

# DWS Invest

Hong Kong Offering Documents dated August 19, 2024

- DWS Invest Chinese Equities
- DWS Invest Asian Bonds



Investors for a new now

# Information for Hong Kong Investors dated August 19, 2024

## DWS Invest

This document forms part of, may not be distributed unless accompanied by, and must be read in conjunction with, Extract Prospectus dated August 19, 2024 (the “**Extract Prospectus**”) and the Product Key Facts Statements of the relevant Sub-funds (the “**Hong Kong Offering Documents**”). Words and expressions defined in the Extract Prospectus will, unless otherwise defined in this document, have the same meaning when used in this document. If you are in any doubt about the content of this document, you should seek independent professional financial advice.

DWS Invest (the “**Company**”) and its following sub-funds (each a “**Sub-fund**”, collectively, the “**Sub-funds**”) have been authorised by the Securities and Futures Commission in Hong Kong (the “**SFC**”):

- DWS Invest Chinese Equities
- DWS Invest Asian Bonds

SFC authorisation is not a recommendation or endorsement of the Company or its Sub-funds nor does it guarantee the commercial merits of the Company and its Sub-funds or their performance. It does not mean any Sub-fund is suitable for all investors nor is it an endorsement of its suitability for any particular investor or class of investors.

The directors of the Company accept full responsibility for the accuracy of the information contained in the Hong Kong Offering Documents and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief that there are no other facts the omission of which would make any statement misleading.

Please note that as of the date hereof, there are other sub-funds (in addition to the abovementioned Sub-funds) constituted under the Company which are not authorised for sale to the retail public in Hong Kong and are not currently available to the public in Hong Kong. The Company reserves the right to offer such sub-funds to the public in Hong Kong subject always to the prior authorisation by the SFC being obtained.

**Important: The investment decision is yours. If you are in any doubt about the content of this document, you should seek independent professional financial advice.**

## Hong Kong Representative

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The Company has appointed the following person as its representative in Hong Kong and to accept service of process on behalf of the Company in Hong Kong:

DWS Investments Hong Kong Limited  
Level 60, International Commerce Centre  
1 Austin Road West  
Kowloon  
HONG KONG  
Telephone: (852) 2203 8968  
Fax: (852) 2203 7230

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## Enquiries and Complaints

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Hong Kong investors may contact the complaint officer at Hong Kong Representative if they have any complaints or enquiries in respect of the Company and its Sub-funds. Depending on the subject matter of the complaints or enquiries, these will be dealt with either by the Hong Kong Representative directly or referred to the Management Company/relevant parties for further handling. The Hong Kong Representative will, on a best effort basis, revert and address the investor's complaints and enquiries within 5 business days.

## Hong Kong Distribution

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DWS Investment S.A., who acts as the management company and as the main distributor for the Sub-funds, has appointed DWS Investments Hong Kong Limited as the Sub-funds' non-exclusive distributor in Hong Kong. DWS Investments Hong Kong Limited shall, in turn, appoint authorised Hong Kong distributors to distribute shares in Hong Kong.

The authorised Hong Kong distributors may, in accordance with the relevant sections in the Extract Prospectus, act as nominees for investors who wish to invest in the Sub-funds through them. In such event, the nominee will hold shares in its name for and on behalf of the investors. For the avoidance of doubt, investors may invest in the Sub-funds without using the nominee services (if any) offered by the authorised Hong Kong distributors.

## Sub-Manager

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DWS Investments Hong Kong Limited is appointed by DWS Investment GmbH as sub-manager in respect of the portfolio management of the Sub-funds.

## Classes of Shares

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Only the following classes of shares listed below will be offered to Hong Kong investors. Other classes mentioned in the Extract Prospectus and not mentioned below are not available to Hong Kong investors.

<b>Sub-fund</b>	<b>Classes of Shares available in Hong Kong</b>
DWS Invest Chinese Equities	USD LC, USD FC
DWS Invest Asian Bonds	USD LDM, USD LC, HKD LDMH, USD IC, USD XC, USD FC

## Net Derivative Exposure

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The net derivative exposure of the following Sub-funds may be up to 50% of the relevant Sub-fund's net asset value:

- DWS Invest Chinese Equities
- DWS Invest Asian Bonds

Net derivative exposure shall be calculated in accordance with the Code on Unit Trusts and Mutual Funds and the requirements and guidance issued by the SFC which may be updated from time to time.

## Valuation of investments

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Securities acquired on behalf of a Sub-fund may subsequently become illiquid due to events relating to the issuer of the securities, market and economic conditions and regulatory sanctions. In cases where no clear indication of the value of a Sub-fund's portfolio securities is available (for example, when the secondary markets on which a security is traded has become illiquid) the Management Company may apply valuation methods to ascertain the fair value of such securities.

In addition, market volatility may result in a discrepancy between the latest available issue and redemption prices for the Sub-fund and the fair value of the Sub-fund's assets. To protect the interest of shareholders, the Management Company may, after consultation with the Depositary, adjust the net asset value of the Sub-fund or the shares, if in the circumstances it considers that such adjustment is required to reflect more accurately the fair value of the Sub-fund's assets.

Valuation of a Sub-fund's investments may involve uncertainties and judgmental determinations, and independent pricing information may not at all times be available. If such valuations should prove to be incorrect, the net asset value of the Sub-fund may be adversely affected.

## Additional Information – DWS Invest Chinese Equities

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### Investment policy

For details of the investment policies of DWS Invest Chinese Equities, please refer to the sub-section titled "Investment policy" relating to the Sub-fund under the Special Section of the Extract Prospectus.

The Sub-fund may invest up to 100% of its net asset value directly or indirectly in the China A-shares market by investing in eligible China A-shares listed on the Shanghai Stock Exchange and the Shenzhen Stock Exchange through the Shanghai-Hong Kong Stock Connect and the Shenzhen-Hong Kong Stock Connect (collectively, "Stock Connect"), or through other equity linked instruments.

### Investment limits

Subject to the investment policy of the Sub-fund, the Sub-fund may invest up to 30% of its assets in aggregate in money market instruments, deposits with credit institutions, money market funds and ancillary liquid assets.

Notwithstanding the investment limit of 10% specified in paragraph (i) in section "B. Investment limits" under section "2. Risk spreading" of the General Section of the Extract Prospectus concerning investments in shares of other Undertakings for Collective Investment in Transferable Securities ("UCITS") and/or other collective investment undertakings as defined in paragraph (e) in section "A. Investments" under section "2. Risk spreading" of the General Section of the Extract Prospectus, an investment limit of 5% shall apply to the Sub-fund.

The Sub-fund is not a feeder fund and for the avoidance of doubt, paragraph (i) in section "B. Investment limits" under section "2. Risk spreading" of the General Section of the Extract Prospectus shall not apply to the extent that the paragraph allows a sub-fund which is a Feeder to invest at least 85% of its assets in shares of another UCITS (or a sub-fund thereof) that is recognized according to Directive 2009/65/EC.

### Derivatives

The Sub-fund may invest in financial derivative instruments ("FDI"), including options, financial futures contracts and swaps (e.g. credit default swaps, swaps in interest rate, currency and equity), for investment purposes. The Sub-fund may use FDI to provide for the efficient management of the Sub-fund's asset, while also regulating investment maturities and risks.

Investment in FDI may involve leverage effect. The risk exposure of the Sub-fund is determined and monitored using the relative Value-at-Risk (VaR) approach.

FDI may be difficult to value. The prices of FDI may be highly volatile, which would increase the volatility of a Sub-fund's value. Transactions in over-the-counter derivatives may involve additional risk as there is no exchange market on which to close out an open position. Factors that may affect the prices of FDI include, among others, interest rate, credit, liquidity and counterparty risks as well as exchange rate, volatility and political risks.

The risks associated with investing in FDI are detailed in the section headed "General risk warnings" in the General Section of the Extract Prospectus.

## Additional Information – DWS Invest Asian Bonds

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### Investment objective

The investment objective of the Sub-fund is to aim to achieve capital appreciation that exceeds the benchmark for the Sub-fund (JACI Asia Pacific Credit Index) over a full credit cycle.

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### Investment policy

The Sub-fund may invest up to 100% of its assets in interest-bearing securities and convertible bonds with credit rating ranging from investment grade to below investment grade or unrated. Of these, at least 51% of the Sub-fund's assets will be invested in investment grade and non-investment grade interest-bearing securities and convertible bonds with a minimum credit rating of B- (S&P/Fitch) or B3 (Moody's).

These interest-bearing securities and convertible bonds may be denominated in US dollars, other G7 currencies (i.e. Euro, British Pound Sterling, Canadian dollars and Japanese Yen) and various Asia Pacific currencies and can be issued by:

- Governments of Asia Pacific jurisdictions.
- Asia Pacific government agencies.
- Asia Pacific jurisdictions municipals.
- Companies which have their registered office in an Asia Pacific jurisdiction or that conduct their principal business activity in an Asia Pacific jurisdiction.
- Supra-national institutions such as World Bank (IBRD), European Investment Bank (EIB) and European Bank for Reconstruction and Development (EBRD) denominated in Asia Pacific currencies.
- Non-Asian corporates that are issued in Asia Pacific currencies.

Up to 30% of the Sub-fund's assets will be invested in interest-bearing securities or convertible bonds denominated in Asia Pacific currencies, US dollars and other G-7 currencies from issuers that do not meet the above-mentioned issuer and/or credit rating criteria. Of these, interest-bearing securities or convertible bonds that are classified as distressed are limited to up to 10% of the Sub-fund's assets. All limits relate to the date of acquisition. When such interest-bearing security or convertible bond is subsequently downgraded, the Sub-fund has to cure the breach within a reasonable period of time having regard to the best interests of the shareholders and in any event within 9 months of first discovering the breach. The Sub-fund will invest less than 30% of its assets in unrated securities.

For the purpose of the Sub-fund, credit rating grades of the securities in which the Sub-fund will invest are classified as follows:

- Investment grade securities: S&P/Fitch: rating BBB- or better; Moody's: rating Baa3 or better.

- Non-investment grade securities: securities that are rated worse than investment grade, and are not classified as distressed securities as further described below
- Distressed securities: non-investment grade securities that are rated as: S&P/Fitch: rating CC or worse; Moody's: rating Ca or worse.

In case of a split rating involving multiple of the above rating agencies, the average rating will be used for the rating classification. If a security only has one rating, the single rating will be used. If a security has no official rating, an internal rating may be applied in accordance with DWS internal guidelines. The fund manager will perform its own credit assessment on such issue and the Sub-Fund will only invest in such issue if it is in accordance with its investment objective, strategy and policy.

In extreme market situations, the fund manager may diverge from the above investment strategy to avoid a liquidity squeeze. In this case, up to 100% of the Sub-fund's assets may temporarily be invested in interest-bearing securities of United States of America and Japanese and European (EU-Member States and the United Kingdom) government bonds.

Subject to the requirements set out in the preceding paragraphs, the Sub-fund may invest up to 49% of its net assets in aggregate in money market instruments, deposits with credit institutions, money market funds and ancillary liquid assets.

The Sub-fund may invest no more than 10% of its net asset value in interest-bearing securities issued and/or guaranteed by a single sovereign issuer (including its government, public or local authority, government agency, or municipal) which is below investment grade.

The Sub-fund may invest no more than 10% of its net asset value in the Chinese onshore market. The Sub-fund may invest in debt securities in the Chinese onshore market via direct access through the China Interbank Bond Market (CIBM) or the Bond Connect.

The Sub-fund will not invest in asset-backed securities or mortgage-backed securities.

Up to 10% of the Sub-fund's net asset value may be invested in contingent convertibles, including instruments with loss-absorption features, in case they are classified as contingent convertibles. For the avoidance of doubt, the Sub-fund's investments in instruments with loss-absorption features, such as but not limited to, Tier 2 (loss absorption bonds), contingent convertibles (which have loss-absorption features) and instruments with total loss absorbing capacity, are limited to up to 5% of the Sub-fund's net asset value.

The Sub-fund will not use FDI for investment purposes and may use FDI for hedging only.

## General risk warnings

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### Investment risk

The Sub-funds' investment portfolio may fall in value and therefore investment in the Sub-funds may suffer losses. There is no guarantee of the repayment of principal.

### Risks related to investments in debt securities (including debt securities rated below investment grade or unrated)

Interest rate risk: Investment in the relevant Sub-fund is subject to interest rate risk. In general, the prices of debt securities rise when interest rates fall, whilst their prices fall when interest rates rise.

Volatility and liquidity risk: The debt securities in emerging markets may be subject to higher volatility and lower liquidity compared to more developed markets. The prices of securities traded in such markets may be subject to fluctuations. The bid and offer spreads of the price of such securities may be large and the relevant Sub-fund may incur significant trading costs.

Downgrading risk: The credit rating of a debt security or its issuer may subsequently be downgraded. In the event of such downgrading, the value of the relevant Sub-fund may be adversely affected. The fund manager may or may not be able to dispose of the debt securities that are being downgraded.

Risk associated with debt securities rated below investment grade or unrated: The relevant Sub-fund may invest in debt securities rated below investment grade or unrated. Such securities are generally subject to lower liquidity, higher volatility and greater risk of loss of principal and interest than high-rated debt securities.

Sovereign debt risk: The relevant Sub-fund's investment in securities issued or guaranteed by governments may be exposed to political, social and economic risks. In adverse situations, the sovereign issuers may not be able or willing to repay the principal and/or interest when due or may request the relevant Sub-fund to participate in restructuring such debts. The relevant Sub-fund may suffer significant losses when there is a default of sovereign debt issuers.

Valuation risk: Valuation of the relevant Sub-fund's investments may involve uncertainties and judgmental determinations. If such valuation turns out to be incorrect, this may affect the net asset value calculation of the Sub-fund.

Credit rating risk: Credit ratings assigned by rating agencies are subject to limitations and do not guarantee the creditworthiness of the security and/or issuer at all times.

Risks of investing convertible bonds: Convertible bonds are a hybrid between debt and equity, permitting holders to convert into shares in the company issuing the bond at a specified future date. As such, convertibles will be exposed to equity movement and greater volatility than straight bond investments. Investments in convertible bonds are subject to the same interest rate risk, credit risk, liquidity risk and prepayment risk associated with comparable straight bond investments.

### **Concentration risks**

A Sub-fund's investments are concentrated in specific market or geographical region. The value of the Sub-fund may be more volatile than that of a fund having a more diverse portfolio of investments.

The value of the Sub-fund may be more susceptible to adverse economic, political, policy, foreign exchange, liquidity, tax, legal or regulatory event affecting the market or the region.

### **Risks related to investments in emerging markets**

The Sub-fund invests in emerging markets which may involve increased risks and special considerations not typically associated with investment in more developed markets, such as liquidity risks, currency risks/control, political and economic uncertainties, legal and taxation risks, settlement risks, custody risk and the likelihood of a high degree of volatility.

### **Mainland China/Single country investment risk**

A Sub-fund may invest in securities with significant exposure to China and may therefore be subject to substantial fluctuations due to higher liquidity and volatility risks and increased risks of changes in political developments, government policy, taxation and other legislative changes.

If a Sub-fund is specialized in the China related companies, it may be subject to a higher concentration risk than funds following a more diversified policy.

### **RMB currency and conversion risks**

RMB is currently not freely convertible and is subject to exchange controls and restrictions.

Non-RMB based investors are exposed to foreign exchange risk and there is no guarantee that the value of RMB against the investors' base currencies (for example HKD) will not depreciate. Any depreciation of RMB could adversely affect the value of investor's investment in the Sub-Fund.

Although offshore RMB (CNH) and onshore RMB (CNY) are the same currency, they trade at different rates. Any divergence between CNH and CNY may adversely impact investors.

Under exceptional circumstances, payment of redemptions and/or dividend payment in RMB may be delayed due to the exchange controls and restrictions applicable to RMB.

### **Risks associated with equity markets in Mainland China**

High market volatility and potential settlement difficulties in the equity markets in Mainland China may result in significant fluctuations in the prices of the equity securities traded on such markets and thereby may adversely affect the value of the Sub-fund.

Stock exchanges in Mainland China typically have the right to suspend or limit trading in any equity security traded on the relevant exchange. The Mainland Chinese government or the regulators may also implement policies that may affect the equity markets. All these may have a negative impact on the Sub-fund.

A Sub-fund's ability to make the relevant investments or to implement or pursue its investment objective and strategy may be subject to the applicable laws, rules, and regulations (including restrictions on investments and repatriation of principal and profits) in Mainland China, which are subject to change and such change may have potential retrospective effect.

### **Risks associated with the Stock Connect**

The relevant rules and regulations on Stock Connect are subject to change which may have potential retrospective effect. The Stock Connect is subject to quota limitations. Where a suspension in the trading through the program is effected, a Sub-fund's ability to invest in China A-shares or access the Mainland China market through the program will be adversely affected. In such event, a Sub-fund's ability to achieve its investment objective could be negatively affected.

### **PRC tax risk**

There are risks and uncertainties associated with the current PRC tax laws, regulations and practice in respect of capital gains realised via Stock Connect or access products on a Sub-fund's investments in the PRC (which may have retrospective effect). Any increased tax liabilities on a Sub-fund may adversely affect the Sub-Fund's value. Based on professional and independent tax advice, the Sub-fund will not make tax provision for realized and unrealized capital gains derived from China A-shares.



## **Risks associated with ChiNext market and/or the Science and Technology Innovation Board (“STAR Board”)**

Higher fluctuation on stock prices and liquidity risk: Listed companies on ChiNext market and/or STAR Board are usually of emerging nature with smaller operating scale. Listed companies on ChiNext market and STAR Board are subject to wider price fluctuation limits, and due to higher entry thresholds for investors may have limited liquidity, compared to other boards. Hence, companies listed on these boards are subject to higher fluctuation in stock prices and liquidity risks and have higher risks and turnover ratios than companies listed on the main boards. Investments in the ChiNext market and/or STAR Board may result in significant losses for a Sub-fund and its investor.

Over-valuation risk: Stocks listed on ChiNext and/or STAR Board may be overvalued and such exceptionally high valuation may not be sustainable. Stock price may be more susceptible to manipulation due to fewer circulating shares.

Differences in regulation: The rules and regulations regarding companies listed on the ChiNext market and STAR Board are less stringent in terms of profitability and share capital than those in the main boards.

Delisting risk: It may be more common and faster for companies listed on ChiNext market and/or STAR Board to delist. ChiNext market and STAR Board have stricter criteria for delisting compared to the main boards. This may have an adverse impact on a Sub-fund if the companies that it invests in are delisted.

Concentration risk (Applicable to STAR Board): STAR Board is a newly established board and may have a limited number of listed companies during the initial stage. Investments in STAR Board may be concentrated in a small number of stocks and subject a Sub-fund to higher concentration risk.

## **Risk associated with investment in instruments with loss-absorption features**

A Sub-fund may invest in instruments with loss-absorption features which typically include terms and conditions specifying that the instrument is subject to being written off, written down, or converted to ordinary shares on the occurrence of a trigger event (i.e. when the issuer, or the resolution entity if the issuer is not a resolution entity, is near or at the point of non-viability; or when the issuer’s capital ratio falls to a specified level), such as total loss-absorbing capacity eligible instruments, contingent convertible debt securities, senior non-preferred debt and instruments which qualify as Additional Tier 1 or Tier 2 capital instruments as defined in the Banking (Capital) Rules.

Debt instruments with loss-absorption features are subject to greater risks as a result of being partly or wholly written off or converted into the issuer’s equity upon the occurrence of a pre-defined trigger event, when compared to traditional debt instruments. Such trigger events are likely to be outside of the issuer’s control and commonly include a reduction in the issuer’s capital ratio below a specified level or upon specific government or regulatory action being taken as a result of the issuer’s ongoing financial viability. Trigger events are complex and difficult to predict and can result in a significant or total reduction in the value of such instruments, giving rise to consequential loss of the Sub-fund. In the event of the activation of a trigger, there may be potential price contagion and volatility to the entire asset class. Debt instruments with loss-absorption features may also be exposed to liquidity, valuation and sector concentration risk.

A Sub-fund may invest in contingent convertible debt securities, commonly known as CoCos, which are highly complex and are of high risk. Upon the occurrence of the trigger event, CoCos may be converted into shares of the issuer (potentially at a discounted price), or may be subject to the permanent write-down to zero. Coupon payments on CoCos are discretionary and may be cancelled by the issuer at any point, for any reason, and for any length of time.

## **Currency risk**

Underlying investments of the Sub-fund may be denominated in currencies other than the base currency of the Sub-fund. Also, a class of shares may be designated in a currency other than the base currency of the Sub-fund. The net asset value of the Sub-fund may be affected unfavorably by the fluctuations in the exchange rates between these currencies and the base currency and by changes in exchange rate controls.

## **Risks associated with distribution out of capital or effectively out of capital**

Investors should note that where dividends are declared and paid out of the relevant Sub-fund, the board of directors of the Company may at its discretion pay dividends out of the capital of the relevant Sub-fund or pay dividends out of gross income while charging/paying all or part of the relevant Sub-fund's fees and expenses to/out of the capital of the relevant Sub-fund, resulting in an increase in distributable income for the payment of dividends by the relevant Sub-fund and therefore, the relevant Sub-fund may effectively pay dividends out of capital.

Payment of dividends out of capital or effectively out of capital amounts to a return or withdrawal of part of an investor's original investment or from any capital gains attributable to that original investment. Any such distributions may result in an immediate reduction of the net asset value per share.

The Management Company may change the above distribution policy subject to the SFC's prior approval and by giving not less than one-month's prior notice to investors.

## **Custody Risk**

Market practices in relation to the settlement of securities transactions and the custody of assets could provide increased risk. Where a Sub-fund invests in markets where custodial and/or settlement systems are not fully developed, the assets of the Sub-fund may be exposed to custodial risk. The costs borne by a Sub-fund in investing and holding investments in such markets will be generally higher than in organised securities markets. In case of liquidation, bankruptcy or insolvency of a custodian or sub-custodian, the Sub-fund may take a longer time to recover its assets. In extreme circumstances such as the retroactive application of legislation and fraud or improper registration of title, the Sub-fund may even be unable to recover all of its assets.

## **Liquidity Risk Management**

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The Management Company has established a liquidity risk management policy which enables it to identify, assess, measure, control, mitigate, monitor and manage the liquidity risks of the Sub-funds and to ensure that the liquidity profile of the investments of the Sub-funds will facilitate compliance with their respective obligations to meet redemption requests. In addition, the Management Company has in place liquidity risk management tools to process redemption requests in an orderly manner. Such policy, combined with the liquidity management tools available, also seeks to achieve fair treatment of shareholders and safeguard the interests of remaining shareholders in case of sizeable redemptions.

The Management Company's liquidity risk management policy takes into account the investment strategy, the liquidity profile, the redemption policy, the dealing frequency, and the ability to enforce redemption limitations. These measures seek to ensure fair treatment and transparency for all investors.

The liquidity risk management policy involves monitoring the profile of investments held by the Sub-funds on an on-going basis to ensure that such investments are appropriate to the redemption policy. Further, the liquidity risk management policy includes details on periodic stress testing carried out by the Management Company to manage the liquidity risk of the Sub-funds under normal and exceptional market conditions.

The liquidity risk management of the Sub-funds is performed by the Management Company's investment risk team which is functionally independent from the portfolio investment function. The investment risk team will work with the portfolio managers to address any exceptions on liquidity risk related issues or escalate the issues to the Board Member for Risk Management, where appropriate.

The following tools may be employed by the Management Company to manage liquidity risks:

- If redemption requests are received on a single business day, the aggregate value of which (whether individually or together with other requests received) is in excess of 10% of the net asset value of a Sub-fund, the board of directors of the Company reserves the right to limit the number of shares to be redeemed on such day to be up to 10% of the net asset value of the Sub-fund. Investors may refer to sub-section "F. Redemption volume" under section "5. Issue and redemption of shares of the Investment Company" of the General Section of the Extract Prospectus for details.
- Swing pricing may be adopted to compensate trading and other costs in case that substantial subscriptions and redemptions within a Sub-fund have a material impact to the Sub-fund. Investors may refer to section "6. Calculation of the net asset value per share" of the General Section of the Extract Prospectus for details.
- The issue and redemption of shares, as well as the calculation of the net asset value per share, may be suspended in certain circumstances. Investors may refer to section "7. Suspension of the issue and redemption of shares and of the calculation of the net asset value per share" of the General Section of the Extract Prospectus for details.

Investors may refer to the Extract Prospectus for further details of the above tools. Investors should note that there is a risk that such tools may not be effective in managing liquidity and redemption risks at all times.

## Procedures for dealing of shares

The minimum investment in each of the share classes of the Sub-funds (subject to the discretion of the Management Company and the Hong Kong Representative to waive such minimum investment amount) is as follows:

Sub-fund	Share Class	Minimum investment
DWS Invest Chinese Equities	USD LC	USD 2,500
	USD FC	USD 2,000,000
DWS Invest Asian Bonds	USD LDM	USD 1,000
	USD LC	USD 1,000
	HKD LDMH	HKD 10,000
	USD IC	USD 10,000,000
	USD XC	USD 2,000,000
	USD FC	USD 2,000,000

Subscription, redemption and exchange orders via Hong Kong may be sent to the Hong Kong Representative or other authorised Hong Kong distributors by 4:00 p.m. (Hong Kong time) on any day which is a bank business day in Hong Kong. For applications that are sent through an authorised Hong Kong distributor, investors should note that such authorised Hong Kong distributor may have an earlier cut-off time. Orders received before the relevant dealing deadlines are processed on the subsequent relevant valuation date (as defined in the Extract Prospectus). Orders received after the relevant dealing deadlines are processed on the valuation date immediately following that subsequent relevant valuation date.

Investors are reminded that if they choose to send the orders or other documents by facsimile, they bear the risk of the orders and other documents not being received. None of the Company, the Management Company, the Hong Kong Representative or any relevant parties will be responsible for any loss resulting from non-receipt of any application sent by facsimile.

## Payment for shares

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Generally, payment for the subscription of shares should be made within 3 Hong Kong bank business days after the subscription order is accepted. Any costs incurred by the Sub-funds as a result of an investor's failure to transmit cleared funds by the deadline shall be borne by such investor. Payment should normally be made in the currency of the Sub-funds or share class. However, where payment are made in other currencies, subject to the discretion of the Management Company, they will be converted into the currency of the Sub-funds or share class before being applied in the purchase of shares, and the cost of currency conversion and other expenses will be borne by the investors.

All payments by the sub-distributors should be made by telegraphic transfer or banker's draft after the subscription order is accepted. Cheques and banker's drafts should be crossed "a/c payee only, not negotiable", made in the currency of the Sub-funds or share class and drawn on a locally licensed bank, and sent with the application form. Payment by cheque is likely to cause delay in receipt of cleared funds and shares will not be issued until the cheque is cleared, although the Management Company may, in its absolute discretion, issue such shares on a non-cleared fund basis. Any costs of transferring subscription monies to the relevant Sub-funds will be payable by the investor. Payment by telegraphic transfer may involve certain bank charges, the net amount of which will be invested in the relevant Sub-funds.

**No money should be paid to any intermediary in Hong Kong who is not licensed or registered to carry on Type 1 (dealing in securities) regulated activity under Part V of the Securities and Futures Ordinance.**

The Management Company and the Hong Kong Representative have the right to refuse any application and the monies in respect of such application will be returned to the applicants at their own risk, without interest.

## Redemption of shares

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Redemption proceeds are normally paid to the redeeming shareholders at their risk either by cheque or by telegraphic transfer (less the costs of effecting such telegraphic transfer) in the currency of the Sub-funds or share class within 7 Hong Kong bank business days (and in any case not later than 1 calendar month) after receipt of a properly documented request for redemption of shares. Redemption proceeds will only be paid to the redeeming shareholder and requests for payment to be made to a third party nominated by a redeeming shareholder will not be entertained.

## Transfer of shares

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Shares may be transferred by an instrument in writing in common form signed by (or, in the case of a body corporate, signed on behalf of or sealed by) the transferor and the transferee, and such transfer shall normally be completed within one calendar month.

## Unclaimed proceeds

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On dissolution or termination of the Sub-fund, the net proceeds not collected or claimed by shareholders upon completion of the liquidation or termination proceedings will be deposited by the Depositary with the Caisse de Consignation in Luxembourg for the account of shareholders, and such amounts will be forfeited if not claimed by the shareholders by the statutory deadline of 30 years from the time of deposit under Luxembourg law. Please refer to sub-section "B. Closing" of section "15. Establishment, closing and merger of sub-funds or share classes" of the General Section of the Extract Prospectus for further details.

## Suspension of dealings

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The Management Company may, after consultation with the Depositary, having regard to the best interests of the shareholders, at any time declare a temporary suspension of the calculation of the net asset value of the Sub-funds and the issue, redemption or exchange of any share class of the Sub-funds in certain circumstances as disclosed in the Extract Prospectus.

For details in relation to the suspension of the issue and redemption of shares and of the calculation of the net asset value of the Sub-funds, please refer to section "7. Suspension of the issue and redemption of shares and of the calculation of the net asset value per share" of the General Section of the Extract Prospectus.

For the avoidance of doubt, in the case of a suspension of dealings, the Management Company shall, as soon as it may be practicable after any such declaration, notify the SFC of such suspension and shall, as soon as it may be practicable after any such declaration and at least once a month during the period of such suspension, publish on the HK Website (as defined below) or in any other appropriate manner that such declaration has been made, subject to compliance with applicable laws, regulations, rules, codes, guidelines and any other regulatory requirements.

## Swing Pricing

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The board of directors of the Company may apply the swing pricing adjustment as set out in section "6. Calculation of the net asset value per share" of the General Section of the Extract Prospectus to a Sub-Fund.

When the swing pricing mechanism is applied, the net asset value per share of the Sub-fund will be (a) adjusted downwards to mitigate the effect of transaction costs attributable to net outflows; and (b) adjusted upwards to mitigate the effect of transaction costs attributable to net inflows.

## Costs

Fees payable by investors are as follows:

Sub-fund	Classes of Shares	Front-end load	Exchange commission	Redemption fee
<b>DWS Invest Chinese Equities</b>	USD LC	up to 5% of the gross investment amount (currently 5%)	up to 1% of the value of the converted share	Nil
	USD FC	0%	up to the full front-end load amount of converted share	Nil
<b>DWS Invest Asian Bonds</b>	USD LDM	up to 3% of the gross investment amount	up to 1% of the value of the converted share	Nil
	USD LC	up to 3% of the gross investment amount	up to 1% of the value of the converted share	Nil
	HKD LDMH	up to 3% of the gross investment amount	up to 1% of the value of the converted share	Nil
	USD IC	0%	up to the full front-end load amount of converted share	Nil
	USD XC	0%	up to the full front-end load amount of converted share	Nil
	USD FC	0%	up to the full front-end load amount of converted share	Nil

Fees payable by the Sub-funds are as follows:

Sub-fund	Classes of Shares	Management Company fee (% of the Sub-fund's net asset value)	Aggregate Depository, Administration, Registrar and Transfer Agent and Hong Kong Representative fee and other relevant costs (% of the Sub-fund's net asset value) (Note)
<b>DWS Invest Chinese Equities</b>	USD LC	up to 1.7% p.a. (currently 1.7% p.a.)	up to 0.255% p.a. (currently 0.255% p.a.)
	USD FC	up to 0.85% p.a. (currently 0.85% p.a.)	up to 0.1275% p.a. (currently 0.1275% p.a.)
<b>DWS Invest Asian Bonds</b>	USD LDM	up to 1.1% p.a. (currently 1.1% p.a.)	up to 0.165% p.a. (currently 0.165% p.a.)
	USD LC	up to 1.1% p.a. (currently 1.1% p.a.)	up to 0.165% p.a. (currently 0.165% p.a.)
	HKD LDMH	up to 1.1% p.a. (currently 1.1% p.a.)	up to 0.165% p.a. (currently 0.165% p.a.)
	USD IC	up to 0.4% p.a. (currently 0.4% p.a.)	up to 0.06% p.a. (currently 0.06% p.a.)
	USD XC	up to 0.2% p.a. (currently 0.2% p.a.)	up to 0.03% p.a. (currently 0.03% p.a.)
	USD FC	up to 0.6% p.a. (currently 0.6% p.a.)	up to 0.09% p.a. (currently 0.09% p.a.)

Note: Please refer to paragraph (b) of section "12. Costs and services received" of the General Section of the Extract Prospectus for details of these costs. The Aggregate Depository, Administration, Registrar and Transfer Agent and Hong Kong Representative fee and other relevant costs are up to 15% of the Management Company fee, and any such fees in excess of the 15% of the Management Company fee of the Sub-funds will not be paid out of their respective assets.

The above fees may be increased up to the maximum level subject to giving one month's prior notice (or such other notice as may be approved by the SFC) to shareholders.

Any advertising or promotional activities in connection with the Sub-funds will not be paid from the Sub-funds' property.

## Taxation

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Investors should consult their professional advisers on the consequences to them of subscribing, holding, redeeming, transferring or selling shares under the relevant laws of the jurisdictions to which they are subject, including the tax consequences and any exchange control requirements. These consequences, including the availability of, and the value of, tax relief to investors will vary with the law and practice of the investors' country of citizenship, residence, domicile or incorporation and their personal circumstances. The following statements regarding taxation are based on advice received by the Management Company regarding the law and practice in force in Hong Kong at the date of this document. Investors should be aware that levels and bases of taxation are subject to change and that the value of any relief from taxation depends upon the individual circumstances of the taxpayer.

For so long as they are authorised by the SFC, the Company and/or its Sub-funds will not expect to be subject to Hong Kong tax in respect of any of their authorised activities.

No tax will be payable by shareholders in Hong Kong in respect of dividends or other distributions of the Sub-funds or in respect of any capital gains arising on a sale, redemption or other disposal of shares, except that Hong Kong profits tax may arise where such transactions form part of a trade, profession or business carried on in Hong Kong.

## Foreign Account Tax Compliance Act ("FATCA")

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Each of the Company and the Sub-funds is a reporting financial institution under the Luxembourg IGA. As of the date of this document, each of the Company and the Sub-funds has been registered with the IRS as a reporting foreign financial institution and therefore it is expected that they will generally not be subject to the 30% withholding tax imposed under FATCA. Please refer to the section headed 'Foreign Account Tax Compliance Act - "FATCA"' in the General Section of the Extract Prospectus for further details on the FATCA regime.

In compliance with the applicable laws, rules, regulations and the Luxembourg IGA, the Management Company may require shareholders to provide certain information, documentation and updates for the purposes of satisfying the applicable due diligence requirements. In the event that a shareholder does not provide the requested information and/or documentation such that the Company and/or the Sub-funds does suffer withholding tax on its investments, the Company or the Sub-funds may suffer significant loss as a result of non-compliance and the net asset value of the Company or the Sub-funds and consequentially the shareholders may be adversely affected.

In circumstances where Shares are beneficially owned by any US Person, the Management Company may in its discretion compulsorily redeem such Shares, to the extent permitted by applicable laws and regulations. Please refer to section "4. Restriction of the issue of shares and compulsory redemption of shares" of the General Section of the Extract Prospectus for further details. The Management Company in taking any such action or pursuing any such remedy on behalf of the Company or the Sub-funds, if permitted by applicable laws and regulations, shall act in good faith and on reasonable grounds.

Shareholders should consult their own tax advisor regarding the possible implications of FATCA on their investment in the Sub-funds.

## Automatic Exchange of Information (“AEOI”)

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Hong Kong has implemented Common Reporting Standard (“CRS”) following the enactment of the Inland Revenue (Amendment) (No. 3) Ordinance 2016 which put in place a legislative framework for Hong Kong to implement AEOI and requires relevant financial institutions in Hong Kong to identify financial accounts held by tax residents of reportable jurisdictions in accordance with applicable due diligence procedures. The relevant Hong Kong financial institutions are to furnish required information of these accounts to Hong Kong Inland Revenue Department which will exchange such information with competent authorities of the jurisdictions with which Hong Kong has activated exchange relationships under the AEOI.

Shareholders should consult their own tax advisor on the requirements applicable to them under these arrangements and the possible implications of AEOI on their investment in the Sub-funds.

## Allocation of Income

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For the reinvesting share classes, income is continuously reinvested in the assets of the Sub-funds and allocated to the respective share classes. For the distributing share classes, the board of directors of the Company shall decide each year whether a distribution will be made and in what amount. The board of directors of the Company may elect to pay out special and interim dividends for each share class in accordance with the law. No distribution will reduce the Company’s capital to a level below its minimum capital. Dividends may be paid out of investment income, capital gains or capital at the discretion of the board of directors of the Company. The composition of the dividends (i.e. relative amounts paid out of net distributable income and capital) for the last 12 months is available from the Hong Kong Representative on request and also on the website [www.dws.com/en-hk/microsites/dws-invest/](http://www.dws.com/en-hk/microsites/dws-invest/). This website has not been reviewed by the SFC.

Payment of distributions will be made by telegraphic transfer or cheque in the relevant base currency, at the risk of persons entitled thereto, to shareholders at their addresses (or first address, in the case of any joint holding) shown in the register of shareholders or as they may otherwise direct.

## Securities lending and (reverse) repurchase transactions

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The Management Company currently does not intend to enter into any securities lending or (reverse) repurchase transactions or other similar over-the-counter transactions in respect of the Sub-funds. The approval of the SFC will be sought and at least one month’s prior notice will be given to shareholders should there be a change in such intention.

## China Interbank Bond Market (CIBM)

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The Management Company currently does not intend to invest in the China Interbank Bond Market (CIBM) in respect of the DWS Invest Chinese Equities. Shareholders will be notified, and the Extract Prospectus will be updated should there be a change in such intention.

## Total Return Swaps

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The Management Company currently does not intend to make use of total return swaps in respect of the Sub-funds. Shareholders will be notified, and the Extract Prospectus will be updated with further details, including but not limited to underlying strategy, counterparty and other relevant risk disclosures, etc. should there be a change in such intention.



## Price Publication

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The net asset value of the Sub-funds will be published daily in the South China Morning Post and the Hong Kong Economic Times. None of the Management Company, the Hong Kong Representative or any relevant parties accepts responsibility for any error in publication or for omission of publication of prices if such error or omission is beyond the reasonable control of the Management Company, the Hong Kong Representative or any relevant parties.

## Publication

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The Extract Prospectus refers to a website ([www.dws.com](http://www.dws.com)) (the "Website") as one of the means of communication. For the avoidance of doubt, the Website is not intended and will not be used by the Management Company as a means of communication with Hong Kong investors. Hong Kong investors should note that the Website has not been reviewed by the SFC and may contain information of funds and other products that are not currently authorized by the SFC and may not be offered to the retail public in Hong Kong.

In respect of Hong Kong investors, please refer to the website designated for Hong Kong investors ([www.dws.com/en-hk/microsites/dws-invest/](http://www.dws.com/en-hk/microsites/dws-invest/)) (the "HK Website"). The HK Website will serve as an additional means of communication with the Hong Kong investors to access product documents. Hong Kong investors should note that the HK Website has not been reviewed by the SFC. For the avoidance of doubt, notice (including notice of any shareholders' meeting) will continue to be issued where required pursuant to applicable laws, regulations, rules, codes, guidelines and any other regulatory requirements, notwithstanding the disclosure in the Extract Prospectus which may provide for otherwise.

## Fiscal Year and Annual Financial Statements

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The fiscal year of the Company and of the Sub-funds ends on December 31 of each year. Audited annual reports (in English) will be available to shareholders of registered shares within 4 months of the end of the fiscal year, and unaudited semi-annual reports (in English) will be available to shareholders of registered shares within 2 months of the end of the period they cover on the HK Website. Printed copies of the reports will be available free of charge from the office of the Hong Kong Representative upon shareholders' request.

The Management Company may in the future decide to change the way of making available annual and semi-annual reports (in printed or electronic forms) to shareholders. In that event, not less than one month's prior notice will be given to shareholders of registered shares.

## Depositary

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The Depositary shall exercise reasonable care in the performance of its duties under the Depositary Agreement and shall be liable for loss arising from its negligence or willful misconduct. The Depositary may, on its own responsibility, entrust other banks or securities clearing houses with the custody of the securities and assets of the Company, and the Depositary shall be liable for any loss arising from bankruptcy, insolvency or receivership of its agents to the extent such loss results from the Depositary's failure to discharge its duties under Luxembourg laws and all applicable CSSF circulars with respect to selection and monitoring of the selection of its agents.

## Transactions with Connected Persons

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Cash forming part of the property of the Company may be placed as deposits with the Depositary, Management Company, fund managers or any of their connected persons (being an institution licensed to accept deposits), such cash deposit shall be maintained in a manner that is in the best interest of the shareholders, having regard to the prevailing commercial rate for deposits of similar type, size and term negotiated at arm's length in accordance with ordinary and normal course of business.

Money can be borrowed from the Depositary, Management Company, the fund managers or any of their connected persons (being a bank) so long as that bank charges interest at no higher rate, and any fee for arranging or terminating the loan is of no greater amount than is in accordance with normal banking practice, having regard to the prevailing commercial rate for a loan of similar type, size and term negotiated at arm's length in accordance with ordinary and normal course of business.

Any transactions between the Company and the Management Company, the fund managers, directors of the Company or any of their connected persons as principal may only be made with the prior written consent of the Depositary.

All transactions carried out or on behalf of the Company must be executed at arm's length and in the best interests of the shareholders. In transacting with brokers or dealers connected to the Management Company, fund managers, directors of the Company, the Depositary or any of their connected persons, the Management Company shall ensure that the following are complied with:

- (a) such transactions are on arm's length terms;
- (b) such brokers or dealers which are connected to the Management Company, fund managers, directors of the Company, the Depositary or any of their connected persons are selected with due care and are suitably qualified in the circumstances;
- (c) transaction execution is consistent with applicable best execution standards;
- (d) the fee or commission paid to any such broker or dealer in respect of a transaction must not be greater than that which is payable at the prevailing market rate for a transaction of that size and nature;
- (e) the Management Company will monitor such transactions to ensure compliance with its obligations; and
- (f) the nature of such transactions and the total commissions and other quantifiable benefits received by such brokers or dealers are disclosed in the Company's annual report.

Neither the Management Company, the fund managers nor any of their connected persons will retain cash or other rebates from brokers or dealers in consideration of directing transactions for the Company to such brokers or dealers, save that goods and services (soft commissions) may be retained if, (i) such goods and services are of demonstrable benefit to the shareholders; (ii) the transaction execution is consistent with best execution standards and brokerage rates are not in excess of customary institutional full-service brokerage rates; (iii) periodic disclosure is made in the annual report of the Company or the relevant Sub-fund in the form of a statement describing the soft dollar policies and practices of the Management Company or the fund managers, including a description of goods and services received by them; and (iv) the availability of soft dollar arrangements is not the sole or primary purpose to perform or arrange transaction with such brokers or dealers.

Please refer to the sections titled "Potential conflicts of interest" and "Buy and sell orders for securities and financial instruments" of the General Section of the Extract Prospectus for further details of the measures taken to manage and minimize conflicts of interest.

## Documents for Inspection

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Copies of the following documents are available for inspection at the office of the Hong Kong Representative at Level 60, International Commerce Centre, 1 Austin Road West, Kowloon, Hong Kong during its normal business hours and can be purchased at a reasonable price as determined by the Hong Kong Representative (save and except the documents specified in (a) and (b) below which may be obtained free of charge):

- (a) the latest Hong Kong Offering Documents (comprising the Extract Prospectus, this Information For Hong Kong Investors and the Product Key Facts Statements of the Sub-funds);
- (b) the latest annual/semi-annual reports of the Company;
- (c) the Coordinated Articles of Incorporation;
- (d) the Management Company Agreement with Deutsche Asset & Wealth Management Investment S.A. (renamed as DWS Investment S.A.);
- (e) the Depositary Agreement with State Street Bank International GmbH (acting through its Luxembourg Branch);
- (f) the Sub-Administration Agency Agreement with State Street Bank International GmbH (acting through its Luxembourg Branch);
- (g) the Investment Management Agreement between DWS Investment S.A. and DWS Investment GmbH;
- (h) the Investment Management Agreement between DWS Investment GmbH and DWS Investments Hong Kong Limited;
- (i) the Hong Kong Representative Agreement with DWS Investments Hong Kong Limited; and
- (j) a document containing the key information of the risk management policy adopted.

## Clarification relating to disclosures on substantial subscriptions and redemptions

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It is disclosed in the section “6. Calculation of the net asset value per share” of the General Section of the Extract Prospectus that substantial subscriptions and redemptions within a sub-fund may lead to a dilution of the sub-fund’s assets, due to the fact, that the net asset value potentially does not entirely reflect all trading – and other costs that occur, if the portfolio manager has to buy or sell securities in order to manage large in – or outflows of the sub-fund. It is clarified that in addition to these costs, substantial order volumes could lead to fluctuation in market prices, which can be considerably lower or higher than the market prices under general circumstances, in the event of substantial subscriptions/redemptions (as the case may be).

“Sales Prospectus” and “Extract Prospectus” refer to the same document. References to “Sales Prospectus” in the Extract Prospectus should also be construed as meaning “Extract Prospectus”.

DWS Investment S.A.

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

# **DWS Invest**

**Extract Prospectus**

August 19, 2024



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## Legal structure:

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

## General information

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

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

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

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

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

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

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

# A. Sales Prospectus – General Section

## General information

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

## Notes

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

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

The Sales Prospectus, and the annual and semi-annual reports may be obtained free of charge from the Investment Company, the Management Company or the paying agents. Other important information will be communicated to shareholders in a suitable form by the Management Company.

## General risk warnings

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

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

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

## Market risk

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

## Market risk in connection with sustainability risks

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

## Country or transfer risk

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

## Settlement risk

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

## Changes in the tax framework, tax risk

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

## Currency risk

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

Sub-funds offering non-base currency share classes might be exposed to positive or negative currency impacts due to time lags attached to necessary order processing and booking steps.

## Custody risk

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

## Concentration risk

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

## Risk of changes in interest rates

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

## Legal and political risks

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

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

## Geopolitical risks

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

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

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

### **Operational risk**

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

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

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

### **Inflation risk**

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

### **Key individual risk**

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

### **Change in the investment policy**

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

### **Changes to the Sales Prospectus; liquidation or merger**

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

### **Credit risk**

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

### **Risk of default**

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

### **Risks connected to derivative transactions**

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

- Price changes in the underlying instrument can cause a decrease in the value of the option or future contract, and even result in a total loss. Changes in the value of the asset underlying a swap or total return swap can also result in losses for the respective sub-fund assets.
- Any necessary back-to-back transactions (closing of position) incur costs which can cause a decrease in the value of the sub-fund's assets.
- The leverage effect of options, swaps, futures contracts or other derivatives may alter the value of the sub-fund's assets more strongly than the direct purchase of the underlying instruments would.

- The purchase of options entails the risk that the options are not exercised because the prices of the underlying instruments do not change as expected, meaning that the sub-fund's assets lose the option premium they paid. If options are sold, there is the risk that the sub-fund may be obliged to buy assets at a price that is higher than the current market price or obliged to deliver assets at a price which is lower than the current market price. In that case, the sub-fund will suffer from a loss amounting to the price difference minus the option premium which had been received.
- Futures contracts also entail the risk that the sub-fund's assets may make losses due to market prices not having developed as expected at maturity.

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

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

### **Risks relating to investments in contingent convertibles**

Contingent convertibles ("CoCos") are a form of hybrid capital security that have the properties of both bonds and equity and can be counted towards the issuer's capital requirements mandated by regulators.

Depending on their terms and conditions, CoCos intend to either convert into equity or have their principal written down upon the occurrence of certain 'triggers' linked to regulatory capital thresholds or the conversion event can be triggered by the supervisory authority beyond the control of the issuer, if supervisory authorities question the continued viability of the issuer or any affiliated company as a going-concern.

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

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

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

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

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

The mechanical trigger for conversion is when the issuer's required regulatory capital ratio falls below 5.125% or other specified thresholds, as set out in the issue prospectus of the respective CoCo. Especially in the case of a high trigger, CoCo investors may lose the capital invested, for example in the case of a write-down of the nominal value or conversion into equity capital (shares).

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

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

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

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

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

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

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

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

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

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

CoCos are perpetual long-term debt securities that are callable by the issuer at certain call dates defined in the issue prospectus. The decision to call is made at the discretion of the issuer, but it does require the approval of the issuer's competent supervisory authority. The supervisory authority makes its decision in accordance with applicable regulatory law.

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

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

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

**g) Industry concentration risk**

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

**h) Liquidity risk**

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

**i) Yield valuation risk**

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

**j) Unknown risk**

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

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

## Liquidity risk

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

## Assets in the emerging markets

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

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

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

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

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

Frontier markets are a subset of emerging markets that are too small to be considered an emerging market.



## Investments in Russia

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

### Custody and registration risk in Russia

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

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

a sub-fund could be contested by a previous owner from whom the equities were acquired; such an event could have an adverse effect on the assets of that sub-fund.

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

### a) Political, Economic and Social Risks

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

### b) PRC Economic Risks

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

### c) Legal System of the PRC

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

### d) Risks relating to the PRC Custodian and other Agents

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

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

PRC Custodian has appropriate procedures to properly safe-keep the sub-fund’s assets.

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

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

### e) Shenzhen-Hong Kong and Shanghai-Hong Kong Stock Connect (“Stock Connect”) risks

With Stock Connect, foreign investors (including the sub-fund) may directly trade certain eligible A-shares through the Northbound Trading Link, subject to published laws and regulations in their respective applicable version. Stock Connect currently comprises the Shanghai-Hong Kong Stock Connect and the Shenzhen-Hong Kong Stock Connect. The Shanghai-Hong Kong Stock Connect is a securities trading and clearing links program developed by Hong Kong Exchanges and Clearing Limited (“HKEx”), China Securities Depository and Clearing Corporation Limited (“China Clear”) and Shanghai Stock Exchange (“SSE”) with an aim to achieve mutual stock market access between Shanghai and Hong Kong.

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

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

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

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

#### *Quota limitations risk*

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

#### *Suspension risk*

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

#### *Differences in trading day*

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

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

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

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

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

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

#### *Operational risk*

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

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

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

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

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

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

#### *Investor compensation*

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

#### *Trading costs*

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

#### *Regulatory risk*

The CSRC Stock Connect rules are departmental regulations having legal effect in the PRC. However, the application of such rules is untested, and the PRC courts may

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

#### **f) 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.

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

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

#### **h) 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.

**i) Dependence upon Trading Market for A-shares**

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

**j) 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.

**k) Dependence upon Trading Market for PRC Bonds**

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

**l) 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.

**m) 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.

**n) Valuation Risk**

Where the trading volumes of an underlying security is low, it may be more difficult to achieve fair value when purchasing or selling such underlying security because of the wider bid-ask spread. The inability to transact at advantageous times or prices may result in a reduction in the sub-fund's returns. Further, changing market conditions or other significant events, such as credit rating downgrades affecting issuers, may also pose valuation risk to the sub-fund as the value of the sub-fund's portfolio of fixed income instruments may become more difficult or impossible to ascertain. In such circumstances, valuation of the sub-fund's investments may involve uncertainties as there is a possibility that independent pricing information may at times be unavailable.

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

**o) 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.

**p) A-share market trading hours difference risk**

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

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

**q) 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.

**r) 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.

**s) 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.

**t) 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.

**u) PRC taxation risk**

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

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

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

**v) Accounting and Reporting Standards**

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

**Counterparty risk**

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

When a sub-fund conducts over-the-counter (OTC) transactions, it may be exposed to risks relating to the credit standing of its counterparties and to their ability to fulfil the conditions of the contracts it enters into with them. The respective sub-fund may consequently enter into futures, options and swap transactions or use other derivative techniques, for example total return swaps, which will expose that sub-fund to the risk of a counterparty not fulfilling its obligations under a particular contract.

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

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

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

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

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

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

**Counterparty risks**

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

### Operational risks

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

### Liquidity risks

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

### Custody risks

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

### Legal risks

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

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

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

### Risks associated with the receipt of collateral

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

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

### Risks associated with collateral management

Collateral management requires the use of systems and certain process definitions. Failure of processes as well as human or system errors at the level of the Investment Company or third parties in relation to collateral management could entail the risk that assets, serving as collateral, lose value and are no longer sufficient to fully cover the Investments Company's claim for delivery or transfer back of collateral against a counterparty.

### Sustainability risk – Environment, social and governance, ESG

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

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

#### Environment

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

#### Social affairs

- Compliance with recognized labour law standards (no child and forced labour, no discrimination)
- Compliance with employment safety and health protection
- Appropriate remuneration, fair working conditions, diversity, and training and development opportunities
- Trade union rights and freedom of assembly
- Guarantee of adequate product safety, including health protection

- Application of the same requirements to entities in the supply chain
- Inclusive projects or consideration of the interests of communities and social minorities

#### Corporate Governance

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

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

#### Physical climate events or conditions

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

#### Transition events or conditions

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

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

### Investment policy

Each sub-fund's assets shall be invested in compliance with the principle of risk-spreading and pursuant to the investment policy principles laid down in the respective special section of the Sales Prospectus and in accordance with the investment options and restrictions of Clause 2 of the general section of the Sales Prospectus.

### Consideration of sustainability risks and the principal adverse impacts on sustainability factor

Besides the usual financial data, the Management Company and the sub-fund management also take sustainability risks and the principal adverse impacts (PAIs) on sustainability factors into account when making investment decisions.

The sub-fund management bases its considerations on an ESG-integrated fundamental analysis that includes identification of global sustainability trends and financially relevant ESG topics and challenges and is used, in particular, in the in-house issuer analysis.

For this purpose, the sub-fund management also uses an internal ESG database based on data from several ESG data providers, public sources and internal assessments. Internal assessments take into account, among other things, expected future ESG developments of an issuer, plausibility of the data with regard to past or future events, an issuer's willingness to engage in dialogue on ESG matters and an issuer's ESG-specific decisions.

The consideration takes place within the framework of the respective investment process. Investments are continuously monitored with respect to the development of sustainability risks and the principal adverse impacts on sustainability factors to the extent foreseen for the respective sub-fund.

In addition, dialogue is sought with selected companies regarding good governance and sustainable governance practices as part of the expanded engagement framework.

Furthermore, particularly those risks that could arise from the impact of climate change or risks arising from the violation of internationally recognized guidelines are subjected to a special review using the ESG-integrated fundamental analysis and the processes for monitoring sustainability risks. The internationally recognized guidelines include, in particular, the ten principles of the United Nations Global Compact, the ILO Core Labor Standards, the UN Guiding Principles on Business and Human Rights and the OECD Guidelines for Multinational Enterprises.

Where the method for the consideration of sustainability risks and the principal adverse impacts on sustainability factors differs from the method described above, the respective special section of the Sales Prospectus or the annex to this Sales Prospectus ("Precontractual information") discloses the method used by the sub-fund management for including sustainability risks in its investment decisions.

### Benchmark indices

A sub-fund may use benchmark indices or a combination of benchmark indices. Such indices are used if the sub-fund has an index tracking objective or can be used in the explicit or implicit definition of the portfolio's composition, the performance objectives and/or measures.

In accordance with the Regulation (EU) 2016/1011 of the European Parliament and of the Council of 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) and taking into account the transitional period, the sub-fund may only use benchmark indices that are or whose administrators are included in the respective register maintained by the European Securities and Markets Authority ("ESMA"). For each such benchmark, the Management Company has established robust, written plans in which it has stipulated measures that it would take if the benchmark was to change materially or cease to be provided.

The specific section of the sales prospectus clarifies whether the sub-fund is actively or passively managed as well as whether the sub-fund replicates a benchmark index or is managed in reference to one, in which case sub-fund will indicate the degree of freedom from the benchmark.

### Efficient portfolio management techniques

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

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

### Use of derivatives

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

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

## Swaps

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

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

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

### Total return swaps

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

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

### Swaptions

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

### Credit default swaps

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

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

### Synthetic Dynamic Underlying (SDU)

Synthetic dynamic underlyings (SDUs) are intended in particular to open up the possibility of acquiring total return swaps on strategies whose underlying is not a financial index but a dynamically composed basket of securities that can also be acquired through direct investments within the investment limits. The respective sub-fund may use SDU, if (a) an appropriate risk management system is in place and (b) such investment is in compliance with the relevant investment policy and the investment restrictions of such sub-fund. In such case the relevant sub-fund may participate via specific instruments in accordance with article 41 (1) g) of the Law of 2010, such as swaps and forwards in the performance of a synthetic portfolio notionally comprised of certain cash instruments, credit derivative transactions and other investments. Should the synthetic portfolio comprise of any derivative components, it will be ensured

that the relevant underlying of such derivative components will only contain eligible assets for an investment fund compliant with the UCITS Directive as amended. The synthetic portfolio will be managed by a first-class financial institution who determines the composition of the synthetic portfolio and who is bound by clearly defined portfolio guidelines. The valuation of the synthetic assets will be ensured at or after cut-off time of the respective sub-fund and risk reports will be issued. Furthermore, these investments are subject to article 43 (1) of the Law of 2010 and to article 8 of the Grand Ducal Regulation of February 8, 2008.

### Financial instruments certificated in securities

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

### OTC derivative transactions

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

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

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

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

#### a) Securities Lending and Borrowing

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

Those transactions may be entered into for one or more of the following aims: (i) reduction of risk, (ii) reduction of cost and (iii) generation of additional capital or income with a level of risk which is consistent with the risk profile of the relevant sub-fund and the applicable risk diversification rules. Depending on market conditions and market demand, it is expected that up to 70% of the sub-fund's securities can be transferred to counterparties by means of securities lending transactions. However, if there is an increased market demand, the Investment Company reserves the right to transfer a maximum of up to 100% of a sub-fund's securities to counterparties as a loan.

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

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

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

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

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

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

#### b) (Reverse) Repurchase Agreement Transactions

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

Unless otherwise provided for with respect to a specific sub-fund in the special sections below, the Investment Company may enter (i) into repurchase agreement transactions which consist of the purchase and sale of securities with a clause reserving the seller the right or the obligation to repurchase from the acquirer the securities sold at a price and term specified by the two parties in their contractual arrangement and (ii) reverse repurchase agreement transactions, which consist of a forward transaction at the maturity of which the seller (counterparty) has the obligation to repurchase the securities sold and the Investment Company the obligation to return the securities received under the transaction (collectively, the "repo transactions").



Those transactions may be entered into for one or more of the following aims: (i) generating additional revenue; and (ii) collateralized short term investment.

Depending on market conditions and market demand, it is expected that up to 50% of the securities held by a sub-fund may be transferred to a transferee (in the case of repurchase agreement transactions); moreover, within the limits of the applicable investment terms, securities may be received in exchange for cash (in the case of reverse repurchase agreement transactions).

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

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

- (i) The Investment Company may not buy or sell securities using a repo transaction unless the counterparty in such transactions is subject to prudential supervision rules considered by the CSSF as equivalent to those prescribed by Community law.
- (ii) The counterparty risk vis-à-vis a single counterparty (which, for the avoidance of doubt, may be reduced by the use of collateral) arising from one (or more) repo transaction(s) may not exceed 10% of the assets of the relevant sub-fund when the counterparty is a financial institution falling within Article 41 (1) (f) of the Law of 2010, or 5% of its assets in all other cases.
- (iii) During the life of a repo transaction with the Investment Company acting as purchaser, the Investment Company cannot sell the securities which are the object of the contract, either before the right to repurchase these securities has been exercised by the counterparty, or the repurchase term has expired, except to the extent it has other means of coverage.
- (iv) The securities acquired by the Investment Company under repo transactions must conform to the relevant sub-fund's investment policy and investment restrictions and must be limited to:
  - short-term bank certificates or money market instruments as defined in Directive 2007/16/EC of March 19, 2007;

- bonds issued or guaranteed by a Member State of the OECD or by their local public authorities or by supranational institutions and undertakings with EU, regional or world-wide scope;
- shares or units issued by money market UCIs calculating a daily net asset value and being assigned a rating of AAA or its equivalent;
- bonds issued by non-governmental issuers offering an adequate liquidity; and
- shares quoted or negotiated on a regulated market of an EU Member State or on a stock exchange of a Member State of the OECD, on the condition that these shares are included in a main index.

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

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

### Choice of counterparty

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

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

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

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

I. In case of securities lending transactions such collateral must be received prior to or simultaneously with the transfer of the securities lent. When the securities are lent through intermediaries, the transfer of the securities lent may be affected prior to receipt of the collateral, if the relevant intermediary ensures proper completion of the transaction. Said intermediary may provide collateral in lieu of the borrower.

II. In principle, collateral for securities lending transactions, (reverse) repurchase agreements and any business with OTC derivatives (except for currency forward contracts) must be given in the form of:

- liquid assets such as cash, short term bank deposits, money market instruments as defined in Directive 2007/16/EC of March 19, 2007, letters of credit and guarantees at first demand issued by a first-class credit institution not affiliated to the counterparty and/or bonds, irrespective of their residual term, issued or guaranteed by a Member State of the OECD or by their local authorities or by supranational institutions and undertakings of a community, regional or worldwide nature;
- shares or units issued by money market-type UCIs calculating a daily net asset value and having a rating of AAA or its equivalent;
- shares or units issued by UCITS investing mainly in bonds/shares mentioned in the following two indents;
- bonds, irrespective of their residual term, issued or guaranteed by first class issuers offering an adequate liquidity; or
- shares admitted to or dealt in on a regulated market of a Member State of the European Union or on a stock exchange of a Member State of the OECD, provided that these shares are included in a main index.

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

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

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

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

VI. Collateral provided must be adequately diversified with respect to issuers, countries and markets. If the collateral meets a number of criteria such as the standards for liquidity, valuation, solvency of the issuer, correlation and diversification, it may be offset against the gross commitment of the counterparty. If the collateral is offset, its value can be reduced depending on the price volatility of the collateral by a certain percentage (a "haircut"), which shall absorb short-term fluctuations to the value of the engagement and the collateral. In general, cash collateral will not be subject to a haircut.

The criterion of sufficient diversification with respect to issuer concentration is considered to be respected if the sub-fund receives from a counterparty of OTC derivative transactions, securities lending transactions or (reverse) repurchase agreements a basket of collateral with a maximum exposure to a given issuer of 20% of its net asset value. When a sub-fund is exposed to different counterparties, the different baskets of collateral should be aggregated to calculate the 20% limit of exposure to a single issuer.

By derogation from the above sub-paragraph, the sub-fund may receive up to 100% of its collateral assets in securities and money market instruments stemming from different issues that are issued or guaranteed by a member state of the European Union, its local authorities, a third country or by a public international body of which one or more member states of the European Union are members, provided that the sub-fund holds securities that originated from at least six different issues and the securities stemming from any one issue do not exceed 30% of the net assets of the sub-fund.

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

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 strategy. 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.

By applying the haircut strategy, the Investment Company requests a collateralization from its counterparties. Subject to specific disclosure to the contrary in the sub-fund's special sections, the collateralization ratios applicable to each sub-fund are 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 derivate transactions.

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

IX. The Investment Company (or its delegates) shall proceed on a daily basis to the valuation of the collateral received. In case the value of the collateral already granted appears to be insufficient in comparison with the amount to be covered, the counterparty shall provide additional collateral at very short term.

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

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

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

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

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

- 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.

## Use of financial indices

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

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

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

## Risk management

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

The Management Company monitors every sub-fund in accordance with the requirements of Ordinance 10-04 of the Commission de Surveillance du Secteur Financier ("CSSF") and in particular CSSF Circular 11-/512 dated May 30, 2011, and the "Guidelines on Risk Measurement and the Calculation of Global Exposure and Counterparty Risk for UCITS" by the Committee of European Securities Regulators (CESR/10-788) as well as CSSF Circular 14/592 dated September 30, 2014. The Management Company guarantees for every sub-fund that the overall risk associated with derivative financial instruments will comply with the requirements of Article 42 (3) of the Law of 2010. The market risk of the respective sub-fund does not exceed 200% of the market risk of the reference portfolio that does not contain derivatives (in case of a relative VaR approach) or does not exceed 20% (in case of an absolute VaR approach).

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

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

The leverage effect calculation considers derivatives of the portfolio. Any collateral is currently not re-invested and therefore not considered. It must be noted that this leverage effect does fluctuate depending on market conditions and/or changes in positions (including hedging against unfavourable market movements, among other factors), and the targeted level may therefore be exceeded in spite of constant monitoring by the Management Company. The disclosed expected level of leverage is not intended to be an additional exposure limit for the sub-fund.

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

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

## Potential conflicts of interest

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

- conduct among themselves any and all kinds of financial and banking transactions or other transactions, such as derivative transactions (including total return swaps), securities lending transactions and (reverse) repurchase agreements, or enter into the corresponding contracts, including those that are directed at investments in securities or at investments by an Associated Person in a company or undertaking, such investment being a constituent part of the respective sub-fund's assets, or be involved in such contracts or transactions; and/or
- for their own accounts or for the accounts of third parties, invest in shares, securities or assets of the same type as the components of the respective sub-fund's assets and trade in them; and/or
- in their own names or in the names of third parties, participate in the purchase or sale of securities or other investments from or to the Investment Company, through or jointly with the fund manager, the designated sales agents and persons appointed to carry out sales activities, the Depositary, the investment advisor, or a subsidiary, an affiliated company, representative or agent of these.

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

the aptitude and competence to perform such evaluations.

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

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

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

Further information regarding the handling of conflicts of interest is available on the website [www.dws.com/fundinformation](http://www.dws.com/fundinformation) in the Legal Notice section.

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

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

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

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

- (i) will seek to profit from such activities and are entitled to receive and retain any profits or compensation in any form and are not bound to disclose to, the Investment Company, the nature or amount of any such profits or compensation including any fee, charge, commission, revenue share, spread, mark-up, mark-down, interest, rebate, discount, or other benefit received in connection with any such activities;
- (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 Investment Company;
- (iv) may provide the same or similar services to other clients including competitors of the Investment Company;
- (v) may be granted creditors' rights by the Investment Company which it may exercise.

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

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

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

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

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

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

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

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

## Combating money laundering

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

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

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

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

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

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

## Luxembourg Register of Beneficial Owners (transparency register)

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

Article 1 (7) of the Law of November 12, 2004, on combating money laundering and terrorist financing defines a beneficial owner, *inter alia*, as any natural person that ultimately owns or controls a company. In this case, this includes any natural person in whose ownership or under whose control the Investment Company ultimately lies by way of directly or indirectly holding a sufficient amount of shares or voting rights or a participation, including in the form of bearer shares, or by means of another form of control.

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

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

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

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

## Acceptance of orders

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

## Market timing and short-term trading

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

## Late trading

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

## Total expense ratio

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

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

In particular, such situations may result from regulatory requirements governing how such third parties determine, calculate and report costs. These requirements may arise in the course of the national implementation of Directive 2014/65/EU of the European Parliament and of the Council on markets in financial instruments and amending Directive 2002/92/EC and Directive 2011/61/EU (also known as "MiFID II"). It is important to note that the cost statement may vary due to these third parties additionally invoicing the costs of its own services (e.g. a surcharge or, where applicable, recurrent brokering or advisory fees, depositary fees, etc.). Furthermore, such third parties are subject to partially varying requirements regarding how costs accruing at sub-fund level are calculated. As an example, the sub-fund's transaction costs may be included in the third party's cost statement even though the currently applicable requirements governing the Investment Company stipulate that they are not part of the aforementioned total expense ratio.

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

### Repayment to certain investors of management fees collected

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

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

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

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

### Regular savings or withdrawal plans

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

### Compensation policy

The Management Company as a subsidiary of DWS Group GmbH & Co. KGaA ("DWS KGaA") is included in the compensation strategy of the DWS Group (DWS KGaA and its subsidiaries). All matters related to compensation, as well as compliance with regulatory requirements, are monitored by the relevant governing bodies of the DWS Group. The DWS Group pursues a total compensation approach that comprises fixed and variable compensation components and contains portions of deferred compensation, which are linked both to individual future performance and the sustainable corporate development. Under the compensation strategy, employees at the first and second management level in particular receive a portion of the variable compensation in the form of deferred compensation elements, which are largely linked to the long-term performance of the DWS share or of the investment products.

In addition, the compensation policy applies the following guidelines:

- a) The compensation policy is consistent with and conducive to solid and effective risk management and does not encourage the assumption of excessive risk.
- b) The compensation 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 compensation are proportionate to each other, with the proportion of the fixed component in the total compensation being high enough to provide complete flexibility with regard to the variable compensation components, including the possibility of waiving payment of a variable component.

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

### Mandate to the local paying agent

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

### Selling restrictions

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

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

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

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

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

## Foreign Account Tax Compliance Act – “FATCA”

The provisions of the Foreign Account Tax Compliance Act (generally known as “FATCA”) are part of the Hiring Incentives to Restore Employment Act (the “HIRE Act”), which came into force in the United States in March 2010. These provisions of U.S. law serve to combat tax evasion by U.S. citizens. Accordingly, financial institutions outside of the United States (“foreign financial institutions” or “FFIs”) are obliged to make annual disclosures to the U.S. Internal Revenue Service (“IRS”), on financial accounts held directly or indirectly by “specified” U.S. persons. In general, for FFIs that do not meet this reporting obligation, known as Non-Participating Foreign Financial Institutions (NPFIs), a penalty tax deduction of 30% is applied to certain income from U.S. sources.

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

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

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

## Common Reporting Standard (“CRS”)

In order to facilitate a comprehensive and multilateral automatic exchange of information at global level, the OECD was mandated by the G8/G20 countries to develop a global reporting standard. This reporting standard has been included in the amended Directive on administrative cooperation (“DAC 2”) of December 9, 2014. EU member states transposed DAC 2 into national law by December 31, 2015; it was enacted in the Grand Duchy of Luxembourg by a law dated December 18, 2015 (the “CRS Law,” published in the Mémorial A – No. 244 – on December 24, 2015).

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

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

## Data protection in connection with CRS

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

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

- In this respect, the Reporting Luxembourg Financial Institution is responsible for the personal data processing and will act as data controller for the purpose of the CRS Law.
- The personal data is intended to be processed for the purpose of the CRS Law.

- The data may be reported to the Luxembourg tax authorities (Administration des contributions directes), which may in turn forward the data to the competent authorities of one or more Reportable Jurisdictions.
- For each information request for the purpose of the CRS Law sent to the natural person concerned, the answer from the natural person will be mandatory. Failure to respond within the prescribed timeframe may result in (incorrect or double) reporting of the account to the Luxembourg tax authorities.

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

## Language

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

## Investor profiles

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

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

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

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

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

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

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

The sub-fund is intended for the growth-oriented investor seeking 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 net asset value per unit/share. Expectations of high returns and tolerance of risk by the investor are offset by the possibility of incurring significant losses up to and including the total loss of capital invested. The investor is willing and able to bear such a financial loss and is not concerned with capital protection.

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

## Performance

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

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

Data on current performance can be found on the Management Company’s website [www.dws.com/fundinformation](http://www.dws.com/fundinformation) or in the semi-annual and annual reports.



## 1. The Investment Company and the share classes

### A. The Investment Company

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

b) The Investment Company is organized under Part I of the Law of 2010, and complies with the provisions of the UCITS Directive, as well as the provisions of the Ordinance of the Grand Duchy dated February 8, 2008, pertaining to certain definitions of the amended law of December 20, 2002<sup>1</sup>, on Undertakings for Collective Investment ("Ordinance of the Grand Duchy dated February 8, 2008"), via which Directive 2007/16/EC<sup>2</sup> was implemented in Luxembourg law.

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

c) The articles of incorporation were filed with the Luxembourg Register of Commerce under the number B 86.435 and can be inspected there. Upon request, copies can be obtained for a fee. The registered office of the Company is Luxembourg.

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

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

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

### B. Structure of the Investment Company

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

### C. Share classes

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

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

The net asset value per share is calculated separately for each issued share class of each sub-fund. No separate portfolio is maintained by a sub-fund for its individual share classes. In the case of currency-hedged share classes (either on share class level, marked with the

"H" denominator or on portfolio level, marked with the "H (P)" denominator), and share classes that build up an additional currency exposure to a basket of currencies (share classes marked with the "CE" denominator), the sub-fund may become subject to obligations arising from currency hedging transactions or from currency exposure management entered into for one particular share class. The assets of the sub-fund are liable for such obligations. The different characteristics of the individual share classes available with respect to a sub-fund are described in detail in the respective special section.

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

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

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

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

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

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

1. Replaced by the law of 2010.

2. Directive 2007/16/EC adopted by the Commission on March 19, 2007, for the purposes of implementing Council Directive 85/611/EEC on the coordination of laws, regulations and administrative provisions relating to certain undertakings for collective investment in transferable securities (UCITS) in regard to the explanation of specific definitions ("Directive 2007/16/EC").

3. See CSSF newsletter 08-339 as amended: CESR's guidelines concerning eligible assets for investment by UCITS - March 2007, ref.: CESR/07-044; CESR's guidelines concerning eligible assets for investment by UCITS - The classification of hedge fund indices as financial indices - July 2007, ref.: CESR/07-434.

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

Investors in sub-funds offering non-base currency share classes should note that possible currency impacts on the net asset value per share may occur and are not systematically hedged. These impacts are attached to the processing and booking of orders of non-base currency shares and related

time lags of the different necessary steps possibly leading to exchange rate fluctuations. In particular, this is true for redemption orders. These possible impacts on the net asset value per share could be of positive or negative nature and are not limited to the affected non-base currency share class, i.e. these influences could be borne by the respective sub-fund and all of its share classes.

## E. Description of denominators

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

### Features

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

Country specific share classes:

in Japan: JQI

in Switzerland: S (Switzerland),

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

\* tax-intransparent

#### a) Type of investor

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

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

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

Share classes with the "I" denominator are offered to institutional investors in accordance with Article 174 (2) of the Law of 2010. Share classes with the "I" denominator are only offered in form of registered shares, unless otherwise provided for in the special section of the Sales Prospectus of the respective sub-fund.

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

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

(1) through distributors and intermediaries who:

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

(2) to other UCI; and

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

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

#### b) Allocation of income

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

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

#### c) Distribution Frequency

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

#### d) Hedging

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

##### (i) Currency Hedging

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

#### *Share class hedging*

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

#### *Portfolio hedging*

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

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

#### *(iii) Non-hedged share classes*

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

#### **e) Currency exposure**

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

Under certain circumstances the currency exposure may not or only partially be implemented by unwinding currency hedging position in the sub-fund (e.g. small share class volume or small residual currency positions in the fund) or be imperfectly implemented (e.g.: some currencies cannot be traded at any time, or must be approximated by another currency). In addition, attached to the processing and booking of orders in these share classes time lags in the exposure management process can lead to a delay in the adaptation of the currency exposure to the new share class volume. In case of exchange rate fluctuations this can impact the net asset value of the share class.

#### **f) Other share class characteristics**

##### *Early Bird*

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

##### *Seeding share classes*

Shares of share classes with the "X" denominator offer a rebate on the Management Company fee that is granted

to investors that subscribe to shares before a certain volume of investments is reached. Upon reaching the aforementioned volume the share classes with the "X" denominator will be closed.

##### *Zero cost share classes*

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

The share class is charged a pro rata share on the fees for the Management Company (excluding compensation for the fund management and the distributors), the Depositary, the administrator as well as other fees and expenses that are further described in article 12. The percentage expense cap rule of article 12 b) does not apply to zero cost share classes. Fees of article 12 b) are capped to a maximum of ten basis points. The Fund management fees are charged directly by the Management Company to the investor under the aforementioned separate agreement.

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

##### *Donation share classes*

The Board of Directors intends making an annual distribution for the share class with the suffix "W" (the "Donation Share Class"). This distribution is to be made via the respective institution maintaining the custody account on the instruction of and in the name of the respective holder of fund shares ("shareholder"), where applicable less German withholding tax (Kapitalertragsteuer/KESt) withheld by the institution maintaining the custody account (plus solidarity surcharge and, where applicable, church tax), to a defined donation beneficiary to promote this beneficiary's tax-privileged purposes as defined in sections 51 et seq. of the German Fiscal Code (Abgabenordnung/AO) ("donation"). The definition of the Donation Beneficiary and the instruction to pay out the distribution to a Donation Beneficiary are set out in an appropriation agreement between the shareholder and the institution maintaining the custody account. In this context, it is expressly pointed out that all decisions regarding whether distributions should take place, and in what amount, are at the discretion of the Board of Directors. For operational reasons and for correct processing of the donation, shares of a Donation Share Class that are issued in the form of bearer shares and represented by a global certificate must be deposited in a custody account with a recognized institution that maintains custody accounts. A list of institutions that maintain custody accounts is available in the download section of the respective Donation Share Class on the Management Company's website [www.dws.com/fundinformation](http://www.dws.com/fundinformation) and [www.dws.de](http://www.dws.de).

When subscribing for shares in a Donation Share Class, each shareholder shall expressly instruct the institution maintaining the custody account, in its capacity as representative, to pay out in the name of the shareholder all distributions (where applicable less German withholding tax withheld by the institution

maintaining the custody account, including solidarity surcharge and, where applicable, church tax), to which the shareholder of a Donation Share Class is entitled as a donation to the Donation Beneficiary. The institution maintaining the custody account forwards the shareholder's personal data to the Donation Beneficiary for the processing of the donation. The Donation Beneficiary shall, with the aid of this data, issue the shareholder with a donation receipt as defined in article 50 of the German Income Tax Implementing Ordinance (Einkommensteuer-Durchführungsverordnung/EstDV hereinafter referred to as EstDV) as evidence of the donation to the Donation Beneficiary. It is pointed out to shareholders of the Donation Share Class that taxes may be incurred in connection with the disbursement of the distributions. Relevant shareholders are further advised that the donation of these distributions might not be tax-deductible or may be tax-deductible only under certain circumstances.

This prospectus does not constitute tax advice and is not intended to replace such advice. Shareholders of the Donation Share Class should absolutely make their own inquiries and obtain independent, expert tax advice regarding their individual situation in terms of the tax treatment of the distribution and the associated donation to the Donation Beneficiary that is made in their name. The investment company, the Board of Directors or the Management Company do not make any assurances in this regard. The investment company, the Board of Directors and the Management Company are not obliged to obtain the following from a competent tax authority for the shareholders or the Donation Beneficiary: tax-related preliminary decisions, acknowledgments or clearance certificates in relation to the tax treatment of distributions or the associated donation.

The investment company, the Board of Directors and the Management Company must have the separate determination of compliance with the statute-related preconditions according to articles 51, 59, 60 and 61 of the German Fiscal Code proven to them by the Donation Beneficiary once through submission of the notice according to article 60a of the German Fiscal Code; otherwise, they have no knowledge of whether tax-related preliminary decisions, acknowledgments or clearance certificates were obtained from a competent tax authority. Furthermore, the investment company, the Board of Directors and the Management Company are not responsible for (i) establishing the Donation Beneficiary, (ii) any amendments to the statutes of the Donation Beneficiary that may justify the revocation of the notice in accordance with article 60a of the German Fiscal Code, (iii) the operation of the Donation Beneficiary, particularly the actual management activity as defined in article 63 of the German Fiscal Code, (iv) authorizing the Donation Beneficiary to issue donation receipts in accordance with articles 63 (5) and 50 EstDV, (v) granting tax exemption to the Donation Beneficiary for the assessment period or for the time of the donation, especially in accordance with article 5 (1), no. 9, of the German Corporate Tax Act (Körperschaftsteuergesetz/KStG), article 9, no. 5, of the German Trade Tax

Act (Gewerbsteuergesetz/GewStG), article 13 (1), no. 16 (b) of the German Inheritance and Gift Tax Act (Erbschaftsteuer-und Schenkungsteuergesetz/ErbStG), (vi) the granting of a donation receipt as defined in article 50 EStDV to the shareholders, or (vii) the tax claim in relation to the donation of the shareholder, especially the submission of a tax return or other official or non-official written documents in relation to the donation for the respective shareholder for the benefit of this shareholder.

The shareholders will be informed about the distributions via a notification published on the Management Company's website [www.dws.com/fundinformation](http://www.dws.com/fundinformation) and [www.dws.de](http://www.dws.de).

#### Placement fee

Shares of share classes with the "PF" designator are subject to a placement fee ("placement fee share classes"). The placement fee for each subscribed share amounts to up to 3% and is multiplied by the NAV per share on the date of subscription or the immediately following valuation date (depending on the date the orders are processed). The so calculated amount is levied on the relevant placement fee share class. The

placement fee for each subscribed share of the relevant placement fee share class is paid out as compensation for the distribution of the share class and at the same time booked as an accounting position (pre-paid expenses), reflected in the NAV per share of the relevant placement fee share class only. The NAV per share of the placement fee share class on the respective valuation date is therefore not affected by the payment of the placement fee. In case prior day data is used for the NAV calculation, results will be monitored against same day data to avoid potential material differences. The overall position of pre-paid expenses is then amortized on a daily basis at a constant amortization rate of 1.00% p.a. applied to the NAV per share of the relevant placement fee share class multiplied by the number of outstanding shares in this share class.

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

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

Shareholders wishing to redeem their placement fee share classes before such exchange takes place may need to pay a dilution adjustment. For further information, please refer to article 5 in the general section of the Sales Prospectus.

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

#### Restricted share classes

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

## F. Share class currencies and initial NAV

The share classes are offered in the following currencies:

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

  

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

#### Currency-specific characteristics:

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

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

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

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

CNH is currently freely tradable without restrictions via Hong Kong. For this reason,

the exchange rate used for share classes denominated in RMB is the rate of CNH (offshore renminbi).

## G. Country-specific share classes Japan

The JQI and all other in JPY denominated share classes offered hereby have not been, and will not be, registered under the Financial Instruments and Exchange Law of Japan and 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 JQI and all other in JPY denominated share classes offered hereby in Japan constitutes a private placement of JQI and all other in JPY denominated share classes to Qualified Institutional Investors only in accordance with

article 2, paragraph 3, item 2(i) of the Financial Instruments and Exchange Law of Japan. For these purposes, a notification under the Law Concerning Investment Trusts and Investment Corporations of Japan will be filed with the Commissioner of the Financial Services Agency of Japan. Accordingly, in Japan the JQI and all other in JPY denominated share classes will be offered only to Qualified Institutional Investors in accordance with the Financial Instruments and Exchange Law of Japan. In addition, the JQI and all other in JPY denominated share classes are subject to the transfer restriction: no transfer of such share classes may be made to persons in Japan other than Qualified Institutional Investors.

#### Spain and Italy

For the distribution in Spain and Italy the following restriction applies: The subscription of shares of the share classes denoted by the designator "F" will be limited to professional investors according to the MIFID directive.

Professional investors subscribing in their own name, but on behalf of a third party, must certify to the Investment Company that such subscription is made on behalf of a professional investor. The Investment Company may require, at its sole discretion, evidence that the former requirements are met.

#### Switzerland

Shares of share classes denoted by the designator "S" are initially created for Switzerland. At present, the Investment Company offers one such euro share class, the share class LS, which does not levy any performance fee in comparison to the LC share class.

#### United Kingdom

"DS" and "RD" share classes are intended to have reporting fund status (previously distributor status), i.e. the characteristics of these share classes satisfy the prerequisites for qualifying for reporting fund status.

## H. Minimum initial investment amounts

<b>Institutional Investors</b>	General rule for share class codes without numeric extension: 10,000,000 in the share class specific currency except for Japan: 1,500,000,000 JPY and except for Sweden: 100,000,000 SEK
<b>Semi-Institutional Investor</b>	General rule for share class codes without numeric extension: 2,000,000 for investments in the share class specific currency except for Japan: 250,000,000 JPY and except for Sweden: 20,000,000 SEK
<b>Numeric extensions for Semi-Institutional and Institutional Investors</b>	A numeric extension at the end of the share class code states the minimum investment amount in million in the share class specific currency
<b>Seeding Share Class</b>	2,000,000 for each order in the share class specific currency except for Japan: 250,000,000 JPY

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

## 2. Risk spreading

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

### A. Investments

- The sub-fund may invest in securities and money market instruments that are listed or traded on a regulated market.
- The sub-fund may invest in securities and money market instruments that are traded on another market in a member state of the European Union that operates regularly and is recognized, regulated and open to the public.
- The sub-fund may invest in securities and money market instruments that are admitted for official trading on an exchange in a state that is not a member state of the European Union or traded on another regulated market in that state that operates regularly and is recognized and open to the public.
- The sub-fund may invest in securities and money market instruments that are new issues, provided that
  - the terms of issue include the obligation to apply for admission for trading on an exchange or on another regulated market that operates regularly and is recognized and open to the public, and
  - such admission is procured no later than one year after the issue.

- The sub-fund may invest in shares of Undertakings for Collective Investment in Transferable Securities ("UCITS") and/or other undertakings for collective investments ("UCIs") within the meaning of the UCITS Directive, should they be situated in a member state of the European Union or not, provided that
  - such other UCIs have been authorized under laws that provide that they are subject to supervision considered by the CSSF to be equivalent to that laid down in Community law, and that cooperation between authorities is sufficiently ensured;
  - the level of protection for shareholders in the other UCIs is equivalent to that provided for shareholders in an UCITS, and in particular that the rules on fund asset segregation, borrowing, lending, and short selling of transferable securities and money market instruments are equivalent to the requirements of the UCITS Directive;
  - the business of the other UCIs is reported in semi-annual and annual reports to enable an assessment to be made of the assets and liabilities, income and transactions over the reporting period;
  - no more than 10% of the assets of the UCITS or of the other UCIs whose acquisition is being contemplated can, according to its contract terms or articles of incorporation, be invested aggregate in shares of other UCITS or other UCIs.

Such shares comply with the requirements as set out in article 41 (1) (e) of the Law of 2010 and any reference to "funds" in the special section of the Sales Prospectus is to be understood accordingly.

- A sub-fund may invest in deposits with financial institutions that are repayable on demand or have the right to be withdrawn, and mature within twelve months or less, provided that the financial institution has its registered office in a member state of the European Union or, if the registered office of the financial institution is situated in a state that is not a member state of the European Union, provided that it is subject to prudential rules considered by the CSSF as equivalent to those laid down in Community law.
- A sub-fund may invest in financial derivative instruments ("derivatives"), including equivalent cash-settled instruments, that are traded on a market referred to in (a), (b) and (c) and/or financial derivative instruments that are not traded on an exchange ("OTC derivatives"), provided that
  - the underlying instruments are instruments covered by this paragraph or financial indices, interest rates, foreign exchange rates or currencies, in which the sub-fund may invest according to its investment policy;
  - the counterparties to OTC derivative transactions are institutions subject to prudential supervision, and belonging to the categories approved by the CSSF; and
  - the OTC derivatives are subject to reliable and verifiable valuation on a daily basis and can be sold, liquidated or closed by an offsetting transaction at any time at their fair value at the Investment Company's initiative.
- A sub-fund may invest in money market instruments not traded on a regulated market that are usually traded on the money market, are liquid and have a value that can be accurately determined at any time, if the issue or issuer of such instruments is itself regulated for the purpose of protecting investors and savings, and provided that these instruments are

- issued or guaranteed by a central, regional or local authority or central bank of a member state of the European Union, the European Central Bank, the European Union or the European Investment Bank, a state that is not a member state of the European Union or, in the case of a federal state, by one of the members making up the federation, or by a public international body of which one or more member states of the European Union are members; or
  - issued by an undertaking whose securities are traded on the regulated markets referred to in the preceding subparagraphs (a), (b) or (c); or
  - issued or guaranteed by an establishment that is subject to prudential supervision in accordance with the criteria defined by Community law, or by an establishment that is subject to and complies with prudential rules considered by the CSSF to be at least as stringent as those laid down by Community law; or
  - issued by other bodies belonging to the categories approved by the CSSF, provided that investments in such instruments are subject to investor protection equivalent to that laid down in the first, the second or the third preceding indent and provided that the issuer is a company whose capital and reserves amount to at least EUR 10 million and which presents and publishes its annual financial statements in accordance with the Fourth Council Directive 78/660/EEC, is an entity that, within a group of companies that includes one or more exchange-listed companies, is dedicated to the financing of the group or is an entity that is dedicated to the financing of securitization vehicles that benefit from credit lines to assure liquidity.
- i) Notwithstanding the principle of risk-spreading, the sub-fund may invest up to 100% of its assets in securities and money market instruments stemming from different issues that are issued or guaranteed by a member state of the European Union, its local authorities, any other member state of the Organisation for Economic Co-operation and Development (OECD), the G20 or Singapore or by a public international body of which one or more member states of the European Union are members, provided that the sub-fund holds securities that originated from at least six different issues and the securities stemming from any one issue do not exceed 30% of the assets of the sub-fund.
- j) A sub-fund may not invest in precious metals or precious-metal certificates; if the investment policy of a sub-fund contains a special reference to this clause, this restriction does not apply for 1:1 certificates whose underlying are single commodities/precious metals and that meet the requirements of transferable securities as determined in Article 1 (34) of the Law of 2010.
- b) No more than 20% of the sub-fund's net assets may be invested in deposits made with any one institution.
- c) The risk exposure to a counterparty in OTC derivative transactions as well as in OTC derivative transactions, which are effected with regard to an efficient portfolio management may not exceed 10% of the sub-fund's net assets if the counterparty is a credit institution as defined in A. (f) above. In all other cases, the exposure limit is 5% of the sub-fund's net assets.
- d) No more than 40% of the sub-fund's net assets may be invested in securities and money market instruments of issuers in which over 5% of the sub-fund's net assets are invested.
- This limitation does not apply to deposits and OTC derivative transactions conducted with financial institutions that are subject to prudential supervision.
- Notwithstanding the individual upper limits specified in B. (a), (b) and (c) above, the sub-fund may not invest more than 20% of its net assets in a combination of
- investments in securities or money market instruments; and/or
  - deposits made with; and/or
  - exposures arising from OTC derivative transactions undertaken with a single institution.
- e) The limit of 10% set in B. (a) rises to 35%, and the limit set in B. (d) does not apply to securities and money market instruments issued or guaranteed by
- a member state of the European Union or its local authorities; or
  - a state that is not a member state of the European Union; or
  - public international bodies of which one or more member states of the European Union are members.
- f) The limit set in B. (a) rises from 10% to 25%, and the limit set in B. (d) does not apply (i) as from July 8, 2022 in the case of covered bonds as defined in article 3(1) of Directive (EU) 2019/2162 of the European Parliament and of the Council of November 27, 2019 on the issue of covered bonds and covered bond public supervision and amending Directives 2009/65/EC and 2014/59/EU, and (ii) for certain bonds that fulfil the following conditions:
- they are issued before July 8, 2022 by a credit institution that has its registered office in a member state of the European Union and which is legally subject to special public supervision intended to protect the holders of such bonds; and
  - sums deriving from the issue of such bonds issued before July 8, 2022 are invested in conformity with the law in assets that, during the whole period of validity of the bonds, are capable of covering claims attaching to the bonds; and
- such assets, in the event of default of the issuer, would be used on a priority basis for the repayment of the principal and payment of the accrued interest.
- If the respective sub-fund invests more than 5% of its assets in bonds of this type issued by any one issuer, the total value of these investments may not exceed 80% of the value of the net assets of the sub-fund.
- g) The limits provided for in paragraphs B. (a), (b), (c), (d), (e) and (f) may not be combined, and thus investments in transferable securities or money market instruments issued by any one institution or in deposits made with this institution or in this institution's derivative instruments shall under no circumstances exceed in total 35% of the sub-fund's net assets.
- The sub-fund may cumulatively invest up to 20% of its assets in securities and money market instruments of any one group of companies.
- Companies that are included in the same group for the purposes of consolidated financial statements, as defined in accordance with the Seventh Council Directive 83/349/EEC or in accordance with recognized international accounting rules, shall be regarded as a single issuer for the purpose of calculating the limits contained in this Article.
- h) A sub-fund may invest no more than 10% of its net assets in securities and money market instruments other than those specified in A.
- i) A sub-fund may invest no more than 10% of its net assets in shares of other UCITS and/or other UCIs as defined in A. (e), unless otherwise provided for in the Special Section of the Sales Prospectus. However, by way of derogation and in accordance with the provisions and requirements of chapter 9 of the Law of 2010, a sub-fund ("Feeder") may invest at least 85% of its assets in shares of another UCITS (or a sub-fund thereof) that is recognized according to Directive 2009/65/EC, and, which itself is neither a Feeder nor holds any shares in another Feeder.
- In the case of investments in shares of another UCITS and/or other UCIs, the investments held by that UCITS and/or by other UCI are not taken into consideration for the purposes of the limits laid down in B. (a), (b), (c), (d), (e) and (f).
- When a sub-fund invests in the units of UCITS and/or other UCIs that are managed, directly or by delegation, by the same management company 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), that management company or other company may not charge subscription, conversion or redemption fees on account of the sub-fund's investment in the units of such UCITS and/or other UCIs.

## B. Investment limits

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

If a sub-fund invests a substantial proportion of its assets in other 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 other UCITS and/or other UCIs in which it intends to invest, shall be disclosed in the relevant Special Section.

In the annual report of the Investment Company, it shall be indicated 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.

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

k) The Investment Company or the Management Company may not purchase for any of the sub-funds equities with voting rights that would enable it to exert significant influence on the management policies of the relevant issuer.

The respective sub-fund may acquire no more than

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

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

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

- securities and money market instruments issued or guaranteed by a member state of the European Union or its local authorities;
- securities and money market instruments issued or guaranteed by a state that is not a member state of the European Union;
- securities and money market instruments issued by public international bodies of which one or more member states of the European Union are members;
- shares held by the fund in the capital of a company incorporated in a state that is not a member state of the European Union, investing its assets mainly in the securities of issuing bodies having their registered offices in that state, where under the legislation of that

state such a holding represents the only way in which the fund can invest in the securities of issuers from that state. This derogation, however, shall apply only if in its investment policy the company from the state that is not a member state of the European Union complies with the limits specified in B. (a), (b), (c), (d), (e), (f) and (g), (i) and (k). Where these limits are exceeded, Article 49 of the Law of 2010, on Undertakings for Collective Investment shall apply;

- shares held by one or more investment companies in the capital of subsidiary companies that only conduct certain management, advisory or marketing activities with regard to the repurchase of shares at the request of shareholders in the country where the subsidiary is located, and do so exclusively on behalf of the investment company or investment companies.

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

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

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

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

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

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

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

- o) In addition, the sub-fund may hold up to 20% of its assets in ancillary liquid assets. Ancillary liquid assets are limited to bank deposits at sight to cover current or exceptional payments, or for the time necessary to reinvest in eligible assets or for a period of time strictly necessary in case of unfavourable market conditions. In exceptionally unfavourable market conditions, it is permitted to temporarily hold more than 20% ancillary liquid assets if circumstances so require and to the extent that this appears to be justified with regard to the interests of shareholders.
- p) Up to 10% of the sub-fund's net assets may be invested in special purpose acquisition companies (SPACs) that qualify as eligible investments within the meaning of article 1 (34) and 41 of the Law of 2010, article 2 of the Grand-Ducal Regulation of February 8, 2008, and CESR Guidelines. SPACs are companies only formed to raise capital through an initial public offering (IPO) for the purpose of acquiring or merging with an existing company.

### C. Exceptions to the investment limits

- a) The sub-fund needs not to comply with the investment limits when exercising subscription rights attaching to securities or money market instruments that form part of its assets.
- b) While ensuring observance of the principle of risk spreading, the sub-fund may derogate from the specified investment limits for a period of six months following the date of its authorization.

### D. Cross-investments between sub-funds

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

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

## E. Credit restrictions

No borrowing may be undertaken by the Investment Company 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, the 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 assets, provided that the borrowing is to make possible the acquisition of immovable property essential for the direct pursuit of its business; in this case the borrowing and that referred to in the preceding subparagraph may not in any case in total exceed 15% of the sub-fund's net assets.

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

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

## F. Short selling

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

## G. Encumbrance

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

## H. Regulations for the Investment Company

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

## 3. Shares of the Investment Company

- The capital of the Investment Company shall at all times be equal to the sum of the net asset values of the Investment Company's various sub-funds ("net asset value of the Investment Company"), and it is represented by shares of no nominal value, which may be issued as registered shares and/or as bearer shares.
- The shares may be issued as registered shares or as bearer shares. There is no right to issuance of actual shares.
- Shares are issued only upon acceptance of a subscription and subject to payment of the price per share. The subscriber immediately receives a confirmation of his shareholding in accordance with the provisions that follow.

### (i) Registered shares

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

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

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

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

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

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

If such a shareholder does not provide an address, the Registrar and Transfer Agent may enter a remark to this effect in the Register of Shares; in this case,

the address of the registered office of the Registrar and Transfer Agent or another address entered in each instance by the Registrar and Transfer Agent is deemed to be the address of the shareholder until the shareholder provides the Registrar and Transfer Agent with another address. The shareholder may at any time change the address recorded in the Register of Shares by way of written notice, which must be sent to the Registrar and Transfer Agent or to another address specified for each instance by the Registrar and Transfer Agent.

### (ii) Bearer shares represented by global certificates

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

These global certificates are issued in the name of the Management Company and deposited with the clearing agents. The transferability of the bearer shares represented by a global certificate is subject to the respectively applicable laws, and to the regulations and procedures of the clearing agent undertaking the transfer. Investors receive the bearer shares represented by a global certificate when they are posted to the securities accounts of their financial intermediaries, which in turn are held directly or indirectly with the clearing agents. Such bearer shares represented by a global certificate are transferable according to and in compliance with the provisions contained in this Sales Prospectus, the regulations that apply on the respective exchange and/or the regulations of the respective clearing agent. Shareholders that do not participate in such a system can transfer bearer shares represented by a global certificate only via a financial intermediary participating in the settlement system of the corresponding clearing agent.

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

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

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



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

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

- A. The Management Company may at any time and at its sole and absolute discretion reject any direct or indirect subscription application or temporarily limit, suspend or permanently discontinue the issue of shares towards any subscribing investor, if such action should appear necessary in consideration of the interests of the shareholders or the public, or to protect the Investment Company or the shareholders. 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 Management Company.
- B. In this case, the Investment Company will promptly refund payments on subscription applications (without any interest payments) that have not yet been executed.
- C. The Management Company may at any time and in its sole discretion, restrict or prevent the ownership of shares in the Investment Company by a Prohibited Person.
- D. "Prohibited Person" means any person, firm or corporate entity, determined in the sole discretion of the Management Company as being not entitled to subscribe for or hold shares in the Investment Company or, as the case may be, in a specific sub-fund or share class, (i) if in the opinion of the Investment Company such holding may be detrimental to the Investment Company, (ii) it may result in a breach of any law or regulation, whether Luxembourg or foreign, (iii) if as a result thereof the Investment Company may become exposed to disadvantages of a tax, legal or financial nature that it would not have otherwise incurred or (iv) if such person, firm or corporate entity would not comply with the eligibility criteria of any existing share class.
- E. If at any time it shall come to the Management Company's attention that shares are beneficially owned by a Prohibited Person, either alone or with any other person and the Prohibited Person fails to comply with the instructions of the Management Company to sell its shares and to provide the Management Company with evidence of such sale within 30 calendar days after being so instructed by the Management Company, the Investment Company may in its sole discretion

compulsorily redeem such shares at the redemption amount immediately after the close of business specified in the notice given by the Management Company to the Prohibited Person of such compulsory redemption, the shares will be redeemed in accordance with their respective terms and such investor will cease to be the owner of such shares.

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

- A. Shares of the respective sub-fund are issued and redeemed on each valuation date. If different share classes are offered for a sub-fund, such issue and redemption shall also take place at the aforementioned times. The Investment Company may issue fractional shares. The respective special section of the Sales Prospectus contains information on the processed number of decimal places.
- B. Shares of the Investment Company are issued on the basis of subscription applications received by the Investment Company, a paying agent authorized by the Investment Company to issue and redeem shares of the Investment Company, or by the Transfer Agent.
- C. The number of shares to be issued is determined by subtracting the front-end load from the gross investment amount (total amount invested by the investor) and dividing the result by the applicable net asset value per share (gross method). For illustrative purposes this is shown by a sample calculation below<sup>4</sup>:

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

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

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

<sup>4</sup> Note The sample calculations are intended for illustrative purposes only and do not permit any conclusions to be drawn concerning the performance of the net asset value per share of the respective sub-fund.

special section of the Sales Prospectus may contain more precise regulations for individual sub-funds or share classes with respect to the timing of the payment of the issue amount.

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

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

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

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

E. Shareholders have the right to request the redemption of their shares through one of the paying agents, the Transfer Agent or the Management Company. Redemption will take place only on a valuation date and at the redemption amount. Insofar as the special section of the Sales Prospectus does not stipulate a dilution adjustment (see below) for individual sub-funds or for individual share classes within a sub-fund, the redemption amount per share will always correspond to the net asset value per share. Where a dilution adjustment (see below) is applicable, the redemption amount payable will be reduced by the amount of the dilution adjustment (see below) so that a net redemption amount is paid. The dilution adjustment is levied for the benefit of the sub-fund's assets. The counter value is paid out promptly after the applicable valuation date. Usually this is completed within 3 bank business days and in any case no later than within 5 bank business days. The value dates of each sub-fund are determined in the respective special section of the Sales Prospectus. The value dates refer to the payment between the Depositary and the account maintaining bank of the shareholder. The final credit to the investors account may in several distribution countries deviate due to different conventions. Any other payments to shareholders are also made through the aforementioned offices. Shares are redeemed at the redemption amount determined on the date on which the redemption orders are received, provided that the specified order acceptance deadlines were adhered to. Orders received after an order acceptance deadline will be treated as having been received before the next order acceptance deadline. The special section of the Sales Prospectus may contain different order acceptance deadlines applicable for individual sub-funds and for individual share classes.

#### Dilution Adjustment:

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

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

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

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

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

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

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

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

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

#### F. Redemption volume

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

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

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

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

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

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

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

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

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

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

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

H. The Investment Company may enter into nominee agreements with credit institutions, Professionals of the Financial Sector (“PSF”) in Luxembourg and/or comparable entities under the laws of other countries that are under obligation to identify shareholders. The nominee agreements give the respective institutes the right to sell shares and be entered as nominees in the Investment Company’s Register of Shares. The names of the nominees can be requested from the Investment Company at any time. The nominee shall accept buy, sell and exchange orders from the investors it works for and arrange for the required changes to be made in the Register of Shares. If there are no conflicting practical or legal considerations, an investor who acquired shares through a nominee can submit a written declaration to the Management Company or the Transfer Agent demanding that he himself be entered into the register as a shareholder once all necessary proofs of identity have been supplied.

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

A. The total net asset value of the Investment Company is expressed in euro.

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

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

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

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

- a) Securities and money market instruments listed on an exchange are valued at the most recent available price paid.
- b) Securities and money market instruments not listed on an exchange but traded on another organized securities 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 Investment Company and the Depositary 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.

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 fund shares/units contained in the sub-fund are valued at the most recent available redemption price that has been determined.

C. An income equalization account is maintained.

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

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

Partial Swing Pricing may be adopted to compensate for trading and other costs in case that the aforementioned in- or outflows have a material impact to the sub-fund.

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

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

The Swing Pricing Committee considers especially the following factors:

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

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

The Swing Pricing adjustment will not exceed 2% of the original net asset value. The adjustment to the net asset value is available on request from the Management Company. In a market environment with extreme illiquidity, the Management Company can increase the Swing Pricing adjustment above 2% of the original net asset value. Notice on such increase will be published on the website of the Management Company [www.dws.com/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 net asset value adjustment will only be applied occasionally.

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

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

F. The assets are allocated as follows:

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

G. By way of derogation from the preceding paragraphs the following can be applied for sub-funds that use SDU: the valuation of the derivatives and its underlying instruments can be processed at a deviant time at the corresponding valuation day of the respective sub-funds.

H. 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 Companies' 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 board of the Management Company or the board of the Investment Company for ultimate decision. The functions involved in the valuation process are hierarchically and functionally independent from the portfolio management function.

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

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

- A. The Investment Company has the right to suspend temporarily the issue and redemption of shares of one or more sub-funds, or one or more share classes, as well as the calculation of the NAV per share, if and while circumstances exist that make this suspension necessary and if the suspension is justified when taking into consideration the interests of the shareholders, in particular:
  - a) while an exchange or other regulated market on which a substantial portion of the securities of the particular sub-fund are traded is closed (excluding normal weekends and holidays) or when trading on that exchange has been suspended or restricted;

- b) in an emergency, if the Investment Company is unable to gain access to its investments or cannot freely transfer the transaction value of the sub-fund's purchases or sales or calculate the NAV per share in an orderly manner;
- c) if the assets available for acquisition on the market or the possibilities of disposing of assets of the sub-fund are limited because of the limited investment universe of the sub-fund;
- d) in the event that a sub-fund is feeder of another undertaking for collective investment (or a sub-fund thereof), if and so long the other undertaking for collective investment (or the relevant sub-fund thereof) has temporarily suspended the issue and redemption of its shares or the calculation of net asset value per share;
- e) in the event of a merger between a sub-fund and another sub-fund or another Undertaking for Collective Investment (or a sub-fund thereof), if a suspension is considered to be appropriate in order to protect the rights of the investors.
- B. Investors who have applied for redemption of shares will be informed promptly of the suspension and will then be notified immediately once the calculation of the net asset value per share is resumed. After resumption, investors will receive the redemption price that is then current.
- C. The suspension of the redemption and the exchange of shares, and of the calculation of the net asset value per share, shall have no effect on any other sub-fund.
- D. The beginning and end of a period of suspension is communicated to the Luxembourg supervisory authority and to all foreign supervisory authorities at which the respective sub-fund(s) has been registered in accordance with their respective regulations. Notice of suspension of the calculation of the NAV per share will be published on the website of the Management Company [www.dws.com/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.

## 8. Exchange of shares

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

- A. Within certain limitations shareholders may at any time exchange some or all of their shares for shares of a different sub-fund or shares of a different share class upon payment of an exchange commission plus any applicable issue taxes and levies. The exchange commission is calculated on the amount to be invested in the new sub-fund, it is charged for the benefit of the main distributor, which in turn may pass it on at its discretion. The main distributor may waive the commission. If the investor has his shares in the custody of a financial institution, that institution may charge additional fees and costs in excess of the exchange commission.
- B. Shareholders of share classes with the "PF" designator ("placement fee share classes") cannot at any time exchange any or all of their shares for shares of a different sub-fund or shares of a different share class of the same sub-fund. After a pre-defined amortization period of 3 years commencing on the date of subscription or the immediately following valuation date, pre-paid expenses assigned to a subscribed share of a placement fee share class are fully amortized and the relevant number of placement fee shares will be exchanged for a corresponding number of shares of the corresponding share class of the same sub-fund to avoid prolonged amortization. In this case no dilution adjustment is charged.
- C. It is possible to make exchanges between share classes that are denominated in different currencies provided that the Depository of the investor is able to process such an exchange request. The investors should note that not all service providers for custody are able to process the exchanges between share classes that are denominated in different currencies from an operational point of view.
- D. It is not possible to make exchanges between registered shares and bearer shares represented by a global certificate.
- E. The following applies for exchanges within the EUR/GBP/CHF/AUD/NZD/CAD/JPY/NOK/SEK/PLN/CZK/Russian ruble share classes (section 8. C. remains unaffected):
- The exchange commission equals to the front-end load less 0.5 percentage points, unless a share class or sub-fund without a front-end load is being exchanged for a share class or sub-fund with a front-end load. In that case, the exchange commission may correspond to the full front-end load.
- F. The following applies for exchanges within the USD/SGD/HKD/RMB share classes (section 8. C. remains unaffected):
- The commission for an exchange may amount to as much as 1% of the value of the target share, unless a share class or sub-fund without a front-end load is being exchanged for a share class or sub-fund with a front-end load. In that case, the exchange commission may correspond to the full front-end load.
- G. In case of an exchange, the characteristics of the chosen sub-fund/share class (e.g. minimum initial investment amount, institutional character of the investor) must be fulfilled. (In terms of the minimum initial investment amount the Management Company reserves the right to deviate from this rule at its own discretion).
- H. The number of shares that are issued in an exchange is based on the respective net asset value of the shares of the two relevant sub-funds on the valuation date on

which the exchange order was executed in consideration of any applicable exchange fees, and is calculated as follows:

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

where

A = the number of shares of the new sub-fund to which the shareholder will be entitled;

B = the number of shares of the original sub-fund whose exchange the shareholder has requested;

C = the net asset value per share of the shares to be exchanged;

D = applicable exchange commission in %;

E = the net asset value per share of the shares to be issued as a result of the exchange.

## 9. Allocation of income

For the reinvesting share classes, income is continuously reinvested in the assets of the sub-funds and allocated to the respective share classes. For the distributing share classes, the Board of Directors 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 the law. No distribution will reduce the Investment Company's capital to a level below its minimum capital.

## 10. Management Company, investment management, UCI-administration activity and distribution

- A. The Board of Directors of the Investment Company has appointed DWS Investment S.A. as Management Company.
- B. The Investment Company has entered into an investment management agreement with DWS Investment S.A. Performance of investment management service is subject to the Law of 2010. DWS Investment S.A. is a public limited company under Luxembourg law. It is established for an indeterminate time. The contract may be terminated by any of the parties on three months' notice. Administration covers all the tasks pertaining to joint investment management as specified in Annex II to the Law of 2010 (investment management, administration, distribution).
- C. The Investment Company's Board of Directors remains jointly responsible for investing the Investment Company's assets held in each sub-fund.
- D. The Management Company may, in compliance with the regulations of the Law of 2010, delegate one or more tasks to third parties under its supervision and control.

#### (i) Investment management

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

The respective fund manager designated for each sub-fund is specified in the respective special section of the Sales Prospectus. Subject to applicable legal requirements, regulatory approval and appropriate disclosure in the Sales Prospectus, the fund manager may delegate its fund management services in whole or in part, under its supervision, control and responsibility, and at its own expense.

#### (ii) 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 Management Company may, under its responsibility and at its own expense, delegate individual functions to third parties.

The Management Company carries out the following two functions of the UCI administration activity: (1) the registrar function and (2) the client communication function. In performing the tasks relating to the registrar function, the Management Company receives support from State Street Bank International GmbH, Munich and MorgenFund GmbH, Luxembourg Branch. State Street Bank International GmbH, Munich assumes, in particular, the tasks of administering the global certificate deposited with Clearstream Banking AG, Frankfurt am Main. 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.

In performing the tasks relating to the client communication function, the Management Company receives support from DWS Beteiligungs GmbH and MorgenFund GmbH, Luxembourg Branch.

In addition, the Management Company receives support from CACEIS Bank, Luxembourg Branch in performing the tasks relating to the registrar function and the client communication function.

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

#### (iii) Distribution

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

#### (iv) Accounting principles

The fund's financial statements are prepared and the net asset value calculated in accordance with the Luxembourg Generally Accepted Accounting Principles (LUX GAAP).

#### (v) Special Notice

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

#### (vi) Data protection and data transfer

The Management Company and its service providers store 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 (GDPR) and related implementing rules and guidelines issued by competent data protection- and financial authorities. Further information on the handling of personal data is available on the Management Company's website at <https://www.dws.com/en-lu/footer/legal-resources/privacy-notice/>.

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

## 11. The Depository

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

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

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

B 148 186. State Street Bank International GmbH is a member of the State Street group of companies having as their ultimate parent State Street Corporation, a U.S. publicly listed company.

### Depository's functions

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

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

### Depository's liability

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

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

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

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

The Depositary shall not be liable for consequential or indirect or special damages or losses, arising out of or in connection with the performance or non-performance by the Depositary of its duties and obligations.

### Delegation

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

The Depositary has delegated those safekeeping duties set out in article 22 (5) (a) of the UCITS Directive to State Street Bank and Trust Company with registered office at One Congress Street, Suite 1, Boston, Massachusetts 02114-2016, USA, whom it has appointed as its global sub-custodian. State Street Bank and Trust Company as global sub-custodian have appointed local sub-custodians within the State Street Global Custody Network.

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

## 12. Costs and services received

a) The Investment Company shall pay to the Management Company a fee from the assets of the sub-fund based on the respective sub-fund's net asset value calculated on the valuation date, in each case relative to the percentage of the sub-fund's assets attributable to the respective individual share class. For all share-classes of sub-funds launched before July 1, 2008, the fee of the Management Company does not exceed 2.1% p.a.; for share classes of sub-funds launched on July 1, 2008, or thereafter the fee of the Management Company may be up to 3% p.a. The current Management Company fee rates for the respective share classes are disclosed in the special section of the Sales 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.

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

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

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

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

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

annual report. In addition to this fee, the Registrar and Transfer Agent shall also receive compensation for costs and outlays incurred through activities in relation to the Registrar and Transfer Agent services not already covered by the fee.

- The Depositary fee for the custody of the Investment Company's assets, the amount of which is generally dependent on the assets held (excluding transaction costs incurred by the Depositary). The Investment Company and the Depositary shall set the specific amount of this fee in the Depositary agreement in accordance with customary market practice in Luxembourg. The exact amount of the fee charged may be viewed in the fund's annual report. In addition to this fee, the Depositary can/shall also receive compensation for costs and outlays incurred through activities not already covered by the fee.
- 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 UK, 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 Investment Company, 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.
  - Networking costs for the use of clearing systems. The costs incurred will be charged to the respective share class.
- The accumulated costs specified under (b) will not exceed the expense cap of 30%, 15% or 7.5% of the Management Company fee. The expense cap applicable to a sub-fund can be found in the respective sub-fund overview. Zero Cost Share Classes are excluded from the percentage expense cap application rule of article 12 b. A maximum cap is used instead.
- c) In addition to the aforementioned costs and remunerations, the following expenses may also be charged to the sub-funds:
- A service fee of up to 0.3% p.a. charged to the respective sub-fund. The amount of the service fee may differ depending on the sub-fund and share class. The service fees currently granted by the Investment Company are disclosed in the product annex for the respective share classes in the special section of the Sales Prospectus. The Service Fee could be completely or partly passed on to distributors.
  - The service functions of the main distributor include, in addition to selling the shares, the performance of other administrative duties reserved for the main administration of a fund in Luxembourg by law and supplementary regulations.
  - 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 administrator, the fund manager, the Depositary or the Transfer Agent, or by a third party appointed by the Management Company, when acting in the interests of the shareholders.
  - 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.
- d) The respective sub-fund pays 30% of the gross revenues generated from securities lending transactions as costs/fees to the Management Company and retains 70% of the gross revenues generated from such transactions. Out of the 30% the Management Company retains 5% for its own coordination and oversight tasks and pays the direct costs (e.g. transaction and collateral management costs) to external service providers. The remaining amount (after deduction of the Management Company costs and the direct costs) is paid to DWS Investment GmbH for initiating, preparing and executing 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 Sales Prospectus will be updated accordingly. The respective sub-fund will then pay up to 30% of the gross revenues generated from (reverse) repurchase agreements as costs/fees to the Management Company and retains at least 70% of the gross revenues generated from such transactions. Out of the maximum of 30% the Management Company will retain 5% for its own coordination and oversight tasks and will pay the direct costs (e.g. transaction and collateral management costs) to external service providers. The remaining amount (after deduction of the Management Company costs and the direct costs) will be paid to DWS Investment GmbH for initiating, preparing and executing (reverse) repurchase agreements.
- e) Where Total Return Swaps are used, certain costs and fees may be incurred in connection therewith, in particular upon entering into these transactions and/or any increase or decrease of their notional amount. The amount of such fees may be fixed or variable. Further information on costs and fees incurred by each sub-fund, as well as the identity of the recipients and any affiliation they may have with the Management Company, the fund manager, or the Depositary, if applicable, will be disclosed in the annual report. Revenues arising from the use of Total Return Swaps shall in general – net of direct or indirect operational costs – accrue to the respective sub-fund's assets.
- f) Shares of share classes with the "PF" designator are subject to a placement fee ("placement fee share classes"). The placement fee for each subscribed share amounts to up to 3% and is multiplied by the NAV per share on the date of subscription or the immediately following valuation date. The so calculated amount is levied on the relevant placement fee share class. On the valuation date immediately following the date of subscription, the placement fee for each subscribed share of the relevant placement fee share class is paid out as compensation for the distribution of the share class and at the same time booked as an accounting position (pre-paid expenses), reflected in the NAV per share of the relevant placement fee share class only. The NAV per share of the placement fee share class on the respective valuation date is therefore not affected by the payment of the placement fee. The overall position of pre-paid expenses is then amortized on a daily basis. After a pre-defined amortization period of 3 years commencing on the date of subscription or the immediately following valuation date, pre-paid expenses assigned to a subscribed share of a placement fee share class are fully amortized.
- g) Costs incurred for marketing activities are not charged to the Investment Company.
- h) Fees are paid out at the end of the month. All costs shall first be deducted from current income, then from capital gains and lastly from the assets of the sub-fund. The specified costs are listed in the annual reports.
- i) Investment in shares of target funds  
Investments in target funds may lead to duplicate costs, since fees are incurred at the level of the sub-fund as well as at the level of a target fund. Regarding investments in shares of target funds the following costs are directly or indirectly borne by the investors of the sub-fund:
- the management fee/all-in fee of the target fund;
  - the performance fees of the target fund;
  - the front-end load and back-end load of the target fund;
  - reimbursements of expenses of the target fund;
  - other costs.



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

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

If a sub-fund invests a substantial proportion of its assets in other 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 other UCITS and/or other UCIs in which it intends to invest, shall be disclosed in the relevant special section of the Sales 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 Sales Prospectus.

### 13. Taxes

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

This rate is 0.01% for:

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

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

The tax rate applicable to a sub-fund or share class can be found in the respective special section of the Sales Prospectus.

- b) The sub-fund's income may be subject to withholding tax in the countries where the sub-fund's assets are invested. In such cases, neither the Depositary nor the Management Company is required to obtain tax certificates.
- c) The tax treatment of fund income at investor level is dependent on the individual tax regulations applicable to the investor. For information about individual taxation at investor level (especially non-resident investors), a tax adviser should be consulted.

#### (i) UK Taxation

The Directors intend to apply for reporting fund status in respect of RD and DS share classes and exceptionally also certain other 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 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 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.

The UK offshore funds regime is now contained in the Offshore Funds (Tax) Regulations 2009 (Statutory Instrument 2009/3001).

For a UK taxpayer to benefit from capital gains tax treatment on the disposal of their investment in a share class in this sub-fund, that class must be certified as a "reporting fund" (and previously, where relevant, a "distributing fund") in respect of all accounting periods during which the UK taxpayer owned the shares.

HMRC maintains a list of offshore funds with reporting fund status at [www.hmrc.gov.uk/collective/rep-funds.xls](http://www.hmrc.gov.uk/collective/rep-funds.xls). 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, in order to comply with the requirements of the reporting funds regime, it will be necessary to report to both investors and HMRC the income attributable to that share class for each relevant accounting period. Where the reported income exceeds what has been distributed to investors, then that excess will be treated as additional distributions to the investors and investors will be liable to tax accordingly.

Dividends paid (and any retained income reported) to a UK resident individual will constitute a dividend (with a notional dividend tax credit attached) for UK income tax purposes and will generally be taxable. Dividends paid (and any retained income reported) to a UK resident company will also constitute dividend income in its hands and will generally be exempt from tax.

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 DWS Invest should take specific advice.

The intended category of investors for the share class registered in the UK is retail investors. The shares in it will be widely available and marketed and made available sufficiently widely to reach them and in a manner appropriate to attract them.

### 14. Shareholders' meetings

- A. The shareholders' meeting represents the entire body of shareholders, regardless of which particular sub-fund a shareholder has invested in. It shall have the power to take decisions on all matters pertaining to the Investment Company. Resolutions passed at a shareholders' meeting on matters pertaining to the Investment Company as a whole shall be binding upon all shareholders.
- B. The shareholders' meetings take place annually at the registered office of the Investment Company or at any other place determined in the invitation. They are generally held on every fourth Wednesday in April of each year at 11:00 AM CET. In years when such fourth Wednesday in April falls on a bank holiday, the Shareholders' Meeting will be held on the next bank business day. Shareholders may appoint proxies to represent them at a shareholders' meeting.
- C. The shareholders of a sub-fund can also hold a shareholders' 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 shareholders' meeting at any time in order to decide on actions pertaining exclusively to that share class.
- D. Resolutions are passed by simple majority of the shares represented in person or by proxy and actually voted at the meeting. In all other aspects, the Law on Trading Companies of August 10, 1915, applies. Subject to Clause 2.D.(c), each share of any share class is entitled to one vote, in accordance with Luxembourg law and the articles of incorporation.

E. Invitations to general and extraordinary shareholders' meetings are published at least fifteen days before the meeting in the Recueil Electronique des Sociétés et Associations ("RESA") of the Trade and Companies Register, in a Luxembourg 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.

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

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

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

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

### A. Establishment

Resolutions to establish sub-funds or Share Classes are adopted by the Board of Directors.

### B. Closing

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

of the respective sub-fund according to their entitlement. The net proceeds of liquidation not collected by shareholders upon completion of the liquidation proceedings will at that time be deposited by the Depositary with the Caisse de Consignation in Luxembourg for the account of shareholders entitled to them, where such amounts will be forfeited if not claimed by the statutory deadline.

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

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

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

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

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

the ratio of the net asset values per unit of the (sub-)funds or UCITS as the case may be, involved at the time of the merger, with a provision for settlement of fractions if necessary.

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

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

## 16. Dissolution or merger of the Investment Company

A. The Investment Company can be dissolved at any time by the Shareholders' Meeting. The quorum required by law is necessary for such resolutions to be valid.

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

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

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

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

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

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

## 17. Publications

- A. The net asset value per share may be obtained from the Management Company and all paying agents and it may be published in each distribution country through appropriate media (such as the Internet, electronic information systems, newspapers, etc.). In order to provide better information for the investors and to satisfy different customary market practices, the Management Company may also publish an issue/redemption price in consideration of a front-end load and redemption fee. Such information may be obtained from the Investment Company, the Management Company, the Transfer Agent, or the sales agent on every day such information is published.
- B. The Investment Company produces an audited annual report and a semi-annual report according to the laws of the Grand Duchy of Luxembourg which are available for inspection at the registered office of the Investment Company.
- C. The Sales Prospectus, the articles of incorporation, and the annual and semi-annual reports are available free of charge to shareholders at the registered office of the Investment Company and at all sales and paying agents. Copies of the following documents may also be inspected free of charge on any bank business day in Luxembourg during customary business hours at the registered office of the company at 2, Boulevard Konrad Adenauer, 1115 Luxembourg, Grand Duchy of Luxembourg:

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

D. Important information will be disclosed to the investors on the website of the Management Company [www.dws.com/](http://www.dws.com/) fund information. 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 Trade and Companies Register (RESA).

## 18. Incorporation, fiscal year, term

The Investment Company was established on March 15, 2002, for an indeterminate period. Its fiscal year ends on December 31 of each year.

## 19. Exchanges and markets

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

DWS Invest Chinese Equities:

- Stuttgart Stock Exchange (Börse Stuttgart)

The possibility that such trading might be discontinued at short notice, or that the shares of the sub-funds may be trading or introduced for trading on other markets – including at short notice, where applicable – cannot be excluded. The Management Company has no knowledge of this.

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

## B. Sales Prospectus – Special Section

### DWS Invest Chinese Equities

<b>Investor profile</b>	Risk-tolerant
<b>Currency of sub-fund</b>	EUR
<b>Sub-fund manager</b>	DWS Investment GmbH and as sub-manager DWS Investments Hong Kong Limited, Level 60, International Commerce Centre, 1 Austin Road West, Kowloon, Hong Kong.
<b>Performance benchmark</b>	MSCI China 10/40 Index in EUR, administered by MSCI Limited.
<b>Reference portfolio (risk benchmark)</b>	MSCI China 10/40 Index in EUR
<b>Leverage effect</b>	2 times the value of the investment sub-fund's assets
<b>Calculation of the NAV per share</b>	Each bank business day in Grand Duchy of Luxembourg that is also an exchange trading day on the Hong Kong Stock Exchange. A bank business day is any day on which banks are open for business and payments are processed.
<b>Swing Pricing</b>	The sub-fund may apply Swing Pricing. If implemented, it will be disclosed in the fund facts section on the website of the Management Company <a href="http://www.dws.com/fundinformation">www.dws.com/fundinformation</a> .
<b>Order acceptance</b>	All subscription, redemption and exchange orders are placed on the basis of an unknown net asset value per share. Orders received by the Transfer Agent at or before <b>4:00 PM Luxembourg time</b> on a valuation date are processed on the basis of the net asset value per share on the subsequent valuation date. Orders received after <b>4:00 PM Luxembourg time</b> are processed on the basis of the net asset value per share on the valuation date immediately following that next valuation date.
<b>Value date</b>	In a purchase, the equivalent value is debited three bank business days after issue of the shares. The equivalent value is credited three bank business days after redemption of the shares. The value date for purchase and redemption orders of certain currencies may deviate by one day from the value date as specified in the description of share classes in the general section of the Sales Prospectus.
<b>Fractional shares</b>	Up to three places after the decimal point
<b>Performance fee</b>	Yes, for certain share classes and in accordance with the methodology described below.
<b>Expense cap</b>	Not to exceed 15% of the Management Company fee

### Overview of the share classes

<b>Currency of the share class</b>	LC, NC, FC, TFC USD LC, USD FC, USD TFC GBP D RD	EUR USD GBP
<b>Front-end load (payable by the investor)</b>	LC, USD LC NC FC, USD FC, GBP D RD, TFC, USD TFC	up to 5% up to 3% 0%
<b>Management Company Fee p.a. (payable by the sub-fund)*</b>	LC NC FC, TFC USD LC USD FC, GBP D RD, USD TFC	up to 1.5% plus an additional performance fee up to 2% plus an additional performance fee up to 0.75% plus an additional performance fee up to 1.7% up to 0.85%
<b>Service Fee p.a. (payable by the sub-fund)*</b>	LC, FC, USD LC, USD FC, GBP D RD, TFC, USD TFC NC	0% 0.2%
<b>Taxe d'abonnement p.a. (payable by the sub-fund)</b>	LC, NC, FC, USD LC, USD FC, GBP D RD, TFC, USD TFC	0.05%
<b>Launch date</b>	LC, NC, FC, USD LC, USD FC GBP D RD TFC, USD TFC	December 15, 2006 December 21, 2007 December 5, 2017

\* For additional costs, see article 12 in the general section of the Sales Prospectus.

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Due to its composition and the techniques applied by its fund management, the sub-fund is subject to **markedly increased volatility**, which means that the price per share may be subject to substantial downward or upward fluctuation, even within short periods of time. **The sub-fund is therefore only suitable for experienced and risk-tolerant investors who are familiar with the opportunities and risks of volatile investments and who are in a position to temporarily bear substantial losses. A medium to long-term investment horizon is recommended for this sub-fund. Investors should be in a position to bear potentially substantial losses. The sub-fund pursues an investment policy focused on opportunities, and is particularly suited for inclusion in a highly diversified investment portfolio.**

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

### Investment policy

The objective of the investment policy of DWS Invest Chinese Equities is to participate in the opportunities presented by the emerging country China (including Hong Kong) and to achieve sustained capital appreciation that exceeds the benchmark for the sub-fund (MSCI China 10/40 (EUR)).

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

A maximum of 30% of the sub-fund's assets may be invested in shares, stock certificates, convertible bonds and warrant-linked bonds whose underlying warrants are for securities, participation and dividend-right certificates, and equity warrants issued by global entities that do not satisfy the requirements of the preceding paragraph, as well as in all other permissible assets specified in article 2 of the general section of the Sales Prospectus.

Notwithstanding the investment limit of 10% specified in article 2 B. (i) concerning investments in shares of other UCITS and/or other UCIs as defined in article 2 A. (e), an investment limit of 5% shall apply to this sub-fund.

The sub-fund may invest in money market instruments, deposits with credit institutions and up to 5% in money market funds. The investment in money market instruments, money market funds, deposits with credit institutions and the holding of ancillary liquid assets, as referred to below, will not in aggregate exceed 30% of the sub-fund's 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 unitholder.

#### Additional Exclusions:

When making its investment decisions, the sub-fund management examines the following assessment categories and excludes issuers (or companies) depending on the respective assessment result from the investment universe.

The DWS ESG database uses data from multiple ESG data providers, public sources and/or internal assessments to derive combined scores. The DWS ESG database derives letter coded scores within assessment approaches. Individual assessment approaches are based on a letter scale from "A" to "F", with "A" representing the highest score and "F" representing the lowest score on the scale. Within other assessment approaches, the DWS ESG database provides separate assessments, including one related to revenue earned from controversial sectors or the degree of involvement in the controversial weapons. If an issuer's score in one assessment approach is deemed insufficient, the sub-fund is prohibited from investing in that issuer or that asset, even if this issuer or this asset would in general be eligible according to other assessment approaches.

For the sub-fund, the sub-fund management considers the following assessment approaches: the DWS Climate and Transition Risk Assessment, the DWS Norm Assessment, the exposure to controversial sectors and the DWS exclusions for controversial weapons. The exclusions shown below do not apply to investments in target funds.

#### DWS Climate and Transition Risk Assessment:

The DWS Climate and Transition Risk Assessment evaluates issuers in the context to climate change and environmental changes, for example with respect to greenhouse gas reduction and water conservation. Issuers that contribute less to climate change and other negative environmental changes or are less exposed to such risks receive higher scores. Issuers with an excessive climate and transition risk profile (i.e., a letter score of "F") are excluded as an investment. This does not apply to use-of-proceeds bonds whose proceeds are used to (re-)finance environmental and/or social projects.

#### DWS Norm Assessment:

The DWS Norm Assessment evaluates the behaviour of companies, for example, within the framework of the principles of the United Nations Global Compact (UN Global Compact), the standards of the International Labour Organization, and behaviour within generally accepted international standards and principles. The DWS Norm Assessment examines, for example, human rights violations, violations of workers' rights, child or forced labour, adverse environmental impacts and business ethics. Companies with the worst DWS Norm Assessment score (i.e., a letter score of "F") are excluded as an investment.

#### Exposure to controversial sectors:

Investments in companies that generate 25% or more of their revenues from the mining of thermal coal (i.e., coal that is used in power stations to generate power) and from thermal coal-based power generation are excluded. This does not apply to use-of-proceeds bonds whose proceeds are used to (re-)finance environmental and/or social projects.

The sub-fund also excludes companies with thermal coal expansion plans, such as additional coal mining, production or usage, based on an internal identification methodology. Rare and exceptional circumstances, such as measures imposed by a government to address challenges in the energy sector, may result in the temporary suspension of the exclusion criterion.

#### DWS exclusions for controversial weapons:

Investments in companies that are identified as manufacturers or manufacturers of key components of anti-personnel mines, cluster munitions, chemical weapons and biological weapons are excluded.

In addition, the shareholdings within a group structure can also be taken into consideration for the exclusions.

The sub-fund does not promote any environmental or social characteristics and does not pursue a sustainable investment objective.

In accordance with article 7 (1) of Regulation (EU) 2019/2088 on sustainability related disclosures in the financial services sector, the following is disclosed for the sub-fund: The principal adverse impacts on sustainability factors are not considered separately by the sub-fund management for this financial product as the investment strategy does not pursue environmental or social characteristics.

The following is the disclosure in accordance with article 7 of Regulation (EU) 2020/852 of June 18, 2020, on the establishment of a framework to facilitate sustainable investment: The investments underlying this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

The sub-fund will not invest in contingent convertibles.

The Management Company currently does not intend to enter into any securities lending or (reverse) repurchase transactions or other similar over-the-counter transactions in respect of the sub-fund.

For the purpose of inducing a partial tax exemption within the meaning of the German Investment Tax Act and in addition to the investment limits described in the Articles of Incorporation and this Sales Prospectus (equity fund) at least 51% of the sub-fund's gross assets (determined as being the value of the sub-fund's assets without taking into account liabilities) are invested in equities admitted to official trading on a stock exchange or admitted to, or included in, another organized market and which are not:

- units of investment funds;
- equities indirectly held via partnerships;
- units of corporations, associations of persons or estates at least 75% of the gross assets of which consist of immovable property in accordance with statutory provisions or their investment conditions, if such corporations, associations of persons or estates are subject to corporate income tax of at least 15% and are not exempt from it or if their distributions are subject to tax of at least 15% and the sub-fund is not exempt from said taxation;
- units of corporations which are exempt from corporate income taxation to the extent they conduct distributions unless such distributions are subject to taxation at a minimum rate of 15% and the sub-fund is not exempt from said taxation;
- units of corporations the income of which originates, directly or indirectly, to an extent of more than 10%, from units of corporations, that are (i) real estate companies or (ii) are not real estate companies, but (a) are domiciled in member state of the European Union or a member state of the European Economic Area and are not subject in said domicile to corporate income tax or are exempt from it or (b) are domiciled in a third country and are not subject in said domicile to corporate income tax of at least 15% or are exempt from it;

- units of corporations which hold, directly or indirectly, units of corporations, that are (i) real estate companies or (ii) are not real estate companies, but (a) are domiciled in a member state of the European Union or a member state of the European Economic Area and are not subject in said domicile to corporate income tax or are exempt from it or (b) are domiciled in a third country and are not subject in said domicile to corporate income tax of at least 15% or are exempt from it if the fair market value of units of such corporations equal more than 10% of the fair market value of those corporations.

For the purpose of this investment policy and in accordance with the definition in the German Investment Code (KAGB), an organized market is a market which is recognized, open to the public and which functions correctly, unless expressly specified otherwise. Such organized market also meets the criteria of article 50 of the UCITS Directive.

The respective risks connected with investments in this sub-fund are disclosed in the general section of the Sales Prospectus.

### Consideration of sustainability risks

The sub-fund management considers sustainability risks into its investment decisions as described in the general section of the sales prospectus in the section entitled "Consideration of sustainability risks and the principal adverse impacts on sustainability factors".

### Performance fee

The Management Company receives a performance fee for the share classes LC, NC, FC and TFC. The amount of the performance fee is up to 25% of the amount by which the performance of the asset value of a share class (less all costs) exceeds the performance of the MSCI China 10/40 Index in EUR (benchmark); such amount shall, however, not exceed 4% of the average net asset value of the respective share class during the settlement period. The reference period for the performance, at the end of which the mechanism for compensating for an earlier negatively deviating performance can be initiated, commences upon the inception of the relevant share class and corresponds to five years.

The benchmark is a net return index that replicates the performance of equities in Chinese emerging markets. It is therefore suitable as a benchmark for the performance of this sub-fund.

The performance fee is determined on each valuation date when calculating the net asset value, less all costs and taking into account the average number of units in circulation. If the performance of the asset value per share of the respective share class (less all costs) in accordance with the comparison carried out each valuation date is above the performance of the benchmark (positive performance) and if, additionally, a possible negative deviation from the past 5 years has been offset, any performance fee accrued is deferred. If the performance of the asset value per share of the respective share class (less all costs) in

accordance with the comparison carried out each valuation date is below the performance of the benchmark (negative performance), any previously deferred performance fee is reversed again on a pro rata basis.

A deferred performance fee is generally credited to the respective recipient on an annual basis if the performance of the asset value per share of the respective share class at the end of the settlement period is above the performance of the benchmark.

The settlement period commences on January 1 and ends on December 31 of each calendar year. The first settlement period commences upon the calculation of the first asset value per share of the respective share class. If the sub-fund or a share class is closed or merged during the settlement period or if units are redeemed or exchanged by the investors and a performance fee is accrued for the units affected by this, the performance fee is credited to the recipient on a pro rata basis up to the date of the closure or merger or up to the date on which the units were returned or exchanged.

**The performance fee can also be withdrawn if the asset value per share at the end of the settlement period falls below the asset value per share at the beginning of the settlement period, provided the performance of the asset value per share exceeds that of the benchmark.**

The performance fee is paid out at the expense of and in the currency of the respective share class. It is exclusive of any value-added tax payable.

The Management Company shall pass on any accruing performance fee to the sub-fund manager.

The benchmark is administered by MSCI Limited. MSCI Limited is not registered in the public register of benchmark administrators and of third country benchmarks at the European Securities and Markets Authority (ESMA) but does currently profit from regulatory prescribed transitional arrangements. The Management Company has drawn up robust written plans in which it sets out measures that it would take if the benchmark changes substantially or is no longer provided. In this case, the Management Company will define another comparable benchmark that will take the place of the named benchmark.

### 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 are expected to be components of 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. The strategy offers investors broad access to the Chinese equity markets. In regard to the benchmark the sub-fund offers a broader risk diversification approach (e.g. by avoiding high single stock rates). Due to the characteristic of the Chinese market (e.g. dominated by relatively few companies), the deviation of the portfolio from the benchmark is typically relatively low. Despite the fact that the sub-fund aims to outperform the benchmark, the potential outperformance might be limited depending on the prevailing market environment (e.g. less volatile market environment) and actual positioning versus the benchmark.

### Redemption volume

Contrary to the general rule regarding substantial redemptions as described in detail in section 5. F of the general section of the Sales Prospectus, the following applies to this sub-fund:

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

The Management Company is under no obligation to execute redemption requests if any such request pertains to shares valued in excess of 10% of the net asset value of a sub-fund. The Management Company reserves the right, taking into account the principle of equal treatment of all shareholders, to dispense with minimum redemption amounts (if provided for).

Special procedure for redemptions valued in excess of 10% of the net asset value of a sub-fund.

If redemption requests are received on a valuation date (the "First Valuation Date") whose value, individually or together with other requests received, is in excess of 10% of the net asset value of a sub-fund, the Board of Directors reserves the right, at its own discretion (and taking into consideration the interests of the remaining shareholders), to reduce the number of shares of every individual redemption request on a pro-rata basis for this First Valuation Date, so that the value of the shares redeemed or exchanged on this First Valuation Date does not exceed 10% of the net asset value of the respective sub-fund. If as a result of the exercise of the right to effect a pro-rata reduction on this First Valuation Date, a redemption request is not executed in full, such request must be treated with respect of the unexecuted portion as though the shareholder submitted a further redemption request for the next valuation date, and if necessary, for the at most seven subsequent valuation dates as well. Requests received for the First Valuation Date are processed on a priority basis over any subsequent requests that are received for redemption on the subsequent valuation dates. Subject to this reservation, however, redemption requests received at a later time are processed as specified in the preceding sentence.

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

The Management Company has the right to carry out substantial redemptions only once the corresponding assets of the sub-fund have been sold without delay.

### Specific risks

Because the sub-fund is specialized on companies operating in China, it presents increased opportunities, but these opportunities are countered by equally elevated risks. Chinese exchanges and markets are sometimes subject to substantial fluctuations. The sub-fund is suitable for risk-tolerant investors who are familiar with the opportunities and risks of volatile investments.

### Risk management

The relative Value-at-Risk (VaR) approach is used to limit market risk in the sub-fund.

In addition to the provisions of the general section of the Sales Prospectus, the potential market risk of the sub-fund is measured using a reference portfolio that does not contain derivatives ("risk benchmark").

Leverage is not expected to exceed twice the value of the investment sub-fund's assets. The leverage effect is calculated using the sum of notional approach (absolute (notional) amount of each derivative position divided by the net present value of the portfolio). However, the disclosed expected level of leverage is not intended to be an additional exposure limit for the sub-fund.

### Investment in shares of target funds

In addition to the information in the general section of the Sales Prospectus the following is applicable to this sub-fund:

When investing in target funds associated to the sub-fund, the part of the management fee attributable to shares of these target funds is reduced by the management fee/all-in fee of the acquired target funds, and as the case may be, up to the full amount (difference method).

Sample calculation of the performance fee:

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
Average no. of shares	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00
No. of shares	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00
Average fund assets	99,000.00	98,500.00	104,500.00	108,562.50	119,000.00	124,875.00
Share class NAV (beginning)	100.00	98.00	99.00	109.13	108.00	129.75
Share class NAV (end before performance fee)	98.00	99.00	110.00	108.00	130.00	120.00
Benchmark (beginning)	100.00	98.00	99.00	109.13	108.00	129.75
Benchmark (end)	99.00	98.50	105.00	115.00	120.00	118.00
Performance fee rate	25%	25%	25%	25%	25%	25%
Performance fee rate (effective)	20%	20%	20%	20%	20%	20%
Performance fee applicable	No	No	Yes	No	Yes	Yes
(NAV– Benchmark) * Performance fee rate	-0.250	0.125	1.250	-1.750	2.500	0.500
(NAV– Benchmark) * Performance fee rate (effective)	-0.200	0.100	1.000	-1.400	2.000	0.400
Carry forward per share	0.000	-0.250	-0.125	0.000	-1.750	0.000
Performance fee (before cap)	0.000	0.000	875.000	0.000	250.000	400.000
Performance fee per share (before cap)	0.000	0.000	0.875	0.000	0.250	0.400
Cap: 4%	3,960.00	3,940.00	4,180.00	4,342.50	4,760.00	4,995.00
Performance fee (after cap)	0.000	0.000	875.000	0.000	250.000	400.000
Performance fee per share (after cap)	0.000	0.000	0.875	0.000	0.250	0.400
Final NAV	98.00	99.00	109.13	108.00	129.75	119.60

#### Year 1

The performance of the share class is lower than the performance of the benchmark. No performance fee is accrued. A negative carry-forward per share of -0.250 occurs that is considered in year 2.

#### Year 2

The performance of the share class exceeds the performance of the benchmark but cannot offset the negative carry-forward per share of -0.250 from year 1. No performance fee is accrued. The negative carry-forward per share of -0.250 from year 1 is reduced to -0.125 and is considered in year 3.

#### Year 3

The performance of the share class exceeds the performance of the benchmark and can offset the negative carry-forward per share of -0.125 from year 2. A performance fee is accrued.

#### Year 4

The performance of the share class is lower than the performance of the benchmark. No performance fee is accrued. A negative carry-forward per share of -1.750 occurs that is considered in year 5.

#### Year 5

The performance of the share class exceeds the performance of the benchmark and can offset the negative carry-forward per share of -1.750 from year 4. A performance fee is accrued.

#### Year 6

The share class price decreases but the performance of the share class exceeds the performance of the benchmark. A performance fee is accrued.



## DWS Invest Asian Bonds

<b>Investor profile</b>	Risk-tolerant
<b>Currency of sub-fund</b>	USD
<b>Sub-fund manager</b>	DWS Investment GmbH and as sub-manager DWS Investments Hong Kong Limited, Level 60, International Commerce Centre, 1 Austin Road West, Kowloon, Hong Kong.
<b>Performance benchmark</b>	JACI Asia Pacific Credit Index, administered by J. P. Morgan Securities LLC
<b>Reference portfolio (risk benchmark)</b>	JACI Asia Pacific Credit Index
<b>Leverage effect</b>	2 times the value of the investment sub-fund's assets
<b>Calculation of the NAV per share</b>	Each bank business day in Grand Duchy of Luxembourg that is also an exchange trading day on the Hong Kong Stock Exchange. A bank business day is any day on which banks are open for business and payments are processed.
<b>Swing Pricing</b>	The sub-fund may apply Swing Pricing. If implemented, it will be disclosed in the fund facts section on the website of the Management Company <a href="http://www.dws.com/fundinformation">www.dws.com/fundinformation</a> .
<b>Order acceptance</b>	All subscription, redemption and exchange orders are placed on the basis of an unknown net asset value per share. Orders received by the Transfer Agent at or before <b>4:00 PM Luxembourg time</b> on a valuation date are processed on the basis of the net asset value per share on the subsequent valuation date. Orders received after <b>4:00 PM Luxembourg time</b> are processed on the basis of the net asset value per share on the valuation date immediately following that next valuation date.
<b>Value date</b>	In a purchase, the equivalent value is debited three bank business days after issue of the shares. The equivalent value is credited three bank business days after redemption of the shares. The value date for purchase and redemption orders of certain currencies may deviate by one day from the value date as specified in the description of share classes in the general section of the Sales Prospectus.
<b>Fractional shares</b>	Up to three places after the decimal point
<b>Expense cap</b>	Not to exceed 15% of the Management Company fee

### Overview of the share classes

<b>Currency of the share class</b>	FCH, LDH, TFCH, TFDH, LCH, IDH**, LDMH, TFDMH, NCH, FCH500, NDH, PFDH, FCH50 USD FC, USD LDM, USD IC, USD IC500, USD XC, USD TFC, USD LC, USD FC50, USD TFDM HKD LDM, HKD LDMH, HKD TFDMH SGD LDM, SGD LDMH, SGD TFDMH AUD LDMH, AUD TFDMH RMB FCH3500, RMB FCH350 CHF LCH, CHF TFCH GBP TFDMH	EUR USD HKD SGD AUD CNY CHF GBP
<b>Front-end load (payable by the investor)</b>	FCH, USD FC, USD IC, USD IC500, USD XC, TFCH, TFDH, USD TFC, IDH**, HKD TFDMH, SGD TFDMH, TFDMH, USD FC50, USD TFDM, RMB FCH3500, RMB FCH350, CHF TFCH, FCH500, GBP TFDMH, PFDH, AUD TFDMH, FCH50 LDH, USD LDM, LCH, USD LC, HKD LDM, HKD LDMH, SGD LDM, SGD LDMH, AUD LDMH, LDMH, CHF LCH NCH, NDH	0% up to 3% up to 1.5%
<b>Management Company Fee p.a. (payable by the sub-fund)*</b>	FCH, USD FC, TFCH, TFDH, USD TFC, HKD TFDMH, SGD TFDMH, TFDMH, USD TFDM, CHF TFCH, GBP TFDMH, AUD TFDMH LDH, USD LDM, LCH, USD LC, HKD LDM, SGD LDM, HKD LDMH, SGD LDMH, AUD LDMH, LDMH, CHF LCH NCH, NDH USD IC, IDH** USD IC500 USD XC, RMB FCH3500, FCH500 USD FC50, RMB FCH350, FCH50 PFDH	up to 0.6% up to 1.1% up to 1.4% up to 0.4% up to 0.15% up to 0.2% up to 0.3% up to 0.8%



The sub-fund will invest less than 30% of its assets in unrated securities.

The sub-fund may invest no more than 10% of its net asset value in interest-bearing securities issued and/or guaranteed by a single sovereign issuer (including its government, public or local authority, government agency, or municipal) which is below investment grade.

Up to 5% of the sub-fund's assets may be invested in instruments with loss-absorption features which typically include terms and conditions specifying that the instrument is subject to being written off, written down, or converted to ordinary shares on the occurrence of a trigger event.

In compliance with the investment limits specified in article 2 B. of the general section of the Sales Prospectus, the investment policy may also be implemented through the use of suitable derivative financial instruments. These derivative financial instruments may include, among others, options, forwards, futures, futures contracts on financial instruments and options on such contracts, as well as privately negotiated OTC contracts on any type of financial instrument, including swaps, forward-starting swaps, inflation swaps, total return swaps, excess return swaps, swaptions, constant maturity swaps and credit default swaps.

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 49% 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 unitholder.

The sub-fund will not invest in ABS or MBS securities.

#### Credit Ratings

Security rating grades are classified as follows:

- Investment grade securities: S&P/Fitch: rating BBB- or better; Moody's: rating Baa3 or better.
- Non-investment grade securities: securities that are rated worse than investment grade.
- Distressed securities: non-investment grade securities that are rated as: S&P/Fitch: rating CC or worse; Moody's: rating Ca or worse.

In case of a split rating involving multiple of the above rating agencies, the average rating will be used for the rating classification. If a security only has one rating, the single rating will be used. If there is no official rating, an internal rating may be applied in accordance with DWS internal guidelines.

#### Additional Exclusions:

When making its investment decisions, the sub-fund management examines the following assessment categories and excludes issuers (or companies) depending on the respective assessment result from the investment universe.

The DWS ESG database uses data from multiple ESG data providers, public sources and/or internal assessments to derive combined scores. The DWS ESG database derives letter coded scores within assessment approaches. Individual assessment approaches are based on a letter scale from "A" to "F", with "A" representing the highest score and "F" representing the lowest score on the scale. Within other assessment approaches, the DWS ESG database provides separate assessments, including one related to revenue earned from controversial sectors or the degree of involvement in the controversial weapons. If an issuer's score in one assessment approach is deemed insufficient, the sub-fund is prohibited from investing in that issuer or that asset, even if this issuer or this asset would in general be eligible according to other assessment approaches.

For the sub-fund, the sub-fund management considers the following assessment approaches: the DWS Climate and Transition Risk Assessment, the DWS Norm Assessment, the exposure to controversial sectors and the DWS exclusions for controversial weapons. The exclusions shown below do not apply to investments in target funds.

#### DWS Climate and Transition Risk Assessment:

The DWS Climate and Transition Risk Assessment evaluates issuers in the context to climate change and environmental changes, for example with respect to greenhouse gas reduction and water conservation. Issuers that contribute less to climate change and other negative environmental changes or are less exposed to such risks receive higher scores. Issuers with an excessive climate and transition risk profile (i.e., a letter score of "F") are excluded as an investment. This does not apply to use-of-proceeds bonds whose proceeds are used to (re-)finance environmental and/or social projects.

#### DWS Norm Assessment:

The DWS Norm Assessment evaluates the behaviour of companies, for example, within the framework of the principles of the United Nations Global Compact (UN Global Compact), the standards of the International Labour Organization, and behaviour within generally accepted international standards and principles. The DWS Norm Assessment examines, for example, human rights violations, violations of workers' rights, child or forced labour, adverse environmental impacts and business ethics. Companies with the worst DWS Norm Assessment score (i.e., a letter score of "F") are excluded as an investment.

#### Exposure to controversial sectors:

Investments in companies that generate 25% or more of their revenues from the mining of thermal coal (i.e., coal that is used in power stations to generate power) and from thermal coal-based power generation are excluded. This does not apply to use-of-proceeds bonds whose proceeds are used to (re-)finance environmental and/or social projects.

The sub-fund also excludes companies with thermal coal expansion plans, such as additional coal mining, production or usage, based on an internal identification methodology. Rare and exceptional circumstances, such as measures imposed by a government to address challenges in the energy sector, may result in the temporary suspension of the exclusion criterion.

#### DWS exclusions for controversial weapons:

Investments in companies that are identified as manufacturers or manufacturers of key components of anti-personnel mines, cluster munitions, chemical weapons and biological weapons are excluded.

In addition, the shareholdings within a group structure can also be taken into consideration for the exclusions.

The sub-fund does not promote any environmental or social characteristics and does not pursue a sustainable investment objective.

In accordance with article 7 (1) of Regulation (EU) 2019/2088 on sustainability related disclosures in the financial services sector, the following is disclosed for the sub-fund: The principal adverse impacts on sustainability factors are not considered separately by the sub-fund management for this financial product as the investment strategy does not pursue environmental or social characteristics.

The following is the disclosure in accordance with article 7 of Regulation (EU) 2020/852 of June 18, 2020, on the establishment of a framework to facilitate sustainable investment: The investments underlying this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

The sub-fund's investments in contingent convertibles shall be limited to 10% of the sub-fund's net asset value.

The Management Company currently does not intend to enter into any securities lending or (reverse) repurchase transactions or other similar over-the-counter transactions in respect of the sub-fund.

In addition, the sub-fund's assets may be invested in all other permissible assets specified in article 2, including the assets mentioned in article 2 A. (j) of the general section of the Sales Prospectus.

### Specific risks

Debt instruments with loss-absorption features are subject to greater risks as a result of being partly or wholly written off or converted into the issuer's equity upon the occurrence of a predefined trigger event, when compared to traditional debt instruments. Such trigger events are likely to be outside of the issuer's control and commonly include a reduction in the issuer's capital ratio below a specified level or upon specific government or regulatory action being taken as a result of the issuer's ongoing financial viability. Trigger events are complex and difficult to predict and can result in a significant or total reduction in the value of such instruments, giving rise to consequential loss of the sub-fund.

The respective risks connected with investments in this sub-fund are disclosed in the general section of the Sales Prospectus.

### Consideration of sustainability risks

The sub-fund management considers sustainability risks into its investment decisions as described in the general section of the sales prospectus in the section entitled "Consideration of sustainability risks and the principal adverse impacts on sustainability factors".

### 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. For all benchmarks respectively, their administrators are registered with the ESMA, either in the public register of administrators of benchmark indices or the public register of third country benchmarks.

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 prevailing market environment (e.g. less volatile market environment) and actual positioning versus the benchmark.

### Redemption volume

Contrary to the general rule regarding substantial redemptions as described in detail in section 5. F of the general section of the Sales Prospectus, the following applies to this sub-fund:

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

The Management Company is under no obligation to execute redemption requests if any such request pertains to shares valued in excess of 10% of the net asset value of a sub-fund. The Management Company reserves the right, taking into account the principle of equal treatment of all shareholders, to dispense with minimum redemption amounts (if provided for).

Special procedure for redemptions valued in excess of 10% of the net asset value of a sub-fund.

If redemption requests are received on a valuation date (the "First Valuation Date") whose value, individually or together with other requests received, is in excess of 10% of the net asset value of a sub-fund, the Board of Directors reserves the right, at its own discretion (and taking into consideration the interests of the remaining shareholders), to reduce the number of shares of every individual redemption request on a pro-rata basis for this First Valuation Date, so that the value of the shares redeemed or exchanged on this First Valuation Date does not exceed 10% of the net asset value of the respective sub-fund. If as a result of the exercise of the right to effect a pro-rata reduction on this First Valuation Date, a redemption request is not executed in full, such request must be treated with respect of the unexecuted portion as though the shareholder submitted a further redemption request for the next valuation date, and if necessary, for the at most seven subsequent valuation dates as well. Requests received for the First Valuation Date are processed on a priority basis over any subsequent requests that are received for redemption on the subsequent valuation dates. Subject to this reservation, however, redemption requests received at a later time are processed as specified in the preceding sentence.

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

The Management Company has the right to carry out substantial redemptions only once the corresponding assets of the sub-fund have been sold without delay.

### Risk management

The relative Value-at-Risk (VaR) approach is used to limit market risk in the sub-fund.

In addition to the provisions of the general section of the Sales Prospectus, the potential market risk of the sub-fund is measured using a reference portfolio that does not contain derivatives ("risk benchmark").

Leverage is not expected to exceed twice the value of the investment sub-fund's assets. The leverage effect is calculated using the sum of notional approach (absolute (notional) amount of each derivative position divided by the net present value of the portfolio). However, the disclosed expected level of leverage is not intended to be an additional exposure limit for the sub-fund.

### Investment in shares of target funds

In addition to the information in the general section of the Sales Prospectus the following is applicable to this sub-fund:

When investing in target funds associated to the sub-fund, the part of the management fee attributable to shares of these target funds is reduced by the management fee/all-in fee of the acquired target funds, and as the case may be, up to the full amount (difference method).

# Management and Administration

## Investment Company

DWS Invest  
2, Boulevard Konrad Adenauer  
1115 Luxembourg, Grand Duchy of  
Luxembourg

## Board of Directors of the Investment Company

Niklas Seifert  
Chairman  
DWS Investment S.A.,  
Luxembourg

Thilo Hubertus Wendenburg  
Medius Capital,  
Frankfurt am Main

Sven Sendmeyer  
DWS Investment GmbH,  
Frankfurt am Main

Elena Wichmann  
DWS Investment S.A.  
Luxembourg

Stefan Kreuzkamp Trier

## Fund Management

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

The address of an additional sub-fund  
manager and/or investment advisor is  
specified in the special section of the affected  
sub-fund.

## Management Company, UCI- administration activity (registrar function and client communication function) and Main Distributor

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

## Supervisory Board of the Management Company

Manfred Bauer  
Chairman  
DWS Investment GmbH,  
Frankfurt am Main

Dr. Matthias Liermann  
DWS Investment GmbH,  
Frankfurt am Main

Holger Naumann  
DWS Group GmbH & Co. KGaA,  
Luxembourg

Frank Rückbrodt  
Deutsche Bank Luxembourg S.A.,  
Luxembourg

## Management Board of the Management Company

Nathalie Bausch  
Chairwoman  
DWS Investment S.A., Luxembourg

Leif Bjurstroem  
DWS Investment S.A., Luxembourg

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

Michael Mohr  
DWS Investment S.A., Luxembourg

## Custodian, NAV calculation and accounting function

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

## Auditor

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

## Information and Paying Agents

Luxembourg  
Deutsche Bank Luxembourg S.A.  
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## Hong Kong

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