defined in section 1 "General"). 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 Prospectus may not be distributed in the United States of America. The distribution of this 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 Prospectus may be used for sales purposes only by persons who possess an explicit written permit from the Fund (either directly or indirectly via correspondingly commissioned sales agents).

## 5.5.3 Compulsory redemption of shares

The Fund reserves the right to redeem shares unilaterally against payment of the redemption price if this is deemed necessary in the interests of the Shareholders or for the protection of the Shareholders or a Sub-Fund.

The Fund may unilaterally redeem a shareholder's holding in a Share Class or convert the holding to another Share Class if the Shareholder no longer meets the qualifying characteristics required to hold the Share Class.

If the Fund believes that a Shareholder is no longer an eligible investor, the Shareholder may be requested to prove his/her eligibility, but the Fund can at its discretion proceed to a redemption without consent of the Shareholder.

The Fund cannot be held liable for any gain and losses resulting from such compulsory redemptions.

## 5.6 Prohibited Persons

The Fund may at any time and in its sole discretion, restrict or prevent the ownership of shares in the Fund by a Prohibited Person.

"Prohibited Person" means any person, firm or corporate entity, determined in the sole discretion of the Fund as being not entitled to subscribe for or hold shares in the Fund or, as the case may be, in a specific Sub-Fund or Share Class, (1) if in the opinion of the Fund such holding may be detrimental to the Fund, (2) it may result in a breach of any law or regulation, whether Luxembourg or foreign, (3) if as a result thereof the Fund may become exposed to disadvantages of a tax, legal or financial nature that it would not have otherwise incurred or (4) if such person, firm or corporate entity would not comply with the eligibility criteria of any existing Share Class.

If, at any time, it shall come to the Fund'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 Fund to sell its shares and to provide the Fund with evidence of such sale within 30 calendar days after being so instructed by the Fund, the Fund 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 Fund 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.

## 5.7 Share Classes

The Fund may at any time decide to launch new Share Classes and offer investors one or more Share Classes at its discretion. Share Classes designate various categories of Sub-Fund shares and have the characteristics described below determined by the Fund and indicated by the corresponding alphabetical denominator. All Share Classes of a Sub-Fund shall be invested collectively in accordance with the investment objective and investment policy of the respective Sub-Fund, but may differ from each other, in particular with regard to their fee structure, minimum investment amount for initial and/or subsequent subscriptions, the currency, the distribution policy, the conditions to be met by investors or other specific characteristics, such as hedging features, as determined in each case by the Fund. Country-specific regulatory requirements may additionally determine Share Class characteristics. All shares within a Share Class have the same rights. The rights of investors in different Share Classes within a Sub-Fund can differ, provided that such differences have been detailed for the respective Share Class.

The NAV is calculated individually for each Share Class issued for the respective Sub-Fund. The Fund reserves the right to offer only certain Share Classes for purchase to investors in certain jurisdictions in order to comply with the applicable laws, customs or business practices there. Furthermore, the Fund reserves the right to adopt principles that apply to certain investor categories or transactions in respect of the acquisition of certain Share Classes.

The Share Classes offered as of the date of the Prospectus are listed in the respective Special Section of the Prospectus. Share Classes can be launched at any time. The Prospectus will be updated accordingly on a regular basis. Current information on the Share Classes launched will be published on the Management Company's website at [www.dws.com/fundinformation](http://www.dws.com/fundinformation).

## 5.7.1 Description of the denominators

The Share Class characteristics and the associated denominators are listed in the following table and are explained in more detail below:

### 5.7.1.1 General characteristics

#### General characteristics

<b>Investor type</b>	Institutional investors	I
	Semi-institutional investors	F
	Retail investors	L, N
	Master-Feeder	MF
	Mutual investment funds under Japanese Law	J
	Trailer Fee Free	TF
<b>Distribution policy</b>	Capitalization/accumulation	C
	Distribution	D
<b>Distribution Frequency</b>	Annual	–
	Semi-Annual	B
	Quarterly	Q
	Monthly	M
<b>Hedging</b>	No Hedging	–
	Hedging	H
	Portfolio Hedging	H (P)
	Currency Exposure	CE
<b>Other</b>	Insurances	V
	Early Bird	EB
	Seeding	X
	Separate Agreement Share Classes	Z
	Placement Fee	PF
	Restricted	R
	Country specific Share Classes in the UK:	DS (Distributor Status), RD (Reporting Fund Status).

### 5.7.1.2 Investor type

The denominators “I”, “F”, “L”, “N”, “J”, “MF” and “TF” indicate the investor type for which the Share Classes are intended.

#### Shares of Share Classes with the denominator

- “I” are exclusively reserved for institutional investors as defined by article 174 (2) of the Law of 2010. This Share Classes is only offered in form of registered shares, unless otherwise provided for the respective Sub-Fund in the Special Section of the Prospectus.
- “F” are open to semi-institutional investors.
- “L” and “N” are open to retail investors.
- “J” are only offered to schemes for mutual investment funds according to Japanese law.
- “MF” are only offered to UCI or their sub-funds, that invest at least 85% of their assets in units of other UCI or their sub-funds.
- “TF” (trailer fee free) are exclusively offered as follows:
  - a) through distributors and intermediaries that
  - due to prudential requirements (e.g. in relation to independent investment advi-

sory services, discretionary portfolio management or specific local regulations) may not receive or collect trailer fees or any other fees, rebates or payments from the respective Sub-Fund; or

- have entered into separate fee arrangements with their clients and do not receive and collect trailer fees or any other fees, rebates or payments from the respective Sub-Fund;
- b) to other UCIs; or
- c) to insurance-based investment products as defined by article 4 (2) of Regulation (EU) No. 1286/2014 of the European Parliament and of the Council of November 26, 2014, on Key Information Documents for packaged retail and insurance-based investment products (PRIIP Regulation).

For the “TF” Share Class, the Sub-Fund does not pay any trailer fees to the distributors.

### 5.7.1.3 Distribution policy

Share Classes with the denominator “C” (capitalization/ accumulation) offer an accumulation of

income. For Share Classes with the denominator “D” (distribution), income is distributed.

For the accumulating Share Classes, income is continuously reinvested in the assets of the Sub-Fund and allocated to the respective Share Classes. For the distributing Share Classes, the annual general meeting shall decide each year whether a distribution will be made and in what amount. The Board of Directors may elect to pay out special and interim dividends for each Share Class in accordance with Luxembourg law. No distribution will reduce the Fund's capital to a level below its minimum capital.

### 5.7.1.4 Distribution frequency

The denominators “B”, “Q” and “M” describe the frequency of distribution of income. The denominator “B” indicates distribution on a semi-annual basis, the denominator “Q” indicates distribution on a quarterly basis, while the denominator “M” indicates distribution on a monthly basis. Distributing shares without the “B”, “Q” and “M” denominators offer annual distribution.

## 5.7.2 Currency-specific Share Classes

### 5.7.2.1 Share class currencies and initial issue price

The reference currency of the Share Classes offered is generally the EUR. Other currency-specific Share Classes are indicated by the addition

of currency-specific denominators, e.g. USD for Share Classes denominated in U.S. dollars or CHF for Share Classes denominated in Swiss francs.

The initial NAV for each Share Class is typically as set out in the table below and will be pub-

lished on the website of the Management Company. In exceptional cases, the initial NAV of certain Share Classes may differ from the amount stated.

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

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

### 5.7.2.2 Currency-specific characteristics

- The settlement date for purchase and redemption orders for Swedish krona, Hong Kong dollar and Chinese renminbi Share Classes may deviate by one day from the settlement date specified in the Special Section of the Prospectus 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).

### 5.7.2.3 Possible currency effects of Share Classes with a reference currency other than the Sub-Fund currency

Investors in Share Classes with a reference currency other than the Sub-Fund currency should note that

- possible currency effects on the NAV per share are not systematically hedged, except in the case of the Share Classes hedged against currency effects as described below.

These currency effects can arise due to the time lag between the necessary processing and posting steps for orders in a non-Sub-Fund currency, which can lead to exchange

rate fluctuations. This applies in particular to redemption orders. The possible currency effects on the NAV per share may be positive or negative and are not limited to the particular Share Class with a reference currency other than the Sub-Fund currency, i.e. they may also affect the respective Sub-Fund and all of the Share Classes contained in it;

- the NAV per share is calculated in the Sub-Fund currency and then translated to the reference currency of the Share Classes at the exchange rate prevailing at the time the NAV per share is calculated.

Accordingly, investors in a Euro-denominated Share Class of a Sub-Fund whose Sub-Fund currency is the U.S. dollar, e.g., should note that the NAV per share of the Euro-denominated Share Class is initially calculated in the Sub-Fund currency (U.S. dollar) and then expressed in Euro at the exchange rate between the U.S. dollar and Euro prevailing at the time the NAV per share is calculated.

Depending on the respective Sub-Fund currency, the same applies for investors in all other Share Classes denominated in a reference currency other than the respective Sub-Fund currency.

### 5.7.2.4 Hedging against currency risks and currency exposure

In order to limit the potential negative influence of exchange rate fluctuations on individual Share Classes as much as possible, the respective Sub-Fund may enter into hedges for individual Share Classes to hedge against currency risks.

If the currency of the hedged Share Class differs from the respective Sub-Fund currency, the hedge serves to reduce the risk of the hedged Share Class arising from exchange rate fluctua-

tions between the currency of the hedged Share Class and its Sub-Fund currency. Share Classes for which such hedges are arranged are identified for investors with the denominator "H" (hedged).

If the currency of a position in the respective Sub-Fund assets differs from the currency of a hedged Share Class, the hedge serves to reduce the risk of the hedged Share Class resulting from exchange rate fluctuations between the reference currency of the hedged Share Class and the individual underlying currencies to which the hedged Share Class is exposed via the positions in the Sub-Fund assets. Share Classes for which such hedges are arranged are identified for investors with the denominator "H (P)" (portfolio hedged).

Unlike hedged Share Classes, CE Share Classes intentionally build up additional currency exposure and do not aim to reduce currency risk. Such Share Classes aim to create currency exposure equal to the currencies in which the assets in the Sub-Fund's portfolio may be denominated. Such Share Classes that build up an additional currency exposure to a basket of currencies are identified for investors with the denominator "CE" (currency exposure).

In the case of Share Classes hedged against currency effects (identified by the denominator "H" or "H (P)") and Share Classes that build up an additional currency exposure to a basket of currencies (identified by the denominator "CE"), the Sub-Fund may be subject to obligations arising from currency hedges or from currency positions entered into in favour of an individual Share Class. The assets of the Sub-Fund are liable for such obligations.



Under certain circumstances the currency exposure may not or only partially be implemented by unwinding currency hedging positions in the Sub-Fund (e.g., small Share Class volume or small residual currency positions in the Sub-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 NAV of the Share Class.

The liabilities existing in a Share Class are only attributed to that Share Class. However, the creditors of a Sub-Fund are generally not limited to satisfying their claims only from a particular Share Class. A creditor could assert a claim for settlement against the entire Sub-Fund in the amount by which the liabilities exceed the value of the Share Class to which they are attributed to. Thus, if a creditor's claim in respect of a certain Share Class exceeds the value of the assets assigned to that Share Class, the remaining assets of the Sub-Fund may be subject to such claim.

## 5.7.3 Other share class characteristics

### 5.7.3.1 Insurance Share Classes

Share Classes with the "V" denominator are only offered to insurance companies and for insurance products.

### 5.7.3.2 Early bird Share Classes

Share Classes with the "EB" denominator are designed for early investors in a Sub-Fund, offering special benefits such as reduced fees or other incentives to encourage early participation. The Fund 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.

### 5.7.3.3 Seeding Share Classes

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

### 5.7.3.4 Separate Agreement Share Classes

Share Classes with the "Z" denominator are offered to institutional investors in accordance with article 174 (2) of the Law of 2010, provided that they have entered into a separate agreement with the Management Company. Under this agreement, the fee for Sub-Fund Manager(s) is charged directly by the Management Company. Furthermore, the fees and expenses outlined in section 8.2 "Fees and expenses" are capped to a maximum of ten basis points.

Share Classes with the "Z" denominator are not transferable without prior written approval of the Management Company.

### 5.7.3.5 Placement fee Share Classes

Shares of Share Classes with the "PF" designator are subject to a placement fee (placement fee Share Classes) and are reserved for Italian investors subscribing through specific paying agents in Italy.

The placement fee for each subscribed share as defined in the Special Section of the Prospectus is multiplied by the NAV per share on the date of subscription or the immediately following Valuation Date, respective Sub-Fund's provisions for order acceptance. That 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 by the Sub-Fund 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. 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 which is applied to the NAV per share of the relevant placement fee Share Class and 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 and, 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 as defined in the Special Section of the Prospectus 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 converted into 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 conversion takes place may need to pay a deferred sales charge as further detailed in section 8 "Fees and expenses" and disclosed for the respective Sub-Fund in the Special Section of the Prospectus.

### 5.7.3.6 Restricted Share Classes

Share Classes with the "R" denominator are restricted exclusively to investors who place their orders through a dedicated portfolio managed by a special group of exclusive sales and distribution partners.

## 5.7.4 Minimum investment

<b>Institutional investors</b>	General rule for Share Class denominators without a numerical denominator: 10,000,000 in the currency of the respective Share Class (except for Japan: 1,500,000,000 JPY and except for Sweden: 100,000,000 SEK).
<b>Semi-institutional investors</b>	General rule for Share Class denominators without a numerical denominator: 2,000,000 for investments in the currency of the respective Share Class (except for Japan: 250,000,000 JPY and except for Sweden: 20,000,000 SEK).
<b>Numerical denominators for semi-institutional and institutional investors</b>	A numerical denominator added to the Share Class denominator indicates the minimum investment applicable for semi-institutional and institutional investors in millions of the currency of the respective Share Class.
<b>Seeding Share Classes</b>	2,000,000 for each order in the Share Class-specific currency (except for Japan: 250,000,000 JPY and except for Sweden: 20,000,000 SEK).

The Fund reserves the right to deviate from the minimum investment at its own discretion. Subsequent purchases may be made in any amount.

## 5.7.5 Country-specific circumstances

### 5.7.5.1 Spain and Italy

The following restriction applies for distribution in Spain and Italy: Share Classes with the “F” denominator are reserved for professional investors as defined by the MiFID II Directive.

Professional investors who subscribe in their own name but on behalf of a third party must certify to the Fund that this subscription is for a professional investor. The Fund may at its discretion demand proof of compliance with the above-mentioned requirements.

### 5.7.5.2 Japan

The Share Classes denominated in JPY offered hereby have not been, and will not be, registered under the financial instruments and exchange law of Japan and accordingly 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 in JPY denominated Share Classes offered hereby in Japan constitutes a private placement of Share Classes denominated in JPY 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 Share Classes denominated in JPY will be offered only to qualified institutional investors in accordance with the financial instruments and exchange law of Japan. In addition, the Share Classes denominated in JPY are subject to the transfer restriction: no transfer of such Share Classes may be made to persons in Japan other than qualified institutional investors.

### 5.7.5.3 United Kingdom

Share Classes with the “DS” and “RD” denominator at the end of the Share Class code have reporting fund status, i.e., the characteristics of these Share Classes satisfy the prerequisites for qualifying for reporting fund status according to UK regulation. The Fund can also seek reporting fund status for other Share Classes. Further details on the tax-related specifics in relation to the reporting fund status are disclosed in section 9.7 “Share Class-specific taxation aspects” of the Prospectus.

## 6. Prevention of market timing and late trading risks

The Sub-Funds are not intended to be used as an excessive short-term trading vehicle. Whilst recognising that Shareholders may have legitimate needs to adjust their investments from time to time, the Fund may at its sole discretion take any action to prevent any activities deemed to adversely affect the interests of the Shareholders.

Market timing is generally understood as the technique of arbitrage whereby a Shareholder systematically subscribes, converts and/or redeems shares in a Sub-Fund within a short period by exploiting time differences and/or the imperfections or weaknesses in the valuation system for calculating the Sub-Fund’s NAV. Such practices are considered abusive within the meaning of CSSF Circular 04/146, which requires the Management Company to take the appropriate protection and/or control measures to avoid such practices. The Management Company also reserves the right to reject, cancel or suspend an order from a Shareholder for the subscription or conversion of shares if the investor is suspected of engaging in market timing.

Late trading occurs when an order is accepted after the close of the relevant Cut-Off times on the respective Valuation Date but is executed at that same day’s price based on the NAV. The practice of late trading is not permitted. The Management Company ensures that shares are issued and redeemed on the basis of a share value previously unknown to the Shareholder. If a Shareholder is suspected of engaging in late trading, the Management Company may reject the redemption or subscription order until the applicant has cleared up any doubts with regard to his order.

## 7. Calculation and publication of the NAV

### 7.1 Calculation of the NAV

The NAV of each Sub-Fund, including the NAV per share of each Sub-Fund and, where applicable, of each Share Class of a Sub-Fund is calculated on each Bank Business Day in the Grand Duchy of Luxembourg (Valuation Date) in accordance with this section and the Articles of Incorporation, unless otherwise specified in the Special Section of the Prospectus, which may define additional conditions for a Valuation Date. A Bank Business Day is any day on which banks are open for business and payments are processed.

The NAV per share will not be calculated on December 24 and December 31 of each year, nor on any day on which relevant markets are closed, no reliable prices can be obtained, or operational execution is materially impaired, as further specified in the Special Section of the Prospectus.

Any calculation of the NAV per share that deviates from this specification will be published on the website of the Management Company

[www.dws.com/fundinformation](http://www.dws.com/fundinformation) and, if required, in the official publication media of the respective jurisdictions in which the shares are offered for sale to the public.

The NAV of any Sub-Fund is calculated by subtracting the Sub-Fund’s liabilities from the Sub-Fund’s assets on the Sub-Fund’s respective Valuation Date. The NAV of each Sub-Fund is calculated in the reference currency of the Sub-Fund. The NAV of shares of each Share Class of each Sub-Fund in the Fund shall be expressed in the currency of the relevant Share Class of that Sub-Fund (except that when there exists any state of affairs which, in the opinion of the Board of Directors, makes the determination in such currency either not reasonably practical or prejudicial to the shareholders, the NAV may temporarily be determined in such other currency as the Board of Directors may determine) as a per share figure and shall be determined in respect of any Valuation Date by dividing the net assets of the Fund corresponding to each Sub-Fund (being the value of the assets of the Fund corresponding to such Sub-Fund less the liabilities attributable to such Sub-Fund) by the number of shares of the relevant Sub-Fund then outstanding. If more than one Share Class is 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.

The NAV is rounded to two decimal places, unless otherwise foreseen for a Sub-Fund in the Special Section of the Prospectus.

### 7.2 Operational implementation of the NAV calculation

When information about the total NAV of the Fund is disclosed in the annual and semi-annual reports and other financial statistics due to legal regulations, or according to the rules specified in the Prospectus, the NAV of the respective Sub-Fund is 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 calculation of the NAV is used to determine the issue and redemption price of shares, as detailed in section 5 “Shares of the Fund”.

The NAV may be adjusted when swing pricing is applied, as detailed in section 11.3 “Swing pricing”.

### 7.3 Valuation of the net assets

The value of the assets of the Fund held in each respective Sub-Fund is determined according to the following principles:

- transferable securities and money market instruments listed on an exchange are valued at the most recent available price paid;
- securities and money market instruments 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 to be an appropriate market price;

- c) in the event that such prices are not in line with market conditions, or for securities and money market instruments other than those covered in (a) and (b) above, for which there are no fixed prices, these securities and money market instruments, 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;
- d) the liquid assets are valued at their nominal value plus interest;
- e) time deposits may be valued at their yield value if a contract exists between the Fund and a credit institution stipulating that these time deposits can be withdrawn at any time and that their yield value is equal to the realized value;
- f) all assets denominated in a currency other than that of the Sub-Fund are converted into the Sub-Fund currency at the latest mean rate of exchange;
- g) the prices of the derivatives employed by the Sub-Fund will be set in the usual manner, which is verifiable by the auditor and subject to systematic examination. The criteria that have been specified for pricing the derivatives shall remain in effect for the term of each individual derivative. By way of derogation, for Sub-Funds that use synthetic dynamic underlyings, the valuation of derivatives and their underlying instruments may be performed at a different time on the relevant valuation date of the respective Sub-Funds, if operationally required;
- h) credit default swaps are valued according to standard market practice at the current value of future cash flows, where the cash flows are adjusted to take into account the risk of default. Interest rate swaps are valued at their market value, which is determined based on the yield curve for each swap. Other swaps are valued at an appropriate market value, determined in good faith in accordance with recognized valuation methods that have been specified by the Management Company and approved by the Fund's auditor;
- i) the target funds' shares/units contained in the Sub-Fund are valued at the latest available NAV. If the target funds are traded on exchanges (ETFs), the shares/units contained in the Sub-Fund are valued at the last trade on the intraday.

In the event that the valuation of an asset in accordance with the above principles is rendered impossible, incorrect or not representative, the Board of Directors or its delegate is entitled to use other generally recognised and auditable valuation principles in order to reach a fair valuation of that asset.

An income equalization account is maintained in order to ensure a fair allocation of income between investors entering and exiting the Fund during the accounting period.

## 7.4 Allocation of assets

The assets are allocated as follows:

- a) the proceeds from the issue of shares of each Sub-Fund shall be applied in the books of the Fund to the Sub-Fund established for the relevant Share Class and the assets and liabilities and income and expenditure attributable thereto shall be applied to such Sub-Fund, subject to the following paragraphs. If such assets, liabilities, income and expenses are identified in the provisions of the 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;
- b) where any asset is derived from another asset, such derivative asset shall be applied in the books of the Fund to the same Sub-Fund as the asset from which it was derived and on each revaluation of an asset, the increase or decrease in value shall be applied to the relevant Sub-Fund;
- c) where the Fund incurs a liability which relates to any asset of a particular Sub-Fund or a particular Share Class or to any action taken in connection with an asset of a particular Sub-Fund or a particular Share Class, such liability shall be allocated to the relevant Sub-Fund or Share Class;
- d) in the case where any asset or liability of the Fund cannot be considered as being attributable to a particular Sub-Fund, such asset or liability shall be allocated to all the Sub-Funds in equal parts or, if the amounts so require, pro rata to the value of the respective net assets of each Sub-Fund or in such other manner as the Board of Directors shall determine in good faith. Because of this allocation, only the Sub-Fund shall generally be liable for a particular obligation, unless it has been agreed with creditors that the Fund as a whole shall be liable;
- e) upon the payment of dividends to the shareholders in any Sub-Fund, the NAV of such Sub-Fund shall be reduced by the amount of such dividends.

The Board of Directors may reallocate any asset or liability previously allocated by them if in their opinion circumstances so require.

The Fund is one single entity; however, the rights of shareholders and creditors regarding a Sub-Fund or raised by the constitution, operation or liquidation of a Sub-Fund are limited to the assets of this Sub-Fund, and the assets of a Sub-Fund will be answerable exclusively for the rights of the shareholders relating to this Sub-Fund and for those of the creditors whose claim arose in relation to the constitution, operation or liquidation of this Sub-Fund. In the relations between

the Fund's shareholders, each Sub-Fund is treated as a separate entity.

In case where dividend shares and capitalisation shares are issued in a Sub-Fund, the NAV per share of each Share Class of the relevant Sub-Fund is computed by dividing the net assets of the relevant Sub-Fund attributable to each Share Class by the number of shares of each Share Class then outstanding.

The percentage of net assets of the relevant Sub-Fund to be attributed to each Share Class, which has been initially the same as the percentage of the total number of shares represented by such Share Class, changes pursuant to dividends or other distributions with respect to dividend shares shall be accounted for in the following manner:

- a) at the time of any dividend or other distribution with respect to dividend shares, the net assets attributable to such Share Class shall be reduced by the amount of such dividend or other distribution (thus decreasing the percentage of net assets of the relevant Sub-Fund attributable to the dividend shares) and the net assets attributable to the capitalisation shares shall remain the same (thus increasing the percentage of net assets of the relevant Sub-Fund attributable to the capitalisation shares);
- b) at the time of any increase of the capital of the Fund pursuant to the issue of new shares of either Share Class, the net assets attributable to the corresponding Share Class shall be increased by the amount received with respect to such issue;
- c) at the time of redemption by the Fund of shares of either Share Class, the net assets attributable to the corresponding Share Class shall be decreased by the amount paid for with respect to such redemption;
- d) at the time of conversion of shares of one Share Class into shares of the other Share Class, the net assets attributable to such Share Class shall be decreased by the NAV of the shares converted and the NAV attributable to the corresponding Share Class shall be increased by such amount;
- e) where the Fund incurs a liability which relates to any asset of a particular Share Class within a Sub-Fund or to any action taken in connection with an asset of a particular Share Class within a Sub-Fund, such liability shall be allocated to the relevant Share Class;
- f) in the case where any asset or liability of the Fund cannot be considered as being attributable to a particular Share Class, such asset or liability shall be allocated to all the Share Classes pro rata to their respective NAV or in such other manner as determined by the Board of Directors acting in good faith, provided that (1) where assets, on behalf of several Sub-Funds, are held in one account and/or are co-managed as a segregated pool of assets by an agent of the Board of Directors, the respective right of each Share Class

shall correspond to the prorated portion resulting from the contribution of the relevant Share Class to the relevant account or pool, and (2) the right shall vary in accordance with the contributions and withdrawals made for the account of the Share Class, as described in the Prospectus for the shares of the Fund, and finally (3) all liabilities, whatever Share Class they are attributable to, shall, unless otherwise agreed upon with the creditors, be binding upon the Fund as a whole.

## 7.5 Temporary suspension of the NAV

The Fund is authorised to temporarily suspend the calculation of the NAV in certain circumstances, as listed in section 12 "Temporary suspension of the issue, redemption and conversion of shares and of the calculation of the NAV per share".

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 has been registered in accordance with their respective regulations. Notice of suspension of the calculation of the NAV per share and its resumption will be published on the website of the Management Company [www.dws.com/fundinformation](http://www.dws.com/fundinformation) and, if required, in the official publication media of the respective jurisdictions in which the shares are offered for sale to the public.

## 7.6 Publication of the NAV

The NAV per share of each Share Class and/or the issue, redemption and conversion price (if applicable) relating to each Share Class is published on each Valuation Date on the website of the Management Company and is also available at the registered office of the Management Company, the paying and information agents (if any) or the distributors during normal business hours.

## 7.7 Ensuring the integrity of the valuation process

The Management Company has adopted within its governance framework appropriate policies and procedures to ensure integrity of the valuation process and to determine the fair value of the assets under management.

The valuation of assets is ultimately governed by the Management Company's governing body, which established pricing committees that assume valuation responsibility. This includes the definition, approval and regular review of pricing methods, the monitoring and control of the valuation process and the handling of pricing issues. In the exceptional case that a pricing committee cannot reach a decision, the issue may be escalated to the management board of the Management Company or the Board of Directors of the Fund for ultimate decision. The functions involved in the valuation process are hierarchically and functionally independent from the investment management function.

The valuation results are further monitored and checked for consistency as part of the price determination process and the calculation of the NAV by the responsible internal teams and the involved service providers.

## 8. Fees and expenses

**8.1** The Management Company is entitled to receive a management fee for each day of the financial year of 1/365 (1/366 in a leap year) paid by the Fund from the assets of the Sub-Fund based on the respective Sub-Fund's NAV. In case of Sub-Funds with different Share Classes this applies on the share class level respectively.

For all Share Classes the management fee may be up to 3.0% per annum. The current management fee rates for the respective Share Classes are disclosed in the Special Section of the Prospectus. This fee shall in particular serve as compensation for the Management Company, the fund management and the distribution (if applicable) of the Sub-Fund.

On each day that is a Valuation Date, the management fee is calculated on the basis of the NAV of the previous Valuation Date and is taken into account as a liability in the NAV of the current Valuation Date. On each day that is not a Valuation Date, the management fee is calculated on the basis of the NAV of the previous Valuation Date and is taken into account as a liability in the NAV of the next Valuation Date.

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, at its discretion, enter into individual agreements with investors, in particular with institutional investors who make substantial and long-term investments, to grant them a partial rebate of the management fee received by the Management Company.

The Management Company may additionally receive from the net assets of the respective Sub-Fund a performance fee for individual or all Share Classes, the level of which is specified in the Special Section of the Prospectus. If a performance fee is provided for, the calculation of the fee takes place at the level of the respective Share Classes.

**8.2** In addition to the aforementioned remuneration of the Management Company, the following

fees and expenses may also be charged to the Fund:

- the administration fee is also generally dependent on the net assets of the respective Sub-Fund. The Management Company and the entity responsible for the NAV calculation and accounting function shall set the specific amount of this fee in the respective agreement in accordance with customary market practice in the Grand Duchy of Luxembourg. The fee may differ for each Share Class. The exact amount of the fee charged is disclosed in the Fund's annual report. In addition to the administration fee, the entity responsible for the NAV calculation and accounting function shall receive compensation for costs and expenses incurred through activities in relation to this function not already covered by the fee. Administration includes the performance of all bookkeeping and other accounting duties required for the UCI administrator of a Luxembourg fund by law and supplementary regulations.
- the registrar function fee, and the remuneration of any entities supporting the registrar function, for the maintenance of the Register of Shareholders 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 is disclosed in the Fund's annual report. In addition to this fee, the entities supporting the registrar function shall also receive compensation for costs and outlays incurred through activities in relation to the registrar function supporting services not already covered by the fee;
- the Depositary fee for the custody of the Fund's assets, the amount of which is generally dependent on the assets held (excluding transaction costs incurred by the Depositary). The Fund and the Depositary shall set the specific amount of this fee in the depositary agreement in accordance with customary market practice in the Grand Duchy of Luxembourg. The exact amount of the fee charged is disclosed in the Fund's annual report. In addition to this fee, the Depositary shall also receive compensation for costs and expenses incurred through activities not already covered by the Depositary fee.
- the remuneration of the Board of Directors;
- the cost of the auditors, representative agents and tax representatives;
- any costs incurred in relation to achievement of distributor status/reporting status in the United Kingdom, if applicable, will be borne by the relevant class of shares;
- 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;

- costs arising from any potential domestic or foreign market listing or registration;
- other costs of investing and managing the assets of the respective Sub-Fund;
- 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;
- costs incurred for the preparation, filing and publication of the Articles of Incorporation and other documents relating to the Fund, including registration applications, 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;
- the cost of the publications intended for the Shareholders;
- insurance premiums, postage, telephone, and fax costs;
- costs incurred for the rating of a Sub-Fund by internationally recognized rating agencies;
- the cost of the dissolution of a Share Class or a Sub-Fund;
- association membership costs;
- 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;
- costs incurred in connection with the use of index names, particularly license fees; and
- networking costs for the use of clearing systems. The costs incurred will be charged to the respective Share Class.

The accumulated costs specified under section 8.2 will not exceed the expense cap as detailed in the respective Special Section of the Prospectus.

**8.3** In addition to the aforementioned fees and expenses, the following expenses may also be charged to the Sub-Funds:

- A service fee of up to 0.3% per annum charged to the respective Sub-Fund and paid to the Management Company. This fee covers expenses for additional administrative support services provided by third parties for the benefit of the respective Sub-Fund and its shareholders, which are tailored to meet specific shareholder requirements. The amount of the service fee may differ depending on the Sub-Fund and Share Class and may be fully or partially passed on to third parties. The

service fee applied by a Sub-Fund or Share Class is disclosed in the Special Section of the Prospectus.

- 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.
- legal fees incurred by the Management Company, the UCI administration activity, the Fund Manager, the Depositary or the registrar function, or by a third party appointed by the Management Company, when acting in the interests of the Shareholders.
- 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).
- 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.
- 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.

**8.4** 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 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 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 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 initiating, preparing and implementing (reverse) repurchase agreements.

**8.5** 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.

**8.6** Fees and expenses are paid out at the end of the month. The specified costs are listed in the annual reports.

**8.7** Shares of Share Classes with the "PF" designator are subject to a placement fee (placement fee Share Classes) charged to the respective Sub-Fund as compensation for the distribution of the Share Class. The placement fee is at the same time booked as an accounting position (pre-paid expenses) and reflected in the NAV per share of the relevant placement fee Share Class. The overall position of pre-paid expenses is then amortized at a constant amortization rate over a defined amortization period.

Shareholders in placement fee Share Classes redeeming their shares before the end of the applicable amortization period without paying the deferred sales charge would not compensate the Sub-Fund for the pre-paid expenses corresponding to the part of the placement fee which has not yet been amortized. Failure to pay the deferred sales charge would therefore negatively affect the NAV for those shareholders holding the relevant shares until the applicable amortization period has passed. The deferred sales charge is a mechanism to ensure that the Sub-Fund's NAV is not negatively affected by the redemption of shares before the end of the applicable amortization period of the placement fee.

The amount of deferred sales charge depends on the holding period of the placement fee share(s) to be redeemed and will be specified in the Special Section of the Prospectus in the



respective Sub-Fund. The deferred sales charge reflects the ongoing amortization of pre-paid expenses assigned to each issued placement fee share and therefore declines over time with the holding period approaching the end of the amortization period (see table below). The amount of the deferred sales charge reflects the portion of the place-

ment fee that has not yet been amortized at the time of the redemption.

The applicable deferred sales charge is calculated by multiplying it with the NAV per share of the placement fee share to be redeemed on the date of redemption. The corresponding deferred sales charge per

share may be levied on the gross redemption amount per share for the benefit of the Sub-Fund's assets.

For illustrative purposes the application of the deferred sales charge is shown by a sample calculation below:

### Example of the reduction in the deferred sales charge of up to 3% over a three-year amortization period, based on the shareholder's holding period

Holding period until redemption	Dilution adjustment
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%

Illustrative calculation example	
Number of shares to be redeemed	100 shares
Holding period (= x)	50 shares: x = 1.5 years; and 50 shares: x = 2.5 years
<b>Deferred sales charge</b>	1.5% (= 50/100*2% + 50/100*1%)
NAV per share of placement fee Share Class	EUR 100.00
Gross redemption amount	EUR 10,000.00
– deferred sales charge amount (1.5%)	EUR 150.00
= net redemption amount	EUR 9,850.00

Considering 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 Sub-Fund may, at its discretion, partially or completely dispense with the deferred sales charge.

#### 8.8 Investment in shares of target funds

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

- the management fee/all-in fee of the target fund;
- the performance fees of the target fund;
- the subscription and/or redemption fee 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 subscription and redemption fees 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 net assets are invested in shares of a target fund that is managed directly or indirectly by the Fund, 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 Fund, the Management Company or the other company will not charge to the Sub-Fund's net assets any fees for the acquisition or redemption of shares of such other fund.

If a Sub-Fund invests a substantial proportion of its net assets in UCITS and/or other UCIs, the maximum level of the management fees that may be charged both to the Sub-Fund itself and to the UCITS and/or other UCI in which it intends to invest, shall be disclosed in the relevant Special Section of the Prospectus.

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 Prospectus.

#### 8.9 Total expense ratio and ongoing charges

The total expense ratio (TER) expresses the sum of all costs and fees (excluding transaction costs) as a percentage of the average net assets of the respective Sub-Fund or Share Class over a financial year. The effective TER is calculated annually and published in the annual report.

The ongoing charges figure disclosed in the KID is substantially equivalent to the TER, but may differ slightly due to regulatory calculation rules, the use of estimates for new Share Classes, or the treatment of certain cost items. Ongoing charges do not include portfolio transaction costs, which are disclosed separately in the KID.

#### 8.10 Additional costs and third-party cost disclosures

If Shareholders are 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 such third parties mediate the purchase, these third parties may provide the Shareholder with a breakdown of costs or expense ratios not included in the cost details of this Prospectus or the KID, which may overall exceed the cost figures disclosed in this Prospectus.

Such differences may result from regulatory requirements (e.g. MiFID II) governing how such third parties determine, calculate and report costs. For example, transaction costs at Sub-Fund level may be included in the third party's cost statement, even though the currently applicable requirements for the Management Company stipulate that they are not part of the cost figures disclosed in the



KID or this Prospectus. The cost statement may also include additional fees charged by third parties (e.g. advisory or custody fees).

Deviations in the cost statement are not limited to pre-contractual cost information (i.e. before investing in the Sub-Fund) but may also arise if the third party provides regular cost information about the Shareholder's current investments in the Fund in the context of an ongoing business relationship.

## 9. Tax considerations

The information below is based on the current Luxembourg law, regulations and administrative practice and may accordingly change in the future.

### 9.1 Tax treatment of the Fund

The Fund is not subject to any taxation on its income and profits in the Grand Duchy of Luxembourg.

Income received by the Fund and/or Sub-Fund (especially interest and dividends) may be subject to withholding tax or assessed tax in the countries in which the Fund's and/or Sub-Fund's assets are invested. In such cases, neither the Depositary nor the Management Company is required to obtain tax certificates. The Fund and/or Sub-Fund may also be taxed on realized or unrealised capital gains of its investments in the source country.

Distributions by the Fund as well as liquidation and disposal gains are not subject to withholding tax in the Grand Duchy of Luxembourg.

For subscription tax, refer to section 9.6 "Taxe d'abonnement" below.

### 9.2 Tax treatment of Shareholders

Tax treatment varies depending on whether the Shareholder is an individual or a corporate structure.

Shareholders who are not or have not been tax resident in the Grand Duchy of Luxembourg and who do not maintain a permanent establishment or have a permanent representative there are not subject to any Luxembourg taxation of income in respect of income from or the capital gains on their shares.

Interested parties and investors are recommended to find out about the laws and regulations that apply to the taxation of the Fund's and/or Sub-Fund's assets and to the subscription, purchase, ownership, redemption or transfer of shares in their country of residence, and to seek the advice of external third parties, especially a tax advisor.

### 9.3 FATCA

FATCA was passed as part of the Hiring Incentives to Restore Employment Act of March 2010 in the United States. FATCA requires financial institutions outside the United States of America

(foreign financial institutions or FFIs) to send information on financial accounts that are held directly or indirectly by "specified US persons" or non-US entities with controlling person(s) who are specified US Person(s) on an annual basis to the US tax authorities (Internal Revenue Service or IRS). A withholding tax of 30% might be deducted from certain types of U.S. income from FFIs in case the reporting obligation is not met.

On 28 March 2014, the Grand Duchy of Luxembourg entered into an intergovernmental agreement (IGA), in accordance with model 1, and a related memorandum of understanding with the United States of America. The IGA was transposed into Luxembourg law via the Law of 24 July 2015, as modified.

The Management Company and the Fund both comply with the FATCA regulations.

In any case, Shareholders and investors should take note and acknowledge that the Fund or the Management Company may be required to disclose to the Luxembourg tax authority certain confidential information in relation to the investor and the Luxembourg tax authority may be required to automatically exchange such information with the Internal Revenue Service.

For any questions concerning FATCA and the FATCA status of the Fund, Shareholders and potential investors are advised to contact their financial, tax and/or legal advisors.

### 9.4 OECD common reporting standard

The importance of the automatic exchange of information to combat cross-border tax fraud and tax evasion has increased significantly at the international level in recent years. For this purpose, the OECD has published, among other things, a global standard for the automatic exchange of information on financial accounts in tax matters (Common Reporting Standard, hereinafter CRS). The CRS was integrated into Directive 2011/16/EU at the end of 2014 with Council Directive 2014/107/EU of 9 December 2014 regarding the obligation to automatically exchange information in the area of taxation. The participating states (all member states of the European Union and several third countries) apply the CRS. Luxembourg implemented the CRS into national law with the Law of 18 December 2015 as modified transposing the automatic exchange of financial account information in tax matters.

With the CRS, reporting financial institutions are obliged to obtain certain information about their clients and/or investors and potentially their controlling persons. If the clients/investors (natural persons or legal entities) are persons subject to reporting requirements and tax residents in other participating states, their financial accounts will be classified as reportable accounts. The reporting financial institutions will then annually transmit certain information for each reportable account to their home tax authority. The latter will then

transmit the information tax authority of the reportable clients and/or investors and potentially of their controlling person(s).

The information to be transmitted is essentially the following:

- Family name, first name, address, tax identification number, countries of residence as well as the date and place of birth of each reportable person,
- register number,
- register balance or value,
- credited capital gains, including sales proceeds.

### 9.5 Country specific tax considerations

Interested parties and Shareholders are recommended to find out about the laws and regulations that apply to the taxation of the Fund's and/or Sub-Fund's assets and to the subscription, purchase, ownership, redemption or transfer of shares in the country of their residence, and to seek the advice of external third parties, especially a tax advisor.

### 9.6 Taxe d'abonnement

In the Grand Duchy of Luxembourg, the Fund's and/or Sub-Fund's assets are only subject to the taxe d'abonnement (subscription tax), which is currently 0.05% per annum. A reduced taxe d'abonnement of 0.01% per annum of their net assets calculated and payable at the end of each quarter is applicable to (1) Sub-Funds or Share Classes whose shares are only issued to institutional investors within the meaning of article 174 of the Law of 2010, (2) Sub-Funds whose sole purpose is to invest in money market instruments, time deposits with credit institutions or both and (3) Sub-Funds whose purpose is to invest in micro finance.

A reduced rate from 0.01% to 0.04% per annum is applicable for the portion of net assets that is invested into sustainable investments as defined by the EU Taxonomy Regulation 2020/852.

The taxe d'abonnement is payable quarterly, based on the Fund's and/or Sub-Fund's net assets reported at the end of each quarter. The applicable rate of the taxe d'abonnement is specified for each Share Class in the Prospectus. An exemption from the taxe d'abonnement applies, inter alia, in relation to actively managed ETFs or to the extent that the Fund's and/or Sub-Fund's assets are invested in other Luxembourg investment funds which in turn are subject to a taxe d'abonnement.

### 9.7 Share Class-specific taxation aspects

The Fund intends to apply for reporting fund status in respect of certain Share Classes made available to UK investors.

The following information is a general guide to the anticipated UK tax treatment of UK-resident

investors. Investors should be aware that UK tax law and practice can change. Prospective investors therefore need to consider their specific position at the time they invest and should seek their own advice where appropriate.

The UK offshore funds regime is now contained in the Offshore Funds (Tax) Regulations 2009 (Statutory Instrument 2009/3001). The separate Share Classes are “offshore funds” for the purposes of the UK offshore funds legislation. Under this legislation, any gain arising on the sale, redemption, or other disposal of shares in an offshore fund held by persons who are resident in the UK for tax purposes will be taxed at the time of such sale, disposal or redemption as income (offshore income gain) and not as a capital gain. This does not apply, however, where a Share Class is certified by HM Revenue & Customs (HMRC) as a “reporting fund” (and previously, where relevant, a “distributing fund”) throughout the period during which the shares have been held by that investor.

HMRC maintains a list of offshore funds with reporting fund status at <https://www.gov.uk/government/publications/offshore-funds-list-of-reporting-funds>.

Prospective investors are advised to check the status of the relevant Share Class before investing. In the case of a Share Class with reporting fund status, investors will be subject to tax on their share of the reportable income attributable to that share, whether or not the income is distributed to them. Where the reported income exceeds what has been distributed to investors, then that excess relevant to them will be liable to tax accordingly:

- Dividends paid (and any excess reportable income reported) by a Share Class with reporting fund status that has no more than 60% of their assets in interest-bearing form at all times in an accounting period to a UK resident individual will constitute a dividend for UK income tax purposes and will generally be taxable. Dividends paid (and any excess reportable income reported) to a UK resident company will also constitute dividend income in its hands and will generally be exempt from tax.
- Dividends paid (and any excess reportable income reported) by a Share Class with reporting fund status that holds more than 60% of their assets in interest-bearing, or economically similar, form at any time in an accounting period are treated as a payment of annual interest for UK resident individual Investors and will generally be taxable. Dividends paid (and any excess reportable income reported) to a UK resident company will usually be subject to tax under the loan relationship rules.

The UK tax rules contain a number of anti-avoidance codes that can apply to UK investors in offshore funds in particular circumstances. It is

not anticipated that they will normally apply to investors. Any UK taxpaying investor who (together with connected persons) holds over 25% of a Sub-Fund should take specific advice.

The intended category of investors for the Share Class registered in the UK is retail investors.

## 10. Conflicts of interest

Within the scope of and in compliance with the applicable procedures and measures for conflict management, the Board of Directors, the Management Company, the members of the supervisory board as well as the management board of the Management Company, the management, the (respective Sub-)Fund management, the designated sales agents and persons appointed to carry out sales activities, the Depositary, if applicable the Investment Advisor, the UCI Administrator, 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:

- a) conduct among themselves or on behalf of the Sub-Funds financial and banking transactions or other transactions, such as derivative transactions (including total return swaps), securities lending and securities repurchase agreement transactions, or enter into the corresponding contracts, including those that are directed at the Sub-Funds’ 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;
- b) 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;
- c) in their own names or in the names of third parties, participate in the purchase or sale of securities or other investments in or from the respective Sub-Fund through or jointly with the (respective sub-)fund management, 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, repre-

sentatives, affiliated companies or subsidiaries of companies in the Deutsche Bank Group (DB Group Members) may be counterparties in the Sub-Fund’s derivative transactions or derivatives contracts (Counterparty). In addition, in some cases a Counterparty may be required to value such derivative transactions or contracts. These valuations can be used as a basis for calculating the value of certain 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 provide such valuations. The valuation 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 valuations.

In accordance with the respective terms agreed, DB Group Members may, in particular, act as directors, sales agents or sub-agents, Depositaries, Sub-Depositaries, (Sub-)Fund Manager or Investment Advisor, and may offer to provide financial and banking transactions to the Fund. 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 Fund. 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 endeavour to ensure that the interests of the Fund and of the Shareholders are not adversely affected. The Board of Directors is of the view that DB Group Members possess the required aptitude and competence to perform such duties.

The Board of Directors is of the view that the interests of the Fund and the above-mentioned entities may be in conflict with each other. The Fund has taken appropriate measures to avoid conflicts of interest. In the event of unavoidable conflicts of interest, the Management Company will endeavour to ensure that conflicts of interest are handled fairly and resolved in favour of the Sub-Fund(s). It is a principle of the Management Company to take all reasonable steps to establish organizational structures and to apply effective administrative measures to enable the identification, handling and monitoring of the conflicts in question. In addition, the management board of the Management Company is responsible for ensuring that the systems, controls and procedures of the company for the identification, monitoring and resolution of conflicts of interest are appropriate.

For each Sub-Fund, transactions with or between Associated Persons may be conducted with respect to the respective Sub-Fund assets, provided that such transactions are in the best interests of the Shareholders.

Additional information on the handling of conflicts of interest is available on the website at

www.dws.com/fundinformation in the section (Legal Resources).

### **Conflicts of interest between the Depositary and the Fund**

The Depositary is part of an international group of companies and businesses (State Street) 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:

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

The Depositary or its affiliates:

- (i) will seek to profit from such activities and are entitled to receive and retain any profits or compensation in any form and, except as required by law, the Depositary is not bound to disclose to the Fund any such profits or compensation in any form earned by the Depositary or its affiliates when acting in any other capacity;
- (ii) 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 Fund;
- (iv) may provide the same or similar services to other clients including competitors of the Fund and the fee arrangements it has in place will vary;
- (v) may be granted creditors' and other rights by the Fund, e.g. indemnification which it may exercise in its own interest. In exercising such rights, the Depositary or its affiliates may have the advantage of an increased knowledge about the affairs of the Fund relative to third party creditors thus improving its ability to enforce and may exercise such rights in a way that may conflict with the Fund's strategy.

The Fund may use an affiliate of the Depositary to execute foreign exchange, spot or swap trans-

actions for the account of the Fund. In such instances the affiliate shall be acting in a principal capacity and not as a broker, agent or fiduciary of the Fund. The affiliate will seek to profit from these transactions and is entitled to retain any profit. The affiliate shall enter into such transactions on the terms and conditions agreed with the Fund. The Depositary will not, except required by law, disclose any profit made by such affiliates.

Where cash belonging to the Fund is deposited with an affiliate being a bank, cash is not segregated from its own assets and a 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.

The Fund may also be a client or counterparty of the Depositary or its affiliates and a conflict may arise where the Depositary refuses to act if the Fund directs or otherwise instructs the Depositary to take certain actions that might be in direct conflict with the interests of the investors in a Fund.

The types and levels of risk that the Depositary is willing to accept may conflict with the Fund's preferred investment policy and strategy.

Conflicts that may arise in the Depositary's use of sub-depositaries include the following broad categories:

- (i) Our global depositary and sub-depositaries seek to make a profit as part of or in addition to their custody services. Examples include profit through the fees and other charges for the services, profit from deposit taking activities, revenue from sweeps and repo arrangements, foreign exchange transactions, contractual settlement, error correction (where consistent with applicable law) and commissions for sale of fractional shares;
- (ii) The Depositary will typically only provide depositary services where global custody is delegated to an affiliate of the Depositary. The global depositary in turn appoints a network of affiliated and non-affiliated sub-depositaries. Multiple factors influence the determination of our global depositary to engage a particular sub-depositary or allocate assets to them, including their expertise and capabilities, financial condition, service platforms and commitment to the custody business as well as the negotiated fee structure (which may include terms that result in fee reductions or rebates to the global depositary), significant business relationships and competitive considerations;
- (iii) sub-depositaries, both affiliated and non-affiliated, act for other clients and in their own proprietary interest, which might conflict with clients' interests and the fee arrangements they have in place will vary;

(iv) sub-depositaries, 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

(v) sub-depositaries may have creditors' rights against client assets and other rights that they have an interest in enforcing.

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 to be properly identified, managed and monitored. Additionally, in the context of the Depositary's use of sub-depositaries, the Depositary imposes contractual restrictions to address some of the potential conflicts and maintains due diligence and oversight of sub-depositaries. The Depositary makes available frequent reporting on clients' activity and holdings, with the underlying sub-depositaries subject to internal and external control audits. Finally, the Depositary segregates the Fund's assets from the Depositary's proprietary assets and follows a standard of conduct that requires employees to act ethically, fairly and transparently with clients.

### **Global conflicts of interest policy**

State Street has implemented a global policy laying down the standards required for identifying, assessing, recording and managing all conflicts of interest which may arise in the course of business. Each State Street business unit, including the Depositary, is responsible for establishing and maintaining a conflicts of interest program for the purpose of identifying and managing organizational conflicts of interest that may arise within the business unit in connection with providing services to its clients or in delivering its functional responsibilities.

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 to Shareholders on request.

## **11. Liquidity management tools of the Fund to manage temporary constrained market liquidity**

### **11.1 Deferral of redemption requests / redemption gate**

**Until end of 15<sup>th</sup> April 2026, the following provision on the deferral of redemption requests applies:**

In general, redemption requests valued above 10% of the NAV of a Sub-Fund are considered substantial redemptions and the Board of Direc-

tors is under no obligation to immediately execute such substantial redemption requests. Rather, 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 such substantial redemption request. Unless otherwise specified for a Sub-Fund in the Special Section of the Prospectus, the procedure is as follows:

If redemption requests are received on a Valuation Date (the "Original Valuation Date") whose value, individually or together with other requests received on the Original Valuation Date, exceeds 10% of the NAV 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"), which shall be no later than 15 Bank 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 on the Original Valuation Date will be processed based on the NAV per share, calculated as of the Deferred Valuation Date. All redemption requests received on the Original Valuation Date will be processed, in full, on the Deferred Valuation Date.

Redemption requests received on the Original Valuation Date are processed on a priority basis over any redemption requests received on subsequent Valuation Dates. Redemption requests received on 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, conversion 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/fundinformation](http://www.dws.com/fundinformation). The Management Company shall, however, ensure that the respective Sub-Fund has sufficient liquid funds at its disposal such that, under normal circumstances, the redemption of shares may take place immediately upon application from Shareholders.

The Deferral of the redemption and the conversion of shares within one Sub-fund shall have no effect on any other Sub-Fund.

#### **As of 16<sup>th</sup> April 2026, the following provision on redemption gates applies:**

The Fund can restrict the redemption of shares of a Sub-Fund for a total of up to 15 consecutive working days if the redemption requests of the shareholders on the first settlement date of the 15 working days reaches at least 10% of the NAV (threshold). If the threshold is reached or exceeded, the Fund decides according to its best judgment whether it will restrict the redemption on this settlement date. If it decides to restrict redemption, it may continue this for up to 14 consecutive working days on the basis of a daily discretionary judgment. It may decide to do so if the redemption requests can no longer be executed in the interests of all shareholders due to the liquidity situation of the respective Sub-Fund. This may be the case, for example, if the liquidity of the assets of a Sub-Fund deteriorates due to political, economic or other market events and is therefore no longer sufficient for executing all of the redemption requests on the settlement date. In such cases, the redemption restriction should be considered a more moderate measure compared to a suspension of redemption.

If the Fund decides to restrict the redemption within a Sub-Fund, it shall only redeem the shares on a pro rata basis at the redemption price applicable on the settlement date. Other than that, the redemption obligation shall not apply. This means that each redemption order is executed only on a pro rata basis according to a ratio determined by the Fund.

In the interests of the shareholders, the Fund determines the ratio on the basis of the available liquidity and the total number of orders for the applicable settlement date. The extent of the available liquidity is heavily dependent on the current market environment. The ratio stipulates at what percentage the redemption requests are to be paid out on the settlement date. The part of the order that is not executed (remaining order) will not be executed by the Fund at a later date but instead expires (pro-rata approach with forfeiture of the remaining order).

The Fund decides on each valuation date whether and on the basis of which ratio it will restrict redemption. The Fund can restrict the redemption for a maximum of 15 consecutive working days. The possibility of suspending the redemption remains unaffected.

The Fund immediately publishes information on the restriction of the redemption of shares of a Sub-Fund as well as the lifting of such restriction on its website.

The redemption price corresponds to the NAV per share determined on that day less a redemption fee, where applicable. Redemption through an intermediary (e.g., the institution maintaining the custody account) is also possible; additional costs

may be incurred for the shareholder when so doing.

### **11.2 Temporary suspension of the issue, redemption and conversion of shares**

The Fund is authorised to temporarily suspend the issue, redemption and conversion of shares of any Sub-Fund or any Share Class in certain circumstances, as listed in section 12 "Temporary suspension of the calculation of the issue, redemption and conversion of shares and the calculation of the NAV per share", in order to manage temporary constrained market liquidity.

### **11.3 Swing pricing**

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 NAV potentially does not entirely reflect all trading and other costs that occur, if the Fund Manager has to buy or sell assets 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, or 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 on 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 NAV will be adjusted upward when there are large net inflows into the Sub-Fund and downward when there are large net outflows from the Sub-Fund; 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 NAV 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 in normal market environments not exceed 2% of the original NAV. The adjustment to the NAV 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 NAV to protect the interests of Shareholders. Notice on such increase will be published on the website of the Management Company, [www.dws.com/fundinformation](http://www.dws.com/fundinformation).

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 NAV adjustment will only be applied occasionally.

Where a performance fee applies to the respective Sub-Fund, the calculation will be based on the unsprung NAV.

The mechanism may be applied across all Sub-Funds. If swing pricing is considered for a certain Sub-Fund, this will be disclosed in the Special Section of the Prospectus. If implemented, it will also be disclosed in the fund facts section on the website of the Management Company, [www.dws.com/fundinformation](http://www.dws.com/fundinformation).

## 12. Temporary suspension of the issue, redemption and conversion of shares and of the calculation of the NAV per share

The Fund is authorised to temporarily suspend (1) the calculation of the NAV of shares of any Sub-Fund or any Share Class as well as (2) the issue, redemption and conversion of shares of any Sub-Fund or any Share Class, in the following circumstances:

- a) during any period (other than ordinary holidays or customary weekend closings) when any market or stock exchange is closed or when trading on any market or stock exchange is restricted or suspended, if that market or stock exchange is the main market or stock exchange for a significant part of Sub-Fund's investments; or
- b) during any period when an emergency exists, as a result of which it is impossible to dispose of investments, which constitute a substantial portion of the assets of a Sub-Fund; or it is impossible to transfer monies involved in the acquisition or disposition of investments at normal rates of exchange; or it is impossible to fairly determine the value of any asset in a Sub-Fund; or
- c) during any breakdown in the means of communication normally employed in determining the price of any of a Sub-Fund's investments or of current prices on any stock exchange; or

- d) if, for any reason, the prices of any investment owned by a Sub-Fund cannot be reasonably, promptly or accurately determined; or
- e) during any period when remittance of monies which will or may be involved in the purchase or sale of any of the Sub-Fund's investments cannot, in the opinion of the Board of Directors, be carried out at normal rates of exchange; or
- f) following a decision to liquidate or dissolve the Fund/a Sub-Fund or a Share Class; or
- g) in the case of a merger of the Fund/a Sub-Fund or a Share Class, if the Board of Directors deems this to be justified for the protection of the Shareholders; or
- h) in the event that a Sub-Fund is a feeder fund, following a suspension of the calculation of the NAV of the master fund or any other suspension or deferral of the issue, redemption and/or conversion of shares in the master fund; or
- i) in all other cases, in which the Board of Directors of the Fund considers a suspension to be in the best interest of the Shareholders.

Any such suspension shall be notified to investors submitting request for the issue, redemption or conversion of shares at the time of the application. The suspension shall be published by the Fund.

Requests for the issue, redemption or conversion will automatically lapse during the suspension period. Investors will be informed that, once the calculation of the NAV and the processing of subscriptions, redemptions and conversions resume, new requests must be submitted.

The suspension of the calculation of the NAV as well as the issue, redemption and conversion in relation to any Sub-Fund or Share Class shall have no effect on the NAV calculation and the issue, redemption and conversion of the shares of any other Sub-Fund or Share Class, except in case of cross-investment by a Sub-Fund or Share Class into another Sub-Fund or Share Class.

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 has been registered in accordance with their respective regulations. Notice of suspension of the calculation of the NAV per share and its resumption will be published on the website of the Management Company [www.dws.com/fundinformation](http://www.dws.com/fundinformation) and, if required, in the official publication media of the respective jurisdictions, in which the shares are offered for sale to the public.

## 13. Shareholder meetings

The Shareholder meeting represents the entire body of Shareholders of the Fund, regardless of which particular Sub-Fund a Shareholder has invested in. It shall have the broadest powers to make decisions on all matters pertaining to the Fund. Resolutions passed at a Shareholder meet-

ing on matters pertaining to the Fund, as a whole, shall be binding upon all Shareholders.

The annual general meeting takes place every year at the registered office of the Fund or at any other place determined in the invitation. It is generally held on every fourth Wednesday in April of each year at 11:30 a.m. CET. In those years, when such fourth Wednesday in April falls on a bank holiday, the annual general meeting will be held on the next Bank Business Day. Other Shareholder meetings may be held at other places and times, with appropriate approval and notification.

Shareholders may appoint proxies to represent them at a Shareholder meeting.

The Shareholders of a Sub-Fund can also hold a Shareholder meeting, at any time, in order to decide on actions pertaining exclusively to that Sub-Fund. Similarly, the Shareholders of a particular Share Class of a Sub-Fund can also hold a Shareholder meeting, at any time, in order to decide on actions pertaining exclusively to that Share Class.

Unless otherwise provided for by law, resolutions are passed by simple majority of the shares represented in person or by proxy and validly cast at the meeting. In all other aspects, the Law of 1915 applies. Each share of any Share Class is entitled to one vote, in accordance with Luxembourg law and the Articles of Incorporation. Fractional shares do not have voting rights.

Invitations to Shareholder meetings are published at least fifteen days before the meeting in the RESA, in a Luxembourg newspaper and in additional newspapers, if required by law or if considered appropriate by the Board of Directors, in each distribution country. Invitations may also be sent by mail to Shareholders holding registered shares at least eight days before the meeting. The invitations indicate the agenda, the date and time of the meeting and set out the quorum and majority vote requirements.

If all shares are issued in registered form, the Fund may, for any general meeting, communicate the invitation at least eight days before the meeting by registered letters only, or any other means of communication individually accepted by the Shareholders.

If all Shareholders are duly 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 entirely.

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 Shareholder 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 (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.

## **14. Establishment, closing / liquidation and merger of Sub-Funds or Share Classes**

### **14.1 Establishment of Sub-Funds and Share Classes**

Resolutions to establish Sub-Funds or Share Classes are adopted by the Board of Directors.

### **14.2 Liquidation of Sub-Funds and closure of Share Classes**

The Board of Directors may resolve to liquidate any Sub-Fund or close any Share Class of the Fund.

If the NAV of a Sub-Fund has decreased to an amount considered by the Board of Directors to be below the minimum level required for such Sub-Fund to be operated and managed in an economically efficient manner in the best interest of its Shareholders, or if the economic and/or political situation has changed significantly since the launch of the Sub-Fund so that the investment objective of the Sub-Fund can no longer be achieved, or if a product rationalisation or any other reason would justify such termination, or if the Sub-Fund is unable to meet a substantial redemption request without the Sub-Fund's net assets decreasing to an amount considered by the Board of Directors to be below the minimum level required for the Sub-Fund to be operated and managed in an economically efficient manner in the best interest of its Shareholders or if otherwise in the interest of the Shareholders or the Fund, the Board of Directors may resolve to place the Sub-Fund into liquidation. Following such decision, the subscription of shares of the relevant Sub-Fund will be ceased. If not otherwise decided by the Board of Directors, the redemption of shares remains possible provided that equal treatment of Shareholders can be ensured. The Board of Directors may, after initial decision to cease redemptions, resolve to temporarily re-open the Sub-Fund for redemptions, provided that equal treatment of Shareholders can be ensured.

On order of the Board of Directors the Depositary will distribute the proceeds of the liquidation less the liquidation related costs and less the transaction costs for unwinding of the portfolio among the Shareholders of the respective Sub-Fund according to their entitlement on the day of the closure of the liquidation. Liquidation proceeds which could not be paid to the Shareholders entitled thereto at the closure of the liquidation will be deposited with the Caisse de Consignation of the Grand Duchy of Luxembourg. The eligible Shareholders may claim their proceeds from the Caisse de Consignation any time within 30 years, or else these proceeds will

pass into the ownership of the Grand Duchy of Luxembourg.

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 to place the Sub-Fund into liquidation. The liquidation of the last remaining Sub-Fund will result in the dissolution and liquidation of the entire Fund as detailed in section 15.1 "Liquidation or merger of the Fund".

The Board of Directors may resolve the closure of a Share Class within a Sub-Fund and to pay out to the Shareholders of this Share Class the NAV of their shares (considering the closure related costs and the transaction costs for unwinding a part of the portfolio (if any)) on the Valuation Date on which the decision takes effect.

Shareholders of the Sub-Fund or Share Class will be notified on the Management Company's website [www.dws.com/fundinformation](http://www.dws.com/fundinformation) as well as in accordance with the regulations of the country of distribution.

Furthermore, the Board of Directors may declare the cancellation of the issued shares in a Sub-Fund or Share Class if it considers this decision necessary, or where such action is required by law or to protect the interests of the Fund or its Shareholders. The Fund shall serve a notice in writing to the concerned Shareholders of the relevant class or Sub-Fund, which will indicate the reasons.

### **14.3 Merger of Sub-Funds and Share Classes**

According to 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 Fund, with a foreign UCITS 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 being liquidated and all assets were simultaneously taken over by the receiving sub-fund or UCITS, as the case may be, in accordance with applicable provisions. Shareholders in the merging Sub-Fund receive shares of the receiving sub-fund or UCITS, as the case may be, the number of which is based on the ratio of the NAV per share 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.

The Board of Directors may resolve to merge Share Classes within a Sub-Fund. Such a merger means that the Shareholders in the merging Share Class receive shares of the receiving Share Class, the number of which is based on the ratio of the NAV per share of the Share Classes

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

Shareholders of the Sub-Funds or Share Classes will be notified on the Management Company's website [www.dws.com/fundinformation](http://www.dws.com/fundinformation) as well as in accordance with the regulations of the country of distribution. Shareholders of the Sub-Funds or Share Classes may, within a period of at least thirty days request the redemption free of charge, as further disclosed in the relevant publication.

### **14.4 Division of Sub-Funds and Share Classes**

The Board of Directors may, subject to regulatory approval, resolve the reorganisation of any Sub-Fund or Share Class by means of a division into two or more separate Sub-Funds or Share Classes within a Sub-Fund.

## **15. Liquidation or merger of the Fund**

### **15.1 Liquidation of the Fund**

The Fund will be liquidated in the cases provided for by law.

The Fund can be liquidated at any time by the Shareholder meeting. The quorum required by law is necessary for such resolution to be valid.

The liquidation of the Fund shall be announced in the RESA by the Fund and Shareholders will be further notified on the Management Company's website [www.dws.com/fundinformation](http://www.dws.com/fundinformation), as well as in accordance with the regulations of the country of distribution.

Following the decision to place the Fund into liquidation, the subscription of shares will be ceased. If not otherwise decided by the Board of Directors, the redemption of shares remains possible provided that equal treatment of Shareholders can be ensured. The Board of Directors may, after initial decision to cease redemptions, resolve to temporarily re-open the Fund for redemptions, provided that equal treatment of Shareholders can be ensured.

On order of the liquidators appointed by the Shareholder meeting, the Depositary will distribute the proceeds of the liquidation less the liquidation related costs and less the transaction costs for unwinding of the portfolio among the Shareholders according to their entitlement. Liquidation proceeds which could not be paid to the Shareholders entitled thereto at the closure of the liquidation will be deposited with the Caisse de Consignation of the Grand Duchy of Luxembourg. The eligible Shareholders may claim their proceeds from the Caisse de Consignation any time within 30 years, or else these proceeds will pass into the ownership of the Grand Duchy of Luxembourg.

The closure of the liquidation of the Fund shall in principle take place within a period of nine (9)



months starting from the decision to place the Fund into liquidation.

## 15.2 Merger of the Fund

According to the definitions and conditions set out in the Law of 2010, the Fund may be merged, either as merging UCITS or as receiving UCITS, with a foreign UCITS or a Luxembourg UCITS or Sub-Fund of a foreign UCITS or Luxembourg UCITS.

The Board of Directors is competent to decide on such a merger and on the effective date in case the Fund is the receiving UCITS. In case the Fund is the merging UCITS and thereby ceases to exist, the Shareholder Meeting, deciding by simple majority of the votes cast by Shareholders present or represented at the meeting, shall be competent to decide on such merger and on the effective date of such merger. The effective date of such merger shall be recorded by notarial deed.

Shareholders of the Fund will be notified on the Management Company's website [www.dws.com/fundinformation](http://www.dws.com/fundinformation) as well as in accordance with the regulations of the country of distribution. Shareholders of the Fund may, within a period of at least thirty days, request the redemption of shares free of charge, as further disclosed in the relevant publication.

## 16. Benchmarks

The Benchmark Regulation introduces a common framework to ensure the accuracy and integrity of indices used as benchmarks in the European Union, thereby contributing to the proper functioning of the internal market while achieving a high level of consumer and investor protection. To achieve this goal the Benchmark Regulation foresees, inter alia, that an EU-supervised entity may use a benchmark or a combination of benchmarks in the European Union if the benchmark is provided by an administrator located in the European Union which is included in the public register maintained by ESMA (ESMA register) or if the benchmark is a third country benchmark, which is included in the ESMA register.

### 16.1 Use of benchmarks

The Special Section of the Prospectus provides details on the use of benchmarks as defined under the Benchmark Regulation. A benchmark can, in principle, be used for the following purposes:

- Management in reference to a benchmark in order to define the asset allocation of a portfolio;
- Management in reference to a benchmark in order to track the performance of this benchmark;
- Management in reference to a benchmark in order to calculate the performance fee.

### 16.2 Plans setting out actions in the event that a benchmark materially changes

For each benchmark under the Benchmark Regulation, the Management Company has established robust, written plans, in which it has defined measures that it would take if the benchmark was to materially change or cease to be provided (contingency plan). Information about the contingency plan may be obtained, free of charge, and upon request at the registered office of the Management Company.

### 16.3 Benchmark Regulation & ESMA register

Under the Benchmark Regulation, ESMA publishes and maintains a public register that contains the consolidated list of EU administrators and third country benchmarks, in accordance with article 36 of the Benchmark Regulation. A Sub-Fund may use a benchmark in the European Union if the EU administrator or if the benchmark itself appears in the ESMA register or if it is exempted according to article 2 (2) of the Benchmark Regulation, such as, for example, benchmarks provided by EU and non-EU central banks. Further, certain third country benchmarks are eligible even though they do not appear in the ESMA register as they benefit from a transitional provision under the Benchmark Regulation.

### 16.4 Information contained in the Special Section of the Prospectus

The Special Section of the 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 reference to one, in which case the Sub-Fund will indicate the degree of freedom from the benchmark. If a benchmark index is used in accordance with the Benchmark Regulation, the Special Section of the Prospectus will indicate the administrator of the index and whether this administrator appears in the ESMA register or is exempted from this requirement. It will further indicate the purpose of the benchmark in relation to the Sub-Fund. If the Sub-Fund's investment policy or objective follows or is measured against a benchmark index, the historical performance of the benchmark index will be published in the past performance section of the PRIIPs KID.

## 17. Prevention of money laundering and financing of terrorism

### 17.1 Investor due diligence and sanctions screening requirements

In accordance with international regulations and Luxembourg laws and regulations in relation to the fight against money laundering and terrorism financing in force at the date of the Prospectus, obligations have been imposed on all profession-

als of the financial sector to prevent the use of undertakings for collective investment for money laundering and terrorism financing purposes.

Measures aimed towards the prevention of money laundering, as provided in these regulations, may require a detailed verification of a prospective investor's identity. For the sake of completeness, such verification also entails the mandatory and regular controls and screenings related to international sanctions and performed against targeted financial sanctions and politically exposes persons (PEP) lists.

The Fund, the Management Company and the UCI Administrator have the right to request any information as is necessary to verify the identity of a prospective investor. In the event of delay or failure by the prospective investor to produce any information required for identification or verification purposes, the Fund may refuse to accept the application and will not be liable for any interest, costs or compensation. Similarly, when shares are issued, they cannot be redeemed or converted until full details of registration and anti-money laundering documentation have been completed.

The Fund reserves the right to reject an application, for any reason, in whole or in part in which event the application monies or any balance thereof will be returned without unnecessary delay to the applicant by transfer to the applicant's designated account, provided the identity of the applicant can be properly verified pursuant to Luxembourg anti-money laundering regulations. In such event, the Fund, the Management Company and the UCI Administrator will not be liable for any interest, costs or compensation.

Failure to provide proper documentation may result in the withholding of distribution and redemption proceeds by the relevant Sub-Fund.

Furthermore, considering that money laundering, terrorism financing and proliferation financing risks also exist on the investment side, the Fund is required to due diligence and adequate sanctions screening when performing investments operations. For investment transactions, the Fund may ask for additional documents at any time if it considers it to be necessary and may delay the investment operation and any associated transaction requests until it receives and judges to be satisfactory all requested documents.

### 17.2 Fund RBO register

The Fund, or any delegate thereof, will further provide the Luxembourg beneficial owner register (the "RBO") created pursuant to the Law of 2019 establishing a register of beneficial owners with relevant information about any Shareholder or, as applicable, beneficial owner(s) thereof, qualifying as beneficial owner of the Fund within the meaning of the AML/CFT Rules. Such information will

be made available within the RBO, as required by, and under the conditions set forth in the Luxembourg anti-money laundering laws and regulations. In addition, the investor acknowledges that failure by a Shareholder, or, as applicable, beneficial owner(s) thereof, to provide the Fund, or any delegate thereof, with any relevant information and supporting documentation necessary for the Fund to comply with its obligation until it receives and deems to be satisfactory all requested documents to provide same information and documentation to the RBO is subject to criminal fines in Luxembourg.

## 18. Further information, notices and documents available for investors

As a general rule, publications are made available on the Management Company's website at [www.dws.com/fundinformation](http://www.dws.com/fundinformation).

The Prospectus, the KID, the Articles of Incorporation, and the annual and semi-annual financial statements are available free of charge to Shareholders at the registered office of the Fund and at all sales and paying agents.

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 in Luxembourg, publications will additionally be made in at least one Luxembourg newspaper and, if applicable, in the RESA.

The description of the policies regarding the exercise of voting rights and engagement activities of the Management Company is available to investors online at [www.dws.com/footer/legal-resources](http://www.dws.com/footer/legal-resources). Information on the exercise of voting rights and on engagement activities carried out is published in aggregated form at the level of the DWS legal entities covered by those policies, which include DWS Investment S.A as Management Company.

Additional information is made available by the Fund at its registered office, upon request, in accordance with the provisions of Luxembourg laws and regulations.

### 18.1 Net Asset Value

The NAV per share of each Share Class may be obtained on the website of the Management Company and is also available at the registered office of the Management Company, the paying and information agents (if any) or the distributors during normal business hours. It also 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 subscription and redemption fee. Such information may be obtained from the Fund, the Management Company, the entity supporting the registrar function, or the sales agent on each day on which such information is published.

### 18.2 KID, semi-annual and annual financial statements

This Prospectus is one of the compulsory documents required by law together and in cooperation with the obligatory KID and the semi-annual and annual financial statements.

Investors are advised to read these documents to get informed about the structure, activities and investment proposals of the Fund and its Sub-Fund(s) they are invested in.

#### 18.2.1 KID

A KID exists for each Share Class, consistent with the relevant Special Section of the Prospectus. The KID contains only the essential elements for making the investment decision. The nature of the information is harmonised, so as to provide standardised and consistent information in a non-technical language. The KID is a single document for each Sub-Fund or Share Class of limited length presenting the information in a specified sequence that should help to understand the nature, characteristics, the risks, costs and past performance of the Sub-Fund or Share Class.

#### 18.2.2 Semi-annual and annual financial statements

The Fund produces an audited annual financial statement and a semi-annual financial statement according to the laws of the Grand Duchy of Luxembourg which are available for inspection at the registered office of the Fund.

The financial statements include, amongst other things, a balance sheet or a statement of assets and liabilities, a detailed income and expenditure account for the past financial or semi-annual year, a description of how the remuneration and the benefits have been calculated, a report on the activities of the past financial or semi-annual year as well as information which will enable investors to make an informed judgement on the development of the activities and the results of the Fund. Audited annual financial statements are available within four months after the end of the Fund's financial year. Unaudited semi-annual financial statements are available within two months after the end of the Fund's financial semi-annual year.

These documents about the Fund or a Sub-Fund can be accessed at the Management Company's website, [www.dws.com/fundinformation](http://www.dws.com/fundinformation).

## 18.3 Complaints handling and queries

The details of the Management Company's complaint handling procedures may be obtained free of charge during normal office hours at the registered office of the Fund or of the Management Company.

## 19. Exchanges and markets

The Fund may have the shares of the Sub-Funds admitted for listing on a stock exchange or traded in regulated markets; currently the Fund is not availing itself of this option.

The possibility of the shares also being traded in other markets without the Fund's consent cannot be excluded. A third party can, without the consent of the Fund, arrange for the shares to be included in the open market or in other OTC trading.

The market price underlying stock exchange trading or trading in other regulated markets is not determined exclusively by the value of the assets held in the respective Sub-Fund. Supply and demand are also contributing factors. The market price may therefore deviate from the calculated NAV per share.

## B. Sales Prospectus – Special Section

### DWS Invest II ESG European Top Dividend

<b>Investor profile</b>	Growth-oriented
<b>Sub-Fund currency</b>	EUR
<b>Sub-Fund Manager</b>	DWS Investment GmbH
<b>Investment Advisor</b>	–
<b>Launch date</b>	July 2, 2012 (for differing launch dates for individual Share Classes, please see the Share Class overview below)
<b>Maturity date</b>	No fixed maturity
<b>Performance benchmark</b>	–
<b>Reference portfolio (risk benchmark)</b>	MSCI Europe High Dividend Yield net TR
<b>Leverage</b>	Up to twice the value of the Sub-Fund's assets
<b>Valuation Date</b>	Each Bank Business Day in the Grand Duchy of Luxembourg
<b>Swing Pricing</b>	The Sub-Fund may apply swing pricing. If a swing pricing mechanism is applied, this will be published on the Management Company's website <a href="http://www.dws.com/fundinformation">www.dws.com/fundinformation</a> under the heading "Facts".
<b>Order acceptance</b>	All orders are submitted on the basis of an unknown NAV per share. Orders received at or before <b>4:00 p.m. Luxembourg time</b> on a Valuation Date are processed on the basis of the NAV 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 NAV per share on the Valuation Date immediately following that next Valuation Date.
<b>Settlement date</b>	In the case of a purchase, the equivalent value is charged within two Bank Business Days after issue of the shares. The equivalent value is credited within two Bank Business Days after redemption of the shares. The settlement date for purchase and redemption orders of certain currencies may deviate by one day from the settlement date.
<b>Expense cap</b>	15% of the management fee

#### Overview of the Share Classes

<b>Currency of the Share Class</b>	LC, LD, FC, FD, NC, ND, XC, XD, LDH (P), TFC, TFD, IC**, IC 10** CHF LDH (P)	EUR CHF
<b>Subscription fee (payable by the investor)</b>	LC, LD, CHF LDH (P), LDH (P) FC, FD, XC, XD, TFC, TFD, IC**, IC 10** NC, ND	up to 5% 0% up to 3%
<b>Management fee per annum (payable by the Sub-Fund)*</b>	LC, LD, CHF LDH (P), LDH (P) FC, FD, TFC, TFD NC, ND XC, XD IC**, IC 10**	up to 1.5% up to 0.75% up to 2% up to 0.3% up to 0.5%
<b>Service fee per annum (payable by the Sub-Fund)*</b>	LC, LD, FC, FD, XC, XD, CHF LDH (P), LDH (P), TFC, TFD, IC**, IC 10** NC, ND	0% 0.2%
<b>Taxe d'abonnement per annum (payable by the Sub-Fund)</b>	LC, LD, FC, FD, NC, ND, XC, XD, CHF LDH (P), LDH (P), TFC, TFD IC**, IC 10**	0.05% 0.01%
<b>Launch date</b>	LC, LD, NC, ND, XC XD FC, FD CHF LDH (P), LDH (P) TFC, TFD IC**	July 2, 2012 November 3, 2014 July 17, 2015 December 1, 2015 January 15, 2018 December 2, 2024

\* For additional costs, see section 8. in the General Section of the Prospectus.

\*\* In contrast with section 5.7.1.2 of the General Section of the Prospectus, the IC and IC 10 share class is not exclusively offered in the form of registered shares.

Due to its composition and the techniques applied by its fund management, the Sub-Fund is subject to **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 Invest II ESG European Top Dividend, the following provisions shall apply in addition to the terms contained in the General Section of the 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 Invest II ESG European Top Dividend is to achieve an above average return.

The Sub-Fund is actively managed and is not managed in reference to a benchmark.

At least 70% of the Sub-Fund's net assets are invested in equities, stock certificates, participation and dividend-right certificates, convertible bonds, American Depositary Receipts (ADRs) and Global Depositary Receipts (GDRs), listed on recognized exchanges and markets and issued by international financial institutions, and equity warrants of European issuers.

When selecting equities, the following criteria shall be of decisive importance: dividend yield; growth as well as sustainability of dividend yield; historical and future earnings growth; price/earnings ratio. In addition to these criteria, the proven stock-picking process of the Fund Manager will be applied. This means that a company's fundamental data, such as asset quality, management skills, profitability, competitive position and valuation, are analysed. These criteria may be weighted differently and do not always have to be present at the same time.

The Sub-Fund will not invest in contingent convertibles.

The Sub-Fund may invest up to 10% of its net assets in special purpose acquisition companies (SPACs) that qualify as eligible investments as defined in article 1(34) and article 41 of the Law of 2010, article 2 of the Grand-Ducal Regulation of February 8, 2008, and CESR Guidelines. SPACs are companies that procure capital by means of an initial public offering (IPO) and are established for the sole purpose of acquiring and merging with an existing company.

The Sub-Fund intends to use securities financing transactions under the conditions and to the extent further described in the General Section of the Prospectus.

In compliance with section 3.2 of the General Section of the Prospectus, the Sub-Fund may use derivative techniques to achieve the investment objective and implement the investment strategy, including in particular – but not limited to – forwards, futures, single-stock futures, options or equity swaps.

A maximum of 30% of the Sub-Fund's net 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.

In addition, the Sub-Fund's net assets may be invested in all other permissible assets specified in section 3 of the General Section of the Prospectus, including the assets mentioned in section 3.1 of the General Section of the Prospectus.

In accordance with article 41 (1) of the Law of 2010, the Sub-Fund may invest in money market instruments, deposits with credit institutions and up to 10% in money market funds. These investments 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 30% of the Sub-Funds' net assets.

The Sub-Fund may hold up to 20% ancillary liquid assets. 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 the shareholder.

In case of investments in shares of UCITS and/or other UCIs, the investment strategies and/or restrictions of such a target fund may deviate from the investment strategy and restrictions of the Sub-Fund, for example, regarding the eligibility or exclusion of certain assets or the use of derivatives. Accordingly, the investment strategies and/or restrictions of a target fund may expressly permit assets that are not permitted in the Sub-Fund. However, the investment policy of the Sub-Fund may not be circumvented through investments in target funds.

At least 80% of the Sub-Fund's net assets are invested in assets that comply with the promoted environmental and social characteristics. Within this category, at least 15% of the Sub-Fund's net assets qualify as sustainable investments in accordance with article 2(17) SFDR.

**Further information about the environmental and social characteristics promoted by this Sub-Fund as well as the considered principal adverse impacts on sustainability factors is available in the annex to this Prospectus.**

Up to 10% of the Sub-Fund's net assets may be invested in Use of Proceed Bonds.

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 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 Prospectus.

### **Consideration of sustainability risks**

The Management Company and the Sub-Fund management consider sustainability risks in the investment process as described in the General Section of the Prospectus in the section 3.10 "Consideration of sustainability risks".

### **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 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 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 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).

### **Stock exchanges and markets**

The Management Company may have the shares of the Sub-Fund admitted for listing on a stock exchange or traded on regulated markets. At present, the Management Company does not make use of this option.

The possibility of the shares also being traded in other markets without the Management Company's consent cannot be ruled out. A third party can, without the consent of the Management Company, arrange for the shares to be included in the open market or in other over-the-counter trading.

The market price of shares traded on a stock exchange or other regulated markets is not determined exclusively by the NAV of the assets held in the Sub-Fund. Supply and demand are also contributing factors. As a result, the market price may deviate from the calculated NAV per share.

# 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 Invest II ESG European Top Dividend  
**Legal entity identifier:** 5493002FIDT27628I731

## Environmental and/or social characteristics

**Does this financial product have a sustainable investment objective?**

☒ ☒ ☐ **Yes**

☒ ☐ ☒ **No**

☐ It will make a minimum of **sustainable investments with an environmental objective**: \_\_%

☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy

☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

☐ It will make a minimum of **sustainable investments with a social objective**: \_\_%

☒ **It promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of 15% of sustainable investments

☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy

☒ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

☒ with a social objective

☐ It promotes E/S characteristics, but **will not make any sustainable investments**



**What environmental and/or social characteristics are promoted by this financial product?**

This sub-fund promotes environmental and social characteristics related to a general consideration of ESG criteria by excluding, for example, investments in companies with the worst norm-related issues towards international standards, issuers with the worst assessment in terms of environmental, social and governance aspects compared to their peer group and/or investments in companies whose involvement in controversial sectors exceeds predefined revenue thresholds.

Further, this sub-fund promotes a minimum proportion of sustainable investments in accordance with article 2(17) of the regulation on sustainability-related disclosures in the financial services sector (SFDR).

This sub-fund has not designated a reference benchmark for the purpose of attaining the environmental and 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 an in-house ESG assessment methodology and ESG specific exclusion thresholds as further described in the 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 different assessment approaches that are used as sustainability indicators which are:

- **Norm Controversy Assessment** used as an indicator for a company’s exposure to norm-related issues towards international standards.
- **ESG Quality Assessment** used as an indicator for comparison of an issuer’s environmental, social and governance aspects in relation to its peer group.
- **Freedom House Status** used as an indicator for the political and civil liberties of a country.
- **Exposure to controversial sectors** used as an indicator for a company’s involvement in controversial sectors.
- **Exposure to companies subject to the EU Paris-aligned Benchmark exclusion criteria** as set forth in article 12(1) of Commission Delegated Regulation 2020/1818 (PAB-Exclusions).
- **Sustainability Investment Assessment** used as an indicator to measure the proportion of sustainable investments pursuant to article 2(17) SFDR.

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?

Sustainable investments contribute (i) to at least one of the Sustainable Development Goals of the United Nations (UN SDGs) that relate to environmental and/or social objectives, such as no poverty, zero hunger, good health and well-being, quality education, gender equality, clean water and sanitation, affordable and clean energy, decent work and economic growth, reduced inequalities, sustainable cities and communities, responsible consumption and production, climate action, life below water and/or life on land and/or (ii) to at least one other environmental objective such as climate change adaption, climate change mitigation, sustainable use and protection of water and marine resources, transition to a circular economy, pollution prevention and control and/or protection and restoration of biodiversity and ecosystems (as defined under the EU Taxonomy).

The extent of the contribution to individual sustainable investment objectives varies depending on the actual investments held in the portfolio.

DWS determines the contribution to a sustainable investment objective based on its Sustainability Investment Assessment which uses data from one or several data providers, public sources and/or internal assessments. An investment’s positive contribution to an environmental and/or social objective is assessed based on the revenues which a company generates from the actual economic activities making such contribution (activity-based approach). Where a positive contribution is determined, the investment is considered sustainable if the issuer passes the Do No Significant Harm (“DNSH”) assessment and the company follows good governance practices.

The share of sustainable investments in the portfolio as defined in article 2(17) SFDR is therefore calculated in proportion to the economic activities of the issuers that are considered as sustainable (activity-based approach). Notwithstanding the preceding, in the case of use-of-proceeds bonds that are considered as sustainable investment, the value of the entire bond is counted towards the portfolio’s share of sustainable investments.

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 sustainable investments in which the sub-fund invests are assessed to ensure they do not cause significant harm to any environmental or social sustainable investment objective. This is achieved by taking into account the indicators for principal adverse impacts on sustainability factors (dependent on relevance) as described below. If a significant harm is identified, the investment cannot be considered sustainable.

How have the indicators for adverse impacts on sustainability factors been taken into account?

The Sustainability Investment Assessment systematically integrates the mandatory principal adverse indicators on sustainability factors (dependent on relevance) from Table 1 and relevant indicators from Tables 2 and 3 of Annex I of the Commission Delegated Regulation (EU) 2022/1288 supplementing the SFDR. Taking into account these principal adverse impacts, DWS has established quantitative thresholds and/or qualitative values to assess a significant harm on any of the environmental or social sustainable investment 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:

The alignment of sustainable investments with, amongst others, the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights is evaluated through the Norm Controversy Assessment (as further described below). Companies with the worst Norm Controversy Assessment of "F" are excluded as an investment.

*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 considers the following principal adverse impacts on sustainability factors from Annex I of the Commission Delegated Regulation (EU) 2022/1288 supplementing the SFDR:

- Greenhouse gas (GHG) emissions (no. 1);
- Carbon footprint (no. 2);
- GHG intensity of investee companies (no. 3);
- Exposure to companies active in the fossil fuel sector (no. 4);
- Violations of United Nations Global Compact principles and OECD Guidelines for Multinational Enterprises (no. 10); and
- Exposure to controversial weapons (no. 14).

The aforementioned principal adverse impacts are considered by applying the exclusions as outlined in the 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 investment strategy does not apply a dedicated steering mechanism of the values of principal adverse impact indicators at overall portfolio level.

Further information on principal adverse impacts on sustainability factors will be provided in a sub-fund specific annex to the 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 of European issuers that are expected to deliver an above-average dividend yield. When selecting equities, the following criteria shall be of decisive importance: dividend yield above the market average, sustainability of dividend yield and growth, historical and future earnings growth as well as price/earnings ratio.

Further details regarding the main investment strategy are specified in the Special Section of the Sales Prospectus.

At least 80% of the sub-fund's net assets are allocated to investments that meet the promoted environmental and social characteristics as described in the following sections. The alignment of the portfolio with the binding elements of the investment strategy used to attain the promoted environmental and social characteristics as well as the PAB-Exclusions is continuously controlled via the sub-fund's investment guidelines monitoring.

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 sub-fund aims to achieve the promoted environmental and social characteristics by assessing potential assets via an in-house ESG assessment methodology, regardless of their economic prospects for success, and by applying exclusion criteria based on this assessment.

The ESG assessment methodology is using a proprietary software tool which sources data from one or several ESG data providers, public sources and/or internal assessments to derive overall assessments. The methodology applied to derive such overall assessments can be based on different methods, such as prioritizing one data vendor, worst-of or averaging approach. Internal assessments may take into account factors such as an issuer's future expected ESG developments, plausibility of data with regard to past or future events, the willingness to engage in dialogue on ESG matters and/or ESG-related decisions of a company. Further, internal ESG assessments for investee companies may consider the relevance of the exclusion criteria for the market sector of the investee company.

The proprietary software tool uses, amongst others, the approaches described below to evaluate the adherence to the promoted ESG characteristics and whether investee companies follow good governance practices. The assessment approaches include, for example, exclusions related to revenues generated from controversial sectors or the exposure to such controversial sectors. In some of the assessment approaches, issuers receive one of six possible assessments, with "A" representing the best and "F" the worst assessment. If an issuer is excluded based on one assessment approach, the sub-fund is prohibited from investing in that issuer.

Depending on the investable universe, the portfolio allocation and the exposure to certain sectors, the assessment approaches described below may be more or less relevant which is reflected in the number of issuers being actually excluded.

#### **• PAB-Exclusions**

In accordance with the applicable regulations, the sub-fund applies the PAB-Exclusions and excludes all of the following companies:

- a. companies involved in controversial weapons (manufacturing or selling of anti-personnel mines, cluster munitions, chemical weapons and biological weapons) assessed as part of the assessment of the "Exposure to controversial weapons" as described below;
- b. companies involved in the cultivation and production of tobacco;
- c. companies that are found in violation of the United Nations Global Compact principles or the OECD Guidelines for Multinational Enterprises (assessed as part of the "Norm Controversy Assessment" as described below);
- d. companies that derive 1% or more of their revenues from exploration, mining, extraction, distribution or refining of hard coal and lignite;
- e. companies that derive 10% or more of their revenues from the exploration, extraction, distribution or refining of oil fuels;
- f. companies that derive 50% or more of their revenues from the exploration, extraction, manufacturing or distribution of gaseous fuels;
- g. companies that derive 50% or more of their revenues from electricity generation with a GHG intensity of more than 100 g CO<sub>2</sub> e/kWh.

The PAB-Exclusions are, in particular, not applied for sight deposits with credit institutions and certain derivative instruments. The extent of the application of the PAB-Exclusions in relation to use of proceeds bonds is described below under the section "Use of proceeds bond Assessment".

#### **• Norm Controversy Assessment**

The Norm Controversy Assessment evaluates the behaviour of companies in relation to generally accepted international standards and principles of responsible business conduct within, amongst others, the framework of the principles of the United Nations Global Compact, the United Nations Guiding Principles, the standards of the International Labour Organization and the OECD Guidelines for Multinational Enterprises. Examples of topics covered within these standards and principles include, but are not limited to, human rights violations, violations of workers' rights, child or forced labour, negative environmental impacts and business ethics. The Norm Controversy Assessment evaluates reported violations of the aforementioned international standards. Companies with the worst Norm Controversy Assessment of "F" are excluded as an investment.

#### **• ESG Quality Assessment**

The ESG Quality Assessment distinguishes between investments in companies and investments in sovereign issuers.

For companies, the ESG Quality Assessment allows for a peer group comparison based on an overall ESG assessment, for example, concerning the handling of environmental changes, product safety, employee management or corporate ethics. The peer group for companies is made up from the same industry sector. Companies that score higher in this comparison receive a better assessment, while companies that score lower in the comparison receive a worse assessment. Companies with the worst assessment of “F” are excluded as an investment.

For sovereign issuers, the ESG Quality Assessment assesses countries based on a peer group comparison considering environmental and social criteria as well as indicators for good governance, including, for example, the political system, the existence of institutions and the rule of law. Sovereign issuers with the worst assessment of “F” are excluded as an investment.

#### • Freedom House Status

Freedom House is an international non-governmental organization that classifies countries by their degree of political and civil liberties. Based on the Freedom House Status, countries that are classified as “not free” are excluded as an investment.

#### • Exposure to controversial sectors

Companies that are involved in certain business areas and business activities in controversial areas (“controversial sectors”) are excluded according to their share of total revenues generated in such controversial sectors as follows:

- a. Manufacturing of products and/or provision of services in the defence industry: 5% or more
- b. Manufacturing and/or distribution of civil handguns or ammunition: 5% or more
- c. Manufacturing of products in and/or provision of services for the gambling industry: 5% or more
- d. Manufacturing of adult entertainment: 5% or more
- e. Manufacturing of palm oil: 5% or more
- f. Nuclear power generation and/or uranium mining and/or uranium enrichment: 5% or more
- g. Unconventional extraction of crude oil and/or natural gas (including oil sand, oil shale/shale gas, arctic drilling): more than 0%
- h. Companies that derive 25% or more from thermal coal mining and thermal coal-based power generation as well as companies with thermal coal expansion plans, such as additional expansion of coal mining, coal production or coal usage. Companies with thermal coal expansion plans are excluded based on an internal identification methodology.

Further, companies involved in the manufacturing or selling of nuclear weapons or key components of nuclear weapons are excluded and the shareholdings within a group structure may be taken into consideration.

#### • Exposure to controversial weapons

Companies are excluded if they are identified as being involved in the manufacturing or selling of controversial weapons or key components of controversial weapons or other related specific activities (anti-personnel mines, cluster munitions, chemical and biological weapons, blinding laser weapons, weapons with non-detectable fragments, depleted uranium weapons/munitions and/or incendiary weapons using white phosphorus). In addition, the shareholdings within a group structure may be taken into consideration for the exclusions.

#### • DWS Use of Proceeds Bond Assessment

Deviating from the assessment approaches described above, an investment in bonds of excluded issuers is nevertheless permitted if the particular requirements for use-of-proceeds bonds are met. In this case, the bond is first checked for compliance with the ICMA Principles for green bonds, social bonds or sustainability bonds. In addition, a defined minimum of ESG criteria is checked in relation to the issuer of the bond, and issuers and their bonds that do not meet these criteria are excluded.

#### • DWS Target Fund Assessment

The DWS ESG database assesses target funds in accordance with the DWS Climate and Transition Risk Assessment, DWS Norm Assessment, UN Global Compact Assessment, DWS ESG Quality Assessment, the Freedom House Status and with respect to investments in companies that are

considered to be manufacturers or manufacturers of key components of anti-personnel mines, cluster munitions, chemical and biological weapons (the shareholdings within a group structure are taken into consideration accordingly). The assessment methods for target funds are based on examining the entire target fund portfolio, taking into account the investments within the target fund portfolio. Depending on the respective assessment approach, exclusion criteria (such as tolerance thresholds) that result in exclusion of the target fund are defined. Accordingly, assets may be invested within the portfolios of the target funds that are not compliant with the DWS standards for issuers.

#### •Non-ESG assessed asset classes

Not every asset of the sub-fund is assessed by the DWS ESG assessment methodology. This applies in particular to the following asset classes:

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

Deposits with credit institutions are not evaluated via the DWS ESG assessment methodology.

#### Sustainability Investment Assessment

Further, for the proportion of sustainable investments, DWS measures the contribution to one or several UN SDGs and/or to other environmental sustainable objectives via its Sustainability Investment Assessment which evaluates potential investments in relation to different criteria to conclude whether an investment can be considered as sustainable as further detailed in the 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 assessment of the good governance practices of the investee companies (including assessments related to sound management structures, employee relations, remuneration of staff and tax compliance) is part of the Norm Controversy Assessment which evaluates a company's behavior within generally accepted international standards and principles of responsible business conduct. Further information can be found in the 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?". Companies with the worst Norm Controversy Assessment of "F" are excluded as an investment.



What is the asset allocation planned for this financial product?

This sub-fund invests at least 80% 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 net assets qualify as sustainable investments (#1A Sustainable). Thereof the minimum share of sustainable investments with an environmental objective that is not compliant with the EU Taxonomy is 1% of the sub-fund's net assets and the minimum share of socially sustainable investments is 2% of the sub-fund's net assets. The actual share of sustainable investments with an environmental objective that is not compliant with the EU Taxonomy and of socially sustainable investments depends on the market situation and the investable investment universe.

Up to 20% of the sub-fund's net assets may be invested in assets which are either out-of-scope of the ESG assessment methodology or for which ESG data coverage is incomplete (#2 Other) as further detailed in the section "What investments are included under "#2 Other", what is their purpose and are there any minimum environmental or social safeguards?".

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**

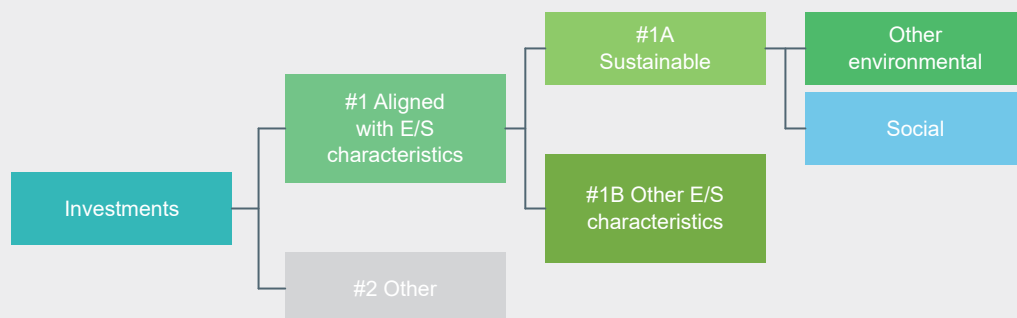
reflecting the share of revenue from green activities of investee companies

- **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 and social characteristics promoted by the sub-fund.



To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

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 promoted minimum percentage of environmentally sustainable investments aligned with the EU Taxonomy is 0% of the sub-fund's net assets. However, certain investments' underlying economic activities may be aligned with the EU Taxonomy.



Does the financial product invest in fossil gas and/or nuclear energy<sup>1</sup> related activities that comply with the EU Taxonomy?

☐ Yes:

☐ In fossil gas

☐ In nuclear energy

☒ No

The sub-fund not take into account the Taxonomy-alignment of companies active in the fossil gas and/or nuclear energy sectors. Further information on such investments, where relevant, will be disclosed in the annual report.

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.

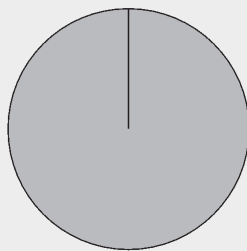
**Enabling activities** directly enable other activities to make a substantial contribution to an environmental objective.

**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.

<sup>1</sup> Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective - see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

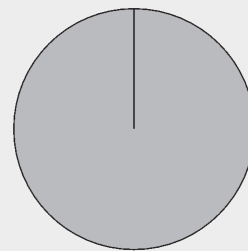
**The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds\*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial 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:	0.00%
Fossil gas	
Taxonomy-aligned:	0.00%
Nuclear	
Taxonomy-aligned (no fossil gas and nuclear)	0.00%
Taxonomy-aligned	0.00%
Non Taxonomy-aligned	100.00%

2. Taxonomy-alignment of investments excluding sovereign bonds\*



Taxonomy-aligned:	0.00%
Fossil gas	
Taxonomy-aligned:	0.00%
Nuclear	
Taxonomy-aligned (no fossil gas and nuclear)	0.00%
Taxonomy-aligned	0.00%
Non Taxonomy-aligned	100.00%

This graph represents 100% of the total 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 is not committed to a minimum share of investments in transitional or enabling activities.



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 minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy is 1% of the sub-fund's net assets.



What is the minimum share of socially sustainable investments?

The minimum share of socially sustainable investments is 2% of the sub-fund's net assets.



What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?

At least 80% of the sub-fund's net assets are aligned with the promoted environmental and social characteristics (#1 Aligned with E/S characteristics). Up to 20% of the sub-fund's net assets may be invested in assets which are either out-of-scope of the ESG assessment methodology or for which ESG data coverage is incomplete (#2 Other). Full ESG data coverage is required for the assessment of direct investments in companies in relation to good governance practices and the PAB-Exclusions.

Assets under “#2 Other” can include all asset classes as foreseen in the specific investment policy, such as sight deposits with credit institutions and derivatives. These assets can be used by the portfolio management for performance, risk diversification, liquidity and hedging purposes.

Minimum environmental or social safeguards are not or only partially considered for the sub-fund's investments falling within “#2 Other”.



**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 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/LU0781237614/> as well as on your local country website [www.dws.com/fundinformation](http://www.dws.com/fundinformation).

## DWS Invest II ESG US Top Dividend

<b>Investor profile</b>	Growth-oriented
<b>Sub-Fund currency</b>	EUR
<b>Sub-Fund Manager</b>	DWS Investment GmbH
<b>Investment Advisor</b>	–
<b>Launch date</b>	July 2, 2012 (for differing launch dates for individual Share Classes, please see the Share Class overview below)
<b>Maturity date</b>	No fixed maturity
<b>Performance benchmark</b>	–
<b>Reference portfolio (risk benchmark)</b>	MSCI USA High Dividend Yield
<b>Leverage</b>	Up to twice the value of the Sub-Fund's assets
<b>Valuation Date</b>	Each Bank Business Day in the Grand Duchy of Luxembourg that is also an exchange trading day at the New York Stock Exchange (NYSE)
<b>Swing Pricing</b>	The Sub-Fund may apply swing pricing. If a swing pricing mechanism is applied, this will be published on the Management Company's website <a href="http://www.dws.com/fundinformation">www.dws.com/fundinformation</a> under the heading "Facts".
<b>Order acceptance</b>	All orders are submitted on the basis of an unknown NAV per share. Orders received at or before <b>4:00 p.m. Luxembourg time</b> on a Valuation Date are processed on the basis of the NAV 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 NAV per share on the Valuation Date immediately following that next Valuation Date.
<b>Settlement date</b>	In the case of a purchase, the equivalent value is charged within two Bank Business Days after issue of the shares. The equivalent value is credited within two Bank Business Days after redemption of the shares. The settlement date for purchase and redemption orders of certain currencies may deviate by one day from the settlement date.
<b>Expense cap</b>	15% of the management fee

### Overview of the Share Classes

<b>Currency of the Share Class</b>	LC, LD, NC, FC, FD, LCH (P), NCH (P), TFC, TFD, IC**, IC 10** USD LC	EUR USD
<b>Subscription fee (payable by the investor)</b>	LC, LD, LCH (P), USD LC NC, NCH (P) FC, FD, TFC, TFD, IC**, IC 10**	up to 5% up to 3% 0%
<b>Management fee per annum (payable by the Sub-Fund)*</b>	LC, LD, LCH (P), USD LC NC, NCH (P) FC, FD, TFC, TFD IC**, IC 10**	up to 1.5% up to 2% up to 0.75% up to 0,5%
<b>Service fee per annum (payable by the Sub-Fund)*</b>	LC, LD, FC, FD, LCH (P), USD LC, TFC, TFD, IC**, IC 10** NC, NCH (P)	0% 0.2%
<b>Taxe d'abonnement per annum (payable by the Sub-Fund)</b>	LC, LD, NC, FC, FD, LCH (P), NCH (P), USD LC, TFC, TFD IC**, IC 10**	0.05% 0.01%
<b>Launch date</b>	LC, LD, NC, FC LCH (P), NCH (P), USD LC FD TFC, TFD IC**	July 2, 2012 January 20, 2014 March 24, 2014 January 15, 2018 December 2, 2024

\* For additional costs, see section 8 in the General Section of the Prospectus.

\*\* In contrast with section 5.7.1.2 of the General Section, the IC and IC 10 share classes are not exclusively offered in the form of registered shares.

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 Invest II ESG European Top Dividend, the following provisions shall apply in addition to the terms contained in the General Section of the 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 Invest II ESG US Top Dividend is to achieve an above average return.

The Sub-Fund is actively managed and is not managed in reference to a benchmark.

At least 70% of the Sub-Fund's net assets are invested in equities, stock certificates, participation and dividend-right certificates, convertible bonds, American Depositary Receipts (ADRs) and Global Depositary Receipts (GDRs), listed on recognized exchanges and markets and issued by international financial institutions, and equity warrants of United States issuers.

When selecting equities, the following criteria shall be of decisive importance: dividend yield; growth as well as sustainability of dividend yield; historical and future earnings growth; price/earnings ratio. In addition to these criteria, the proven stock-picking process of the Fund Manager will be applied. This means that a company's fundamental data, such as asset quality, management skills, profitability, competitive position and valuation, are analysed. These criteria may be weighted differently and do not always have to be present at the same time.

The Sub-Fund will not invest in contingent convertibles.

The Sub-Fund may invest up to 10% of its net assets in special purpose acquisition companies (SPACs) that qualify as eligible investments as defined in article 1(34) and article 41 of the Law of 2010, article 2 of the Grand-Ducal Regulation of February 8, 2008, and CESR Guidelines. SPACs are companies that procure capital by means of an initial public offering (IPO) and are established for the sole purpose of acquiring and merging with an existing company.

The Sub-Fund intends to use securities financing transactions under the conditions and to the extent further described in the General Section of the Prospectus.

In compliance with section 3.1 of the General Section of the Prospectus, the Sub-Fund may use derivative techniques to achieve the invest-

ment objective and implement the investment strategy, including in particular – but not limited to – forwards, futures, single-stock futures, options or equity swaps.

A maximum of 30% of the Sub-Fund's net 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.

In addition, the Sub-Fund's assets may be invested in all other permissible assets specified in section 3 of the General Section of the Prospectus, including the assets mentioned in section 3.1 of the General Section of the Prospectus.

In accordance with article 41 (1) of the Law of 2010, the Sub-Fund may invest in money market instruments, deposits with credit institutions and up to 10% in money market funds. These investments 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 30% of the Sub-Fund's net assets.

The Sub-Fund may hold up to 20% ancillary liquid assets. 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 the shareholder.

In case of investments in shares of UCITS and/or other UCIs, the investment strategies and/or restrictions of such a target fund may deviate from the investment strategy and restrictions of the Sub-Fund, for example, regarding the eligibility or exclusion of certain assets or the use of derivatives. Accordingly, the investment strategies and/or restrictions of a target fund may expressly permit assets that are not permitted in the Sub-Fund. However, the investment policy of the Sub-Fund may not be circumvented through investments in target funds.

At least 80% of the Sub-Fund's net assets are invested in assets that comply with the promoted environmental and social characteristics. Within this category, at least 15% of the Sub-Fund's net assets qualify as sustainable investments in accordance with article 2(17) SFDR.

**Further information about the environmental and social characteristics promoted by this Sub-Fund as well as the considered principal adverse impacts on sustainability factors is available in the annex to this Prospectus.**

Up to 10% of the Sub-Fund's net assets may be invested in Use of Proceed Bonds.

For the purpose of inducing a partial tax exemption within the meaning of the German Invest-

ment Tax Act and in addition to the investment limits described in the articles of Incorporation and this 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 Prospectus.

### **Consideration of sustainability risks**

The Management Company and the Sub-Fund management consider sustainability risks in the investment process as described in the General Section of the Prospectus in the section 3.10 "Consideration of sustainability risks".

### **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 Prospectus, the potential market risk of the Sub-Fund is measured using a reference portfolio that does not contain derivatives ("risk benchmark").

The reference portfolio is a portfolio that does not include any leverage effect from the use of 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.

### **Investment in shares of target funds**

In addition to the information in the General Section of the 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).

### **Stock exchanges and markets**

The Management Company may have the shares of the Sub-Fund admitted for listing on a stock exchange or traded on regulated markets. At present, the Management Company does not make use of this option.

The possibility of the shares also being traded in other markets without the Management Company's consent cannot be ruled out. A third party can, without the consent of the Management Company, arrange for the shares to be included in the open market or in other over-the-counter trading.

The market price of shares traded on a stock exchange or other regulated markets is not determined exclusively by the NAV of the assets held in the Sub-Fund. Supply and demand are also contributing factors. As a result, the market price may deviate from the calculated NAV per share.

# 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 Invest II ESG US Top Dividend  
**Legal entity identifier:** 549300808BH2BFBPQV18

## Environmental and/or social characteristics

**Does this financial product have a sustainable investment objective?**

☒ ☒ ☐ **Yes**

☒ ☐ ☒ **No**

☐ It will make a minimum of **sustainable investments with an environmental objective**: \_\_%

☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy

☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

☐ It will make a minimum of **sustainable investments with a social objective**: \_\_%

☒ **It promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of 15% of sustainable investments

☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy

☒ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

☒ with a social objective

☐ It promotes E/S characteristics, but **will not make any sustainable investments**



**What environmental and/or social characteristics are promoted by this financial product?**

This sub-fund promotes environmental and social characteristics related to a general consideration of ESG criteria by excluding, for example, investments in companies with the worst norm-related issues towards international standards, issuers with the worst assessment in terms of environmental, social and governance aspects compared to their peer group and/or investments in companies whose involvement in controversial sectors exceeds predefined revenue thresholds.

Further, this sub-fund promotes a minimum proportion of sustainable investments in accordance with article 2(17) of the regulation on sustainability-related disclosures in the financial services sector (SFDR).

This sub-fund has not designated a reference benchmark for the purpose of attaining the environmental and 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 an in-house ESG assessment methodology and ESG specific exclusion thresholds as further described in the 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 different assessment approaches that are used as sustainability indicators which are:

- **Norm Controversy Assessment** used as an indicator for a company’s exposure to norm-related issues towards international standards.
- **ESG Quality Assessment** used as an indicator for comparison of an issuer’s environmental, social and governance aspects in relation to its peer group.
- **Freedom House Status** used as an indicator for the political and civil liberties of a country.
- **Exposure to controversial sectors** used as an indicator for a company’s involvement in controversial sectors.
- **Exposure to companies subject to the EU Paris-aligned Benchmark exclusion criteria** as set forth in article 12(1) of Commission Delegated Regulation 2020/1818 (PAB-Exclusions).
- **Sustainability Investment Assessment** used as an indicator to measure the proportion of sustainable investments pursuant to article 2(17) SFDR.

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?

Sustainable investments contribute (i) to at least one of the Sustainable Development Goals of the United Nations (UN SDGs) that relate to environmental and/or social objectives, such as no poverty, zero hunger, good health and well-being, quality education, gender equality, clean water and sanitation, affordable and clean energy, decent work and economic growth, reduced inequalities, sustainable cities and communities, responsible consumption and production, climate action, life below water and/or life on land and/or (ii) to at least one other environmental objective such as climate change adaption, climate change mitigation, sustainable use and protection of water and marine resources, transition to a circular economy, pollution prevention and control and/or protection and restoration of biodiversity and ecosystems (as defined under the EU Taxonomy).

The extent of the contribution to individual sustainable investment objectives varies depending on the actual investments held in the portfolio.

DWS determines the contribution to a sustainable investment objective based on its Sustainability Investment Assessment which uses data from one or several data providers, public sources and/or internal assessments. An investment’s positive contribution to an environmental and/or social objective is assessed based on the revenues which a company generates from the actual economic activities making such contribution (activity-based approach). Where a positive contribution is determined, the investment is considered sustainable if the issuer passes the Do No Significant Harm (“DNSH”) assessment and the company follows good governance practices.

The share of sustainable investments in the portfolio as defined in article 2(17) SFDR is therefore calculated in proportion to the economic activities of the issuers that are considered as sustainable (activity-based approach). Notwithstanding the preceding, in the case of use-of-proceeds bonds that are considered as sustainable investment, the value of the entire bond is counted towards the portfolio’s share of sustainable investments.

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 sustainable investments in which the sub-fund invests are assessed to ensure they do not cause significant harm to any environmental or social sustainable investment objective. This is achieved by taking into account the indicators for principal adverse impacts on sustainability factors (dependent on relevance) as described below. If a significant harm is identified, the investment cannot be considered sustainable.

How have the indicators for adverse impacts on sustainability factors been taken into account?

The Sustainability Investment Assessment systematically integrates the mandatory principal adverse indicators on sustainability factors (dependent on relevance) from Table 1 and relevant indicators from Tables 2 and 3 of Annex I of the Commission Delegated Regulation (EU) 2022/1288 supplementing the SFDR. Taking into account these principal adverse impacts, DWS has established quantitative thresholds and/or qualitative values to assess a significant harm on any of the environmental or social sustainable investment 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:

The alignment of sustainable investments with, amongst others, the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights is evaluated through the Norm Controversy Assessment (as further described below). Companies with the worst Norm Controversy Assessment of "F" are excluded as an investment.

*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 considers the following principal adverse impacts on sustainability factors from Annex I of the Commission Delegated Regulation (EU) 2022/1288 supplementing the SFDR:

- Greenhouse gas (GHG) emissions (no. 1);
- Carbon footprint (no. 2);
- GHG intensity of investee companies (no. 3);
- Exposure to companies active in the fossil fuel sector (no. 4);
- Violations of United Nations Global Compact principles and OECD Guidelines for Multinational Enterprises (no. 10); and
- Exposure to controversial weapons (no. 14).

The aforementioned principal adverse impacts are considered by applying the exclusions as outlined in the 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 investment strategy does not apply a dedicated steering mechanism of the values of principal adverse impact indicators at overall portfolio level.

Further information on principal adverse impacts on sustainability factors will be provided in a sub-fund specific annex to the 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 of United States issuers that are expected to deliver an above-average dividend yield. When selecting equities, the following criteria shall be of decisive importance: dividend yield above the market average, sustainability of dividend yield and growth, historical and future earnings growth as well as price/earnings ratio.

Further details regarding the main investment strategy are specified in the Special Section of the Sales Prospectus.

At least 80% of the sub-fund's net assets are allocated to investments that meet the promoted environmental and social characteristics as described in the following sections. The alignment of the portfolio with the binding elements of the investment strategy used to attain the promoted environmental and social characteristics as well as the PAB-Exclusions is continuously controlled via the sub-fund's investment guidelines monitoring.

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 sub-fund aims to achieve the promoted environmental and social characteristics by assessing potential assets via an in-house ESG assessment methodology, regardless of their economic prospects for success, and by applying exclusion criteria based on this assessment.

The ESG assessment methodology is using a proprietary software tool which sources data from one or several ESG data providers, public sources and/or internal assessments to derive overall assessments. The methodology applied to derive such overall assessments can be based on different methods, such as prioritizing one data vendor, worst-of or averaging approach. Internal assessments may take into account factors such as an issuer's future expected ESG developments, plausibility of data with regard to past or future events, the willingness to engage in dialogue on ESG matters and/or ESG-related decisions of a company. Further, internal ESG assessments for investee companies may consider the relevance of the exclusion criteria for the market sector of the investee company.

The proprietary software tool uses, amongst others, the approaches described below to evaluate the adherence to the promoted ESG characteristics and whether investee companies follow good governance practices. The assessment approaches include, for example, exclusions related to revenues generated from controversial sectors or the exposure to such controversial sectors. In some of the assessment approaches, issuers receive one of six possible assessments, with "A" representing the best and "F" the worst assessment. If an issuer is excluded based on one assessment approach, the sub-fund is prohibited from investing in that issuer.

Depending on the investable universe, the portfolio allocation and the exposure to certain sectors, the assessment approaches described below may be more or less relevant which is reflected in the number of issuers being actually excluded.

#### **• PAB-Exclusions**

In accordance with the applicable regulations, the sub-fund applies the PAB-Exclusions and excludes all of the following companies:

- a. companies involved in controversial weapons (manufacturing or selling of anti-personnel mines, cluster munitions, chemical weapons and biological weapons) assessed as part of the assessment of the "Exposure to controversial weapons" as described below;
- b. companies involved in the cultivation and production of tobacco;
- c. companies that are found in violation of the United Nations Global Compact principles or the OECD Guidelines for Multinational Enterprises (assessed as part of the "Norm Controversy Assessment" as described below);
- d. companies that derive 1% or more of their revenues from exploration, mining, extraction, distribution or refining of hard coal and lignite;
- e. companies that derive 10% or more of their revenues from the exploration, extraction, distribution or refining of oil fuels;
- f. companies that derive 50% or more of their revenues from the exploration, extraction, manufacturing or distribution of gaseous fuels;
- g. companies that derive 50% or more of their revenues from electricity generation with a GHG intensity of more than 100 g CO<sub>2</sub> e/kWh.

The PAB-Exclusions are, in particular, not applied for sight deposits with credit institutions and certain derivative instruments. The extent of the application of the PAB-Exclusions in relation to use of proceeds bonds is described below under the section "Use of proceeds bond Assessment".

#### **• Norm Controversy Assessment**

The Norm Controversy Assessment evaluates the behaviour of companies in relation to generally accepted international standards and principles of responsible business conduct within, amongst others, the framework of the principles of the United Nations Global Compact, the United Nations Guiding Principles, the standards of the International Labour Organization and the OECD Guidelines for Multinational Enterprises. Examples of topics covered within these standards and principles include, but are not limited to, human rights violations, violations of workers' rights, child or forced labour, negative environmental impacts and business ethics. The Norm Controversy Assessment evaluates reported violations of the aforementioned international standards. Companies with the worst Norm Controversy Assessment of "F" are excluded as an investment.

#### **• ESG Quality Assessment**

The ESG Quality Assessment distinguishes between investments in companies and investments in sovereign issuers.

For companies, the ESG Quality Assessment allows for a peer group comparison based on an overall ESG assessment, for example, concerning the handling of environmental changes, product safety, employee management or corporate ethics. The peer group for companies is made up from the same industry sector. Companies that score higher in this comparison receive a better assessment, while companies that score lower in the comparison receive a worse assessment. Companies with the worst assessment of “F” are excluded as an investment.

For sovereign issuers, the ESG Quality Assessment assesses countries based on a peer group comparison considering environmental and social criteria as well as indicators for good governance, including, for example, the political system, the existence of institutions and the rule of law. Sovereign issuers with the worst assessment of “F” are excluded as an investment.

#### • Freedom House Status

Freedom House is an international non-governmental organization that classifies countries by their degree of political and civil liberties. Based on the Freedom House Status, countries that are classified as “not free” are excluded as an investment.

#### • Exposure to controversial sectors

Companies that are involved in certain business areas and business activities in controversial areas (“controversial sectors”) are excluded according to their share of total revenues generated in such controversial sectors as follows:

- a. Manufacturing of products and/or provision of services in the defence industry: 5% or more
- b. Manufacturing and/or distribution of civil handguns or ammunition: 5% or more
- c. Manufacturing of products in and/or provision of services for the gambling industry: 5% or more
- d. Manufacturing of adult entertainment: 5% or more
- e. Manufacturing of palm oil: 5% or more
- f. Nuclear power generation and/or uranium mining and/or uranium enrichment: 5% or more
- g. Unconventional extraction of crude oil and/or natural gas (including oil sand, oil shale/shale gas, arctic drilling): more than 0%
- h. Companies that derive 25% or more from thermal coal mining and thermal coal-based power generation as well as companies with thermal coal expansion plans, such as additional expansion of coal mining, coal production or coal usage. Companies with thermal coal expansion plans are excluded based on an internal identification methodology.

Further, companies involved in the manufacturing or selling of nuclear weapons or key components of nuclear weapons are excluded and the shareholdings within a group structure may be taken into consideration.

#### • Exposure to controversial weapons

Companies are excluded if they are identified as being involved in the manufacturing or selling of controversial weapons or key components of controversial weapons or other related specific activities (anti-personnel mines, cluster munitions, chemical and biological weapons, blinding laser weapons, weapons with non-detectable fragments, depleted uranium weapons/munitions and/or incendiary weapons using white phosphorus). In addition, the shareholdings within a group structure may be taken into consideration for the exclusions.

#### • DWS Use of Proceeds Bond Assessment

Deviating from the assessment approaches described above, an investment in bonds of excluded issuers is nevertheless permitted if the particular requirements for use-of-proceeds bonds are met. In this case, the bond is first checked for compliance with the ICMA Principles for green bonds, social bonds or sustainability bonds. In addition, a defined minimum of ESG criteria is checked in relation to the issuer of the bond, and issuers and their bonds that do not meet these criteria are excluded.

#### • DWS Target Fund Assessment

The DWS ESG database assesses target funds in accordance with the DWS Climate and Transition Risk Assessment, DWS Norm Assessment, UN Global Compact Assessment, DWS ESG Quality Assessment, the Freedom House Status and with respect to investments in companies that are

considered to be manufacturers or manufacturers of key components of anti-personnel mines, cluster munitions, chemical and biological weapons (the shareholdings within a group structure are taken into consideration accordingly). The assessment methods for target funds are based on examining the entire target fund portfolio, taking into account the investments within the target fund portfolio. Depending on the respective assessment approach, exclusion criteria (such as tolerance thresholds) that result in exclusion of the target fund are defined. Accordingly, assets may be invested within the portfolios of the target funds that are not compliant with the DWS standards for issuers.

#### •Non-ESG assessed asset classes

Not every asset of the sub-fund is assessed by the DWS ESG assessment methodology. This applies in particular to the following asset classes:

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

Deposits with credit institutions are not evaluated via the DWS ESG assessment methodology.

### **Sustainability Investment Assessment**

Further, for the proportion of sustainable investments, DWS measures the contribution to one or several UN SDGs and/or to other environmental sustainable objectives via its Sustainability Investment Assessment which evaluates potential investments in relation to different criteria to conclude whether an investment can be considered as sustainable as further detailed in the 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 assessment of the good governance practices of the investee companies (including assessments related to sound management structures, employee relations, remuneration of staff and tax compliance) is part of the Norm Controversy Assessment which evaluates a company's behavior within generally accepted international standards and principles of responsible business conduct. Further information can be found in the 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?”. Companies with the worst Norm Controversy Assessment of “F” are excluded as an investment.



What is the asset allocation planned for this financial product?

This sub-fund invests at least 80% 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 net assets qualify as sustainable investments (#1A Sustainable). Thereof the minimum share of sustainable investments with an environmental objective that is not compliant with the EU Taxonomy is 1% of the sub-fund's net assets and the minimum share of socially sustainable investments is 2% of the sub-fund's net assets. The actual share of sustainable investments with an environmental objective that is not compliant with the EU Taxonomy and of socially sustainable investments depends on the market situation and the investable investment universe.

Up to 20% of the sub-fund's net assets may be invested in assets which are either out-of-scope of the ESG assessment methodology or for which ESG data coverage is incomplete (#2 Other) as further detailed in the section “What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?”.

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**

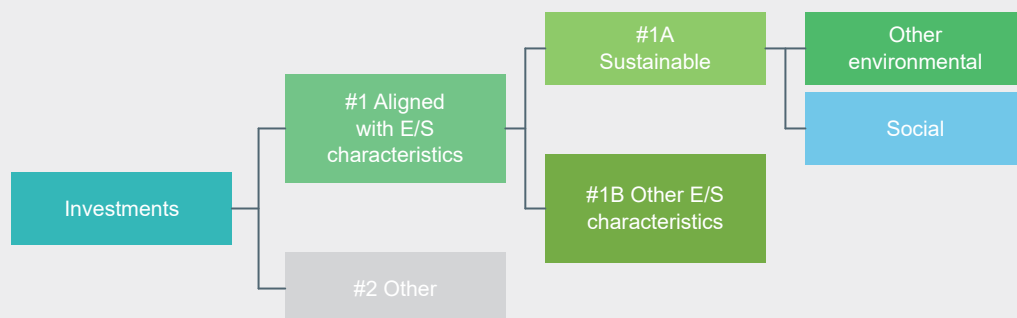
reflecting the share of revenue from green activities of investee companies

- **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 and social characteristics promoted by the sub-fund.



To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

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 promoted minimum percentage of environmentally sustainable investments aligned with the EU Taxonomy is 0% of the sub-fund's net assets. However, certain investments' underlying economic activities may be aligned with the EU Taxonomy.



Does the financial product invest in fossil gas and/or nuclear energy<sup>1</sup> related activities that comply with the EU Taxonomy?

☐ Yes:

☐ In fossil gas

☐ In nuclear energy

☒ No

The sub-fund not take into account the Taxonomy-alignment of companies active in the fossil gas and/or nuclear energy sectors. Further information on such investments, where relevant, will be disclosed in the annual report.

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.

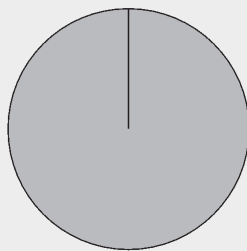
**Enabling activities** directly enable other activities to make a substantial contribution to an environmental objective.

**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.

<sup>1</sup> Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective - see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

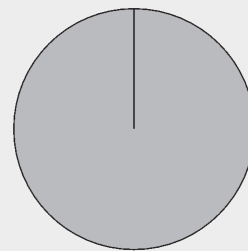
**The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds\*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial 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:	0.00%
Fossil gas	
Taxonomy-aligned:	0.00%
Nuclear	
Taxonomy-aligned (no fossil gas and nuclear)	0.00%
Taxonomy-aligned	0.00%
Non Taxonomy-aligned	100.00%

2. Taxonomy-alignment of investments excluding sovereign bonds\*



Taxonomy-aligned:	0.00%
Fossil gas	
Taxonomy-aligned:	0.00%
Nuclear	
Taxonomy-aligned (no fossil gas and nuclear)	0.00%
Taxonomy-aligned	0.00%
Non Taxonomy-aligned	100.00%

This graph represents 100% of the total 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 is not committed to a minimum share of investments in transitional or enabling activities.



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 minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy is 1% of the sub-fund's net assets.



What is the minimum share of socially sustainable investments?

The minimum share of socially sustainable investments is 2% of the sub-fund's net assets.



What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?

At least 80% of the sub-fund's net assets are aligned with the promoted environmental and social characteristics (#1 Aligned with E/S characteristics). Up to 20% of the sub-fund's net assets may be invested in assets which are either out-of-scope of the ESG assessment methodology or for which ESG data coverage is incomplete (#2 Other). Full ESG data coverage is required for the assessment of direct investments in companies in relation to good governance practices and the PAB-Exclusions.

Assets under “#2 Other” can include all asset classes as foreseen in the specific investment policy, such as sight deposits with credit institutions and derivatives. These assets can be used by the portfolio management for performance, risk diversification, liquidity and hedging purposes.

Minimum environmental or social safeguards are not or only partially considered for the sub-fund's investments falling within “#2 Other”.



**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 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/LU0781238778/> as well as on your local country website [www.dws.com/fundinformation](http://www.dws.com/fundinformation).

## DWS Invest II Global Equity High Conviction Fund

<b>Investor profile</b>	Growth-oriented
<b>Sub-Fund currency</b>	EUR
<b>Sub-Fund Manager</b>	DWS Investment GmbH
<b>Investment Advisor</b>	–
<b>Launch date</b>	February 11, 2013 (for differing launch dates for individual Share Classes, please see the Share Class overview below)
<b>Maturity date</b>	No fixed maturity
<b>Performance benchmark</b>	MSCI AC World TR Net (Euro), administered by MSCI Limited
<b>Reference portfolio (risk benchmark)</b>	MSCI AC World TR Net
<b>Leverage</b>	Up to twice the value of the Sub-Fund's assets
<b>Valuation Date</b>	Each Bank Business Day in the Grand Duchy of Luxembourg
<b>Swing Pricing</b>	The Sub-Fund may apply swing pricing. If a swing pricing mechanism is applied, this will be published on the Management Company's website <a href="http://www.dws.com/fundinformation">www.dws.com/fundinformation</a> under the heading "Facts".
<b>Order acceptance</b>	All orders are submitted on the basis of an unknown NAV per share. Orders received at or before <b>4:00 p.m. Luxembourg time</b> on a Valuation Date are processed on the basis of the NAV 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 NAV per share on the Valuation Date immediately following that next Valuation Date.
<b>Settlement date</b>	In the case of a purchase, the equivalent value is charged within three Bank Business Days after issue of the shares. The equivalent value is credited within three Bank Business Days after redemption of the shares. The settlement date for purchase and redemption orders of certain currencies may deviate by one day from the settlement date.
<b>Expense cap</b>	15% of the management fee

### Overview of the Share Classes

<b>Currency of the Share Class</b>	LC, LD, NC, FC, TFC, TFD USD LC, USD TFC	EUR USD
<b>Subscription fee (payable by the investor)</b>	LC, LD, USD LC NC FC, TFC, TFD, USD TFC	up to 5% up to 3% 0%
<b>Management fee per annum (payable by the Sub-Fund)*</b>	LC, LD, USD LC NC FC, TFC, TFD, USD TFC	up to 1.5% up to 2% up to 0.75%
<b>Service fee per annum (payable by the Sub-Fund)*</b>	LC, LD, FC, TFC, TFD, USD LC, USD TFC NC	0% 0.2%
<b>Taxe d'abonnement per annum (payable by the Sub-Fund)</b>	LC, LD, NC, FC, TFC, TFD, USD LC, USD TFC	0.05%
<b>Launch date</b>	LC, LD, NC, FC TFC, TFD USD LC USD TFC	February 11, 2013 January 15, 2018 February 15, 2024 March 15, 2024

\* For additional costs, see section 8 in the General Section of the Prospectus.

Due to its composition and the techniques applied by its fund management, the Sub-Fund is subject to **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 Invest II Global Equity High Conviction, the following provisions shall apply in addition to the terms contained in the General Section of the 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 Invest II Global Equity High Conviction Fund is to achieve an above average return.

The term „High Conviction“ refers to the Sub-Fund concept. High Conviction implies that – based on the investment decision of the portfolio management – single stocks are implemented with greater weightings and less diversification than a benchmark-oriented product. „Conviction“ means that single equity positions might have significant weightings, exceeding 5%. The conviction should be expressed by clearly deviating from the benchmark with single stock weightings if a stock is regarded as attractive. As a consequence, the portfolio will have less positions and diversification. Although there are no limitations regarding country or sector weightings, it can be expected that due to the conviction approach certain sectors or regions might have no or low weightings, if more attractive stocks from other sectors/ regions have been identified.

At least 70% of the Sub-Fund's net assets are invested in equities, stock certificates, participation and dividend right certificates, convertible bonds, American Depositary Receipts (ADRs) and Global Depositary Receipts (GDRs), listed on recognized exchanges and markets and issued by international financial institutions, and equity warrants of global issuers.

The issuers mentioned above will be companies with superior and sustainable growth perspectives.

The Sub-Fund will not invest in ABS or MBS securities.

The Sub-Fund will not invest in contingent convertibles.

The Sub-Fund may invest up to 10% of its net assets in special purpose acquisition companies (SPACs) that qualify as eligible investments as defined in article 1(34) and article 41 of the Law of 2010, article 2 of the Grand-Ducal Regulation of February 8, 2008, and CESR Guidelines. SPACs are companies that procure capital by means of an initial public offering (IPO) and are established

for the sole purpose of acquiring and merging with an existing company.

The Sub-Fund intends to use securities financing transactions under the conditions and to the extent further described in the General Section of the Prospectus.

In compliance with section 3.1 of the General Section of the Prospectus, the Sub-Fund may use derivative techniques to achieve the investment objective and implement the investment strategy, including in particular – but not limited to – forwards, futures, single-stock futures, options or equity swaps.

A maximum of 30% of the Sub-Fund's net 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.

In addition, the Sub-Fund's net assets may be invested in all other permissible assets specified in section 3 of the General Section of the Prospectus, including the assets mentioned in section 3.1 of the General Section of the Prospectus.

Besides various types of fixed interest payment, convertible bonds vest in the holder the right to convert these securities into shares in the company concerned. Bonds with warrants can simultaneously vest in the holder the right to interest payments and repayment and the right to acquire shares, i.e., the shares can be acquired in addition to the bond by exercising the option. Convertible preference shares regularly include the right or obligation to convert the preference shares into ordinary shares at a later date. The respective price of these securities depends both on the assessment of the share price and on changes in interest rates.

In accordance with article 41 (1) of the Law of 2010, the Sub-Fund may invest in money market instruments, deposits with credit institutions and up to 10% in money market funds. These investments 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 30% of the Sub-Funds' net assets.

The Sub-Fund may hold up to 20% ancillary liquid assets. 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 the shareholder.

In case of investments in shares of UCITS and/or other UCIs, the investment strategies and/or restrictions of such a target fund may deviate from the investment strategy and restrictions of the Sub-Fund, for example, regarding the eligibil-

ity or exclusion of certain assets or the use of derivatives. Accordingly, the investment strategies and/or restrictions of a target fund may expressly permit assets that are not permitted in the Sub-Fund. However, the investment policy of the Sub-Fund may not be circumvented through investments in target funds.

At least 51% of the Sub-Fund's net assets are invested in assets that comply with the promoted environmental and social characteristics. Within this category, at least 10% of the Sub-Fund's net assets qualify as sustainable investments in accordance with article 2(17) SFDR.

**Further information about the environmental and social characteristics promoted by this Sub-Fund as well as the considered principal adverse impacts on sustainability factors is available in the annex to this Prospectus.**

Up to 10% of the sub fund's net assets may be invested in Use of Proceed Bonds.

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 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 Prospectus.

### Benchmark

The Sub-Fund is actively managed in reference to one or a combination of benchmarks as further detailed in the Sub-Fund specific table. The benchmark administrator has historically been listed on ESMA's public register of administrators of benchmark indices but has subsequently been removed from the register as the benchmark regulation no longer applies to UK-based administrators. However, during the transitional period, benchmarks provided by UK benchmark administrators may continue to be used even if they are not included in the ESMA register.

The majority of the Sub-Fund's securities or their issuers are not necessarily expected to be components of the benchmark and the portfolio is not necessarily expected to have a similar weighting to the benchmark. The Sub-Fund management will use its discretion to invest in securities and sectors that are not included in the benchmark in order to take advantage of specific investment opportunities. In regard to its benchmark, the Sub-Fund positioning can deviate significantly (e.g., by a positioning outside of the benchmark as well as a significant underweighting or overweighting) and the actual degree of freedom is typically relatively high. A deviation generally reflects the Sub-Fund manager's evaluation of the specific market situation, which may lead to a defensive and closer or a more active and wider positioning compared to the benchmark. Despite the fact that the Sub-Fund aims to outperform the return of the benchmark, the potential outperformance might be limited depending on the prevail-

ing market environment (e.g. less volatile market environment) and actual positioning versus the benchmark.

### Consideration of sustainability risks

The Management Company and the Sub-Fund management consider sustainability risks in the investment process as described in the General Section of the Prospectus in the section 3.10 "Consideration of sustainability risks".

### 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 Prospectus, the potential market risk of the Sub-Fund is measured using a reference portfolio that does not contain derivatives ("risk benchmark").

The reference portfolio is a portfolio that does not include any leverage effect from the use of 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.

### Investment in shares of target funds

In addition to the information in the General Section of the 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).

### Stock exchanges and markets

The Management Company may have the shares of the Sub-Fund admitted for listing on a stock exchange or traded on regulated markets. At present, the Management Company does not make use of this option.

The possibility of the shares also being traded in other markets without the Management Company's consent cannot be ruled out. A third party can, without the consent of the Management Company, arrange for the shares to be included in the open market or in other over-the-counter trading.

The market price of shares traded on a stock exchange or other regulated markets is not

determined exclusively by the NAV of the assets held in the Sub-Fund. Supply and demand are also contributing factors. As a result, the market price may deviate from the calculated NAV per share.

# 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 Invest II Global Equity High Conviction Fund  
**Legal entity identifier:** 5493007L6P1NJG33X677

## Environmental and/or social characteristics

**Does this financial product have a sustainable investment objective?**

☒ ☒ ☐ **Yes**

☒ ☐ ☒ **No**

☐ It will make a minimum of **sustainable investments with an environmental objective**: \_\_%

☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy

☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

☐ It will make a minimum of **sustainable investments with a social objective**: \_\_%

☒ **It promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of 10% of sustainable investments

☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy

☒ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

☒ with a social objective

☐ It promotes E/S characteristics, but **will not make any sustainable investments**



**What environmental and/or social characteristics are promoted by this financial product?**

This sub-fund promotes environmental and social characteristics related to a general consideration of ESG criteria by excluding, for example, investments in companies with the worst norm-related issues towards international standards and/or investments in companies whose involvement in controversial sectors exceeds predefined revenue thresholds.

Further, this sub-fund promotes a minimum proportion of sustainable investments in accordance with article 2(17) of the regulation on sustainability-related disclosures in the financial services sector (SFDR).

This sub-fund has not designated a reference benchmark for the purpose of attaining the environmental and 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 an in-house ESG assessment methodology and ESG specific exclusion thresholds as further described in the 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 different assessment approaches that are used as sustainability indicators which are:

- **Norm Controversy Assessment** used as an indicator for a company's exposure to norm-related issues towards international standards.
- **Freedom House Status** used as an indicator for the political and civil liberties of a country.
- **Exposure to controversial sectors** used as an indicator for a company's involvement in controversial sectors.
- **Exposure to controversial weapons** used as an indicator for a company's involvement in controversial weapons.
- **Sustainability Investment Assessment** used as an indicator to measure the proportion of sustainable investments pursuant to article 2(17) SFDR.

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?

Sustainable investments contribute to at least one of the Sustainable Development Goals of the United Nations (UN SDGs) that relate to environmental and/or social objectives, such as good health and well-being or climate action and/or to at least one other environmental objective such as climate change adaption or climate change mitigation (as defined under the EU Taxonomy).

The extent of the contribution to individual sustainable investment objectives varies depending on the actual investments held in the portfolio.

DWS determines the contribution to a sustainable investment objective based on its Sustainability Investment Assessment which uses data from one or several data providers, public sources and/or internal assessments. An investment's positive contribution to an environmental and/or social objective is assessed based on the revenues which a company generates from the actual economic activities making such contribution (activity-based approach). Where a positive contribution is determined, the investment is considered sustainable if the issuer passes the Do No Significant Harm ("DNSH") assessment and the company follows good governance practices.

The share of sustainable investments in the portfolio as defined in article 2(17) SFDR is therefore calculated in proportion to the economic activities of the issuers that are considered as sustainable (activity-based approach). Notwithstanding the preceding, in the case of use-of-proceeds bonds that are considered as sustainable investment, the value of the entire bond is counted towards the portfolio's share of sustainable investments.

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 sustainable investments in which the sub-fund invests are assessed to ensure they do not cause significant harm to any environmental or social sustainable investment objective. This is achieved by taking into account the indicators for principal adverse impacts on sustainability factors (dependent on relevance) as described below. If a significant harm is identified, the investment cannot be considered sustainable.

How have the indicators for adverse impacts on sustainability factors been taken into account?

The Sustainability Investment Assessment systematically integrates the mandatory principal adverse indicators on sustainability factors (dependent on relevance) from Table 1 and relevant indicators from Tables 2 and 3 of Annex I of the Commission Delegated Regulation (EU) 2022/1288 supplementing the SFDR. Taking into account these principal adverse impacts, DWS has established quantitative thresholds and/or qualitative values to assess a significant harm on any of the environmental or social sustainable investment 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:

The alignment of sustainable investments with, amongst others, the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights is evaluated through the Norm Controversy Assessment (as further described below). Companies with the worst Norm Controversy Assessment of “F” are excluded as an investment.

*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 considers the following principal adverse impacts on sustainability factors from Annex I of the Commission Delegated Regulation (EU) 2022/1288 supplementing the SFDR:

- Exposure to companies active in the fossil fuel sector (no. 4);
- Violations of the United Nations Global Compact principles and OECD Guidelines for Multinational Enterprises (no. 10); and
- Exposure to controversial weapons (no. 14).

The aforementioned principal adverse impacts are considered by applying the exclusions to the assets of the sub-fund that meet the promoted environmental and social characteristics as outlined in the 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 investment strategy does not apply a dedicated steering mechanism of the values of principal adverse impact indicators at overall portfolio level.

Further information on principal adverse impacts on sustainability factors will be provided in a sub-fund specific annex to the 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 Depositary Receipts (ADRs) and Global Depositary Receipts (GDRs), listed on recognized exchanges and markets and issued by international financial institutions, and equity warrants of global issuers. The issuers mentioned above will be companies with superior and sustainable growth perspectives. High Conviction implies that – based on the investment decision of the portfolio management – single stocks are implemented with greater weightings and less diversification than a benchmark-oriented product.

Further details regarding the main investment strategy are specified in the Special Section of the Sales Prospectus.

At least 51% of the sub-fund’s net assets are allocated to investments that meet the promoted environmental and social characteristics as described in the following sections. The alignment of the portfolio with the binding elements of the investment strategy used to attain the promoted environmental and social characteristics is continuously controlled via the sub-fund’s investment guidelines monitoring.

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 sub-fund aims to achieve the promoted environmental and social characteristics by assessing potential assets via an in-house ESG assessment methodology, regardless of their economic

prospects for success, and by applying exclusion criteria based on this assessment.

The ESG assessment methodology is using a proprietary software tool which sources data from one or several ESG data providers, public sources and/or internal assessments to derive overall assessments. The methodology applied to derive such overall assessments can be based on different methods, such as prioritizing one data vendor, worst-of or averaging approach. Internal assessments may take into account factors such as an issuer's future expected ESG developments, plausibility of data with regard to past or future events, the willingness to engage in dialogue on ESG matters and/or ESG-related decisions of a company. Further, internal ESG assessments for investee companies may consider the relevance of the exclusion criteria for the market sector of the investee company.

The proprietary software tool uses, amongst others, the approaches described below to evaluate the adherence to the promoted ESG characteristics and whether investee companies follow good governance practices. The assessment approaches include, for example, exclusions related to revenues generated from controversial sectors or the exposure to such controversial sectors. In some of the assessment approaches, issuers receive one of six possible assessments, with "A" representing the best and "F" the worst assessment. If an issuer is excluded based on one assessment approach, the sub-fund is prohibited from investing in that issuer.

Depending on the investable universe, the portfolio allocation and the exposure to certain sectors, the assessment approaches described below may be more or less relevant which is reflected in the number of issuers being actually excluded.

#### • **Norm Controversy Assessment**

The Norm Controversy Assessment evaluates the behaviour of companies in relation to generally accepted international standards and principles of responsible business conduct within, amongst others, the framework of the principles of the United Nations Global Compact, the United Nations Guiding Principles, the standards of the International Labour Organization and the OECD Guidelines for Multinational Enterprises. Examples of topics covered within these standards and principles include, but are not limited to, human rights violations, violations of workers' rights, child or forced labour, negative environmental impacts and business ethics. The Norm Controversy Assessment evaluates reported violations of the aforementioned international standards. Companies with the worst Norm Controversy Assessment of "F" are excluded as an investment.

#### • **Freedom House Status**

Freedom House is an international non-governmental organization that classifies countries by their degree of political and civil liberties. Based on the Freedom House Status, countries that are classified as "not free" are excluded as an investment.

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

Companies that are involved in certain business areas and business activities in controversial areas ("controversial sectors") are excluded according to their share of total revenues generated in such controversial sectors as follows:

- a. Manufacturing and/or distribution of civil handguns or ammunition: 5% or more
- b. Manufacturing of tobacco products: 5% or more
- c. Mining of oil sand: 5% or more
- d. Companies that derive 25% or more from thermal coal mining and thermal coal-based power generation as well as companies with thermal coal expansion plans, such as additional expansion of coal mining, coal production or coal usage. Companies with thermal coal expansion plans are excluded based on an internal identification methodology. In the event of exceptional circumstances, such as measures imposed by a government to address challenges in the energy sector, the Management Company may decide to temporarily suspend the application of the coal-related exclusions to individual companies/geographical regions.

#### • **Exposure to controversial weapons**

Companies are excluded if they are identified as being involved in the manufacturing or selling of controversial weapons or key components of controversial weapons (anti-personnel mines, cluster munitions, and/or chemical and biological weapons). In addition, the shareholdings within a group structure may be taken into consideration for the exclusions.

#### • **DWS Use of Proceeds Bond Assessment**

Deviating from the assessment approaches described above, an investment in bonds of excluded issuers is nevertheless permitted if the particular requirements for use-of-proceeds bonds are met. In this case, the bond is first checked for compliance with the ICMA Principles for green bonds, social bonds or sustainability bonds. In addition, a defined minimum of ESG criteria is checked in relation to the issuer of the bond, and issuers and their bonds that do not meet these criteria are excluded.

#### •DWS Target Fund Assessment

The DWS ESG database assesses target funds in accordance with the DWS Climate and Transition Risk Assessment, DWS Norm Assessment, UN Global Compact Assessment, DWS ESG Quality Assessment, the Freedom House Status and with respect to investments in companies that are considered to be manufacturers or manufacturers of key components of anti-personnel mines, cluster munitions, chemical and biological weapons (the shareholdings within a group structure are taken into consideration accordingly). The assessment methods for target funds are based on examining the entire target fund portfolio, taking into account the investments within the target fund portfolio. Depending on the respective assessment approach, exclusion criteria (such as tolerance thresholds) that result in exclusion of the target fund are defined. Accordingly, assets may be invested within the portfolios of the target funds that are not compliant with the DWS standards for issuers.

#### •Non-ESG assessed asset classes

Not every asset of the sub-fund is assessed by the DWS ESG assessment methodology. This applies in particular to the following asset classes:

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

Deposits with credit institutions are not evaluated via the DWS ESG assessment methodology.

#### Sustainability Investment Assessment

Further, for the proportion of sustainable investments, DWS measures the contribution to one or several UN SDGs and/or to other environmental sustainable objectives via its Sustainability Investment Assessment which evaluates potential investments in relation to different criteria to conclude whether an investment can be considered as sustainable as further detailed in the 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 assessment of the good governance practices of the investee companies (including assessments related to sound management structures, employee relations, remuneration of staff and tax compliance) is part of the Norm Controversy Assessment which evaluates a company's behavior within generally accepted international standards and principles of responsible business conduct. Further information can be found in the 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?". Companies with the worst Norm Controversy Assessment of "F" are excluded as an investment.



## 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 net assets qualify as sustainable investments (#1A Sustainable). Thereof the minimum share of sustainable investments with an environmental objective that is not compliant with the EU Taxonomy is 1% of the sub-fund's net assets and the minimum share of socially sustainable investments is 2% of the sub-fund's net assets. The actual share of sustainable investments with an environmental objective that is not compliant with the EU Taxonomy and of socially sustainable investments depends on the market situation and the investable investment universe.

Up to 49% of the sub-fund's net assets may be invested in assets which are either out-of-scope of the ESG assessment methodology or for which ESG data coverage is incomplete (#2 Other) as further detailed in the section "What investments are included under "#2 Other", what is their purpose and are there any minimum environmental or social safeguards?".

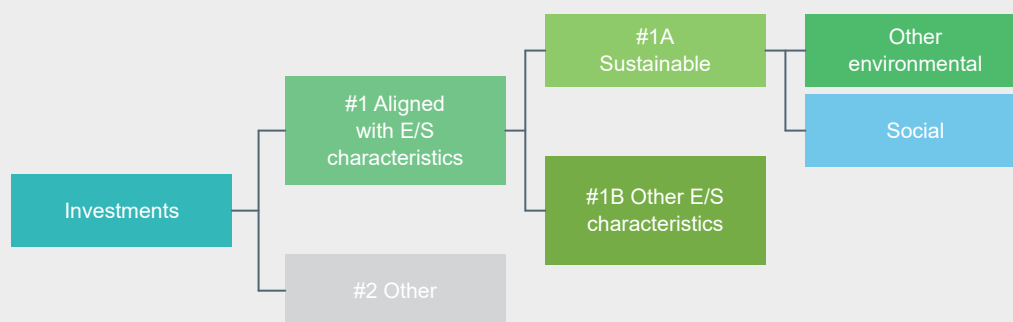
A more detailed description of the specific asset allocation of this sub-fund can be found in the Special Section of the Sales Prospectus.

### 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 and social characteristics promoted by the sub-fund.



## To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

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 promoted minimum percentage of environmentally sustainable investments aligned with the EU Taxonomy is 0% of the sub-fund's net assets. However, certain investments' underlying economic activities may be aligned with the EU Taxonomy.

Does the financial product invest in fossil gas and/or nuclear energy<sup>1</sup> related activities that comply with the EU Taxonomy?

☐ Yes:

☐ In fossil gas

☐ In nuclear energy

☒ No

The sub-fund not take into account the Taxonomy-alignment of companies active in the fossil gas and/or nuclear energy sectors. Further information on such investments, where relevant, will be disclosed in the annual report.

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.

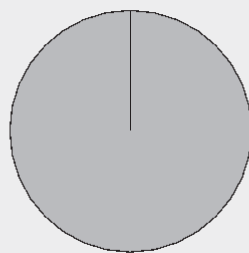
**Enabling activities** directly enable other activities to make a substantial contribution to an environmental objective.

**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.

<sup>1</sup> Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective - see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

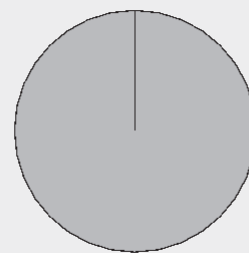
**The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds\*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial 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:		
Fossil gas	0.00%	
Taxonomy-aligned:		
Nuclear	0.00%	
Taxonomy-aligned (no fossil gas and nuclear)	0.00%	
Taxonomy-aligned	0.00%	
Non Taxonomy-aligned	100.00%	

2. Taxonomy-alignment of investments excluding sovereign bonds\*



Taxonomy-aligned:		
Fossil gas	0.00%	
Taxonomy-aligned:		
Nuclear	0.00%	
Taxonomy-aligned (no fossil gas and nuclear)	0.00%	
Taxonomy-aligned	0.00%	
Non Taxonomy-aligned	100.00%	

This graph represents 100% of the total 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 is not committed to a minimum share of investments in transitional or enabling activities.





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 minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy is 1% of the sub-fund's net assets.



What is the minimum share of socially sustainable investments?

The minimum share of socially sustainable investments is 2% of the sub-fund's net assets.



What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?

At least 51% of the sub-fund's net assets are aligned with the promoted environmental and social characteristics (#1 Aligned with E/S characteristics). Up to 49% of the sub-fund's net assets may be invested in assets which are either out-of-scope of the ESG assessment methodology or for which ESG data coverage is incomplete (#2 Other). Full ESG data coverage is required for the assessment of direct investments in companies in relation to good governance practices.

Assets under “#2 Other” can include all asset classes as foreseen in the specific investment policy, such as sight deposits with credit institutions and derivatives. These assets can be used by the portfolio management for performance, risk diversification, liquidity and hedging purposes.

Minimum environmental or social safeguards are not or only partially considered for the sub-fund's investments falling within “#2 Other”.



**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 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/LU0826452848/> as well as on your local country website [www.dws.com/fundinformation](http://www.dws.com/fundinformation).

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