

# DWS Strategic

Sales Prospectus

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

January 1, 2023



Investors for a new now

# Information for investors in the Federal Republic of Germany

The Articles of Incorporation, the Sales Prospectus, the key information document (KID), the semiannual and annual reports, and the issue and redemption prices are available free of charge from the Management Company and at [www.dws.com](http://www.dws.com).

Investors in Germany may submit their buy, sell and exchange orders to the institution maintaining their custody accounts. Payments to the investors, such as redemption proceeds, any distributions and other payments, shall be made by the custodian institution.

Other information for the investors will be published on the internet at [www.dws.com](http://www.dws.com). Insofar as publication in a Luxembourg daily newspaper is required by law in individual cases, the information shall be published in Germany in the Bundesanzeiger (Federal Gazette).

## Facilities available to retail investors in accordance with article 306a KAGB

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### Tasks

Processing subscription, payment, redemption and exchange orders from investors for shares of the fund, in accordance with the requirements defined in the Sales Prospectus, the Management Regulations, the key information document (KID) and the last semiannual and annual report ("sales documents" as per article 297 (4) KAGB)

### Information about the facilities

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

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Provision of information for investors about how subscription, payment, redemption and exchange orders are placed and how redemption proceeds are paid out

DWS Investment GmbH  
Mainzer Landstraße 11-17  
60329 Frankfurt/Main, Germany  
Tel: +49 69 910 - 12371  
Fax: +49 69 910 - 19090  
[info@dws.com](mailto:info@dws.com)

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Support with handling information and with access to procedures and arrangements for dealing with investor complaints in accordance with article 28 (2) no. 1 KAGB

DWS Investment S.A.  
2, Boulevard Konrad Adenauer  
1115 Luxembourg,  
Grand Duchy of Luxembourg  
[complaints.am-lu@db.com](mailto:complaints.am-lu@db.com)

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Free provision of the sales documents, the issue and redemption prices of the shares and other information and documents that are to be published in the home member state of the fund

DWS Investment GmbH  
Mainzer Landstraße 11-17  
60329 Frankfurt/Main, Germany  
Tel: +49 69 910 - 12371  
Fax: +49 69 910 - 19090  
[info@dws.com](mailto:info@dws.com)

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Provision of the relevant information for investors concerning the tasks that the facility carries out, on a durable medium

DWS Investment GmbH  
Mainzer Landstraße 11-17  
60329 Frankfurt/Main, Germany  
Tel: +49 69 910 - 12371  
Fax: +49 69 910 - 19090  
[info@dws.com](mailto:info@dws.com)

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# Information for investors in Switzerland

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

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

## 1. Representative in Switzerland

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DWS CH AG  
Hardstrasse 201  
CH-8005 Zurich

## 2. Paying Agent in Switzerland

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

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

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

## 4. Payment of retrocessions and rebates

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

Distribution activity;  
Customer care.

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

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

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

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

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

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

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

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

## 5. Place of performance and jurisdiction

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

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## Legal structure:

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

## General information

The investment company described in this Sales Prospectus ("Investment Company") is an open-ended investment company with variable capital ("Société d'Investissement à Capital Variable" or "SICAV") established in Luxembourg in accordance with Part I of the Luxembourg law on Undertakings for Collective Investment of December 17, 2010 ("Law of 2010"), and in compliance with the provisions of 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 Strategic. 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 Strategic, 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, the Key Information Document ("KID") and the annual and semi-annual reports may be obtained free of charge from the Investment Company, the Management Company or the paying agents. Other important information will be communicated to shareholders in a suitable form by the Management Company.

## General risk warnings

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

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

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

## Market risk

The price or market performance of financial products depends, in particular, on the performance of the capital markets, which in turn are affected by the overall economic situation and the general economic and political framework in individual countries. Irrational factors such as sentiment, opinions and 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 Luxembourg. The resulting rights and obligations of the Investment Company may vary from its rights and obligations in Luxembourg, to the detriment of the Investment Company and/or the investor.

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

## Geopolitical risks

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

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

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

### **Operational risk**

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

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

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

### **Inflation risk**

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

### **Key individual risk**

The exceptionally positive performance of a 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 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 write-down feature, the write-down is fully discretionary and subject to certain regulatory restrictions. Any distributions of remaining capital payable after the trigger event will be based on the reduced principal. A CoCo investor may suffer losses before equity investors and other debt holders in relation to the same issuer.

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

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

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

The probability and the risk of a conversion or of a write-down are determined by the difference

between the trigger level and the capital ratio of the CoCo issuer currently required for regulatory purposes.

The mechanical trigger 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 (MICEXRTS). 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 Portfolio. Investors should also note that any change in the policies of the PRC may adversely impact on the securities markets in the PRC as well as the performance of the sub-fund.

#### b) PRC Economic Risks

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

#### c) Legal System of the PRC

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

#### d) RQFII systems risk

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

(“CSDCC”). The sub-fund manager may select up to three PRC brokers (each a “PRC Broker”) to act on its behalf in each of the two onshore PRC securities markets as well as a depository (the “PRC Depository”) to maintain its assets in custody in accordance with the terms of the PRC Depository Agreement.

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

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

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

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

On February 24, 2016, the People’s Bank of China (PBOC), the central bank, released the Notice on Issues Concerning Investment of Overseas Institutional Investors in the Interbank Bond Market. Under this notice, an eligible foreign investor is permitted to invest in the China Interbank Bond Market (CIBM) without first registering as a qualified foreign institutional investor (QFII) or RQFII. For this purpose, the management company or a sub-fund has to make an application to register under this program at PBOC. In this case PRC Bonds are registered in the name of “the management company – the name of the sub-fund” in accordance with the relevant rules and regulations and maintained in electronic form via a securities account with the China Securities Depository and Clearing Corporation Limited (“CSDCC”) for the exchange-traded bond market and with China Central Depository & Clearing Co., Ltd (“CCDC”) or the Shanghai Clearing House (“SCH”) for the interbank bond market. For the direct CIBM Program the Depository shall within its depository

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

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

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

e) Risks relating to the PRC Custodian and other Agents

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

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

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

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

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

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

f) Repatriation risk

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

g) RQFII quota risk

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

h) Shenzhen 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 ("ChinaClear") 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 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 Depository 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 Depository and the Sub-Fund will have no legal relationship with HKSCC and no direct legal recourse against HKSCC in the event that the sub-fund suffers losses resulting from the performance or insolvency of HKSCC.

#### **Investor compensation**

Investments of the sub-fund through northbound trading under Stock Connect will not be covered by Hong Kong's Investor Compensation Fund as

the shares are not considered listed or traded in SEHK or Hong Kong Futures Exchange Limited. The investments are also not protected by the China Securities Investor Protection Fund in the PRC as trading is done through securities brokers in Hong Kong and not PRC brokers.

#### **Trading costs**

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

#### **Regulatory risk**

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

#### **i) 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.

#### **j) 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.

k) 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.

l) 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.

m) 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.

n) 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.

o) 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.

p) 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.

q) 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 Portfolio. 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.

r) 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 Portfolio 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 Portfolio 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.

s) 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.

t) 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.

#### u) 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.

#### v) 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 Portfolio and/or the sub-fund.

#### w) 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.

#### x) 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 organi-

sation 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.

### Integration of sustainability risks in the investment process

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

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

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

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

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

If the method of incorporating sustainability risks into the investment process differs from the

approach described above, the Special Section of the Prospectus will specify the method used by the (sub-)fund management to incorporate sustainability risks into its investment decisions.

### Benchmark indices

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

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

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

### Financial instruments certificated in securities

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

### OTC derivative transactions

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

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

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

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

#### a) Securities Lending and Borrowing

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

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

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

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

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

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

- (i) The Investment Company may not buy or sell securities using a repo transaction unless the counterparty in such transactions is subject to prudential supervision rules considered by the CSSF as equivalent to those prescribed by Community law.
- (ii) The counterparty risk vis-à-vis a single counterparty (which, for the avoidance of doubt, may be reduced by the use of collateral) arising from one or more repo transaction(s) may not exceed 10% of the assets of the relevant sub-fund when the counterparty is a financial institution falling within Article 41 (1) (f) of the Law of 2010, or 5% of its assets in all other cases.
- (iii) During the life of a repo transaction with the Investment Company acting as purchaser, the Investment Company cannot sell the securities which are the object of the contract, either before the right to repurchase these securities has been exercised by the counterparty, or the repurchase term has expired, except to the extent it has other means of coverage.
- (iv) The securities acquired by the Investment Company under repo transactions must conform to the relevant sub-fund's investment policy and investment restrictions and must be limited to:
  - short-term bank certificates or money market instruments as defined in Directive 2007/16/EC of March 19, 2007;
  - bonds issued or guaranteed by a Member State of the OECD or by their local public authorities or by supranational institutions and undertakings with EU, regional or world-wide scope;
  - shares or units issued by money market UCIs calculating a daily net asset value and being assigned a rating of AAA or its equivalent;
  - bonds issued by non-governmental issuers offering an adequate liquidity; and
  - shares quoted or negotiated on a regulated market of an EU Member State or 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 repo 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 or efficient portfolio management techniques transactions a basket of collateral with a maximum exposure to a given issuer of 20% of its net asset value. When a sub-fund is exposed to different counterparties, the different baskets of collateral should be aggregated to calculate the 20% limit of exposure to a single issuer.

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

The haircuts applied to the collateral refer to:

- the creditworthiness of the counterparty;
- the liquidity of the collateral;
- their price volatility;
- the solvency of the issuer;
- the country or market where the collateral is traded;
- extreme market situations; and/or
- where applicable, any existing residual term.

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

OTC derivative transactions

Overcollateralization ratio 102% to 133%

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

Securities lending transactions

Overcollateralization ratio required for government bonds with an excellent credit rating at least 101%

Overcollateralization ratio required for government bonds with a lower investment grade at least 102%

Overcollateralization ratio required for corporate bonds with an excellent credit rating at least 102%

Overcollateralization ratio required for corporate bonds with a lower investment grade at least 103%

Overcollateralization ratio required for Blue Chips and Mid Caps at least 105%

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

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

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

X. Collateral is held by the Depository or a sub-depository of the Depository. Cash collateral in the form of bank deposits may be held in blocked accounts by the Depository of the Investment Company or by another credit institution with the Depository'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 approach (Absolute (notional) amount of each derivative position divided by the net present value of the portfolio).

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

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

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

## Potential conflicts of interest

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

- conduct among themselves any and all kinds of financial and banking transactions or other transactions, such as derivative transactions (including total return swaps), securities lending transactions and (reverse) repurchase agreements, 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 endeavor, 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 endeavor to resolve such conflicts in a fair way and favor of the sub-fund(s). The Management Company is guided by the principle of

undertaking all appropriate steps to create organizational structures and to implement effective administrative measures to identify, handle and monitor such conflicts. In addition, the directors of the Management Company shall ensure the appropriateness of the systems, controls and procedures for identifying, monitoring and resolving conflicts of interest.

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

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

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

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

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

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

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

The Depositary has functionally and hierarchically separated the performance of its depositary tasks from its other potentially conflicting tasks. The system of internal controls, the different reporting lines, the allocation of tasks and the management reporting allow potential conflicts of interest and the depositary issues to be properly identified, managed and monitored. Additionally, in the context of the Depositary's use of sub-custodians, the Depositary imposes contractual restrictions

to address some of the potential conflicts and maintains due diligence and oversight of sub-custodians to ensure a high level of client service by those agents. The Depositary further provides frequent reporting on clients' activity and holdings, with the underlying functions subject to internal and external control audits. Finally, the Depositary internally separates the performance of its custodial tasks from its proprietary activity and follows a Standard of Conduct that requires employees to act ethically, fairly and transparently with clients.

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

### Combating money laundering

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

- if a subscription application is being processed via a sales agent that is under the supervision of the responsible authorities whose regulations provide for a proof-of-identity procedure for customers that is equivalent to the proof-of-identity procedure provided for under Luxembourg law for

combating money laundering, and the sales agent is subject to these regulations;

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

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

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

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

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

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

tion, including in the form of bearer shares, or by means of another form of control.

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

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

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

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

### Data protection

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

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

### Acceptance of orders

All subscription, redemption and exchange orders are placed on the basis of an unknown net asset value per share. Details are listed for each sub-fund in the special section of 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 fund, under which the price at which an order placed after the order acceptance deadline is executed is based on the next valid net asset value per 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. The total expense ratio is stated as "ongoing charges" in the KID.

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

In particular, such situations may result from regulatory requirements governing how such third parties determine, calculate and report costs. These requirements may arise in the course of the national implementation of Directive 2014/65/EU of the European Parliament and of the Council on markets in financial instruments and amending Directive 2002/92/EC and Directive 2011/61/EU (also known as "MiFID II"). It is important to note that the cost statement may vary due to the third party additionally invoicing the costs of its own services (e.g. a surcharge or, where applicable, recurrent brokering or advisory fees, depository 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.

## Remuneration policy

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

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

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

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

## Mandate to the local paying agent

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

## Selling restrictions

The shares of the sub-funds that have been issued may be offered for sale or sold to the public only in countries where such an offer or such a sale is permissible. Provided that no permit for public distribution issued by the local supervisory authorities has been acquired by the Investment Company or a third party commissioned by the Investment Company and is available to the Investment Company, this Sales Prospectus must not be regarded as a public offer for the acquisition of sub-fund shares and/or this Sales Prospectus must not be used for the purpose of such a public offer. The information contained herein and the shares of the sub-funds are not intended for distribution in the United States of America or to U.S. persons (individuals who are U.S. citizens or whose permanent place of residence is in the United States of America or partnerships or corporations established in accordance with the laws of the United States of America or of any state, territory or possession of the United States). Correspondingly, shares are neither offered nor sold in the United States of America nor for the account of U.S. persons. Subsequent transfers of shares into the United States of America or to U.S. persons are prohibited.

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

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

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

## Foreign Account Tax Compliance Act – "FATCA"

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

cial Institutions (NPFFI), a penalty tax deduction of 30% is applied to certain income from U.S. sources.

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

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

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

## Common Reporting Standard ("CRS")

In order to facilitate a comprehensive and 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 Luxembourg by a law dated December 18, 2015 (the "CRS Law").

Under the Common Reporting Standard, certain financial institutions under Luxembourg law are obliged to carry out an identification of their account holders and to determine where the account holders are tax residents (under this same law, investment companies such as this one are generally regarded as financial institutions

under Luxembourg law). For this purpose, a financial institution under Luxembourg law deemed to be a Reporting Financial Institution must obtain self-disclosure in order to determine the status within the meaning of the CRS and/or the tax residence of its account holders when opening an account.

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

### Data protection

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

If the Fund qualifies 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

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

### “Risk-averse” investor profile

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

### “Income-oriented” investor profile

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

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

### “Growth-oriented” investor profile

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

### “Risk-tolerant” investor profile

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

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

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

## Additional Classification

In addition to the investor profiles mentioned above, the following sub-funds are classified and named according to the profiles described in the table below:

DB ESG Balanced SAA (EUR)  
DB ESG Balanced SAA (EUR) Plus  
DB ESG Balanced SAA (USD)  
DB ESG Balanced SAA (USD) Plus  
DB ESG Conservative SAA (EUR)

DB ESG Conservative SAA (EUR) Plus  
DB ESG Conservative SAA (USD)  
DB ESG Conservative SAA (USD) Plus  
DB ESG Growth SAA (EUR)  
DB ESG Growth SAA (USD)

DB Strategic Income Allocation EUR (SIA) Balanced Plus  
DB Strategic Income Allocation EUR (SIA) Conservative Plus  
DB Strategic Income Allocation USD (SIA) Balanced Plus  
DB Strategic Income Allocation USD (SIA) Conservative Plus

### Profile

Cautious  
Conservative  
Balanced  
Growth  
Max Growth

### Short description

Low expected return, low risk tolerance  
Increased expected return, increased risk tolerance  
Substantially increased expected return, substantially increased risk tolerance  
High expected return, high risk tolerance  
Very high expected return, very high/highest risk tolerance

## Performance

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

possibility that they will not get back the original amount invested.  
Data on current performance can be found on the Management Company’s website [www.dws.com](http://www.dws.com),

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

## 1. The Investment Company and the share classes

### A. The Investment Company

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

b) The Investment Company is organized under Part I of the Law of 2010 and complies with the provisions of the UCITS Directive.

c) The articles of incorporation were filed with the Luxembourg Register of Commerce under the number B 180.758 and can be inspected there. Upon request, copies can be obtained for a fee. The registered office of the Investment 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 has to be reached within six months after the establishment of the Investment Company. The original capital of the Investment Company is 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](http://www.dws.com).

All share classes of a sub-fund are invested collectively in line with the investment objectives of the respective sub-fund, but they may vary particularly in terms of their fee structures, their minimum initial or subsequent investment amounts, their currencies, their distribution policies, the requirements to be fulfilled by investors or other special characteristics, such as hedging features, 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), the sub-fund may become subject to obligations arising from currency hedging transactions. 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" or "H (P)" denominators exist in the sub-fund they are invested in are invited to check the up-to-date information on launched share classes of each sub-fund at [www.dws.com](http://www.dws.com).

The Investment Company reserves the right to offer only one or certain share classes for purchase by investors in certain jurisdictions in order to comply with 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.

### 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	I, DPM F L, N, WAN J, MF
<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	 H H (P)
<b>Other</b>	Early Bird Seeding Zero Cost Placement Fee* Restricted Special	EB X Z PF R S

Country specific share classes:  
in the UK: DS (Distributor Status), RD (Reporting Fund Status)  
\* tax-intransparent

### a) Type of investor

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

Share classes with the "L", "S" 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.

Shares of share classes with the "WAM" denominator are reserved exclusively for investors who have entered into a contract, designated as a "Wealth Advisory" contract, with Deutsche Bank AG or any of its affiliates.

Shares of share classes with the "DPM" denominator are reserved exclusively for institutional investors in accordance with Article 174 (2) c) of the Law of 2010. The Investment Company reserves the right to buy back shares from investors at the redemption price in so far as

investors do not meet this requirement. Shares of the share classes with the "DPM" denominator are restricted to Deutsche Bank entities, or such other entities who may be admitted from time to time at the discretion of the Board of Directors or the Management Company, subscribing in their own name and either on their own behalf of investors who (i) have entered into and maintain a discretionary management relationship with a Deutsche Bank entity and (ii) are not entitled to any direct claim against the Investment Company.

Share classes with the "MF" denominator are offered to non-UCITS investment funds that invest predominantly their assets in units of other investment funds or to UCITS (or their sub-funds), that invest at least 85% of their assets ("Feeder-UCITS") in units of other UCITS (or their sub-funds) ("Master-UCITS"). A Feeder-UCITS may hold up to 15% of its assets in liquid assets in accordance with Article 41, paragraph (2), second sub-paragraph of the Law of 2010, derivative instruments, which may be used only for hedging purposes, in accordance with Article 41 paragraph (1), point g) and Article 42, paragraphs (2) and (3) of the Law of 2010, and movable and immovable property which is essential for the direct pursuit of its business.

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

### 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").

(ii) 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) 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 volume of 100,000,000, the share classes with the "X" denominator will be closed.

**Zero cost share classes**

Shares of share classes with the "Z" denominator are offered to institutional investors in accordance with Article 174 (2) of the Law of 2010. The shares are only offered to investors that have entered into a separate agreement with the Management Company. The share class is charged a pro rata share on the costs for the Management Company, the Depositary, the administrator as well as other expenses that are further described under 12. Costs and services received, b). Portfolio management fees are charged directly by the Management Company to the investor under the aforementioned separate agreement.

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

**Special share classes**

Shares of share classes with the "S" denominator are available to special investor groups. The particular specifics of this share class are described in the Special Section of the Sales Prospectus.

**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 4% 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 4 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 L 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 clause 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
<b>Currency</b>	Euro	U.S. dollar	Singapore dollar	Great Britain pound	Swiss francs	New Zealand dollar	Australian dollar	Russian ruble
<b>Initial NAV</b>	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
<b>Currency</b>	Japanese yen	Canadian dollar	Norwegian krone	Swedish krona	Hong Kong dollar	Czech koruna	Polish zloty	Chinese renminbi
<b>Initial NAV</b>	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 share class offered hereby has 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 share class offered hereby in Japan constitutes a private placement of JQI share class 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 share class will be offered only to Qualified Institutional Investors in accordance with the Financial Instruments and Exchange Law of Japan. In addition, the JQI 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.

### United Kingdom

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

## H. Minimum initial investment amounts

<b>Institutional Investors* (excluding DPM share classes)</b>	10,000,000 in the share class specific currency except for Japan: 3,000,000,000 JPY and except for Sweden: 250,000,000 SEK
<b>Semi-Institutional Investor</b>	2,000,000 for investments (except in money market funds) in the share class specific currency except for Japan: 50,000,000 JPY and except for Sweden: 4,000,000 SEK
<b>Numeric extensions for share classes</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
<b>Share classes with the "S"</b>	500,000 in the share class specific currency denominator

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

- a) The sub-fund may invest in securities and money market instruments that are listed or traded on a regulated market.
- b) 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.
- c) 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.
- d) 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.**

- e) 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 collective investment undertakings 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 UCI 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 UCI 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 Luxembourg law of 2010 and any reference to "funds" in the special section of the Sales Prospectus is to be understood accordingly.

- f) A sub-fund may invest in deposits with financial institutions that are repayable on demand or have the right to be withdrawn, and mature within twelve months or less, provided that the financial institution has its registered office in a member state of the European Union or, if the registered office of the financial institution is situated in a state that is not

a member state of the European Union, provided that it is subject to prudential rules considered by the CSSF as equivalent to those laid down in Community law.

- g) A sub-fund may invest in financial derivative instruments ("derivatives"), including equivalent cash-settled instruments, that are traded on a market referred to in (a), (b) and (c) and/or financial derivative instruments that are not traded on an exchange ("OTC derivatives"), provided that

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

- h) A sub-fund may invest in money market instruments not traded on a regulated market that are usually traded on the money market, are liquid and have a value that can be accurately determined at any time, if the 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 Invest-**

ment 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. 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 issuer.
- 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 clause.

- 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. It is indicated in the special section of the Sales Prospectus and in the Key Information Document if the sub-fund is a 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.

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

## 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;
- 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

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

B. The shares may be issued as registered shares or as bearer shares. There is no right to issuance of actual shares.

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

#### (i) Registered shares

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

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

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

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

registered shares is recorded in the Register of Shares, in each instance upon payment of a fee authorized by the Management Company for the registration of documents relating to the ownership of shares or having an effect thereon.

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

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

If such a shareholder does not provide an address, the Registrar and Transfer Agent may enter a remark to this effect in the Register of Shares; in this case, the address of the registered office of the Registrar and Transfer Agent or another address entered in each instance by the Registrar and Transfer Agent is deemed to be the address of the shareholder until the shareholder provides the Register 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.

D. All shares within a share class have the same rights. The rights of shareholders in different share classes within a sub-fund can differ, provided that such differences have been clarified in the sales documentation for the respective shares. The differences between the various share classes are specified in the respective special section of 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>1</sup>:

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

The current amount of the front-end load is regulated for each share class in the 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 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.

A Contingent Deferred Sales Charge ("CDSC") may be assessed in relation to shares of share classes with the "B" designator on the redemption amount. Details are set forth in section "E". On any issue or sale of such shares a Distributor (including the main distributor) may, out of its own funds or out of the sales charge, if any, pay commission on applications received through brokers and other professional agents or grant discounts.

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

D. The Management Company may, on its own responsibility and in compliance with this Sales Prospectus, accept securities as payment for a subscription ("investment in kind"), as long as the Management Company believes that such

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

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 redemption fee or a Contingent Deferred Sales Charge ("CDSC", see below) or 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 redemption fee, CDSC or a dilution adjustment (see below) is applicable, the redemption amount payable will be reduced by the amount of the redemption fee, CDSC or a dilution adjustment (see below) so that a net redemption amount is paid. The main distributor shall receive the redemption fee or CDSC and also be entitled to use it to remunerate third parties for any sales services they provide. 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 Depository 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 4%
Redemption after over 1 year up to 2 years:	up to 3%
Redemption after over 2 years up to 3 years:	up to 2%
Redemption after over 3 years up to 4 years:	up to 1%
Redemption after over 4 years:	0%

Thus, the applicable dilution adjustment for each share of a placement fee share class to be redeemed amounts to up to 4%. 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 = 2.5 years and	
50 shares: x = 3.5 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](http://www.dws.com). The Deferral of the redemption and the exchange of shares shall have no effect on any other sub-fund.

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

H. The Investment Company may enter into nominee agreements with credit institutions, Professionals of the Financial Sector in Luxembourg (“PSF”) and/or comparable entities under the laws of other countries that are under obligation to identify shareholders. The nominee agreements give the respective institutes the right to sell shares and be entered as nominees in the Investment Company’s Register of Shares. The names of the nominees can be requested from the Investment Company at any time. The nominee shall accept buy, sell and exchange orders from the investors it works for and arrange for the required changes to be made in the Register of Shares. In this capacity, the nominee is particularly required to take into account the special prerequisites governing the purchase of AUD FCH (P), AUD FDH (P), AUD ICH (P), AUD IDH, AUD IDH (P), CHF FDH, CHF FDH (P), CHF FC, CHF FCH, CHF FCH (P), CHF IC, CHF ICH, CHF ICH (P), CHF IDH (P), GBP FD DS, GBP FDH (P), GBP ID DS, GBP IDH DS, GBP IDH (P), USD FD, USD FDH, USD FDH (P), USD FDQ, USD FC, USD FC (BRIC), USD FC (CC), USD FCH, USD FCH (P), FC, FC EB, FC (CE), FCH, FCH (P), FCR, FD, FD (CE), FDQ, FDH, FDH (P), IC, ICH, ICH (P), ID, IDH, IDH (P), IDQ, USD JC, USD JD, NZD IDH, GBP FC, GBP FCH, GBP FCH (P), GBP ICH, GBP ICH (P), RMB FC, USD ID, USD IDH, USD IDH (P), USD IC, USD ICH,

USD ICH (P), JPY FC, JPY IC, JPY IDH, PLN LC, SGD FC, SGD FCH, SGD IC and SGD ICH 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 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](http://www.dws.com).

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

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

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

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

mentioned in- or outflows have a material impact to the sub-fund.

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

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

The Swing Pricing Committee considers especially the following factors:

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

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

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

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

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

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

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

F. The assets are allocated as follows:

- 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.

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

## 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 4 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. B. remains unaffected):

The exchange commission equals to the front-end load less 0.5 percentage points, unless a share class or sub-fund without a front-end load is being exchanged for a share class or sub-fund with a front-end load. In that case, the exchange

commission may correspond to the full front-end load.

F. The following applies for exchanges within the USD/SGD/HKD/RMB share classes (section 8. B. remains unaffected):

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

G. In case of an exchange, the characteristics of the chosen sub-fund/share class (e.g. minimum 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 general meeting of shareholders upon proposal of 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. Both regular net income and realized capital gains as well as unrealized capital gains and other assets may be distributed. No distribution will reduce the Investment Company's capital to a level below its minimum capital pursuant to Article 6.2. of the Articles of Incorporation.

## 10. Management Company, investment management, administration, Transfer Agent and distribution

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

B. The Investment Company has entered into a Management Company agreement with DWS Investment S.A. Performance of collective 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 collective 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) Administration, registrar and transfer agent and paying agent

The Management Company has entered into a sub-administration agreement with State Street Bank International GmbH, acting through its Luxembourg Branch. Under this sub-administration agreement, State Street Bank International

GmbH, Luxembourg Branch, assumes significant central administration functions, namely fund bookkeeping and net asset value calculation.

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

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

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

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

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

The Management Company has entered into a paying agency agreement with Deutsche Bank Luxembourg S.A. (the "Paying Agency Agreement"), under which Paying Agency Agreement Deutsche Bank Luxembourg S.A. provides paying agency services.

(iii) Distribution

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

#### Special Notice

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

## 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 Depository 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 Depository of its duties and obligations.

#### Delegation

The Depository 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 Depository's liability shall not be affected by any delegation of its safe-keeping functions under the Depository Agreement.

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

todian have appointed local sub-custodians within the State Street Global Custody Network.

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

## 12. Costs and services received

A. The sub-funds shall pay an all-in fee, the amount of which is specified in each respective special section of the Sales Prospectus.

This all-in fee shall in particular serve as compensation for investment management, fund management, the distribution (if applicable) of the sub-fund and the services of the Depositary. The all-in fee shall generally be withdrawn from the sub-fund at the end of each month.

Aside from the all-in fee, the following costs may be charged to the sub-fund:

- all of the taxes charged to the assets of the sub-fund and to the sub-fund itself (especially the *taxe d'abonnement*), as well as any taxes that may arise in connection with administrative and custodial costs;
- any costs that may arise in connection with the acquisition and disposal of assets;
- extraordinary costs (e.g., court costs) that may be incurred in order to protect the interests of shareholders of the 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;
- costs for the information of investors via durable medium, with the exception of costs for information about mergers and measures in relation to errors in NAV-calculation or to breaches of investment policy;
- costs for the remuneration of the Board of Directors.

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.

The respective sub-fund pays 30% of the gross revenues generated from securities lending transactions as costs/fees to the Management Company and retains 70% of the gross revenues

generated from such transactions. Out of the 30% the Management Company retains 5% for its own coordination and oversight tasks and pays the direct costs (e.g. transaction and collateral management costs) to external service providers. The remaining amount (after deduction of the Management Company costs and the direct costs) is paid to DWS Investment GmbH for supporting the Management Company in initiating, preparing, and implementing securities lending transactions.

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

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

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

The costs are allocated to the individual sub-fund. If such costs relate to several or all sub-funds, the costs are allocated in proportion with their net asset values.

The specified costs are listed in the annual reports.

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 annual report contains additional information on this. The Management Company does not receive any reimbursement of the fees and expense reimbursements payable to the Custodian and third parties out of the fund's assets.

B. In addition to the aforementioned costs, the investor may incur additional costs that are connected to the tasks and services of local sales agents, paying agents or similar agents. These costs shall not be borne by the fund's assets, but directly by the investor.

C. Investments in target funds

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

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

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

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

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

## 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.

- ) 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/](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 Strategic 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' Meetings take place annually at the registered office of the Investment Company or any other place designated in the invitation. They are generally held on every third Wednesday in April of each year at 11:00 AM CET. In years when such third Wednesday in April falls on a bank holiday, the Shareholders' Meeting will be held on the next bank business day.

B. 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.

C. Resolutions are passed by simple majority. In all other aspects, the Law on Trading Companies of August 10, 1915, applies.

D. 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.

Where all the shares are 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.

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

### 15.1 Establishment

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

### 15.2 Closing

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

B. Furthermore, the Board of Directors may declare the cancellation of the issued shares in such a sub-fund and the allocation of shares in another sub-fund, subject to approval by the Shareholders' Meeting of the shareholders of that other sub-fund, provided that for the period of one month after publication according to the provision below the shareholders of the corresponding sub-fund shall have the right to demand the redemption or exchange of all or part of their

shares at the applicable net asset value without additional cost.

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

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

### 15.3 Merger

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

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

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

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

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

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 30 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. The Investment Company's financial year ends on December 31. The first accounting year begins on the date of incorporation and is terminated on December 31, 2018. The first annual report will be issued as of December 31, 2018, the first semi-annual report will be issued as of June 30, 2018.

C. The Sales Prospectus, Key Information Document (KID), 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 sub-administration agreement,
- (iv) the registrar and transfer agency agreement, and
- (v) the paying agent agreement.

D. Important information will be disclosed to the investors on the website of the Management Company [www.dws.com](http://www.dws.com). If required in certain distribution countries, publications will also be made in a newspaper or in other means of publication required by law. In cases where it is required by law 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 December 6, 2017, for an indeterminate period. Its fiscal year ends on December 31 of each year. The first financial year begins on the date of incorporation and is terminated on December 31, 2018.

## **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.

## B. Sales Prospectus – Special Section

### DB ESG Balanced SAA (EUR)

<b>Investor profile</b>	Growth-oriented
<b>Currency of sub-fund</b>	EUR
<b>Sub-fund manager</b>	DWS Investment GmbH and DWS International GmbH, Mainzer Landstr. 11–17, 60329 Frankfurt/Main, Germany. The Management Company entered into an investment management agreement with DWS Investment GmbH, Frankfurt/Main. Under its supervision, control and responsibility, and at its own expense, DWS Investment GmbH, Frankfurt/Main, entered into an investment management agreement with DWS International GmbH. The portfolio management of the sub-fund is performed by both companies by means of close cooperation as well as common processes and IT-systems.
<b>Investment Advisor</b>	Deutsche Bank AG, Taunusanlage 12, 60325 Frankfurt/Main, Germany The sub-fund manager has entered into an advisory agreement with Deutsche Bank AG. The investment advice shall thereby encompass analysis and recommendations of suitable investment instruments, which take into account sustainability risks.
<b>Performance benchmark</b>	–
<b>Reference portfolio (risk benchmark)</b>	Portfolio excl. Derivatives
<b>Leverage effect</b>	1 time the value of the investment sub-fund's assets
<b>Calculation of the NAV per share</b>	Each bank business day in Luxembourg and Frankfurt/Main.
<b>Swing Pricing</b>	The sub-fund may apply Swing Pricing. If implemented, it will be disclosed in the fund facts section on the website of the Management Company <a href="http://www.dws.com">www.dws.com</a> .
<b>Order acceptance</b>	All subscription, redemption and exchange orders are placed on the basis of an unknown net asset value per share. Orders received by the Transfer Agent at or before <b>4:00 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>Maximum management fee charged in respect of investments in shares of target funds (payable by the sub-fund)</b>	2%

#### Overview of the share classes

<b>Currency of share class</b>	SC**, LC10, WAMC, DPMC, LC, PFC	EUR
<b>Initial issue price</b>	SC**, LC10 WAMC, DPMC LC PFC	EUR 10,100 (incl. front end load) EUR 10,000 EUR 104 (incl. front end load) EUR 100
<b>Front end load (payable by the investor)</b>	SC**, LC10 WAMC, DPMC, PFC LC	Up to 1% 0% up to 4%
<b>All-in Fee p.a. (payable by the sub-fund)*</b>	SC** LC10 WAMC, DPMC LC, PFC	0.460% 0.260% 0.140% 1.230% 0.980%

## Overview of the share classes (continued)

<b>Taxe d'abonnement (payable by the sub-fund)</b>	SC**, LC10, WAMC, LC, PFC DPMC	0.05% 0.01%
<b>Launch date</b>	SC**, LC10, WAMC DPMC LC PFC	April 30, 2020 October 14, 2020 February 1, 2021 March 31, 2021

<b>Dilution adjustment (payable by the shareholder)***</b>	PFC: A dilution adjustment of up to 4% based on the gross redemption amount may be charged. Please see the general section for further explanation.
<b>Placement fee (payable from the sub-fund's assets)</b>	PFC: Up to 4% for the benefit of the distributor. The share class has an amortization period of 4 years. Please see the general section for further explanation.

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

\*\* The minimum initial investment amount for this share class: EUR 500,000. The Investment Company reserves the right to deviate from this minimum initial investment amount at its own discretion. Subsequent purchases can be made in any amount.

\*\*\* The Management Company may, at its discretion, partially or completely dispense with the dilution adjustment.

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

For the sub-fund with the name DB ESG Balanced SAA (EUR), the following provisions shall apply in addition to the terms contained in the general section of the Sales Prospectus.

The sub-fund name indicates a "Balanced" profile as described under "Additional classification" in the general section of the Sales Prospectus.

### Investment Objective

The objective of the investment policy of the sub-fund DB ESG Balanced SAA (EUR) is to achieve a mid to long-term capital growth.

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

### Investment Policy

This sub-fund is a financial product that highlights environmental and social features according to article 8 (1) of Regulation (EU) 2019/2088 on sustainability-related disclosure obligations in the financial services sector.

In order to achieve the investment objective, the sub-fund will seek to gain indirect exposure to three primary asset class portfolios diversified among and within themselves (each, a Portfolio and together the Portfolios) in proportions that are consistent with the Investment Objective, as further described below. The sub-fund manager will implement the sub-fund's investment policy predominantly via investments in UCITS and other UCIs. In doing so, the sub-fund pursues a fund-of-fund strategy.

The sub-fund management and the investment advisor rely on data from MSCI, an external ESG data provider, when conducting fundamental analysis of the investment universe in order to take ESG criteria into account in the selection of target funds or the issuers of financial instruments. The sub-fund management incorporates the results of this analysis and the investment advisor's investment recommendations based on it into its investment decisions.

At least 51% of the sub-fund's net assets are invested in investment funds and securities of issuers that possess an MSCI ESG rating and that meet defined minimum standards with regard to ESG (Environment, Social, (Corporate) Governance) criteria.

MSCI assigns an ESG rating from AAA (highest score) to CCC (lowest score). This MSCI ESG rating is intended to make ESG characteristics more understandable and measurable.

The sub-fund invests at least 51% of the sub-fund's net assets in investment instruments that have at least an MSCI ESG rating of BBB. In addition, investment instruments (e.g. investment funds, cash, equities or bonds issued by corporates) can be acquired that have no MSCI ESG rating.

At least 51% of the sub-fund's net assets will meet the sub-fund's ESG criteria at the time of purchase. If sub-fund investments no longer meet the minimum standards for ESG criteria of the sub-fund, the sub-fund can continue to hold these investments until (from the perspective of the

sub-fund manager) it is possible and practical to liquidate the position, as long as at least 51% of the sub-fund's net assets meet the ESG criteria.

### ESG rating for funds:

MSCI develops an ESG rating for a fund or an ETF based on the weighted average of the individual ESG scores of the assets held in a fund – according to the fund's most recently published holdings. This excludes positions of cash and cash equivalents and certain derivatives. This includes an adjustment to reflect the weighting of assets held in the fund to which MSCI assigns a positive and a negative ESG trend/momentum score and the weighting of "ESG laggards" in the fund. ESG laggards are assets with ESG ratings from B to CCC. The ESG rating of the fund may change either due to changes in the ESG ratings of the securities held in the fund or due to a change in the composition of the analysed fund.

### ESG Rating for corporate issuers:

MSCI develops an ESG rating for corporate by issuers by assessing the ESG performance of a company independently of its financial success on the basis of various ESG criteria. These ESG criteria relate to the following topics, among others:

#### Environmental

- Preservation of biodiversity
- Protection of natural resources
- Mitigation of climate change
- Avoidance of environmental pollution and waste

## Social

- General human rights
- Ban on child labour and forced labour
- Mandatory non-discrimination
- Careful management of human capital
- Support for social opportunity

## Corporate governance

- Corporate principles in accordance with the International Corporate Governance Network
- Principles of combating corruption in accordance with the UN Global Compact

### ESG rating for sovereigns and affiliated issuers:

MSCI develops an ESG rating for issuers such as sovereigns, regional authorities and issuers affiliated with sovereigns with a view to the ESG risk factors in the value chain of the relevant country. The focus here is on the stewardship of resources, the entitlement to basic services and performance. Natural, financial and human resources differ from country to country and therefore result in different starting points for the manufacture of productive goods and the provision of services. Other factors, such as a government and justice system that is recognized and effective from an ESG perspective, a low level of susceptibility to environmental impacts or other external factors, and a supportive economic environment can also influence the use of these resources.

The sub-fund manager evaluates potential investments using the above MSCI ESG rating.

Deposits with credit institutions and ancillary liquid assets will not be assessed via the ESG assessment methodology.

Derivatives are currently not used to attain the environmental or social characteristics promoted by the sub-fund and are therefore not taken into account for the calculation of the minimum share of assets complying with these characteristics.

The sub-fund considers the following exclusions:

1. Fossil Fuel-based exclusion: The sub-fund excludes issuers active in the fossil fuel sector that exceed a predefined turnover threshold
2. Norm-based exclusions: The sub-fund excludes issuers that are in violation of the UN Global Compact principles or the OECD Guidelines for multinational enterprises
3. The sub-fund excludes issuers that have exposure to controversial weapons

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

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

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

Principal adverse impacts are considered for the sub-fund's assets that are aligned with environmental and social characteristics by selecting investments that exclude (i) issuers active in the fossil fuel sector that exceed a predefined turnover threshold (sustainability factors related to the adverse impact indicators no. 2, 3 and 4), (ii) issuers that are in violation of the UN Global Compact principles or the OECD Guidelines for multinational enterprises (sustainability factors related to the adverse impact indicator no. 10) and (iii) issuers that have exposure to controversial weapons (sustainability factors related to the adverse impact indicator no. 14).

The procedure to assess the good governance practices of the investee companies is based on the analysis of the corporate principles in accordance with the International Corporate Governance Network – Principles of combating corruption in accordance with the UN Global Compact. Further, the management company considers active ownership as a strong driver to improve governance, policies, and practices, and thus for a better long-term performance of investee companies. Active ownership means using the position as shareholders to influence the activities or behaviour of the investee companies. An engagement activity can be initiated with the investee companies regarding matters such as strategy, financial and non-financial performance, risk, capital structure, social and environmental impact as well as corporate governance including topics like disclosure, culture, and remuneration. The engagement activity can be undertaken via, e.g., issuer meetings or engagement letters. Furthermore, for equity investments it could also be an interaction with the company resulting from proxy voting activities or participation at general meetings.

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

**Further information about the environmental and social characteristics promoted by this sub-fund is available in the annex to this Sales Prospectus.**

## The Portfolios

The sub-fund's investments will be indirectly allocated to each of the following Portfolios as described under Investment Process further below:

- Debt securities, including fixed and floating rate government bonds, corporate bonds, high yield bonds and money market instruments of issuers domiciled in, and governments of both developed and emerging market countries which may be of investment or non-investment grade (the Fixed Income Portfolio).
- Equities of large and mid-cap companies which are either listed and/or domiciled in both developed markets and emerging markets (the Equity Portfolio).
- Alternative investments comprising eligible indirect exposure to commodities and property investments through closed-ended REITs (the Alternatives Portfolio).

The sub-fund's investments will be allocated in different proportions to the Portfolios by the sub-fund manager on the basis of advice received from the Investment Advisor. How the Investment Advisor determines the suggested allocations is described under Portfolio Allocation Process below. How the sub-fund manager may invest into the Portfolios is described under Investment Process below.

The sub-fund manager will consider any proposed changes to the portfolio and may in its discretion overrule or reject any suggestions.

The sub-fund manager is also responsible for risk and control monitoring in respect of the sub-fund, including but not limited to monitoring of market, credit and liquidity risks as well as some portfolio administration activities, including additional NAV checks and reporting.

The Investment Advisor may advise the sub-fund manager in relation to changing the composition of each of the Portfolios and the allocation to each Portfolio periodically – expected to be yearly but may be more or less frequently where required in order to take into account changing market, economic, political and other related circumstances.

### Portfolio Allocation Process

The Investment Advisor uses a strategic asset allocation approach (the Strategic Asset Allocation or SAA) in order to advise the sub-fund manager as regards the sub-fund's investments. The SAA is the basis upon which the Investment Advisor determines the suggested allocations both to, and also within, each of the Portfolios and it takes into account three fundamental parameters:

- The expected return of each of the assets in each Portfolio – this includes capital and income.

- The expected volatility of each of the assets in each Portfolio – this means the expected degree of variation in the return of the assets.
- The expected correlations between the assets in each Portfolio – this means how their respective returns move relative to each other. A high correlation would exist where the two assets move in the same direction (e.g. both move up in value over the same time period).

The analysis and predictions of the Investment Advisor under these parameters are based on factors including historical data (i.e. how has the asset performed in the past), market expectations (e.g. the level of growth the U.S. economy is expected to experience) and also factors specific to an asset (e.g. expected defaults, if any, for fixed income assets). The aim of the SAA is to define the allocations to the various assets comprising each of the Portfolios based on a combined expected level of risk and return. Typically, a higher level of risk is associated with a higher potential level of return.

#### Allocations to the Portfolios

For a “balanced” portfolio, the Investment Advisor aims to suggest an allocation to provide the opportunity for a mid to long-term capital growth. In order to do so, it is expected that the sub-fund will always have an allocation to the Equity Portfolio since equities tend to offer the potential for capital appreciation. In addition, a smaller allocation to the Alternative Portfolio might be used for potential capital appreciation. It is also expected that the sub-fund will have an allocation to the Fixed Income Portfolio since fixed income assets tend to have lower volatility and so provide some protection against a fall in value of the sub-fund’s investments. The expected range of allocations for a “balanced” portfolio is set out below:

- Fixed Income Portfolio: up to 75%
- Equity Portfolio: 25–60%
- Alternatives Portfolio: 0–15%

#### Allocations within the Portfolios

Allocations within each of the Portfolios are made (i) in the case of the Equity Portfolio, geographically, for example, the United States, Japan or the Eurozone, (ii) in the case of the Fixed Income Portfolio to fixed income instruments of different types and issuers, for example, Euro corporate bonds, and (iii) in the case of the Alternatives Portfolio to indirect eligible baskets of commodities, single commodities and property investments through closed-ended REITs.

The sub-fund will also aim to weight each of the Portfolios towards exposure to Eurozone assets, such that the sub-fund has a Eurozone focus in line with its Base Currency. It is not expected that the sub-fund will have significant exposure to non-investment grade debt securities or emerging markets. In any event, such exposure will not represent more than 30% of the Net Asset Value of the sub-fund for non-investment grade debt

securities and 20% for emerging markets. The sub-fund’s investments in closed-ended REITs will not represent more than 10% of the Net Asset Value of the sub-fund.

#### Investment Process

The sub-fund manager will obtain exposure to the Portfolios predominantly through investment in exchange traded fund or funds (each an ETF) or other UCIs or, in the case of single commodity exposures, the allocations may be to debt securities linked to the performance of such individual commodities, which will be exchange traded notes or certificates (the ETCs). According article 2 A. (j), investments in certificates are only permitted if they are 1:1 certificates qualifying as transferable securities.

With the exception of permitted investments in unlisted securities and UCIs, the sub-fund’s investments will be listed on regulated markets.

#### ETFs and other UCIs

Where exposure is obtained through investment in ETFs or other UCIs, the allocation to each Portfolio will be expressed as an allocation recommended by the Investment Advisor to an ETF, for example a Eurozone stock market focussed ETF or U.S. government bond focussed ETF, or a diversified commodity index, with the exception of individual commodities within the Alternatives Portfolio. To the extent that there is no suitable ETF tracking an index representative of the recommended allocation, the sub-fund may take exposure to a recommended financial index as further described below.

Such ETFs may include ETFs in relation to which DWS Investments S.A. also acts as management company (such an ETF, a DWS ETF). ETFs are selected on the basis of criteria such as cost, liquidity and tracking error, in the best interests of investors and in order to achieve the Investment Objective.

The sub-fund may invest up to 100% of its assets in other UCIs. Such UCIs will include UCITS (such as the ETFs) and, in accordance with the limits of the Law of 2010, AIFs. Such UCIs may be domiciled in the EEA, Guernsey, Jersey or the Isle of Man. Such UCIs may be constituted as corporates, including investment companies, unit trusts, partnerships or common contractual funds and may be traded, listed or dealt in on a stock exchange or other regulated market. The sub-fund will not invest in ETFs domiciled in the U.S. These investments will be in line with the investment policy of the sub-fund.

#### ETCs

In the case of single commodity exposures, the allocations will be to ETCs. These will be unleveraged debt securities listed or traded on regulated markets.

#### FDI

As an alternative to investing in an ETF, the sub-fund manager may take exposure to a financial index through the use of FDI. Forward currency exchange contracts, non-deliverable forwards (NDFs), currency futures, futures on indices, options or swaps, may be used by the sub-fund for investment purposes and also for the purposes of efficient portfolio management (including hedging). When using financial indices, legal provisions apply as set out in article 44 (1) of the Law of 2010, and article 9 of the Grand-Ducal Regulation of February 8, 2008.

When using an FDI, no MSCI ESG rating or minimum rating is required for the FDI counterparty nor the underlying of the FDI.

#### Liquid Asset Strategy

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 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 20% of the sub-funds’ net assets. In exceptionally unfavourable market conditions, it is permitted to temporarily exceed this 20% limit if circumstances so require and to the extent that this appears to be justified with regard to the interests of shareholders.

The sub-fund may hold ancillary liquid assets as specified in article 2 B. o) of the general section of the Sales Prospectus.

The sub-fund will not invest in contingent convertibles.

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

For the purpose of inducing a partial tax exemption within the meaning of the German Investment Tax Act and in addition to the investment limits described in the Articles of Incorporation and this Sales Prospectus at least 25% of the sub-fund’s gross assets (determined as being the value of the sub-fund’s assets without taking into account liabilities) are invested in such equity capital investments as defined in article 2 (8) of the German Investment Tax Act that may be acquired for the sub-fund in accordance with the Articles of Incorporation and this Sales Prospectus (Mixed Fund).

Equity capital investments in this respect are

- equities admitted to official trading on a stock exchange or admitted to, or included in, another organized market and which are not:
  - i) units of investment funds;
  - ii) units of corporations, associations of persons or estates at least 75% of the gross assets of which consist of immov-

- able 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;
- iii) 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;
- iv) 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 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;
- v) 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.
- units of investment funds, which in accordance with their terms and conditions of investment invest more than 50% of their value or more than 50% of their gross assets (determined as being the value of the investment fund's assets without taking into account liabilities) themselves or as a fund of fund indirectly in units of corporations in the amount of 51% of their value; if the terms and conditions of an equity fund make provisions for a percentage higher than 51% of its value or its gross assets, the share of the equity capital investment is, by way of derogation, deemed to be the amount of the higher percentage;
- units of investment funds, which in accordance with their terms and conditions of investment invest at least 25% of their value or at least 25% of their gross assets (determined as being the value of the investment fund's assets without taking into account liabilities) themselves or as a fund of fund indirectly in units of corporations in the amount of 25% of their value; if the terms and conditions of a balanced fund make provisions for a percentage higher than 25% of its

value or its gross assets, the share of the equity capital investment is, by way of derogation, deemed to be the amount of the higher percentage;

- units of investment funds that carry out a valuation at least once per week in the amount of the percentage of their assets published on each valuation date that they actually invest themselves, or as a fund of fund, in units of corporations.
- Units of corporations as defined in indents 2 through 4 are
- units of corporations admitted to official trading on a stock exchange or admitted to, or included in, another organized market;
  - units of corporations that are not real estate companies and that are domiciled in a member state of the European Union or in another state that is a party to the Agreement on the European Economic Area and are subject there to corporate income tax and are not exempt from it;
  - units of corporations that are not real estate companies and that are domiciled in a third country and are subject there to corporate income tax of at least 15% and are not exempt from it; and
  - units of other investment funds, which in turn meet the requirements of indents 2 through 4 and of this sentence, in the respective amount specified there.

However, units of corporations are not those that correspond to the categories as defined in indent 1 (i) to (v) above or are held indirectly via partnerships.

Equity capital investments indirectly held by the sub-fund via partnerships are not equity capital investments.

Individual investment fund units may only be taken into consideration once for the purposes of determining the daily equity capital investment rate.

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.

Notwithstanding article 2 B. (i), the following applies:

The sub-fund's assets may be used to acquire shares of other UCITS and/or UCIs as defined in article 2 A. (e), provided that no more than 20% of the sub-fund's assets are invested in one and the same UCITS and/or UCIs.

Every sub-fund of an umbrella fund is to be regarded as an independent issuer, provided that

the principle of individual liability per sub-fund is applicable in terms of liability to third parties.

Investments in shares of other UCIs other than UCITS must not exceed 30% of the sub-fund's net assets in total.

In the case of investments in shares of another UCITS and/or other UCIs, the investments held by that UCITS and/or by other UCIs are not taken into consideration for the purposes of the limits specified in article 2 B. (a), (b), (c), (d), (e) and (f).

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

### Integration of sustainability risks

The sub-fund management integrates sustainability risks into its investment decisions as described in the General Section of the Sales Prospectus in the section "Integration of sustainability risks in the investment process".

### Additional information

When using total return swaps to implement the investment strategy as described above, the following shall be noted:

The proportion of the sub-fund's net assets subject to total return swaps, expressed as the sum of notional of the total return swaps divided by the sub-fund's net asset value, is expected to be 0%, but depending on the respective market conditions, with the objective of efficient portfolio management and in the interest of the investors, it may reach up to 10%. The calculation is performed in line with the guidelines CESR/10-788. However, the disclosed expected level of leverage is not intended to be an additional exposure limit for the sub-fund.

Additional information on total return swaps may be found in the general section of the Sales Prospectus, amongst others, in the section "Efficient portfolio management techniques". The selection of counterparties to any total return swap is subject to the principles as described in the section "Choice of counterparty" of the Sales Prospectus. Further information on the counterparties is disclosed in the annual report. For special risk considerations linked to total return swaps, investors should refer to the section "General Risk Warnings", and in particular the section "Risks connected to derivative transactions" of the Sales Prospectus.

### Risk Management

The relative Value-at-Risk (VaR) approach is used to limit market risk in the sub-fund.

In addition to the provisions of the general section of 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 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 all-in fee attributable to shares of these target funds is reduced by the management fee/all-in fee up to 0.09% of the acquired target funds (modified difference method).

# Pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

**Sustainable investment** means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

**Product name:** DB ESG Balanced SAA (EUR)

**Legal entity identifier:** 254900T6O412ETG7Q612

**ISIN:** LU2132880241

## Environmental and/or social characteristics

**Does this financial product have a sustainable investment objective?**

<input checked="" type="radio"/> <input checked="" type="radio"/> <input type="checkbox"/> <b>Yes</b>	<input checked="" type="radio"/> <input type="radio"/> <input checked="" type="checkbox"/> <b>No</b>
<input type="checkbox"/> It will make a minimum of <b>sustainable investments with an environmental objective: __%</b> <ul style="list-style-type: none"> <li><input type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy</li> <li><input type="checkbox"/> in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy</li> </ul> <input type="checkbox"/> It will make a minimum of <b>sustainable investments with a social objective: __%</b>	<input type="checkbox"/> It <b>promotes Environmental/Social (E/S) characteristics</b> and while it does not have as its objective a sustainable investment, it will have a minimum proportion of __% of sustainable investments <ul style="list-style-type: none"> <li><input type="checkbox"/> with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy</li> <li><input type="checkbox"/> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy</li> <li><input type="checkbox"/> with a social objective</li> </ul> <input checked="" type="checkbox"/> It promotes E/S characteristics, but <b>will not make any sustainable investments</b>

**What environmental and/or social characteristics are promoted by this financial product?**

This sub-fund promotes at least 51% of its net assets in investments that are aligned with the following environmental and social characteristics:

1. ESG Quality: The sub-fund invests in instruments that have at least an MSCI ESG Rating of BBB
2. Fossil Fuel-based exclusion: The sub-fund excludes issuers active in the fossil fuel sector that exceed a predefined turnover threshold
3. Norm-based exclusions: The sub-fund excludes issuers that are in violation of the UN Global Compact principles or the OECD Guidelines for multinational enterprises
4. The sub-fund excludes issuers that have exposure to controversial weapons

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



**Sustainability indicators** measure how the environmental or social characteristics promoted by the financial product are attained.

What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?

The attainment of the promoted environmental and social characteristics is assessed via the application of MSCI ESG data as further described in section “What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?”. The methodology applies a variety of assessment categories that are used as sustainability indicators to assess the attainment of the promoted environmental and social characteristics, which are as follows:

- %-share of the sub-fund’s net assets that are invested in investment funds and securities of issuers that possess at least an MSCI ESG Rating of BBB
- %-share of the sub-fund’s net assets of issuers that are active in the fossil fuel sector that exceed a predefined turnover threshold
- %-share of the sub-fund’s net assets that are in violation of the UN Global Compact principles or the OECD Guidelines for multinational enterprises
- %-share of the sub-fund’s net assets that have exposure to controversial weapons

*The EU Taxonomy sets out a “do not significant harm” principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.*

The “do no significant harm” principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

*Any other sustainable investments must also not significantly harm any environmental or social objectives.*



**Principal adverse impacts** are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

Does this financial product consider principal adverse impacts on sustainability factors?

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

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

Principal adverse impacts are considered for the sub-funds’ assets that are aligned with environmental and social characteristics by selecting investments that exclude (i) issuers active in the fossil fuel sector that exceed a predefined turnover threshold (sustainability factors related to the adverse impact indicators no. 2, 3 and 4), (ii) issuers that are in violation of the UN Global Compact principles or the OECD Guidelines for multinational enterprises (sustainability factors related to the adverse impact indicator no. 10) and (iii) issuers that have exposure to controversial weapons (sustainability factors related to the adverse impact indicator no. 14).

Further information on principal adverse impacts will be provided in an annex to the sub-fund’s annual report.

No



**The Investment strategy** guides investment decisions based on factors such as investment objectives and risk tolerance.

## What investment strategy does this financial product follow?

This sub-fund pursues a strategy based on multiple asset classes as main investment strategy. The sub-fund will seek to gain indirect exposure to three primary asset class portfolios (Fixed Income Portfolio: up to 75%, Equity Portfolio: 25–60%, Alternatives Portfolio: 0–15%) diversified among and within themselves (each, a Portfolio and together the Portfolios) in proportions that are consistent with the Investment Objective. The sub-fund manager will implement the sub-fund's investment policy predominantly via investments in UCITS and other UCIs. In doing so, the sub-fund pursues a fund-of-fund strategy. Further details regarding the main investment strategy are specified in the Special Section of the Sales Prospectus. The sub-fund's assets are predominantly allocated into investments that comply with the defined standards in respect to the promoted environmental and social characteristics as described in the following sections. The sub-fund's strategy in relation to the promoted environmental or social characteristics is integral part of the ESG assessment methodology, which is continuously monitored via the sub-fund's investment guidelines.

## What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?

The sub-fund management and the investment advisor rely on data from MSCI, an external ESG data provider, when conducting fundamental analysis of the investment universe in order to take ESG criteria into account in the selection of target funds or the issuers of financial instruments. The sub-fund management incorporates the results of this analysis and the investment advisor's investment recommendations based on it into its investment decisions.

At least 51% of the sub-fund's net assets are invested in investment funds and securities of issuers that possess an MSCI ESG rating and that meet defined minimum standards with regard to ESG (Environment, Social, (Corporate) Governance) criteria.

MSCI assigns an ESG rating from AAA (highest score) to CCC (lowest score). This MSCI ESG rating is intended to make ESG characteristics more understandable and measurable.

The sub-fund invests at least 51% of the sub-fund's net assets in investment instruments that have at least an MSCI ESG rating of BBB. In addition, investment instruments (e.g. investment funds, cash, equities or bonds issued by corporates) can be acquired that have no MSCI ESG rating.

At least 51% of the sub-fund's net assets will meet the sub-fund's ESG criteria at the time of purchase. If sub-fund investments no longer meet the minimum standards for ESG criteria of the sub-fund, the sub-fund can continue to hold these investments until (from the perspective of the sub-fund manager) it is possible and practical to liquidate the position, as long as at least 51% of the sub-fund's net assets meet the ESG criteria.

### ESG rating for funds:

MSCI develops an ESG rating for a fund or an ETF based on the weighted average of the individual ESG scores of the assets held in a fund – according to the fund's most recently published holdings. This excludes positions of cash and cash equivalents and certain derivatives. This includes an adjustment to reflect the weighting of assets held in the fund to which MSCI assigns a positive and a negative ESG trend/momentum score and the weighting of "ESG laggards" in the fund. ESG laggards are assets with ESG ratings from B to CCC. The ESG rating of the fund may change either due to changes in the ESG ratings of the securities held in the fund or due to a change in the composition of the analysed fund.

### ESG Rating for corporate issuers:

MSCI develops an ESG rating for corporate by issuers by assessing the ESG performance of a company independently of its financial success on the basis of various ESG criteria. These ESG criteria relate to the following topics, among others:

#### Environmental

- Preservation of biodiversity
- Protection of natural resources
- Mitigation of climate change
- Avoidance of environmental pollution and waste

#### Social

- General human rights
- Ban on child labour and forced labour
- Mandatory non-discrimination
- Careful management of human capital

– Support for social opportunity

#### Corporate governance

- Corporate principles in accordance with the International Corporate Governance Network
- Principles of combating corruption in accordance with the UN Global Compact

#### ESG rating for sovereigns and affiliated issuers:

MSCI develops an ESG rating for issuers such as sovereigns, regional authorities and issuers affiliated with sovereigns with a view to the ESG risk factors in the value chain of the relevant country. The focus here is on the stewardship of resources, the entitlement to basic services and performance. Natural, financial and human resources differ from country to country and therefore result in different starting points for the manufacture of productive goods and the provision of services. Other factors, such as a government and justice system that is recognized and effective from an ESG perspective, a low level of susceptibility to environmental impacts or other external factors, and a supportive economic environment can also influence the use of these resources.

The sub-fund manager evaluates potential investments using the above MSCI ESG rating.

Deposits with credit institutions and ancillary liquid assets will not be assessed via the ESG assessment methodology.

The sub-fund considers the following exclusions:

1. Fossil Fuel-based exclusion: The sub-fund excludes issuers active in the fossil fuel sector that exceed a predefined turnover threshold
2. Norm-based exclusions: The sub-fund excludes issuers that are in violation of the UN Global Compact principles or the OECD Guidelines for multinational enterprises
3. The sub-fund excludes issuers that have exposure to controversial weapons

What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?

The applied ESG investment strategy does not pursue a committed minimum reduction of the scope of the investments.

**Good governance** practices include sound management structures, employee relations, remuneration of staff and tax compliance.

What is the policy to assess good governance practices of the investee companies?

The procedure to assess the good governance practises of the investee companies is based on the analysis of the corporate principles in accordance with the International Corporate Governance Network – Principles of combating corruption in accordance with the UN Global Compact. Further, the management company considers active ownership as a strong driver to improve governance, policies and practices, and thus for a better long-term performance of investee companies. Active ownership means using the position as shareholders to influence the activities or behaviour of the investee companies. An engagement activity can be initiated with the investee companies regarding matters such as strategy, financial and non-financial performance, risk, capital structure, social and environmental impact as well as corporate governance including topics like disclosure, culture and remuneration. The engagement activity can be undertaken via, e.g., issuer meetings or engagement letters. Furthermore, for equity investments it could also be an interaction with the company resulting from proxy voting activities or participation at general meetings.

What is the asset allocation planned for this financial product?

This sub-fund invests at least 51% of its net assets in investments that are aligned with the promoted environmental and social characteristics (#1 Aligned with E/S characteristics). Within this category, at least 0% of the sub-fund's assets qualify as sustainable investments (#1A Sustainable).

Up to 49% of the investments are not aligned with these characteristics (#2 Other). A more detailed description of the specific asset allocation of this sub-fund can be found in the Special Section of the Sales Prospectus.



**Asset allocation** describes the share of investments in specific assets.

Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.



**#1 Aligned with E/S characteristics** includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

**#2 Other** includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:

- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?

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

**Enabling activities** directly enable other activities to make a substantial contribution to an environmental objective.

**Transitional activities** are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

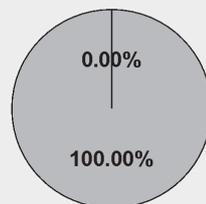


To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

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

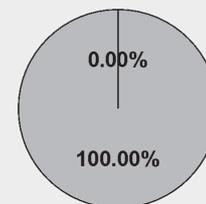
*The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds\*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.*

1. Taxonomy-alignment of investments including sovereign bonds\*



■ Taxonomy-aligned □ Other Investments

2. Taxonomy-alignment of investments excluding sovereign bonds\*



■ Taxonomy-aligned □ Other Investments

\*For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures

What is the minimum share of investments in transitional and enabling activities?

The sub-fund does not have a minimum share of investments in transitional and enabling activities, as it does not commit to a minimum proportion of environmentally sustainable investments aligned with the EU Taxonomy.



are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.



What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

Not applicable.



What is the minimum share of socially sustainable investments?

Not applicable.



What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?

This sub-fund promotes a predominant asset allocation in investments that are aligned with environmental and social characteristics (#1 Aligned with E/S characteristics). In addition, and on an ancillary basis, this sub-fund will invest into investments that are not considered aligned with the promoted characteristics (#2 Other). These remaining investments can include all asset classes as foreseen in the specific investment policy including cash and derivatives.

In line with the market positioning of this sub-fund, the purpose of these remaining investments is to provide investors with an exposure to non-ESG aligned investments while at the same time ensuring a predominant exposure to environmentally and socially aligned investments. Remaining investments can be used by the portfolio management for performance, diversification, liquidity and hedging purposes.

This sub-fund does not consider any minimum environmental or social safeguards on these remaining investments.



**Reference benchmarks** are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

This sub-fund has not designated a reference benchmark to determine whether it is aligned with the environmental and/or social characteristics that it promotes.



Where can I find more product specific information online?

**More product-specific information can be found on the website:** <https://funds.dws.com/en-lu/balanced-funds/LU2132880241/> as well as on your local country website [www.dws.com/fundinformation](http://www.dws.com/fundinformation).

## DB ESG Balanced SAA (EUR) Plus

<b>Investor profile</b>	Growth-oriented
<b>Currency of sub-fund</b>	EUR
<b>Sub-fund manager</b>	DWS Investment GmbH and DWS International GmbH, Mainzer Landstr. 11-17, 60329 Frankfurt/Main, Germany. The Management Company entered into an investment management agreement with DWS Investment GmbH, Frankfurt/Main. Under its supervision, control and responsibility, and at its own expense, DWS Investment GmbH, Frankfurt/Main, entered into an investment management agreement with DWS International GmbH. The portfolio management of the sub-fund is performed by both companies by means of close cooperation as well as common processes and IT-systems.
<b>Investment Advisor</b>	Deutsche Bank AG, Taunusanlage 12, 60325 Frankfurt/Main, Germany The sub-fund manager has entered into an advisory agreement with Deutsche Bank AG. The investment advice shall thereby encompass analysis and recommendations of suitable investment instruments, which take into account sustainability risks.
<b>Performance benchmark</b>	-
<b>Reference portfolio (risk benchmark)</b>	Portfolio excl. Derivatives
<b>Leverage effect</b>	2 times the value of the investment sub-fund's assets
<b>Calculation of the NAV per share</b>	Each bank business day in Luxembourg and Frankfurt/Main.
<b>Swing Pricing</b>	The sub-fund may apply Swing Pricing. If implemented, it will be disclosed in the fund facts section on the website of the Management Company <a href="http://www.dws.com">www.dws.com</a> .
<b>Order acceptance</b>	All subscription, redemption and exchange orders are placed on the basis of an unknown net asset value per share. Orders received by the Transfer Agent at or before <b>4:00 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>Maximum management fee charged in respect of investments in shares of target funds (payable by the sub-fund)</b>	2%

### Overview of the share classes

<b>Currency of share class</b>	SC**, LC10, WAMC, DPMC, LC, PFC	EUR
<b>Initial issue price</b>	SC**, LC10 WAMC, DPMC LC PFC	EUR 10,100 (incl. front end load) EUR 10,000 EUR 104 (incl. front end load) EUR 100
<b>Front end load (payable by the investor)</b>	SC**, LC10 WAMC, DPMC, PFC LC	Up to 1% 0% up to 4%
<b>All-in Fee p.a. (payable by the sub-fund)*</b>	SC** LC10 WAMC, DPMC LC, PFC	0.580% 0.380% 0.185% 1.375% 1.125%

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## Overview of the share classes (continued)

<b>Taxe d'abonnement (payable by the sub-fund)</b>	SC**, LC10, WAMC, LC, PFC DPMC	0.05% 0.01%
<b>Launch date</b>	SC**, LC10, WAMC DPMC LC PFC	April 30, 2020 June 17, 2020 February 1, 2021 March 31, 2021

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**Dilution adjustment (payable by the shareholder)\*\*\*** PFC:  
A dilution adjustment of up to 4% based on the gross redemption amount may be charged. Please see the general section for further explanation.

**Placement fee (payable from the sub-fund's assets)** PFC:  
Up to 4% for the benefit of the distributor. The share class has an amortization period of 4 years. Please see the general section for further explanation.

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

\*\* The minimum initial investment amount for this share class: EUR 500,000. The Investment Company reserves the right to deviate from this minimum initial investment amount at its own discretion. Subsequent purchases can be made in any amount.

\*\*\* The Management Company may, at its discretion, partially or completely dispense with the dilution adjustment.

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

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For the sub-fund with the name DB ESG Balanced SAA (EUR) Plus, the following provisions shall apply in addition to the terms contained in the general section of the Sales Prospectus.

The sub-fund name indicates a "Balanced" profile as described under "Additional classification" in the general section of the Sales Prospectus.

### Investment Objective

The objective of the investment policy of the sub-fund DB ESG Balanced SAA (EUR) Plus is to achieve a mid to long-term capital growth and aims to protect against losses of capital in excess of 18% on an annualised basis (as further described in more detail below).

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

### Investment Policy

This sub-fund is a financial product that highlights environmental and social features according to article 8 (1) of Regulation (EU) 2019/2088 on sustainability-related disclosure obligations in the financial services sector.

In order to achieve the investment objective, the sub-fund will seek to gain indirect exposure to three primary asset class portfolios diversified among and within themselves (each, a Portfolio and together the Portfolios) in proportions that are consistent with the Investment Objective, as further described below. The sub-fund manager will implement the sub-fund's investment policy predominantly via investments in UCITS and

other UCIs. In doing so, the sub-fund pursues a fund-of-fund strategy.

The sub-fund management and the investment advisor rely on data from MSCI, an external ESG data provider, when conducting fundamental analysis of the investment universe in order to take ESG criteria into account in the selection of target funds or the issuers of financial instruments. The sub-fund management incorporates the results of this analysis and the investment advisor's investment recommendations based on it into its investment decisions.

At least 51% of the sub-fund's net assets are invested in investment funds and securities of issuers that possess an MSCI ESG rating and that meet defined minimum standards with regard to ESG (Environment, Social, (Corporate) Governance) criteria.

MSCI assigns an ESG rating from AAA (highest score) to CCC (lowest score). This MSCI ESG rating is intended to make ESG characteristics more understandable and measurable.

The sub-fund invests at least 51% of the sub-fund's net assets in investment instruments that have at least an MSCI ESG rating of BBB. In addition, investment instruments can be acquired that have no MSCI ESG rating. Please also refer to further information contained in the section on instruments used for purposes of the risk reduction strategy.

At least 51% of the sub-fund's net assets will meet the sub-fund's ESG criteria at the time of purchase. If sub-fund investments no longer meet the minimum standards for ESG criteria of the sub-fund, the sub-fund can continue to hold these investments until (from the perspective of the sub-fund manager) it is possible and practical to liquidate the position, as long as at least 51% of the sub-fund's net assets meet the ESG criteria.

### ESG rating for funds:

MSCI develops an ESG rating for a fund or an ETF based on the weighted average of the individual ESG scores of the assets held in a fund – according to the fund's most recently published holdings. This excludes positions of cash and cash equivalents and certain derivatives. This includes an adjustment to reflect the weighting of assets held in the fund to which MSCI assigns a positive and a negative ESG trend/momentum score and the weighting of "ESG laggards" in the fund. ESG laggards are assets with ESG ratings from B to CCC. The ESG rating of the fund may change either due to changes in the ESG ratings of the securities held in the fund or due to a change in the composition of the analysed fund.

### ESG Rating for corporate issuers:

MSCI develops an ESG rating for corporate by issuers by assessing the ESG performance of a company independently of its financial success on the basis of various ESG criteria. These ESG criteria relate to the following topics, among others:

## Environmental

- Preservation of biodiversity
- Protection of natural resources
- Mitigation of climate change
- Avoidance of environmental pollution and waste

## Social

- General human rights
- Ban on child labour and forced labour
- Mandatory non-discrimination
- Careful management of human capital
- Support for social opportunity

## Corporate governance

- Corporate principles in accordance with the International Corporate Governance Network
- Principles of combating corruption in accordance with the UN Global Compact

### ESG rating for sovereigns and affiliated issuers:

MSCI develops an ESG rating for issuers such as sovereigns, regional authorities and issuers affiliated with sovereigns with a view to the ESG risk factors in the value chain of the relevant country. The focus here is on the stewardship of resources, the entitlement to basic services and performance. Natural, financial and human resources differ from country to country and therefore result in different starting points for the manufacture of productive goods and the provision of services. Other factors, such as a government and justice system that is recognized and effective from an ESG perspective, a low level of susceptibility to environmental impacts or other external factors, and a supportive economic environment can also influence the use of these resources.

The sub-fund manager evaluates potential investments using the above MSCI ESG rating.

Deposits with credit institutions and ancillary liquid assets will not be assessed via the ESG assessment methodology.

Derivatives are currently not used to attain the environmental or social characteristics promoted by the sub-fund and are therefore not taken into account for the calculation of the minimum share of assets complying with these characteristics.

The sub-fund considers the following exclusions:

1. Fossil Fuel-based exclusion: The sub-fund excludes issuers active in the fossil fuel sector that exceed a predefined turnover threshold
2. Norm-based exclusions: The sub-fund excludes issuers that are in violation of the UN Global Compact principles or the OECD Guidelines for multinational enterprises
3. The sub-fund excludes issuers that have exposure to controversial weapons

Due to a lack of reliable data the sub-fund does not commit to invest a minimum proportion of

sustainable investments with an environmental objective aligned with the EU Taxonomy. Therefore, the minimum percentage of environmentally sustainable investments aligned with the EU Taxonomy is 0% of the sub-fund's net assets. However, it may occur that part of the investments' underlying economic activities are aligned with the EU Taxonomy.

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

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

Principal adverse impacts are considered for the sub-fund's assets that are aligned with environmental and social characteristics by selecting investments that exclude (i) issuers active in the fossil fuel sector that exceed a predefined turnover threshold (sustainability factors related to the adverse impact indicators no. 2, 3 and 4), (ii) issuers that are in violation of the UN Global Compact principles or the OECD Guidelines for multinational enterprises (sustainability factors related to the adverse impact indicator no. 10) and (iii) issuers that have exposure to controversial weapons (sustainability factors related to the adverse impact indicator no. 14).

The procedure to assess the good governance practices of the investee companies is based on the analysis of the corporate principles in accordance with the International Corporate Governance Network – Principles of combating corruption in accordance with the UN Global Compact. Further, the management company considers active ownership as a strong driver to improve governance, policies, and practices, and thus for a better long-term performance of investee companies. Active ownership means using the position as shareholders to influence the activities or behaviour of the investee companies. An engagement activity can be initiated with the investee companies regarding matters such as strategy, financial and non-financial performance, risk, capital structure, social and environmental impact as well as corporate governance including topics like disclosure, culture, and remuneration. The engagement activity can be undertaken via, e.g., issuer meetings or engagement letters. Furthermore, for equity investments it could also be an interaction with the company resulting from proxy voting activities or participation at general meetings.

This sub-fund has not designated a reference benchmark for the purpose of attaining the

environmental and/or social characteristics promoted.

### Further information about the environmental and social characteristics promoted by this sub-fund is available in the annex to this Sales Prospectus.

### The Portfolios

The sub-fund's investments will be indirectly allocated to each of the following Portfolios, as described under Investment Process further below:

- Debt securities, including fixed and floating rate government bonds, corporate bonds, high yield bonds and money market instruments of issuers domiciled in, and governments of both developed and emerging market countries which may be of investment or non-investment grade (the Fixed Income Portfolio).
- Equities of large and mid-cap companies which are either listed and/or domiciled in both developed markets and emerging markets (the Equity Portfolio).
- Alternative investments comprising eligible indirect exposure to commodities and property investments through closed-ended REITs (the Alternatives Portfolio).

The sub-fund's investments will be allocated in different proportions to the Portfolios by the sub-fund manager on the basis of advice received from the Investment Advisor. How the Investment Advisor determines the suggested allocations is described under Portfolio Allocation Process below. How the sub-fund manager may invest into the Portfolios is described under Investment Process below.

The sub-fund manager will consider any proposed changes to the portfolio and may in its discretion overrule or reject any suggestions.

The sub-fund manager is also responsible for risk and control monitoring in respect of the sub-fund, including but not limited to monitoring of market, credit and liquidity risks as well as some portfolio administration activities, including additional NAV checks and reporting.

The Investment Advisor may advise the sub-fund manager in relation to changing the composition of each of the Portfolios and the allocation to each Portfolio periodically – expected to be yearly but may be more or less frequently where required in order to take into account changing market, economic, political and other related circumstances.

The sub-fund is designed for investors who want to maximize their exposure to higher-yielding asset classes, while containing downside risk beyond their risk tolerance through the implementation of a Risk Reduction Strategy.

### Risk Reduction Strategy

In addition to the allocation to the Portfolios, the sub-fund manager will seek to implement a strategy on the basis of the Investment Advisor's recommendation intended to preserve capital by limiting a fall in the value of the sub-fund's assets not more than 18% on an annualised basis (the Risk Reduction Strategy). The Risk Reduction Strategy aims to limit the potential loss in the sub-fund during any 12-month period on a rolling basis – i.e. from any given day, the strategy is designed to try to limit any loss in the value of the sub-fund's assets during the 12 months from that day to 18%.

The Risk Reduction Strategy involves investment in hedging instruments such as put options (the Hedge Portfolio) and/or other Financial Derivative Instruments (FDIs). Such put options and other FDIs may be used exclusively for Risk Reduction Strategy and will be intended to limit the risk of losses typically, in the Equity Portfolio, on the basis that equities tend to be more volatile than fixed income investments and are therefore more likely to suffer more significant falls in value. For example, the Investment Advisor may propose the purchase of a put option in respect of an equity or fixed income index regardless of whether the sub-fund is invested in these via an ETF or FDIs. If the value of such index declines then the put option will increase in value and may allow the sub-fund manager to sell the put option at a price that is higher than the market price at which the put option was purchased and, as a result, limit the loss faced by the sub-fund as a result of the decline in the value of the index. When using a FDI, no MSCI ESG rating or minimum rating is required for the FDI counterparty nor the underlying of the FDI.

The Hedge Portfolio may be adjusted frequently, including, in exceptional circumstances, up to daily, to take into account changing circumstances including market or economic conditions. There can be no guarantee that an investment in the Hedge Portfolio will be successful and actual losses in the sub-fund may exceed 18% in any one year or other period. There is a cost associated with purchasing hedging instruments such as put options and so an investment in the Hedge Portfolio may negatively impact the value of the sub-fund since put options may not be exercised and so may expire unused.

### Portfolio Allocation Process

The Investment Advisor uses a strategic asset allocation approach (the Strategic Asset Allocation or SAA) in order to advise the sub-fund manager as regards the sub-fund's investments. The SAA is the basis upon which the Investment Advisor determines the suggested allocations both to, and also within, each of the Portfolios and it takes into account three fundamental parameters:

- The expected return of each of the assets in each Portfolio – this includes capital and income.

- The expected volatility of each of the assets in each Portfolio – this means the expected degree of variation in the return of the assets.
- The expected correlations between the assets in each Portfolio – this means how their respective returns move relative to each other. A high correlation would exist where the two assets move in the same direction (e.g. both move up in value over the same time period).

The analysis and predictions of the Investment Advisor under these parameters are based on factors including historical data (i.e. how has the asset performed in the past), market expectations (e.g. the level of growth the U.S. economy is expected to experience) and also factors specific to an asset (e.g. expected defaults, if any, for fixed income assets). The aim of the SAA is to define the allocations to the various assets comprising each of the Portfolios based on a combined expected level of risk and return. Typically, a higher level of risk is associated with a higher potential level of return.

### Allocations to the Portfolios

For a "balanced" portfolio, the Investment Advisor aims to suggest an allocation to provide the opportunity for a mid to long-term capital growth. In order to do so, it is expected that the sub-fund will always have an allocation to the Equity Portfolio since equities tend to offer the potential for capital appreciation. In addition, a smaller allocation to the Alternative Portfolio might be used for potential capital appreciation. It is also expected that the sub-fund will have an allocation to the Fixed Income Portfolio since fixed income assets tend to have lower volatility and so provide some protection against a fall in value of the sub-fund's investments. The expected range of allocations for a "balanced" portfolio is set out below:

- Fixed Income Portfolio: up to 70%
- Equity Portfolio: 30–80%
- Alternatives Portfolio: 0–15%

### Allocations within the Portfolios

Allocations within each of the Portfolios are made (i) in the case of the Equity Portfolio, geographically, for example, the United States, Japan or the Eurozone, (ii) in the case of the Fixed Income Portfolio to fixed income instruments of different types and issuers, for example, Euro corporate bonds, and (iii) in the case of the Alternatives Portfolio to indirect eligible baskets of commodities, single commodities and property investments through closed-ended REITs.

The sub-fund will also aim to weight each of the Portfolios towards exposure to Eurozone assets, such that the sub-fund has a Eurozone focus in line with its Base Currency. It is not expected that the sub-fund will have significant exposure to non-investment grade debt securities or emerging markets. In any event, such exposure will not represent more than 30% of the Net Asset Value of the sub-fund for non-investment grade debt

securities and 20% for emerging markets. The sub-fund's investments in closed-ended REITs will not represent more than 10% of the Net Asset Value of the sub-fund.

### Investment Process

The sub-fund manager will obtain exposure to the Portfolios predominantly through investment in exchange traded fund or funds (each an ETF) or other UCIs or, in the case of single commodity exposures, the allocations may be to debt securities linked to the performance of such individual commodities, which will be exchange traded notes or certificates (the ETCs). According to article 2 A. (j), investments in certificates are only permitted if they are 1:1 certificates qualifying as transferable securities.

With the exception of permitted investments in unlisted securities and UCIs, the sub-fund's investments will be listed on regulated markets.

### ETFs and other UCIs

Where exposure is obtained through investment in ETFs or other UCIs, the allocation to each Portfolio will be expressed as an allocation recommended by the Investment Advisor to an ETF, for example a Eurozone stock market focussed ETF or U.S. government bond focussed ETF, or a diversified commodity index, with the exception of individual commodities within the Alternatives Portfolio. To the extent that there is no suitable ETF tracking an index representative of the recommended allocation, the sub-fund may take exposure to a recommended financial index as further described below. Such ETFs may include ETFs in relation to which DWS Investments S.A. also acts as management company (such an ETF, a DWS ETF). ETFs are selected on the basis of criteria such as cost, liquidity and tracking error, in the best interests of investors and in order to achieve the Investment Objective.

The sub-fund may invest up to 100% of its assets in other UCIs. Such UCIs will include UCITS (such as the ETFs) and, in accordance with the limits of the Law of 2010, AIFs. Such UCIs may be domiciled in the EEA, Guernsey, Jersey or the Isle of Man. Such UCIs may be constituted as corporates, including investment companies, unit trusts, partnerships or common contractual funds and may be traded, listed or dealt in on a stock exchange or other regulated market. The sub-fund will not invest in ETFs domiciled in the U.S. These investments will be in line with the investment policy of the sub-fund.

### ETCs

In the case of single commodity exposures, the allocations will be to ETCs. These will be unleveraged debt securities listed or traded on regulated markets.

### FDI

As an alternative to investing in an ETF, the sub-fund manager may take exposure to a financial index through the use of FDI. Forward currency exchange contracts, non-deliverable for-

wards (NDFs), currency futures, futures on indices, options or swaps, may be used by the sub-fund for investment purposes and also for the purposes of efficient portfolio management (including hedging). When using financial indices, legal provisions apply as set out in article 44 (1) of the Law of 2010, and article 9 of the Grand-Ducal Regulation of February 8, 2008.

When using an FDI, no MSCI ESG rating or minimum rating is required for the FDI counterparty nor the underlying of the FDI.

### Liquid Asset Strategy

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 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 20% of the sub-funds' net assets. In exceptionally unfavourable market conditions, it is permitted to temporarily exceed this 20% limit if circumstances so require and to the extent that this appears to be justified with regard to the interests of shareholders.

The sub-fund may hold ancillary liquid assets as specified in article 2 B. o) of the general section of the Sales Prospectus.

The sub-fund will not invest in contingent convertibles.

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

For the purpose of inducing a partial tax exemption within the meaning of the German Investment Tax Act and in addition to the investment limits described in the Articles of Incorporation and this Sales Prospectus at least 25% of the sub-fund's gross assets (determined as being the value of the sub-fund's assets without taking into account liabilities) are invested in such equity capital investments as defined in article 2 (8) of the German Investment Tax Act that may be acquired for the sub-fund in accordance with the Articles of Incorporation and this Sales Prospectus (Mixed Fund).

Equity capital investments in this respect are

- equities admitted to official trading on a stock exchange or admitted to, or included in, another organized market and which are not:
  - i) units of investment funds;
  - ii) 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;

- iii) 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;
- iv) 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 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;
- v) 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.

- units of investment funds, which in accordance with their terms and conditions of investment invest more than 50% of their value or more than 50% of their gross assets (determined as being the value of the investment fund's assets without taking into account liabilities) themselves or as a fund of fund indirectly in units of corporations in the amount of 51% of their value; if the terms and conditions of an equity fund make provisions for a percentage higher than 51% of its value or its gross assets, the share of the equity capital investment is, by way of derogation, deemed to be the amount of the higher percentage;
- units of investment funds, which in accordance with their terms and conditions of investment invest at least 25% of their value or at least 25% of their gross assets (determined as being the value of the investment fund's assets without taking into account liabilities) themselves or as a fund of fund indirectly in units of corporations in the amount of 25% of their value; if the terms and conditions of a balanced fund make provisions for a percentage higher than 25% of its value or its gross assets, the share of the equity capital investment is, by way of derogation, deemed to be the amount of the higher percentage;

- units of investment funds that carry out a valuation at least once per week in the amount of the percentage of their assets published on each valuation date that they actually invest themselves, or as a fund of fund, in units of corporations.

Units of corporations as defined in indents 2 through 4 are

- units of corporations admitted to official trading on a stock exchange or admitted to, or included in, another organized market;
- units of corporations that are not real estate companies and that are domiciled in a member state of the European Union or in another state that is a party to the Agreement on the European Economic Area and are subject there to corporate income tax and are not exempt from it;
- units of corporations that are not real estate companies and that are domiciled in a third country and are subject there to corporate income tax of at least 15% and are not exempt from it; and
- units of other investment funds, which in turn meet the requirements of indents 2 through 4 and of this sentence, in the respective amount specified there.

However, units of corporations are not those that correspond to the categories as defined in indent 1 (i) to (v) above or are held indirectly via partnerships.

Equity capital investments indirectly held by the sub-fund via partnerships are not equity capital investments.

Individual investment fund units may only be taken into consideration once for the purposes of determining the daily equity capital investment rate.

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.

Notwithstanding article 2 B. (i), the following applies:

The sub-fund's assets may be used to acquire shares of other UCITS and/or UCIs as defined in article 2 A. (e), provided that no more than 20% of the sub-fund's assets are invested in one and the same UCITS and/or UCIs.

Every sub-fund of an umbrella fund is to be regarded as an independent issuer, provided that the principle of individual liability per sub-fund is applicable in terms of liability to third parties.

Investments in shares of other UCIs other than UCITS must not exceed 30% of the sub-fund's net assets in total.

In the case of investments in shares of another UCITS and/or other UCIs, the investments held by that UCITS and/or by other UCIs are not taken into consideration for the purposes of the limits specified in article 2 B. (a), (b), (c), (d), (e) and (f).

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

### Integration of sustainability risks

The sub-fund management integrates sustainability risks into its investment decisions as described in the General Section of the Sales Prospectus in the section "Integration of sustainability risks in the investment process".

### Additional information

When using total return swaps to implement the investment strategy as described above, the following shall be noted:

The proportion of the sub-fund's net assets subject to total return swaps, expressed as the sum of notionals of the total return swaps divided by the sub-fund's net asset value, is expected to be 0%, but depending on the respective market conditions, with the objective of efficient portfolio management and in the interest of the investors, it may reach up to 10%. The calculation is performed in line with the guidelines CESR/10-788. However, the disclosed expected level of leverage is not intended to be an additional exposure limit for the sub-fund.

Additional information on total return swaps may be found in the general section of the Sales Prospectus, amongst others, in the section "Efficient portfolio management techniques". The selection of counterparties to any total return swap is subject to the principles as described in the section "Choice of counterparty" of the Sales Prospectus. Further information on the counterparties is disclosed in the annual report. For special risk considerations linked to total return swaps, investors should refer to the section "General Risk Warnings", and in particular the section "Risks connected to derivative transactions" of the Sales Prospectus.

### Risk Management

The relative Value-at-Risk (VaR) approach is used to limit market risk in the sub-fund.

In addition to the provisions of the general section of 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 all-in fee attributable to shares of these target funds is reduced by the management fee/all-in fee up to 0.09% of the acquired target funds (modified difference method).

# Pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

**Sustainable investment** means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

**Product name:** DB ESG Balanced SAA (EUR) Plus

**Legal entity identifier:** 254900KM6BB867XGNX59

**ISIN:** LU2132879748

## Environmental and/or social characteristics

Does this financial product have a sustainable investment objective?

<input checked="" type="radio"/> <input checked="" type="radio"/> <input type="checkbox"/> <b>Yes</b>	<input checked="" type="radio"/> <input type="radio"/> <input checked="" type="checkbox"/> <b>No</b>
<input type="checkbox"/> It will make a minimum of <b>sustainable investments with an environmental objective: __%</b> <ul style="list-style-type: none"> <li><input type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy</li> <li><input type="checkbox"/> in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy</li> </ul> <input type="checkbox"/> It will make a minimum of <b>sustainable investments with a social objective: __%</b>	<input type="checkbox"/> It <b>promotes Environmental/Social (E/S) characteristics</b> and while it does not have as its objective a sustainable investment, it will have a minimum proportion of __% of sustainable investments <ul style="list-style-type: none"> <li><input type="checkbox"/> with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy</li> <li><input type="checkbox"/> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy</li> <li><input type="checkbox"/> with a social objective</li> </ul> <input checked="" type="checkbox"/> It promotes E/S characteristics, but <b>will not make any sustainable investments</b>

What environmental and/or social characteristics are promoted by this financial product?

This sub-fund promotes at least 51% of its net assets in investments that are aligned with the following environmental and social characteristics:

1. ESG Quality: The sub-fund invests in instruments that have at least an MSCI ESG Rating of BBB
2. Fossil Fuel-based exclusion: The sub-fund excludes issuers active in the fossil fuel sector that exceed a predefined turnover threshold
3. Norm-based exclusions: The sub-fund excludes issuers that are in violation of the UN Global Compact principles or the OECD Guidelines for multinational enterprises
4. The sub-fund excludes issuers that have exposure to controversial weapons

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



**Sustainability indicators** measure how the environmental or social characteristics promoted by the financial product are attained.

What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?

The attainment of the promoted environmental and social characteristics is assessed via the application of MSCI ESG data as further described in section “What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?”. The methodology applies a variety of assessment categories that are used as sustainability indicators to assess the attainment of the promoted environmental and social characteristics, which are as follows:

- %-share of the sub-fund’s net assets that are invested in investment funds and securities of issuers that possess at least an MSCI ESG Rating of BBB
- %-share of the sub-fund’s net assets of issuers that are active in the fossil fuel sector that exceed a predefined turnover threshold
- %-share of the sub-fund’s net assets that are in violation of the UN Global Compact principles or the OECD Guidelines for multinational enterprises
- %-share of the sub-fund’s net assets that have exposure to controversial weapons

*The EU Taxonomy sets out a “do not significant harm” principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.*

The “do no significant harm” principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

*Any other sustainable investments must also not significantly harm any environmental or social objectives.*



**Principal adverse impacts** are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

Does this financial product consider principal adverse impacts on sustainability factors?

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

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

Principal adverse impacts are considered for the sub-funds’ assets that are aligned with environmental and social characteristics by selecting investments that exclude (i) issuers active in the fossil fuel sector that exceed a predefined turnover threshold (sustainability factors related to the adverse impact indicators no. 2, 3 and 4), (ii) issuers that are in violation of the UN Global Compact principles or the OECD Guidelines for multinational enterprises (sustainability factors related to the adverse impact indicator no. 10) and (iii) issuers that have exposure to controversial weapons (sustainability factors related to the adverse impact indicator no. 14).

Further information on principal adverse impacts will be provided in an annex to the sub-fund’s annual report.

No



**The Investment strategy** guides investment decisions based on factors such as investment objectives and risk tolerance.

## What investment strategy does this financial product follow?

This sub-fund pursues a strategy based on multiple asset classes as main investment strategy. The sub-fund will seek to gain indirect exposure to three primary asset class portfolios (Fixed Income Portfolio: up to 70%, Equity Portfolio: 30–80%, Alternatives Portfolio: 0–15%) diversified among and within themselves (each, a Portfolio and together the Portfolios) in proportions that are consistent with the Investment Objective. The sub-fund manager will implement the sub-fund's investment policy predominantly via investments in UCITS and other UCIs. In doing so, the sub-fund pursues a fund-of-fund strategy. In addition to the allocation to the Portfolio, a risk reduction strategy will be implemented in order to preserve capital by limiting a fall in value of the sub-fund's assets. The risk reduction strategy will be implemented with derivative instruments. Further details regarding the main investment strategy are specified in the Special Section of the Sales Prospectus. The sub-fund's assets are predominantly allocated into investments that comply with the defined standards in respect to the promoted environmental and social characteristics as described in the following sections. The sub-fund's strategy in relation to the promoted environmental or social characteristics is integral part of the ESG assessment methodology, which is continuously monitored via the sub-fund's investment guidelines.

## What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?

The sub-fund management and the investment advisor rely on data from MSCI, an external ESG data provider, when conducting fundamental analysis of the investment universe in order to take ESG criteria into account in the selection of target funds or the issuers of financial instruments. The sub-fund management incorporates the results of this analysis and the investment advisor's investment recommendations based on it into its investment decisions.

At least 51% of the sub-fund's net assets are invested in investment funds and securities of issuers that possess an MSCI ESG rating and that meet defined minimum standards with regard to ESG (Environment, Social, (Corporate) Governance) criteria.

MSCI assigns an ESG rating from AAA (highest score) to CCC (lowest score). This MSCI ESG rating is intended to make ESG characteristics more understandable and measurable.

The sub-fund invests at least 51% of the sub-fund's net assets in investment instruments that have at least an MSCI ESG rating of BBB. In addition, investment instruments (e.g. investment funds, cash, equities or bonds issued by corporates) can be acquired that have no MSCI ESG rating.

At least 51% of the sub-fund's net assets will meet the sub-fund's ESG criteria at the time of purchase. If sub-fund investments no longer meet the minimum standards for ESG criteria of the sub-fund, the sub-fund can continue to hold these investments until (from the perspective of the sub-fund manager) it is possible and practical to liquidate the position, as long as at least 51% of the sub-fund's net assets meet the ESG criteria.

### ESG rating for funds:

MSCI develops an ESG rating for a fund or an ETF based on the weighted average of the individual ESG scores of the assets held in a fund – according to the fund's most recently published holdings. This excludes positions of cash and cash equivalents and certain derivatives. This includes an adjustment to reflect the weighting of assets held in the fund to which MSCI assigns a positive and a negative ESG trend/momentum score and the weighting of "ESG laggards" in the fund. ESG laggards are assets with ESG ratings from B to CCC. The ESG rating of the fund may change either due to changes in the ESG ratings of the securities held in the fund or due to a change in the composition of the analysed fund.

### ESG Rating for corporate issuers:

MSCI develops an ESG rating for corporate by issuers by assessing the ESG performance of a company independently of its financial success on the basis of various ESG criteria. These ESG criteria relate to the following topics, among others:

#### Environmental

- Preservation of biodiversity
- Protection of natural resources
- Mitigation of climate change
- Avoidance of environmental pollution and waste

#### Social

- General human rights

- Ban on child labour and forced labour
- Mandatory non-discrimination
- Careful management of human capital
- Support for social opportunity

#### Corporate governance

- Corporate principles in accordance with the International Corporate Governance Network
- Principles of combating corruption in accordance with the UN Global Compact

#### ESG rating for sovereigns and affiliated issuers:

MSCI develops an ESG rating for issuers such as sovereigns, regional authorities and issuers affiliated with sovereigns with a view to the ESG risk factors in the value chain of the relevant country. The focus here is on the stewardship of resources, the entitlement to basic services and performance. Natural, financial and human resources differ from country to country and therefore result in different starting points for the manufacture of productive goods and the provision of services. Other factors, such as a government and justice system that is recognized and effective from an ESG perspective, a low level of susceptibility to environmental impacts or other external factors, and a supportive economic environment can also influence the use of these resources.

The sub-fund manager evaluates potential investments using the above MSCI ESG rating.

Deposits with credit institutions and ancillary liquid assets will not be assessed via the ESG assessment methodology.

The sub-fund considers the following exclusions:

1. Fossil Fuel-based exclusion: The sub-fund excludes issuers active in the fossil fuel sector that exceed a predefined turnover threshold
2. Norm-based exclusions: The sub-fund excludes issuers that are in violation of the UN Global Compact principles or the OECD Guidelines for multinational enterprises
3. The sub-fund excludes issuers that have exposure to controversial weapons

What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?

The applied ESG investment strategy does not pursue a committed minimum reduction of the scope of the investments.

**Good governance** practices include sound management structures, employee relations, remuneration of staff and tax compliance.

What is the policy to assess good governance practices of the investee companies?

The procedure to assess the good governance practices of the investee companies is based on the analysis of the corporate principles in accordance with the International Corporate Governance Network – Principles of combating corruption in accordance with the UN Global Compact. Further, the management company considers active ownership as a strong driver to improve governance, policies and practices, and thus for a better long-term performance of investee companies. Active ownership means using the position as shareholders to influence the activities or behaviour of the investee companies. An engagement activity can be initiated with the investee companies regarding matters such as strategy, financial and non-financial performance, risk, capital structure, social and environmental impact as well as corporate governance including topics like disclosure, culture and remuneration. The engagement activity can be undertaken via, e.g., issuer meetings or engagement letters. Furthermore, for equity investments it could also be an interaction with the company resulting from proxy voting activities or participation at general meetings.

What is the asset allocation planned for this financial product?

This sub-fund invests at least 51% of its net assets in investments that are aligned with the promoted environmental and social characteristics (#1 Aligned with E/S characteristics). Within this category, at least 0% of the sub-fund's assets qualify as sustainable investments (#1A Sustainable).

Up to 49% of the investments are not aligned with these characteristics (#2 Other). A more detailed description of the specific asset allocation of this sub-fund can be found in the Special Section of the Sales Prospectus.



**Asset allocation** describes the share of investments in specific assets.

Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.



**#1 Aligned with E/S characteristics** includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

**#2 Other** includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:

- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?

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

**Enabling activities** directly enable other activities to make a substantial contribution to an environmental objective.

**Transitional activities** are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

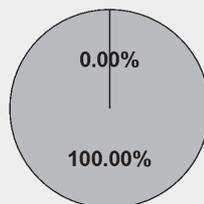


To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

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

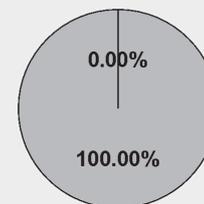
*The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds\*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.*

1. Taxonomy-alignment of investments including sovereign bonds\*



■ Taxonomy-aligned □ Other Investments

2. Taxonomy-alignment of investments excluding sovereign bonds\*



■ Taxonomy-aligned □ Other Investments

\*For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures

What is the minimum share of investments in transitional and enabling activities?

The sub-fund does not have a minimum share of investments in transitional and enabling activities, as it does not commit to a minimum proportion of environmentally sustainable investments aligned with the EU Taxonomy.



are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.



What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

Not applicable.



What is the minimum share of socially sustainable investments?

Not applicable.



What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?

This sub-fund promotes a predominant asset allocation in investments that are aligned with environmental and social characteristics (#1 Aligned with E/S characteristics). In addition, and on an ancillary basis, this sub-fund will invest into investments that are not considered aligned with the promoted characteristics (#2 Other). These remaining investments can include all asset classes as foreseen in the specific investment policy including cash and derivatives.

In line with the market positioning of this sub-fund, the purpose of these remaining investments is to provide investors with an exposure to non-ESG aligned investments while at the same time ensuring a predominant exposure to environmentally and socially aligned investments. Remaining investments can be used by the portfolio management for performance, diversification, liquidity and hedging purposes.

This sub-fund does not consider any minimum environmental or social safeguards on these remaining investments.



**Reference benchmarks** are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

This sub-fund has not designated a reference benchmark to determine whether it is aligned with the environmental and/or social characteristics that it promotes.



Where can I find more product specific information online?

**More product-specific information can be found on the website:** <https://funds.dws.com/en-lu/balanced-funds/LU2132879748/> as well as on your local country website [www.dws.com/fundinformation](http://www.dws.com/fundinformation).

## DB ESG Balanced SAA (USD)

<b>Investor profile</b>	Growth-oriented
<b>Currency of sub-fund</b>	USD
<b>Sub-fund manager</b>	DWS Investment GmbH and DWS International GmbH, Mainzer Landstr. 11-17, 60329 Frankfurt/Main, Germany. The Management Company entered into an investment management agreement with DWS Investment GmbH, Frankfurt/Main. Under its supervision, control and responsibility, and at its own expense, DWS Investment GmbH, Frankfurt/Main, entered into an investment management agreement with DWS International GmbH. The portfolio management of the sub-fund is performed by both companies by means of close cooperation as well as common processes and IT-systems.
<b>Investment Advisor</b>	Deutsche Bank AG, Taunusanlage 12, 60325 Frankfurt/Main, Germany The sub-fund manager has entered into an advisory agreement with Deutsche Bank AG. The investment advice shall thereby encompass analysis and recommendations of suitable investment instruments, which take into account sustainability risks.
<b>Performance benchmark</b>	-
<b>Reference portfolio (risk benchmark)</b>	Portfolio excl. Derivatives
<b>Leverage effect</b>	1 time the value of the investment sub-fund's assets
<b>Calculation of the NAV per share</b>	Each bank business day in Luxembourg and Frankfurt/Main.
<b>Swing Pricing</b>	The sub-fund may apply Swing Pricing. If implemented, it will be disclosed in the fund facts section on the website of the Management Company <a href="http://www.dws.com">www.dws.com</a> .
<b>Order acceptance</b>	All subscription, redemption and exchange orders are placed on the basis of an unknown net asset value per share. Orders received by the Transfer Agent at or before <b>4:00 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>Maximum management fee charged in respect of investments in shares of target funds (payable by the sub-fund)</b>	2%

### Overview of the share classes

<b>Currency of share class</b>	USD LC, USD LC10, USD WAMC, USD DPMC	USD
<b>Initial issue price</b>	USD LC USD LC10 USD WAMC, USD DPMC	USD 101 (incl. front end load) USD 10,100 (incl. front end load) USD 10,000
<b>Front end load (payable by the investor)</b>	USD LC, USD LC10 USD WAMC, USD DPMC	Up to 1% 0%
<b>All-in Fee p.a. (payable by the sub-fund)*</b>	USD LC USD LC10 USD WAMC, USD DPMC	0.460% 0.260% 0.140%
<b>Taxe d'abonnement (payable by the sub-fund)</b>	USD LC, USD LC10, USD WAMC USD DPMC	0.05% 0.01%
<b>Launch date</b>	USD LC, USD LC10, USD WAMC USD DPMC	May 26, 2020 April 19, 2021

\* For additional costs, see clause 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.

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For the sub-fund with the name DB ESG Balanced SAA (USD), the following provisions shall apply in addition to the terms contained in the general section of the Sales Prospectus.

The sub-fund name indicates a “Balanced” profile as described under “Additional classification” in the general section of the Sales Prospectus.

### Investment Objective

The objective of the investment policy of the sub-fund DB ESG Balanced SAA (USD) is to achieve a mid to long-term capital growth.

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

### Investment Policy

This sub-fund is a financial product that highlights environmental and social features according to article 8 (1) of Regulation (EU) 2019/2088 on sustainability-related disclosure obligations in the financial services sector.

In order to achieve the investment objective, the sub-fund will seek to gain indirect exposure to three primary asset class portfolios diversified among and within themselves (each, a Portfolio and together the Portfolios) in proportions that are consistent with the Investment Objective, as further described below. The sub-fund manager will implement the sub-fund’s investment policy predominantly via investments in UCITS and other UCIs. In doing so, the sub-fund pursues a fund-of-fund strategy.

The sub-fund management and the investment advisor rely on data from MSCI, an external ESG data provider, when conducting fundamental analysis of the investment universe in order to take ESG criteria into account in the selection of target funds or the issuers of financial instruments. The sub-fund management incorporates the results of this analysis and the investment advisor’s investment recommendations based on it into its investment decisions.

At least 51% of the sub-fund’s net assets are invested in investment funds and securities of issuers that possess an MSCI ESG rating and that meet defined minimum standards with regard to ESG (Environment, Social, (Corporate) Governance) criteria.

MSCI assigns an ESG rating from AAA (highest score) to CCC (lowest score). This MSCI ESG rating is intended to make ESG characteristics more understandable and measurable.

The sub-fund invests at least 51% of the sub-fund’s net assets in investment instruments (e.g. investment funds, cash, equities or bonds issued by corporates) that have at least an MSCI ESG rating of BBB. In addition, investment instruments can be acquired that have no MSCI ESG rating.

At least 51% of the sub-fund’s net assets will meet the sub-fund’s ESG criteria at the time of purchase. If sub-fund investments no longer meet the minimum standards for ESG criteria of the sub-fund, the sub-fund can continue to hold these investments until (from the perspective of the sub-fund manager) it is possible and practical to liquidate the position, as long as at least 51% of the sub-fund’s net assets meet the ESG criteria.

#### ESG rating for funds:

MSCI develops an ESG rating for a fund or an ETF based on the weighted average of the individual ESG scores of the assets held in a fund – according to the fund’s most recently published holdings. This excludes positions of cash and cash equivalents and certain derivatives. This includes an adjustment to reflect the weighting of assets held in the fund to which MSCI assigns a positive and a negative ESG trend/momentum score and the weighting of “ESG laggards” in the fund. ESG laggards are assets with ESG ratings from B to CCC. The ESG rating of the fund may change either due to changes in the ESG ratings of the securities held in the fund or due to a change in the composition of the analysed fund.

#### ESG Rating for corporate issuers:

MSCI develops an ESG rating for corporate by issuers by assessing the ESG performance of a company independently of its financial success on the basis of various ESG criteria. These ESG criteria relate to the following topics, among others:

##### Environmental

- Preservation of biodiversity
- Protection of natural resources
- Mitigation of climate change
- Avoidance of environmental pollution and waste

##### Social

- General human rights
- Ban on child labour and forced labour
- Mandatory non-discrimination
- Careful management of human capital
- Support for social opportunity

##### Corporate governance

- Corporate principles in accordance with the International Corporate Governance Network
- Principles of combating corruption in accordance with the UN Global Compact

#### ESG rating for sovereigns and affiliated issuers:

MSCI develops an ESG rating for issuers such as sovereigns, regional authorities and issuers affiliated with sovereigns with a view to the ESG risk factors in the value chain of the relevant country. The focus here is on the stewardship of resources, the entitlement to basic services and performance. Natural, financial and human resources differ from country to country and therefore result in different starting points for the manufacture of productive goods and the provision of services. Other factors, such as a government and justice system that is recognized and effective from an ESG perspective, a low level of susceptibility to environmental impacts or other external factors, and a supportive economic environment can also influence the use of these resources.

The sub-fund manager evaluates potential investments using the above MSCI ESG rating.

Deposits with credit institutions and ancillary liquid assets will not be assessed via the ESG assessment methodology.

Derivatives are currently not used to attain the environmental or social characteristics promoted by the sub-fund and are therefore not taken into account for the calculation of the minimum share of assets complying with these characteristics.

The sub-fund considers the following exclusions:

1. Fossil Fuel-based exclusion: The sub-fund excludes issuers active in the fossil fuel sector that exceed a predefined turnover threshold
2. Norm-based exclusions: The sub-fund excludes issuers that are in violation of the UN Global Compact principles or the OECD Guidelines for multinational enterprises
3. The sub-fund excludes issuers that have exposure to controversial weapons

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

ments' underlying economic activities are aligned with the EU Taxonomy.

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

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

Principal adverse impacts are considered for the sub-fund's assets that are aligned with environmental and social characteristics by selecting investments that exclude (i) issuers active in the fossil fuel sector that exceed a predefined turnover threshold (sustainability factors related to the adverse impact indicators no. 2, 3 and 4), (ii) issuers that are in violation of the UN Global Compact principles or the OECD Guidelines for multinational enterprises (sustainability factors related to the adverse impact indicator no. 10) and (iii) issuers that have exposure to controversial weapons (sustainability factors related to the adverse impact indicator no. 14).

The procedure to assess the good governance practises of the investee companies is based on the analysis of the corporate principles in accordance with the International Corporate Governance Network – Principles of combating corruption in accordance with the UN Global Compact. Further, the management company considers active ownership as a strong driver to improve governance, policies, and practices, and thus for a better long-term performance of investee companies. Active ownership means using the position as shareholders to influence the activities or behaviour of the investee companies. An engagement activity can be initiated with the investee companies regarding matters such as strategy, financial and non-financial performance, risk, capital structure, social and environmental impact as well as corporate governance including topics like disclosure, culture, and remuneration. The engagement activity can be undertaken via, e.g., issuer meetings or engagement letters. Furthermore, for equity investments it could also be an interaction with the company resulting from proxy voting activities or participation at general meetings.

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

**Further information about the environmental and social characteristics promoted by this sub-fund is available in the annex to this Sales Prospectus.**

### The Portfolios

The sub-fund's investments will be indirectly allocated to each of the following Portfolios as described under Investment Process further below:

- Debt securities, including fixed and floating rate government bonds, corporate bonds, high yield bonds and money market instruments of issuers domiciled in, and governments of both developed and emerging market countries which may be of investment or non-investment grade (the Fixed Income Portfolio).
- Equities of large and mid-cap companies which are either listed and/or domiciled in both developed markets and emerging markets (the Equity Portfolio).
- Alternative investments comprising eligible indirect exposure to commodities and property investments through closed-ended REITs (the Alternatives Portfolio).

The sub-fund's investments will be allocated in different proportions to the Portfolios by the sub-fund manager on the basis of advice received from the Investment Advisor. How the Investment Advisor determines the suggested allocations is described under Portfolio Allocation Process below. How the sub-fund manager may invest into the Portfolios is described under Investment Process below.

The sub-fund manager will consider any proposed changes to the portfolio and may in its discretion overrule or reject any suggestions.

The sub-fund manager is also responsible for risk and control monitoring in respect of the sub-fund, including but not limited to monitoring of market, credit and liquidity risks as well as some portfolio administration activities, including additional NAV checks and reporting.

The Investment Advisor may advise the sub-fund manager in relation to changing the composition of each of the Portfolios and the allocation to each Portfolio periodically – expected to be yearly but may be more or less frequently where required in order to take into account changing market and economic conditions.

### Portfolio Allocation Process

The Investment Advisor uses a strategic asset allocation approach (the Strategic Asset Allocation or SAA) in order to advise the sub-fund manager as regards the sub-fund's investments. The SAA is the basis upon which the Investment Advisor determines the suggested allocations both to, and also within, each of the Portfolios and it takes into account three fundamental parameters:

- The expected return of each of the assets in each Portfolio – this includes capital and income.

- The expected volatility of each of the assets in each Portfolio – this means the expected degree of variation in the return of the assets.
- The expected correlations between the assets in each Portfolio – this means how their respective returns move relative to each other. A high correlation would exist where the two assets move in the same direction (e.g. both move up in value over the same time period).

The analysis and predictions of the Investment Advisor under these parameters are based on factors including historical data (i.e. how has the asset performed in the past), market expectations (e.g. the level of growth the U.S. economy is expected to experience) and also factors specific to an asset (e.g. expected defaults, if any, for fixed income assets). The aim of the SAA is to define the allocations to the various assets comprising each of the Portfolios based on a combined expected level of risk and return. Typically, a higher level of risk is associated with a higher potential level of return.

### Allocations to the Portfolios

For a "balanced" portfolio, the Investment Advisor aims to suggest an allocation to provide the opportunity for a mid to long-term capital growth. In order to do so, it is expected that the sub-fund will always have an allocation to the Equity Portfolio since equities tend to offer the potential for capital appreciation. In addition, a smaller allocation to the Alternative Portfolio might be used for potential capital appreciation. It is also expected that the sub-fund will have an allocation to the Fixed Income Portfolio since fixed income assets tend to have lower volatility and so provide some protection against a fall in value of the sub-fund's investments. The expected range of allocations for a "balanced" portfolio is set out below:

- Fixed Income Portfolio: up to 75%
- Equity Portfolio: 25–60%
- Alternatives Portfolio: 0–15%

### Allocations within the Portfolios

Allocations within each of the Portfolios are made (i) in the case of the Equity Portfolio, geographically, for example, the United States, Japan or the Eurozone, (ii) in the case of the Fixed Income Portfolio to fixed income instruments of different types and issuers, for example, U.S. corporate bonds, and (iii) in the case of the Alternatives Portfolio to indirect eligible baskets of commodities, single commodities and property investments through closed-ended REITs.

The sub-fund will also aim to weight each of the Portfolios towards exposure to USD denominated assets, such that the sub-fund has a U.S. focus. It is not expected that the sub-fund will have significant exposure to non-investment grade debt securities or emerging markets. In any event, such exposure will not represent more than 30% of the Net Asset Value of the sub-fund for non-investment grade debt securities and 20% for

emerging markets. The sub-fund's investments in closed-ended REITs will not represent more than 10% of the Net Asset Value of the sub-fund.

#### Investment Process

The sub-fund manager will obtain exposure to the Portfolios predominantly through investment in exchange traded fund or funds (each an ETF) or other UCIs or, in the case of single commodity exposures, the allocations may be to debt securities linked to the performance of such individual commodities, which will be exchange traded notes or certificates (the ETCs). According to article 2 A. (j), investments in certificates are only permitted if they are 1:1 certificates qualifying as transferable securities.

With the exception of permitted investments in unlisted securities and UCIs, the sub-fund's investments will be listed on regulated markets.

#### ETFs and other UCIs

Where exposure is obtained through investment in ETFs or other UCIs, the allocation to each Portfolio will be expressed as an allocation recommended by the Investment Advisor to an ETF, for example a Eurozone stock market focussed ETF or U.S. government bond focussed ETF, or a diversified commodity index, with the exception of individual commodities within the Alternatives Portfolio. To the extent that there is no suitable ETF tracking an index representative of the recommended allocation, the sub-fund may take exposure to a recommended financial index as further described below.

Such ETFs may include ETFs in relation to which DWS Investments S.A. also acts as management company (such an ETF, a DWS ETF). ETFs are selected on the basis of criteria such as cost, liquidity and tracking error, in the best interests of investors and in order to achieve the Investment Objective.

The sub-fund may invest up to 100% of its assets in other UCIs. Such UCIs will include UCITS (such as the ETFs) and, in accordance with the limits of the Law of 2010, AIFs. Such UCIs may be domiciled in the EEA, Guernsey, Jersey or the Isle of Man. Such UCIs may be constituted as corporations, including investment companies, unit trusts, partnerships or common contractual funds and may be traded, listed or dealt in on a stock exchange or other regulated market. The sub-fund will not invest in ETFs domiciled in the U.S. These investments will be in line with the investment policy of the sub-fund.

#### ETCs

In the case of single commodity exposures, the allocations will be to ETCs. These will be unleveraged debt securities listed or traded on regulated markets.

#### FDI

As an alternative to investing in an ETF, the sub-fund manager may take exposure to a financial index through the use of FDI. Forward currency

exchange contracts, non-deliverable forwards (NDFs), currency futures, futures on indices, options or swaps, may be used by the sub-fund for investment purposes and also for the purposes of efficient portfolio management (including hedging). When using financial indices, legal provisions apply as set out in article 44 (1) of the Law of 2010, and article 9 of the Grand-Ducal Regulation of February 8, 2008.

When using an FDI, no MSCI ESG rating or minimum rating is required for the FDI counterparty nor the underlying of the FDI.

#### Liquid Asset Strategy

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 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 20% of the sub-funds' net assets. In exceptionally unfavourable market conditions, it is permitted to temporarily exceed this 20% limit if circumstances so require and to the extent that this appears to be justified with regard to the interests of shareholders.

The sub-fund may hold ancillary liquid assets as specified in article 2 B. o) of the general section of the Sales Prospectus.

The sub-fund will not invest in contingent convertibles.

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

For the purpose of inducing a partial tax exemption within the meaning of the German Investment Tax Act and in addition to the investment limits described in the Articles of Incorporation and this Sales Prospectus at least 25% of the sub-fund's gross assets (determined as being the value of the sub-fund's assets without taking into account liabilities) are invested in such equity capital investments as defined in article 2 (8) of the German Investment Tax Act that may be acquired for the sub-fund in accordance with the Articles of Incorporation and this Sales Prospectus (Mixed Fund).

Equity capital investments in this respect are

- equities admitted to official trading on a stock exchange or admitted to, or included in, another organized market and which are not:
  - i) units of investment funds;
  - ii) 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;

- iii) 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;
  - iv) 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 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;
  - v) 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.
- units of investment funds, which in accordance with their terms and conditions of investment invest more than 50% of their value or more than 50% of their gross assets (determined as being the value of the investment fund's assets without taking into account liabilities) themselves or as a fund of fund indirectly in units of corporations in the amount of 51% of their value; if the terms and conditions of an equity fund make provisions for a percentage higher than 51% of its value or its gross assets, the share of the equity capital investment is, by way of derogation, deemed to be the amount of the higher percentage;
  - units of investment funds, which in accordance with their terms and conditions of investment invest at least 25% of their value or at least 25% of their gross assets (determined as being the value of the investment fund's assets without taking into account liabilities) themselves or as a fund of fund indirectly in units of corporations in the amount of 25% of their value; if the terms and conditions of a balanced fund make provisions for a percentage higher than 25% of its value or its gross assets, the share of the equity capital investment is, by way of derogation, deemed to be the amount of the higher percentage;

- units of investment funds that carry out a valuation at least once per week in the amount of the percentage of their assets published on each valuation date that they actually invest themselves, or as a fund of fund, in units of corporations.

Units of corporations as defined in indents 2 through 4 are

- units of corporations admitted to official trading on a stock exchange or admitted to, or included in, another organized market;
- units of corporations that are not real estate companies and that are domiciled in a member state of the European Union or in another state that is a party to the Agreement on the European Economic Area and are subject there to corporate income tax and are not exempt from it;
- units of corporations that are not real estate companies and that are domiciled in a third country and are subject there to corporate income tax of at least 15% and are not exempt from it; and
- units of other investment funds, which in turn meet the requirements of indents 2 through 4 and of this sentence, in the respective amount specified there.

However, units of corporations are not those that correspond to the categories as defined in indent 1 (i) to (v) above or are held indirectly via partnerships.

Equity capital investments indirectly held by the sub-fund via partnerships are not equity capital investments.

Individual investment fund units may only be taken into consideration once for the purposes of determining the daily equity capital investment rate.

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.

Notwithstanding article 2 B. (i), the following applies:

The sub-fund's assets may be used to acquire shares of other UCITS and/or UCIs as defined in article 2 A. (e), provided that no more than 20% of the sub-fund's assets are invested in one and the same UCITS and/or UCIs.

Every sub-fund of an umbrella fund is to be regarded as an independent issuer, provided that the principle of individual liability per sub-fund is applicable in terms of liability to third parties.

Investments in shares of other UCIs other than UCITS must not exceed 30% of the sub-fund's net assets in total.

In the case of investments in shares of another UCITS and/or other UCIs, the investments held by that UCITS and/or by other UCIs are not taken into consideration for the purposes of the limits specified in article 2 B. (a), (b), (c), (d), (e) and (f).

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

### Integration of sustainability risks

The sub-fund management integrates sustainability risks into its investment decisions as described in the General Section of the Sales Prospectus in the section "Integration of sustainability risks in the investment process".

### Additional information

When using total return swaps to implement the investment strategy as described above, the following shall be noted:

The proportion of the sub-fund's net assets subject to total return swaps, expressed as the sum of notionals of the total return swaps divided by the sub-fund's net asset value, is expected to be 0%, but depending on the respective market conditions, with the objective of efficient portfolio management and in the interest of the investors, it may reach up to 10%. The calculation is performed in line with the guidelines CESR/10-788. However, the disclosed expected level of leverage is not intended to be an additional exposure limit for the sub-fund.

Additional information on total return swaps may be found in the general section of the Sales Prospectus, amongst others, in the section "Efficient portfolio management techniques". The selection of counterparties to any total return swap is subject to the principles as described in the section "Choice of counterparty" of the Sales Prospectus. Further information on the counterparties is disclosed in the annual report. For special risk considerations linked to total return swaps, investors should refer to the section "General Risk Warnings", and in particular the section "Risks connected to derivative transactions" of the Sales Prospectus.

### Risk Management

The relative Value-at-Risk (VaR) approach is used to limit market risk in the sub-fund.

In addition to the provisions of the general section of 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 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 all-in fee attributable to shares of these target funds is reduced by the management fee/all-in fee up to 0.09% of the acquired target funds (modified difference method).

Pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

**Sustainable investment** means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

**Product name:** DB ESG Balanced SAA (USD)

**Legal entity identifier:** 254900QEHR6EDH47SI43

**ISIN:** LU2132882536

**Environmental and/or social characteristics**

**Does this financial product have a sustainable investment objective?**

<input checked="" type="radio"/> <input checked="" type="radio"/> <input type="checkbox"/> <b>Yes</b>	<input checked="" type="radio"/> <input type="radio"/> <input checked="" type="checkbox"/> <b>No</b>
<input type="checkbox"/> It will make a minimum of <b>sustainable investments with an environmental objective: __%</b> <ul style="list-style-type: none"> <li><input type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy</li> <li><input type="checkbox"/> in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy</li> </ul> <input type="checkbox"/> It will make a minimum of <b>sustainable investments with a social objective: __%</b>	<input type="checkbox"/> It <b>promotes Environmental/Social (E/S) characteristics</b> and while it does not have as its objective a sustainable investment, it will have a minimum proportion of __% of sustainable investments <ul style="list-style-type: none"> <li><input type="checkbox"/> with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy</li> <li><input type="checkbox"/> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy</li> <li><input type="checkbox"/> with a social objective</li> </ul> <input checked="" type="checkbox"/> It promotes E/S characteristics, but <b>will not make any sustainable investments</b>

**What environmental and/or social characteristics are promoted by this financial product?**

This sub-fund promotes at least 51% of its net assets in investments that are aligned with the following environmental and social characteristics:

1. ESG Quality: The sub-fund invests in instruments that have at least an MSCI ESG Rating of BBB
2. Fossil Fuel-based exclusion: The sub-fund excludes issuers active in the fossil fuel sector that exceed a predefined turnover threshold
3. Norm-based exclusions: The sub-fund excludes issuers that are in violation of the UN Global Compact principles or the OECD Guidelines for multinational enterprises
4. The sub-fund excludes issuers that have exposure to controversial weapons

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



**Sustainability indicators** measure how the environmental or social characteristics promoted by the financial product are attained.

What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?

The attainment of the promoted environmental and social characteristics is assessed via the application of MSCI ESG data as further described in section “What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?”. The methodology applies a variety of assessment categories that are used as sustainability indicators to assess the attainment of the promoted environmental and social characteristics, which are as follows:

- %-share of the sub-fund’s net assets that are invested in investment funds and securities of issuers that possess at least an MSCI ESG Rating of BBB
- %-share of the sub-fund’s net assets of issuers that are active in the fossil fuel sector that exceed a predefined turnover threshold
- %-share of the sub-fund’s net assets that are in violation of the UN Global Compact principles or the OECD Guidelines for multinational enterprises
- %-share of the sub-fund’s net assets that have exposure to controversial weapons

*The EU Taxonomy sets out a “do not significant harm” principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.*

The “do no significant harm” principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

*Any other sustainable investments must also not significantly harm any environmental or social objectives.*



**Principal adverse impacts** are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

Does this financial product consider principal adverse impacts on sustainability factors?

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

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

Principal adverse impacts are considered for the sub-funds’ assets that are aligned with environmental and social characteristics by selecting investments that exclude (i) issuers active in the fossil fuel sector that exceed a predefined turnover threshold (sustainability factors related to the adverse impact indicators no. 2, 3 and 4), (ii) issuers that are in violation of the UN Global Compact principles or the OECD Guidelines for multinational enterprises (sustainability factors related to the adverse impact indicator no. 10) and (iii) issuers that have exposure to controversial weapons (sustainability factors related to the adverse impact indicator no. 14).

Further information on principal adverse impacts will be provided in an annex to the sub-fund’s annual report.

No



**The Investment strategy** guides investment decisions based on factors such as investment objectives and risk tolerance.

## What investment strategy does this financial product follow?

This sub-fund pursues a strategy based on multiple asset classes as main investment strategy. The sub-fund will seek to gain indirect exposure to three primary asset class portfolios (Fixed Income Portfolio: up to 75%, Equity Portfolio: 25–60%, Alternatives Portfolio: 0–15%) diversified among and within themselves (each, a Portfolio and together the Portfolios) in proportions that are consistent with the Investment Objective. The sub-fund manager will implement the sub-fund's investment policy predominantly via investments in UCITS and other UCIs. In doing so, the sub-fund pursues a fund-of-fund strategy. Further details regarding the main investment strategy are specified in the Special Section of the Sales Prospectus. The sub-fund's assets are predominantly allocated into investments that comply with the defined standards in respect to the promoted environmental and social characteristics as described in the following sections. The sub-fund's strategy in relation to the promoted environmental or social characteristics is integral part of the ESG assessment methodology, which is continuously monitored via the sub-fund's investment guidelines.

## What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?

The sub-fund management and the investment advisor rely on data from MSCI, an external ESG data provider, when conducting fundamental analysis of the investment universe in order to take ESG criteria into account in the selection of target funds or the issuers of financial instruments. The sub-fund management incorporates the results of this analysis and the investment advisor's investment recommendations based on it into its investment decisions.

At least 51% of the sub-fund's net assets are invested in investment funds and securities of issuers that possess an MSCI ESG rating and that meet defined minimum standards with regard to ESG (Environment, Social, (Corporate) Governance) criteria.

MSCI assigns an ESG rating from AAA (highest score) to CCC (lowest score). This MSCI ESG rating is intended to make ESG characteristics more understandable and measurable.

The sub-fund invests at least 51% of the sub-fund's net assets in investment instruments that have at least an MSCI ESG rating of BBB. In addition, investment instruments (e.g. investment funds, cash, equities or bonds issued by corporates) can be acquired that have no MSCI ESG rating.

At least 51% of the sub-fund's net assets will meet the sub-fund's ESG criteria at the time of purchase. If sub-fund investments no longer meet the minimum standards for ESG criteria of the sub-fund, the sub-fund can continue to hold these investments until (from the perspective of the sub-fund manager) it is possible and practical to liquidate the position, as long as at least 51% of the sub-fund's net assets meet the ESG criteria.

### ESG rating for funds:

MSCI develops an ESG rating for a fund or an ETF based on the weighted average of the individual ESG scores of the assets held in a fund – according to the fund's most recently published holdings. This excludes positions of cash and cash equivalents and certain derivatives. This includes an adjustment to reflect the weighting of assets held in the fund to which MSCI assigns a positive and a negative ESG trend/momentum score and the weighting of "ESG laggards" in the fund. ESG laggards are assets with ESG ratings from B to CCC. The ESG rating of the fund may change either due to changes in the ESG ratings of the securities held in the fund or due to a change in the composition of the analysed fund.

### ESG Rating for corporate issuers:

MSCI develops an ESG rating for corporate by issuers by assessing the ESG performance of a company independently of its financial success on the basis of various ESG criteria. These ESG criteria relate to the following topics, among others:

#### Environmental

- Preservation of biodiversity
- Protection of natural resources
- Mitigation of climate change
- Avoidance of environmental pollution and waste

#### Social

- General human rights
- Ban on child labour and forced labour
- Mandatory non-discrimination
- Careful management of human capital

– Support for social opportunity

#### Corporate governance

- Corporate principles in accordance with the International Corporate Governance Network
- Principles of combating corruption in accordance with the UN Global Compact

ESG rating for sovereigns and affiliated issuers:

MSCI develops an ESG rating for issuers such as sovereigns, regional authorities and issuers affiliated with sovereigns with a view to the ESG risk factors in the value chain of the relevant country. The focus here is on the stewardship of resources, the entitlement to basic services and performance. Natural, financial and human resources differ from country to country and therefore result in different starting points for the manufacture of productive goods and the provision of services. Other factors, such as a government and justice system that is recognized and effective from an ESG perspective, a low level of susceptibility to environmental impacts or other external factors, and a supportive economic environment can also influence the use of these resources.

The sub-fund manager evaluates potential investments using the above MSCI ESG rating.

Deposits with credit institutions and ancillary liquid assets will not be assessed via the ESG assessment methodology.

The sub-fund considers the following exclusions:

1. Fossil Fuel-based exclusion: The sub-fund excludes issuers active in the fossil fuel sector that exceed a predefined turnover threshold
2. Norm-based exclusions: The sub-fund excludes issuers that are in violation of the UN Global Compact principles or the OECD Guidelines for multinational enterprises
3. The sub-fund excludes issuers that have exposure to controversial weapons

What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?

The applied ESG investment strategy does not pursue a committed minimum reduction of the scope of the investments.

**Good governance** practices include sound management structures, employee relations, remuneration of staff and tax compliance.

What is the policy to assess good governance practices of the investee companies?

The procedure to assess the good governance practises of the investee companies is based on the analysis of the corporate principles in accordance with the International Corporate Governance Network – Principles of combating corruption in accordance with the UN Global Compact. Further, the management company considers active ownership as a strong driver to improve governance, policies and practices, and thus for a better long-term performance of investee companies. Active ownership means using the position as shareholders to influence the activities or behaviour of the investee companies. An engagement activity can be initiated with the investee companies regarding matters such as strategy, financial and non-financial performance, risk, capital structure, social and environmental impact as well as corporate governance including topics like disclosure, culture and remuneration. The engagement activity can be undertaken via, e.g., issuer meetings or engagement letters. Furthermore, for equity investments it could also be an interaction with the company resulting from proxy voting activities or participation at general meetings.

What is the asset allocation planned for this financial product?

This sub-fund invests at least 51% of its net assets in investments that are aligned with the promoted environmental and social characteristics (#1 Aligned with E/S characteristics). Within this category, at least 0% of the sub-fund's assets qualify as sustainable investments (#1A Sustainable).

Up to 49% of the investments are not aligned with these characteristics (#2 Other). A more detailed description of the specific asset allocation of this sub-fund can be found in the Special Section of the Sales Prospectus.



**Asset allocation** describes the share of investments in specific assets.

Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.



**#1 Aligned with E/S characteristics** includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

**#2 Other** includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:

- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?

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

**Enabling activities** directly enable other activities to make a substantial contribution to an environmental objective.

**Transitional activities** are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

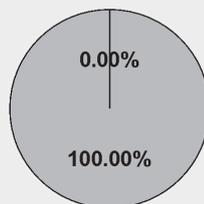


To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

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

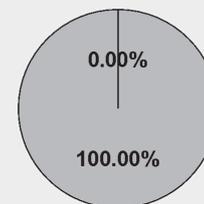
**The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds\*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.**

1. Taxonomy-alignment of investments including sovereign bonds\*



■ Taxonomy-aligned □ Other Investments

2. Taxonomy-alignment of investments excluding sovereign bonds\*



■ Taxonomy-aligned □ Other Investments

\*For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures

What is the minimum share of investments in transitional and enabling activities?

The sub-fund does not have a minimum share of investments in transitional and enabling activities, as it does not commit to a minimum proportion of environmentally sustainable investments aligned with the EU Taxonomy.



are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.



What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

Not applicable.



What is the minimum share of socially sustainable investments?

Not applicable.



What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?

This sub-fund promotes a predominant asset allocation in investments that are aligned with environmental and social characteristics (#1 Aligned with E/S characteristics). In addition, and on an ancillary basis, this sub-fund will invest into investments that are not considered aligned with the promoted characteristics (#2 Other). These remaining investments can include all asset classes as foreseen in the specific investment policy including cash and derivatives.

In line with the market positioning of this sub-fund, the purpose of these remaining investments is to provide investors with an exposure to non-ESG aligned investments while at the same time ensuring a predominant exposure to environmentally and socially aligned investments. Remaining investments can be used by the portfolio management for performance, diversification, liquidity and hedging purposes.

This sub-fund does not consider any minimum environmental or social safeguards on these remaining investments.



**Reference benchmarks** are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

This sub-fund has not designated a reference benchmark to determine whether it is aligned with the environmental and/or social characteristics that it promotes.



Where can I find more product specific information online?

**More product-specific information can be found on the website:** <https://funds.dws.com/en-lu/balanced-funds/LU2132882536/> as well as on your local country website [www.dws.com/fundinformation](http://www.dws.com/fundinformation).

## DB ESG Balanced SAA (USD) Plus

<b>Investor profile</b>	Growth-oriented
<b>Currency of sub-fund</b>	USD
<b>Sub-fund manager</b>	DWS Investment GmbH and DWS International GmbH, Mainzer Landstr. 11–17, 60329 Frankfurt/Main, Germany. The Management Company entered into an investment management agreement with DWS Investment GmbH, Frankfurt/Main. Under its supervision, control and responsibility, and at its own expense, DWS Investment GmbH, Frankfurt/Main, entered into an investment management agreement with DWS International GmbH. The portfolio management of the sub-fund is performed by both companies by means of close cooperation as well as common processes and IT-systems.
<b>Investment Advisor</b>	Deutsche Bank AG, Taunusanlage 12, 60325 Frankfurt/Main, Germany The sub-fund manager has entered into an advisory agreement with Deutsche Bank AG. The investment advice shall thereby encompass analysis and recommendations of suitable investment instruments, which take into account sustainability risks.
<b>Performance benchmark</b>	–
<b>Reference portfolio (risk benchmark)</b>	Portfolio excl. Derivatives
<b>Leverage effect</b>	2 times the value of the investment sub-fund's assets
<b>Calculation of the NAV per share</b>	Each bank business day in Luxembourg and Frankfurt/Main.
<b>Swing Pricing</b>	The sub-fund may apply Swing Pricing. If implemented, it will be disclosed in the fund facts section on the website of the Management Company <a href="http://www.dws.com">www.dws.com</a> .
<b>Order acceptance</b>	All subscription, redemption and exchange orders are placed on the basis of an unknown net asset value per share. Orders received by the Transfer Agent at or before <b>4:00 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>Maximum management fee charged in respect of investments in shares of target funds (payable by the sub-fund)</b>	2%

### Overview of the share classes

<b>Currency of share class</b>	USD LC, USD LC10, USD WAMC, USD DPMC, GBP DPMCH	USD GBP
<b>Initial issue price</b>	USD LC USD LC10 USD WAMC, USD DPMC GBP DPMCH	USD 101 (incl. front end load) USD 10,100 (incl. front end load) USD 10,000 GBP 10,000
<b>Front end load (payable by the investor)</b>	USD LC, USD LC10 USD WAMC, USD DPMC, GBP DPMCH	Up to 1% 0%
<b>All-in Fee p.a. (payable by the sub-fund)*</b>	USD LC USD LC10 USD WAMC, USD DPMC GBP DPMCH	0.580% 0.380% 0.185% 0.215%

## Overview of the share classes (continued)

<b>Taxe d'abonnement (payable by the sub-fund)</b>	USD LC, USD LC10, USD WAMC USD DPMC, GBP DPMCH	0.05% 0.01%
<b>Launch date</b>	USD LC, USD LC10, USD WAMC USD DPMC GBP DPMCH	April 30, 2020 June 17, 2020 September 28, 2020

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

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

For the sub-fund with the name DB ESG Balanced SAA (USD) Plus, the following provisions shall apply in addition to the terms contained in the general section of the Sales Prospectus.

The sub-fund name indicates a "Balanced" profile as described under "Additional classification" in the general section of the Sales Prospectus.

### Investment Objective

The objective of the investment policy of the sub-fund DB ESG Balanced SAA (USD) Plus is to achieve a mid to long-term capital growth and aims to limit losses of capital to a maximum of 18% on an annualised basis (as further described in more detail below).

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

### Investment Policy

This sub-fund is a financial product that highlights environmental and social features according to article 8 (1) of Regulation (EU) 2019/2088 on sustainability-related disclosure obligations in the financial services sector.

In order to achieve the investment objective, the sub-fund will seek to gain indirect exposure to three primary asset class portfolios diversified among and within themselves (each, a Portfolio and together the Portfolios) in proportions that are consistent with the Investment Objective, as further described below. The sub-fund manager will implement the sub-fund's investment policy predominantly via investments in UCITS and other UCIs. In doing so, the sub-fund pursues a fund-of-fund strategy.

The sub-fund management and the investment advisor rely on data from MSCI, an external ESG data provider, when conducting fundamental analysis of the investment universe in order to take ESG criteria into account in the selection of target funds or the issuers of financial instruments. The sub-fund management incorporates the results of this analysis and the investment

advisor's investment recommendations based on it into its investment decisions.

At least 51% of the sub-fund's net assets are invested in investment funds and securities of issuers that possess an MSCI ESG rating and that meet defined minimum standards with regard to ESG (Environment, Social, (Corporate) Governance) criteria.

MSCI assigns an ESG rating from AAA (highest score) to CCC (lowest score). This MSCI ESG rating is intended to make ESG characteristics more understandable and measurable.

The sub-fund invests at least 51% of the sub-fund's net assets in investment instruments that have at least an MSCI ESG rating of BBB. In addition, investment instruments (e.g. investment funds, cash, equities or bonds issued by corporates) can be acquired that have no MSCI ESG rating. Please also refer to further information contained in the section on instruments used for purposes of the risk reduction strategy.

At least 51% of the sub-fund's net assets will meet the sub-fund's ESG criteria at the time of purchase. If sub-fund investments no longer meet the minimum standards for ESG criteria of the sub-fund, the sub-fund can continue to hold these investments until (from the perspective of the sub-fund manager) it is possible and practical to liquidate the position, as long as at least 51% of the sub-fund's net assets meet the ESG criteria.

#### ESG rating for funds:

MSCI develops an ESG rating for a fund or an ETF based on the weighted average of the individual ESG scores of the assets held in a fund – according to the fund's most recently published holdings. This excludes positions of cash and cash equivalents and certain derivatives. This includes an adjustment to reflect the weighting of assets held in the fund to which MSCI assigns a positive and a negative ESG trend/momentum score and the weighting of "ESG laggards" in the fund. ESG laggards are assets with ESG ratings from B to CCC. The ESG rating of the fund may change

either due to changes in the ESG ratings of the securities held in the fund or due to a change in the composition of the analysed fund.

#### ESG Rating for corporate issuers:

MSCI develops an ESG rating for corporate by issuers by assessing the ESG performance of a company independently of its financial success on the basis of various ESG criteria. These ESG criteria relate to the following topics, among others:

##### Environmental

- Preservation of biodiversity
- Protection of natural resources
- Mitigation of climate change
- Avoidance of environmental pollution and waste

##### Social

- General human rights
- Ban on child labour and forced labour
- Mandatory non-discrimination
- Careful management of human capital
- Support for social opportunity

##### Corporate governance

- Corporate principles in accordance with the International Corporate Governance Network
- Principles of combating corruption in accordance with the UN Global Compact

#### ESG rating for sovereigns and affiliated issuers:

MSCI develops an ESG rating for issuers such as sovereigns, regional authorities and issuers affiliated with sovereigns with a view to the ESG risk factors in the value chain of the relevant country. The focus here is on the stewardship of resources, the entitlement to basic services and performance. Natural, financial and human resources differ from country to country and therefore result in different starting points for the manufacture of productive goods and the provision of services. Other factors, such as a government and justice system that is

recognized and effective from an ESG perspective, a low level of susceptibility to environmental impacts or other external factors, and a supportive economic environment can also influence the use of these resources.

The sub-fund manager evaluates potential investments using the above MSCI ESG rating.

Deposits with credit institutions and ancillary liquid assets will not be assessed via the ESG assessment methodology.

Derivatives are currently not used to attain the environmental or social characteristics promoted by the sub-fund and are therefore not taken into account for the calculation of the minimum share of assets complying with these characteristics.

The sub-fund considers the following exclusions:

1. Fossil Fuel-based exclusion: The sub-fund excludes issuers active in the fossil fuel sector that exceed a predefined turnover threshold
2. Norm-based exclusions: The sub-fund excludes issuers that are in violation of the UN Global Compact principles or the OECD Guidelines for multinational enterprises
3. The sub-fund excludes issuers that have exposure to controversial weapons

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

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

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

Principal adverse impacts are considered for the sub-fund's assets that are aligned with environmental and social characteristics by selecting investments that exclude (i) issuers active in the fossil fuel sector that exceed a predefined turnover threshold (sustainability factors related to the adverse impact indicators no. 2, 3 and 4), (ii) issuers that are in violation of the UN Global Compact principles or the OECD Guidelines for multinational enterprises (sustainability factors related to the adverse impact indicator no. 10)

and (iii) issuers that have exposure to controversial weapons (sustainability factors related to the adverse impact indicator no. 14).

The procedure to assess the good governance practices of the investee companies is based on the analysis of the corporate principles in accordance with the International Corporate Governance Network – Principles of combating corruption in accordance with the UN Global Compact. Further, the management company considers active ownership as a strong driver to improve governance, policies, and practices, and thus for a better long-term performance of investee companies. Active ownership means using the position as shareholders to influence the activities or behaviour of the investee companies. An engagement activity can be initiated with the investee companies regarding matters such as strategy, financial and non-financial performance, risk, capital structure, social and environmental impact as well as corporate governance including topics like disclosure, culture, and remuneration. The engagement activity can be undertaken via, e.g., issuer meetings or engagement letters. Furthermore, for equity investments it could also be an interaction with the company resulting from proxy voting activities or participation at general meetings.

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

**Further information about the environmental and social characteristics promoted by this sub-fund is available in the annex to this Sales Prospectus.**

#### The Portfolios

The sub-fund's investments will be indirectly allocated to each of the following Portfolios, as described under Investment Process further below:

- Debt securities, including fixed and floating rate government bonds, corporate bonds, high yield bonds and money market instruments of issuers domiciled in, and governments of both developed and emerging market countries which may be of investment or non-investment grade (the Fixed Income Portfolio).
- Equities of large and mid-cap companies which are either listed and/or domiciled in both developed markets and emerging markets (the Equity Portfolio).
- Alternative investments comprising eligible indirect exposure to commodities and property investments through closed-ended REITs (the Alternatives Portfolio).

The sub-fund's investments will be allocated in different proportions to the Portfolios by the sub-fund manager on the basis of advice received from the Investment Advisor. How the Investment Advisor determines the suggested allocations is described under Portfolio Allocation Process

below. How the sub-fund manager may invest into the Portfolios is described under Investment Process below.

The sub-fund manager will consider any proposed changes to the portfolio and may in its discretion overrule or reject any suggestions.

The sub-fund manager is also responsible for risk and control monitoring in respect of the sub-fund, including but not limited to monitoring of market, credit and liquidity risks as well as some portfolio administration activities, including additional NAV checks and reporting.

The Investment Advisor may advise the sub-fund manager in relation to changing the composition of each of the Portfolios and the allocation to each Portfolio periodically – expected to be yearly but may be more or less frequently where required in order to take into account changing market, economic, political and other related circumstances.

The sub-fund is designed for investors who want to maximize their exposure to higher-yielding asset classes, while containing downside risk beyond their risk tolerance through the implementation of a Risk Reduction Strategy.

#### Risk Reduction Strategy

In addition to the allocation to the Portfolios, the sub-fund manager will seek to implement a strategy on the basis of the Investment Advisor's recommendation intended to preserve capital by limiting a fall in the value of the sub-fund's assets not more than 18% on an annualised basis (the Risk Reduction Strategy). The Risk Reduction Strategy aims to limit the potential loss in the sub-fund during any 12-month period on a rolling basis – i.e. from any given day, the strategy is designed to try to limit any loss in the value of the sub-fund's assets during the 12 months from that day to 18%.

The Risk Reduction Strategy involves investment in hedging instruments such as put options (the Hedge Portfolio) and/or other Financial Derivative Instruments (FDIs). Such put options and other FDIs may be used exclusively for Risk Reduction Strategy and will be intended to limit the risk of losses typically, in the Equity Portfolio, on the basis that equities tend to be more volatile than fixed income investments and are therefore more likely to suffer more significant falls in value. For example, the Investment Advisor may propose the purchase of a put option in respect of an equity or fixed income index regardless of whether the sub-fund is invested in these via an ETF or FDIs. If the value of such index declines then the put option will increase in value and may allow the sub-fund manager to sell the put option at a price that is higher than the market price at which the put option was purchased and, as a result, limit the loss faced by the sub-fund as a result of the decline in the value of the index.

When using an FDI, no MSCI ESG rating or minimum rating is required for the FDI counterparty nor the underlying of the FDI.

The Hedge Portfolio may be adjusted frequently, including, in exceptional circumstances, up to daily, to take into account changing circumstances including market or economic conditions. There can be no guarantee that an investment in the Hedge Portfolio will be successful and actual losses in the sub-fund may exceed 18% in any one year or other period. There is a cost associated with purchasing hedging instruments such as put options and so an investment in the Hedge Portfolio may negatively impact the value of the sub-fund since put options may not be exercised and so may expire unused.

#### Portfolio Allocation Process

The Investment Advisor uses a strategic asset allocation approach (the Strategic Asset Allocation or SAA) in order to advise the sub-fund manager as regards the sub-fund's investments. The SAA is the basis upon which the Investment Advisor determines the suggested allocations both to, and also within, each of the Portfolios and it takes into account three fundamental parameters:

- The expected return of each of the assets in each Portfolio – this includes capital and income.
- The expected volatility of each of the assets in each Portfolio – this means the expected degree of variation in the return of the assets.
- The expected correlations between the assets in each Portfolio – this means how their respective returns move relative to each other. A high correlation would exist where the two assets move in the same direction (e.g. both move up in value over the same time period).

The analysis and predictions of the Investment Advisor under these parameters are based on factors including historical data (i.e. how has the asset performed in the past), market expectations (e.g. the level of growth the U.S. economy is expected to experience) and also factors specific to an asset (e.g. expected defaults, if any, for fixed income assets). The aim of the SAA is to define the allocations to the various assets comprising each of the Portfolios based on a combined expected level of risk and return. Typically, a higher level of risk is associated with a higher potential level of return.

#### Allocations to the Portfolios

For a "balanced" portfolio, the Investment Advisor aims to suggest an allocation to provide the opportunity for a mid to long-term capital growth. In order to do so, it is expected that the sub-fund will always have an allocation to the Equity Portfolio since equities tend to offer the potential for capital appreciation. In addition, a smaller allocation to the Alternative Portfolio might be used for potential capital appreciation. It is also expected that the sub-fund will have an allocation to the Fixed Income Portfolio since fixed income assets tend to have lower volatility and so provide some

protection against a fall in value of the sub-fund's investments. The expected range of allocations for a "balanced" portfolio is set out below:

- Fixed Income Portfolio: up to 70%
- Equity Portfolio: 30–80%
- Alternatives Portfolio: 0–15%

#### Allocations within the Portfolios

Allocations within each of the Portfolios are made (i) in the case of the Equity Portfolio, geographically, for example, the United States, Japan or the Eurozone, (ii) in the case of the Fixed Income Portfolio to fixed income instruments of different types and issuers, for example, U.S. corporate bonds, and (iii) in the case of the Alternatives Portfolio to indirect eligible baskets of commodities, single commodities and property investments through closed-ended REITs.

The sub-fund will also aim to weight each of the Portfolios towards exposure to USD denominated assets, such that the sub-fund has a U.S. focus. It is not expected that the sub-fund will have significant exposure to non-investment grade debt securities or emerging markets. In any event, such exposure will not represent more than 30% of the Net Asset Value of the sub-fund for non-investment grade debt securities and 20% for emerging markets. The sub-fund's investments in closed-ended REITs will not represent more than 10% of the Net Asset Value of the sub-fund.

#### Investment Process

The sub-fund manager will obtain exposure to the Portfolios predominantly through investment in exchange traded fund or funds (each an ETF) or other UCIs or, in the case of single commodity exposures, the allocations may be to debt securities linked to the performance of such individual commodities, which will be exchange traded notes or certificates (the ETCs). According to article 2 A. (j), investments in certificates are only permitted if they are 1:1 certificates qualifying as transferable securities.

With the exception of permitted investments in unlisted securities and UCIs, the sub-fund's investments will be listed on regulated markets.

#### ETFs and other UCIs

Where exposure is obtained through investment in ETFs or other UCIs, the allocation to each Portfolio will be expressed as an allocation recommended by the Investment Advisor to an ETF, for example a Eurozone stock market focussed ETF or U.S. government bond focussed ETF, or a diversified commodity index, with the exception of individual commodities within the Alternatives Portfolio. To the extent that there is no suitable ETF tracking an index representative of the recommended allocation, the sub-fund may take exposure to a recommended financial index as further described below. Such ETFs may include ETFs in relation to which DWS Investments S.A. also acts as management company (such an ETF, a DWS ETF). ETFs are selected on the basis of criteria such as cost, liquidity and

tracking error, in the best interests of investors and in order to achieve the Investment Objective.

The sub-fund may invest up to 100% of its assets in UCIs. Such UCIs will include UCITS (such as the ETFs) and, in accordance with the limits of the Law of 2010, AIFs. Such UCIs may be domiciled in the EEA, Guernsey, Jersey or the Isle of Man. Such UCIs may be constituted as corporates, including investment companies, unit trusts, partnerships or common contractual funds and may be traded, listed or dealt in on a stock exchange or other regulated market. The sub-fund will not invest in ETFs domiciled in the U.S. These investments will be in line with the investment policy of the sub-fund.

#### ETCs

In the case of single commodity exposures, the allocations will be to ETCs. These will be unleveraged debt securities listed or traded on regulated markets.

#### FDI

As an alternative to investing in an ETF, the sub-fund manager may take exposure to a financial index through the use of FDI. Forward currency exchange contracts, non-deliverable forwards (NDFs), currency futures, futures on indices, options or swaps, may be used by the sub-fund for investment purposes and also for the purposes of efficient portfolio management (including hedging). When using financial indices, legal provisions apply as set out in article 44 (1) of the Law of 2010, and article 9 of the Grand-Ducal Regulation of February 8, 2008.

When using an FDI, no MSCI ESG rating or minimum rating is required for the FDI counterparty nor the underlying of the FDI.

#### Liquid Asset Strategy

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 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 20% of the sub-funds' net assets. In exceptionally unfavourable market conditions, it is permitted to temporarily exceed this 20% limit if circumstances so require and to the extent that this appears to be justified with regard to the interests of shareholders.

The sub-fund may hold ancillary liquid assets as specified in article 2 B. o) of the general section of the Sales Prospectus.

The sub-fund will not invest in contingent convertibles.

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

For the purpose of inducing a partial tax exemption within the meaning of the German Investment Tax Act and in addition to the investment limits described in the Articles of Incorporation and this Sales Prospectus at least 25% of the sub-fund's gross assets (determined as being the value of the sub-fund's assets without taking into account liabilities) are invested in such equity capital investments as defined in article 2 (8) of the German Investment Tax Act that may be acquired for the sub-fund in accordance with the Articles of Incorporation and this Sales Prospectus (Mixed Fund).

Equity capital investments in this respect are

- equities admitted to official trading on a stock exchange or admitted to, or included in, another organized market and which are not:
  - i) units of investment funds;
  - ii) 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;
  - iii) 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;
  - iv) 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 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;
  - v) 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.
- units of investment funds, which in accordance with their terms and conditions of investment

invest more than 50% of their value or more than 50% of their gross assets (determined as being the value of the investment fund's assets without taking into account liabilities) themselves or as a fund of fund indirectly in units of corporations in the amount of 51% of their value; if the terms and conditions of an equity fund make provisions for a percentage higher than 51% of its value or its gross assets, the share of the equity capital investment is, by way of derogation, deemed to be the amount of the higher percentage;

- units of investment funds, which in accordance with their terms and conditions of investment invest at least 25% of their value or at least 25% of their gross assets (determined as being the value of the investment fund's assets without taking into account liabilities) themselves or as a fund of fund indirectly in units of corporations in the amount of 25% of their value; if the terms and conditions of a balanced fund make provisions for a percentage higher than 25% of its value or its gross assets, the share of the equity capital investment is, by way of derogation, deemed to be the amount of the higher percentage;
- units of investment funds that carry out a valuation at least once per week in the amount of the percentage of their assets published on each valuation date that they actually invest themselves, or as a fund of fund, in units of corporations.

Units of corporations as defined in indents 2 through 4 are

- units of corporations admitted to official trading on a stock exchange or admitted to, or included in, another organized market;
- units of corporations that are not real estate companies and that are domiciled in a member state of the European Union or in another state that is a party to the Agreement on the European Economic Area and are subject there to corporate income tax and are not exempt from it;
- units of corporations that are not real estate companies and that are domiciled in a third country and are subject there to corporate income tax of at least 15% and are not exempt from it; and
- units of other investment funds, which in turn meet the requirements of indents 2 through 4 and of this sentence, in the respective amount specified there.

However, units of corporations are not those that correspond to the categories as defined in indent 1 (i) to (v) above or are held indirectly via partnerships.

Equity capital investments indirectly held by the sub-fund via partnerships are not equity capital investments.

Individual investment fund units may only be taken into consideration once for the purposes of

determining the daily equity capital investment rate.

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.

Notwithstanding article 2 B. (i), the following applies:

The sub-fund's assets may be used to acquire shares of other UCITS and/or UCLs as defined in article 2 A. (e), provided that no more than 20% of the sub-fund's assets are invested in one and the same UCITS and/or UCLs.

Every sub-fund of an umbrella fund is to be regarded as an independent issuer, provided that the principle of individual liability per sub-fund is applicable in terms of liability to third parties.

Investments in shares of other UCLs other than UCITS must not exceed 30% of the sub-fund's net assets in total.

In the case of investments in shares of another UCITS and/or other UCLs, the investments held by that UCITS and/or by other UCLs are not taken into consideration for the purposes of the limits specified in article 2 B. (a), (b), (c), (d), (e) and (f).

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

### Integration of sustainability risks

The sub-fund management integrates sustainability risks into its investment decisions as described in the General Section of the Sales Prospectus in the section "Integration of sustainability risks in the investment process".

### Additional information

When using total return swaps to implement the investment strategy as described above, the following shall be noted:

The proportion of the sub-fund's net assets subject to total return swaps, expressed as the sum of notional of the total return swaps divided by the sub-fund's net asset value, is expected to be 0%, but depending on the respective market conditions, with the objective of efficient portfolio management and in the interest of the investors, it may reach up to 10%. The calculation is performed in line with the guidelines CESR/10-788. However, the disclosed expected level of leverage is not intended to be an additional exposure limit for the sub-fund.

Additional information on total return swaps may be found in the general section of the Sales Prospectus, amongst others, in the section

"Efficient portfolio management techniques". The selection of counterparties to any total return swap is subject to the principles as described in the section "Choice of counterparty" of the Sales Prospectus. Further information on the counterparties is disclosed in the annual report. For special risk considerations linked to total return swaps, investors should refer to the section "General Risk Warnings", and in particular the section "Risks connected to derivative transactions" of the Sales Prospectus.

### **Risk Management**

The relative Value-at-Risk (VaR) approach is used to limit market risk in the sub-fund.

In addition to the provisions of the general section of 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 all-in fee attributable to shares of these target funds is reduced by the management fee/all-in fee up to 0.09% of the acquired target funds (modified difference method).

Pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

**Sustainable investment** means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

**Product name:** DB ESG Balanced SAA (USD) Plus

**Legal entity identifier:** 254900H8N4OIT9RZGU93

**ISIN:** LU2132881561

**Environmental and/or social characteristics**

**Does this financial product have a sustainable investment objective?**

<input checked="" type="radio"/> <input checked="" type="radio"/> <input type="checkbox"/> <b>Yes</b>	<input checked="" type="radio"/> <input type="radio"/> <input checked="" type="checkbox"/> <b>No</b>
<input type="checkbox"/> It will make a minimum of <b>sustainable investments with an environmental objective: __%</b> <ul style="list-style-type: none"> <li><input type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy</li> <li><input type="checkbox"/> in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy</li> </ul> <input type="checkbox"/> It will make a minimum of <b>sustainable investments with a social objective: __%</b>	<input type="checkbox"/> It <b>promotes Environmental/Social (E/S) characteristics</b> and while it does not have as its objective a sustainable investment, it will have a minimum proportion of __% of sustainable investments <ul style="list-style-type: none"> <li><input type="checkbox"/> with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy</li> <li><input type="checkbox"/> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy</li> <li><input type="checkbox"/> with a social objective</li> </ul> <input checked="" type="checkbox"/> It promotes E/S characteristics, but <b>will not make any sustainable investments</b>

**What environmental and/or social characteristics are promoted by this financial product?**

This sub-fund promotes at least 51% of its net assets in investments that are aligned with the following environmental and social characteristics:

1. ESG Quality: The sub-fund invests in instruments that have at least an MSCI ESG Rating of BBB
2. Fossil Fuel-based exclusion: The sub-fund excludes issuers active in the fossil fuel sector that exceed a predefined turnover threshold
3. Norm-based exclusions: The sub-fund excludes issuers that are in violation of the UN Global Compact principles or the OECD Guidelines for multinational enterprises
4. The sub-fund excludes issuers that have exposure to controversial weapons

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



**Sustainability indicators** measure how the environmental or social characteristics promoted by the financial product are attained.

What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?

The attainment of the promoted environmental and social characteristics is assessed via the application of MSCI ESG data as further described in section “What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?”. The methodology applies a variety of assessment categories that are used as sustainability indicators to assess the attainment of the promoted environmental and social characteristics, which are as follows:

- %-share of the sub-fund’s net assets that are invested in investment funds and securities of issuers that possess at least an MSCI ESG Rating of BBB
- %-share of the sub-fund’s net assets of issuers that are active in the fossil fuel sector that exceed a predefined turnover threshold
- %-share of the sub-fund’s net assets that are in violation of the UN Global Compact principles or the OECD Guidelines for multinational enterprises
- %-share of the sub-fund’s net assets that have exposure to controversial weapons

*The EU Taxonomy sets out a “do not significant harm” principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.*

The “do no significant harm” principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

*Any other sustainable investments must also not significantly harm any environmental or social objectives.*



**Principal adverse impacts** are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

Does this financial product consider principal adverse impacts on sustainability factors?

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

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

Principal adverse impacts are considered for the sub-funds’ assets that are aligned with environmental and social characteristics by selecting investments that exclude (i) issuers active in the fossil fuel sector that exceed a predefined turnover threshold (sustainability factors related to the adverse impact indicators no. 2, 3 and 4), (ii) issuers that are in violation of the UN Global Compact principles or the OECD Guidelines for multinational enterprises (sustainability factors related to the adverse impact indicator no. 10) and (iii) issuers that have exposure to controversial weapons (sustainability factors related to the adverse impact indicator no. 14).

Further information on principal adverse impacts will be provided in an annex to the sub-fund’s annual report.

No



**The Investment strategy** guides investment decisions based on factors such as investment objectives and risk tolerance.

## What investment strategy does this financial product follow?

This sub-fund pursues a strategy based on multiple asset classes as main investment strategy. The sub-fund will seek to gain indirect exposure to three primary asset class portfolios (Fixed Income Portfolio: up to 70%, Equity Portfolio: 30–80%, Alternatives Portfolio: 0–15%) diversified among and within themselves (each, a Portfolio and together the Portfolios) in proportions that are consistent with the Investment Objective. The sub-fund manager will implement the sub-fund's investment policy predominantly via investments in UCITS and other UCIs. In doing so, the sub-fund pursues a fund-of-fund strategy. In addition to the allocation to the Portfolio, a risk reduction strategy will be implemented in order to preserve capital by limiting a fall in value of the sub-fund's assets. The risk reduction strategy will be implemented with derivative instruments. Further details regarding the main investment strategy are specified in the Special Section of the Sales Prospectus. The sub-fund's assets are predominantly allocated into investments that comply with the defined standards in respect to the promoted environmental and social characteristics as described in the following sections. The sub-fund's strategy in relation to the promoted environmental or social characteristics is integral part of the ESG assessment methodology, which is continuously monitored via the sub-fund's investment guidelines.

## What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?

The sub-fund management and the investment advisor rely on data from MSCI, an external ESG data provider, when conducting fundamental analysis of the investment universe in order to take ESG criteria into account in the selection of target funds or the issuers of financial instruments. The sub-fund management incorporates the results of this analysis and the investment advisor's investment recommendations based on it into its investment decisions.

At least 51% of the sub-fund's net assets are invested in investment funds and securities of issuers that possess an MSCI ESG rating and that meet defined minimum standards with regard to ESG (Environment, Social, (Corporate) Governance) criteria.

MSCI assigns an ESG rating from AAA (highest score) to CCC (lowest score). This MSCI ESG rating is intended to make ESG characteristics more understandable and measurable.

The sub-fund invests at least 51% of the sub-fund's net assets in investment instruments that have at least an MSCI ESG rating of BBB. In addition, investment instruments (e.g. investment funds, cash, equities or bonds issued by corporates) can be acquired that have no MSCI ESG rating.

At least 51% of the sub-fund's net assets will meet the sub-fund's ESG criteria at the time of purchase. If sub-fund investments no longer meet the minimum standards for ESG criteria of the sub-fund, the sub-fund can continue to hold these investments until (from the perspective of the sub-fund manager) it is possible and practical to liquidate the position, as long as at least 51% of the sub-fund's net assets meet the ESG criteria.

### ESG rating for funds:

MSCI develops an ESG rating for a fund or an ETF based on the weighted average of the individual ESG scores of the assets held in a fund – according to the fund's most recently published holdings. This excludes positions of cash and cash equivalents and certain derivatives. This includes an adjustment to reflect the weighting of assets held in the fund to which MSCI assigns a positive and a negative ESG trend/momentum score and the weighting of "ESG laggards" in the fund. ESG laggards are assets with ESG ratings from B to CCC. The ESG rating of the fund may change either due to changes in the ESG ratings of the securities held in the fund or due to a change in the composition of the analysed fund.

### ESG Rating for corporate issuers:

MSCI develops an ESG rating for corporate by issuers by assessing the ESG performance of a company independently of its financial success on the basis of various ESG criteria. These ESG criteria relate to the following topics, among others:

#### Environmental

- Preservation of biodiversity
- Protection of natural resources
- Mitigation of climate change
- Avoidance of environmental pollution and waste

#### Social

- General human rights

- Ban on child labour and forced labour
- Mandatory non-discrimination
- Careful management of human capital
- Support for social opportunity

#### Corporate governance

- Corporate principles in accordance with the International Corporate Governance Network
- Principles of combating corruption in accordance with the UN Global Compact

#### ESG rating for sovereigns and affiliated issuers:

MSCI develops an ESG rating for issuers such as sovereigns, regional authorities and issuers affiliated with sovereigns with a view to the ESG risk factors in the value chain of the relevant country. The focus here is on the stewardship of resources, the entitlement to basic services and performance. Natural, financial and human resources differ from country to country and therefore result in different starting points for the manufacture of productive goods and the provision of services. Other factors, such as a government and justice system that is recognized and effective from an ESG perspective, a low level of susceptibility to environmental impacts or other external factors, and a supportive economic environment can also influence the use of these resources.

The sub-fund manager evaluates potential investments using the above MSCI ESG rating.

Deposits with credit institutions and ancillary liquid assets will not be assessed via the ESG assessment methodology.

The sub-fund considers the following exclusions:

1. Fossil Fuel-based exclusion: The sub-fund excludes issuers active in the fossil fuel sector that exceed a predefined turnover threshold
2. Norm-based exclusions: The sub-fund excludes issuers that are in violation of the UN Global Compact principles or the OECD Guidelines for multinational enterprises
3. The sub-fund excludes issuers that have exposure to controversial weapons

What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?

The applied ESG investment strategy does not pursue a committed minimum reduction of the scope of the investments.

**Good governance**  
practices include sound management structures, employee relations, remuneration of staff and tax compliance.

What is the policy to assess good governance practices of the investee companies?

The procedure to assess the good governance practices of the investee companies is based on the analysis of the corporate principles in accordance with the International Corporate Governance Network – Principles of combating corruption in accordance with the UN Global Compact. Further, the management company considers active ownership as a strong driver to improve governance, policies and practices, and thus for a better long-term performance of investee companies. Active ownership means using the position as shareholders to influence the activities or behaviour of the investee companies. An engagement activity can be initiated with the investee companies regarding matters such as strategy, financial and non-financial performance, risk, capital structure, social and environmental impact as well as corporate governance including topics like disclosure, culture and remuneration. The engagement activity can be undertaken via, e.g., issuer meetings or engagement letters. Furthermore, for equity investments it could also be an interaction with the company resulting from proxy voting activities or participation at general meetings.

What is the asset allocation planned for this financial product?

This sub-fund invests at least 51% of its net assets in investments that are aligned with the promoted environmental and social characteristics (#1 Aligned with E/S characteristics). Within this category, at least 0% of the sub-fund's assets qualify as sustainable investments (#1A Sustainable).

Up to 49% of the investments are not aligned with these characteristics (#2 Other). A more detailed description of the specific asset allocation of this sub-fund can be found in the Special Section of the Sales Prospectus.



**Asset allocation** describes the share of investments in specific assets.

Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.



**#1 Aligned with E/S characteristics** includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

**#2 Other** includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:

- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?

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

**Enabling activities** directly enable other activities to make a substantial contribution to an environmental objective.

**Transitional activities** are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

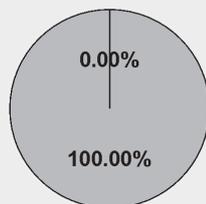


To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

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

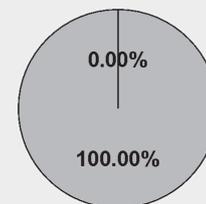
**The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds\*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.**

1. Taxonomy-alignment of investments including sovereign bonds\*



■ Taxonomy-aligned □ Other Investments

2. Taxonomy-alignment of investments excluding sovereign bonds\*



■ Taxonomy-aligned □ Other Investments

\*For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures

What is the minimum share of investments in transitional and enabling activities?

The sub-fund does not have a minimum share of investments in transitional and enabling activities, as it does not commit to a minimum proportion of environmentally sustainable investments aligned with the EU Taxonomy.



are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.



What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

Not applicable.



What is the minimum share of socially sustainable investments?

Not applicable.



What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?

This sub-fund promotes a predominant asset allocation in investments that are aligned with environmental and social characteristics (#1 Aligned with E/S characteristics). In addition, and on an ancillary basis, this sub-fund will invest into investments that are not considered aligned with the promoted characteristics (#2 Other). These remaining investments can include all asset classes as foreseen in the specific investment policy including cash and derivatives.

In line with the market positioning of this sub-fund, the purpose of these remaining investments is to provide investors with an exposure to non-ESG aligned investments while at the same time ensuring a predominant exposure to environmentally and socially aligned investments. Remaining investments can be used by the portfolio management for performance, diversification, liquidity and hedging purposes.

This sub-fund does not consider any minimum environmental or social safeguards on these remaining investments.



**Reference benchmarks** are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

This sub-fund has not designated a reference benchmark to determine whether it is aligned with the environmental and/or social characteristics that it promotes.



Where can I find more product specific information online?

**More product-specific information can be found on the website:** <https://funds.dws.com/en-lu/balanced-funds/LU2132881561/> as well as on your local country website [www.dws.com/fundinformation](http://www.dws.com/fundinformation).

## DB ESG Conservative SAA (EUR)

<b>Investor profile</b>	Income-oriented
<b>Currency of sub-fund</b>	EUR
<b>Sub-fund manager</b>	DWS Investment GmbH and DWS International GmbH, Mainzer Landstr. 11-17, 60329 Frankfurt/Main, Germany. The Management Company entered into an investment management agreement with DWS Investment GmbH, Frankfurt/Main. Under its supervision, control and responsibility, and at its own expense, DWS Investment GmbH, Frankfurt/Main, entered into an investment management agreement with DWS International GmbH. The portfolio management of the sub-fund is performed by both companies by means of close cooperation as well as common processes and IT-systems.
<b>Investment Advisor</b>	Deutsche Bank AG, Taunusanlage 12, 60325 Frankfurt/Main, Germany The sub-fund manager has entered into an advisory agreement with Deutsche Bank AG. The investment advice shall thereby encompass analysis and recommendations of suitable investment instruments, which take into account sustainability risks.
<b>Performance benchmark</b>	-
<b>Reference portfolio (risk benchmark)</b>	Portfolio excl. Derivatives
<b>Leverage effect</b>	1 time the value of the investment sub-fund's assets
<b>Calculation of the NAV per share</b>	Each bank business day in Luxembourg and Frankfurt/Main.
<b>Swing Pricing</b>	The sub-fund may apply Swing Pricing. If implemented, it will be disclosed in the fund facts section on the website of the Management Company <a href="http://www.dws.com">www.dws.com</a> .
<b>Order acceptance</b>	All subscription, redemption and exchange orders are placed on the basis of an unknown net asset value per share. Orders received by the Transfer Agent at or before <b>4:00 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>Maximum management fee charged in respect of investments in shares of target funds (payable by the sub-fund)</b>	2%

### Overview of the share classes

<b>Currency of share class</b>	SC**, LC10, WAMC, DPMC, LC, PFC	EUR
<b>Initial issue price</b>	SC**, LC10 WAMC, DPMC LC PFC	EUR 10,100 (incl. front end load) EUR 10,000 EUR 104 (incl. front end load) EUR 100
<b>Front end load (payable by the investor)</b>	SC**, LC10 WAMC, DPMC, PFC LC	Up to 1% 0% up to 4%
<b>All-in Fee p.a. (payable by the sub-fund)*</b>	SC** LC10 WAMC, DPMC LC, PFC	0.410% 0.210% 0.140% 1.030% 0.780%

## Overview of the share classes (continued)

<b>Taxe d'abonnement (payable by the sub-fund)</b>	SC**, LC10, WAMC, LC, PFC DPMC	0.05% 0.01%
<b>Launch date</b>	SC**, LC10, WAMC DPMC LC PFC	April 30, 2020 May 29, 2020 February 1, 2021 March 31, 2021

<b>Dilution adjustment (payable by the shareholder)***</b>	PFC: A dilution adjustment of up to 4% based on the gross redemption amount may be charged. Please see the general section for further explanation.
<b>Placement fee (payable from the sub-fund's assets)</b>	PFC: Up to 4% for the benefit of the distributor. The share class has an amortization period of 4 years. Please see the general section for further explanation.

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

\*\* The minimum initial investment amount for this share class: EUR 500,000. The Investment Company reserves the right to deviate from this minimum initial investment amount at its own discretion. Subsequent purchases can be made in any amount.

\*\*\* The Management Company may, at its discretion, partially or completely dispense with the dilution adjustment.

For the sub-fund with the name DB ESG Conservative SAA (EUR), the following provisions shall apply in addition to the terms contained in the general section of the Sales Prospectus.

The sub-fund name indicates a "Conservative" profile as described under "Additional classification" in the general section of the Sales Prospectus.

### Investment Objective

The objective of the investment policy of the sub-fund DB ESG Conservative SAA (EUR) is to achieve a mid to long-term return in EUR.

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

### Investment Policy

This sub-fund is a financial product that highlights environmental and social features according to article 8 (1) of Regulation (EU) 2019/2088 on sustainability-related disclosure obligations in the financial services sector.

In order to achieve the investment objective, the sub-fund will seek to gain indirect exposure to three primary asset class portfolios diversified among and within themselves (each, a Portfolio and together the Portfolios) in proportions that are consistent with the Investment Objective, as further described below. The sub-fund manager will implement the sub-fund's investment policy predominantly via investments in UCITS and other UCIs. In doing so, the sub-fund pursues a fund-of-fund strategy.

The sub-fund management and the investment advisor rely on data from MSCI, an external ESG data provider, when conducting fundamental analysis of the investment universe in order to

take ESG criteria into account in the selection of target funds or the issuers of financial instruments. The sub-fund management incorporates the results of this analysis and the investment advisor's investment recommendations based on it into its investment decisions.

At least 51% of the sub-fund's net assets are invested in investment funds and securities of issuers that possess an MSCI ESG rating and that meet defined minimum standards with regard to ESG (Environment, Social, (Corporate) Governance) criteria.

MSCI assigns an ESG rating from AAA (highest score) to CCC (lowest score). This MSCI ESG rating is intended to make ESG characteristics more understandable and measurable.

The sub-fund invests at least 51% of the sub-fund's net assets in investment instruments that have at least an MSCI ESG rating of BBB. In addition, investment instruments (e.g. investment funds, cash, equities or bonds issued by corporates) can be acquired that have no MSCI ESG rating.

At least 51% of the sub-fund's net assets will meet the sub-fund's ESG criteria at the time of purchase. If sub-fund investments no longer meet the minimum standards for ESG criteria of the sub-fund, the sub-fund can continue to hold these investments until (from the perspective of the sub-fund manager) it is possible and practical to liquidate the position, as long as at least 51% of the sub-fund's net assets meet the ESG criteria.

### ESG rating for funds:

MSCI develops an ESG rating for a fund or an ETF based on the weighted average of the individual ESG scores of the assets held in a fund – according to the fund's most recently published holdings.

This excludes positions of cash and cash equivalents and certain derivatives. This includes an adjustment to reflect the weighting of assets held in the fund to which MSCI assigns a positive and a negative ESG trend/momentum score and the weighting of "ESG laggards" in the fund. ESG laggards are assets with ESG ratings from B to CCC. The ESG rating of the fund may change either due to changes in the ESG ratings of the securities held in the fund or due to a change in the composition of the analysed fund.

### ESG Rating for corporate issuers:

MSCI develops an ESG rating for corporate by issuers by assessing the ESG performance of a company independently of its financial success on the basis of various ESG criteria. These ESG criteria relate to the following topics, among others:

#### Environmental

- Preservation of biodiversity
- Protection of natural resources
- Mitigation of climate change
- Avoidance of environmental pollution and waste

#### Social

- General human rights
- Ban on child labour and forced labour
- Mandatory non-discrimination
- Careful management of human capital
- Support for social opportunity

#### Corporate governance

- Corporate principles in accordance with the International Corporate Governance Network
- Principles of combating corruption in accordance with the UN Global Compact

### ESG rating for sovereigns and affiliated issuers:

MSCI develops an ESG rating for issuers such as sovereigns, regional authorities and issuers affiliated with sovereigns with a view to the ESG risk factors in the value chain of the relevant country. The focus here is on the stewardship of resources, the entitlement to basic services and performance. Natural, financial and human resources differ from country to country and therefore result in different starting points for the manufacture of productive goods and the provision of services. Other factors, such as a government and justice system that is recognized and effective from an ESG perspective, a low level of susceptibility to environmental impacts or other external factors, and a supportive economic environment can also influence the use of these resources.

The sub-fund manager evaluates potential investments using the above MSCI ESG rating.

Deposits with credit institutions and ancillary liquid assets will not be assessed via the ESG assessment methodology.

Derivatives are currently not used to attain the environmental or social characteristics promoted by the sub-fund and are therefore not taken into account for the calculation of the minimum share of assets complying with these characteristics.

The sub-fund considers the following exclusions:

1. Fossil Fuel-based exclusion: The sub-fund excludes issuers active in the fossil fuel sector that exceed a predefined turnover threshold
2. Norm-based exclusions: The sub-fund excludes issuers that are in violation of the UN Global Compact principles or the OECD Guidelines for multinational enterprises
3. The sub-fund excludes issuers that have exposure to controversial weapons

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

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

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

Principal adverse impacts are considered for the sub-fund's assets that are aligned with environmental and social characteristics by selecting investments that exclude (i) issuers active in the fossil fuel sector that exceed a predefined turnover threshold (sustainability factors related to the adverse impact indicators no. 2, 3 and 4), (ii) issuers that are in violation of the UN Global Compact principles or the OECD Guidelines for multinational enterprises (sustainability factors related to the adverse impact indicator no. 10) and (iii) issuers that have exposure to controversial weapons (sustainability factors related to the adverse impact indicator no. 14).

The procedure to assess the good governance practises of the investee companies is based on the analysis of the corporate principles in accordance with the International Corporate Governance Network – Principles of combating corruption in accordance with the UN Global Compact. Further, the management company considers active ownership as a strong driver to improve governance, policies, and practices, and thus for a better long-term performance of investee companies. Active ownership means using the position as shareholders to influence the activities or behaviour of the investee companies. An engagement activity can be initiated with the investee companies regarding matters such as strategy, financial and non-financial performance, risk, capital structure, social and environmental impact as well as corporate governance including topics like disclosure, culture, and remuneration. The engagement activity can be undertaken via, e.g., issuer meetings or engagement letters. Furthermore, for equity investments it could also be an interaction with the company resulting from proxy voting activities or participation at general meetings.

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

### Further information about the environmental and social characteristics promoted by this sub-fund is available in the annex to this Sales Prospectus.

### The Portfolios

The sub-fund's investments will be indirectly allocated to each of the following Portfolios, as described under Investment Process further below:

- Debt securities, including fixed and floating rate government bonds, corporate bonds, high yield bonds and money market instruments of issuers domiciled in, and governments of both developed and emerging market countries which may be of investment or non-investment grade (the Fixed Income Portfolio).
- Equities of large and mid-cap companies which are either listed and/or domiciled in both developed markets and emerging markets (the Equity Portfolio).

- Alternative investments comprising eligible indirect exposure to commodities and property investments through closed-ended REITs (the Alternatives Portfolio).

The sub-fund's investments will be allocated in different proportions to the Portfolios by the sub-fund manager on the basis of advice received from the Investment Advisor. How the Investment Advisor determines the suggested allocations is described under Portfolio Allocation Process below. How the sub-fund manager may invest into the Portfolios is described under Investment Process below.

The sub-fund manager will consider any proposed changes to the portfolio and may in its discretion overrule or reject any suggestions.

The sub-fund manager is also responsible for risk and control monitoring in respect of the sub-fund, including but not limited to monitoring of market, credit and liquidity risks as well as some portfolio administration activities, including additional NAV checks and reporting.

The Investment Advisor may advise the sub-fund manager in relation to changing the composition of each of the Portfolios and the allocation to each Portfolio periodically – expected to be yearly but may be more or less frequently where required in order to take into account changing market, economic, political and other related circumstances.

### Portfolio Allocation Process

The Investment Advisor uses a strategic asset allocation approach (the Strategic Asset Allocation or SAA) in order to advise the sub-fund manager as regards the sub-fund's investments. The SAA is the basis upon which the Investment Advisor determines the suggested allocations both to, and also within, each of the Portfolios and it takes into account three fundamental parameters:

- The expected return of each of the assets in each Portfolio – this includes capital and income.
- The expected volatility of each of the assets in each Portfolio – this means the expected degree of variation in the return of the assets.
- The expected correlations between the assets in each Portfolio – this means how their respective returns move relative to each other. A high correlation would exist where the two assets move in the same direction (e.g. both move up in value over the same time period).

The analysis and predictions of the Investment Advisor under these parameters are based on factors including historical data (i.e. how has the asset performed in the past), market expectations (e.g. the level of growth the U.S. economy is expected to experience) and also factors specific to an asset (e.g. expected defaults, if any, for fixed income assets). The aim of the SAA is to define the allocations to the various assets comprising each of the Portfolios based on a combined

expected level of risk and return. Typically, a higher level of risk is associated with a higher potential level of return.

#### **Allocations to the Portfolios**

For a “conservative” portfolio, the Investment Advisor aims to suggest an allocation to provide the opportunity for a mid to long-term return in EUR. In order to do so, it is expected that the sub-fund will have a significant allocation to the Fixed Income Portfolio since fixed income assets tend to have lower volatility and so provide some protection against a fall in value of the sub-fund’s investments while also offering income generation. The sub-fund may also have a smaller allocation to the Equity Portfolio and Alternative Portfolio since equities and alternative investments tend to offer the potential for capital appreciation but are typically more volatile than fixed income assets. The expected range of allocations for a “conservative” portfolio is set out below:

- Fixed Income Portfolio: up to 100%
- Equity Portfolio: 0–40%
- Alternatives Portfolio: 0–15%

#### **Allocations within the Portfolios**

Allocations within each of the Portfolios are made (i) in the case of the Equity Portfolio, geographically, for example, the United States, Japan or the Eurozone, (ii) in the case of the Fixed Income Portfolio to fixed income instruments of different types and issuers, for example, Euro corporate bonds, and (iii) in the case of the Alternatives Portfolio to indirect eligible baskets of commodities, single commodities and property investments through closed-ended REITs.

The sub-fund will also aim to weight each of the Portfolios towards exposure to Eurozone assets, such that the sub-fund has a Eurozone focus in line with its Base Currency. It is not expected that the sub-fund will have significant exposure to non-investment grade debt securities or emerging markets. In any event, such exposure will not represent more than 30% of the Net Asset Value of the sub-fund for non-investment grade debt securities and 20% for emerging markets. The sub-fund’s investments in closed-ended REITs will not represent more than 10% of the Net Asset Value of the sub-fund.

#### **Investment Process**

The sub-fund manager will obtain exposure to the Portfolios predominantly through investment in exchange traded fund or funds (each an ETF) or other UCIs or, in the case of single commodity exposures, the allocations may be to debt securities linked to the performance of such individual commodities, which will be exchange traded notes or certificates (the ETCs). According to article 2 A. (j), investments in certificates are only permitted if they are 1:1 certificates qualifying as transferable securities.

With the exception of permitted investments in unlisted securities and UCIs, the sub-fund’s investments will be listed on regulated markets.

#### **ETFs and other UCIs**

Where exposure is obtained through investment in ETFs or other UCIs, the allocation to each Portfolio will be expressed as an allocation recommended by the Investment Advisor to an ETF, for example a Eurozone stock market focussed ETF or U.S. government bond focussed ETF, or a diversified commodity index, with the exception of individual commodities within the Alternatives Portfolio. To the extent that there is no suitable ETF tracking an index representative of the recommended allocation, the sub-fund may take exposure to a recommended financial index as further described below.

Such ETFs may include ETFs in relation to which DWS Investments S.A. also acts as management company (such an ETF, a DWS ETF). ETFs are selected on the basis of criteria such as cost, liquidity and tracking error, in the best interests of investors and in order to achieve the Investment Objective.

The sub-fund may invest up to 100% of its assets in other UCIs. Such UCIs will include UCITS (such as the ETFs) and, in accordance with the limits of the Law of 2010, AIFs. Such UCIs may be domiciled in the EEA, Guernsey, Jersey or the Isle of Man. Such UCIs may be constituted as corporates, including investment companies, unit trusts, partnerships or common contractual funds and may be traded, listed or dealt in on a stock exchange or other regulated market. The sub-fund will not invest in ETFs domiciled in the U.S. These investments will be in line with the Investment Policy of the sub-fund.

#### **ETCs**

In the case of single commodity exposures, the allocations will be to ETCs. These will be unleveraged debt securities listed or traded on regulated markets.

#### **FDI**

As an alternative to investing in an ETF, the sub-fund manager may take exposure to a financial index through the use of FDI. Forward currency exchange contracts, non-deliverable forwards (NDFs), currency futures, futures on indices, options or swaps, may be used by the sub-fund for investment purposes and also for the purposes of efficient portfolio management (including hedging). When using financial indices, legal provisions apply as set out in article 44 (1) of the Law of 2010, and article 9 of the Grand-Ducal Regulation of February 8, 2008.

When using an FDI, no MSCI ESG rating or minimum rating is required for the FDI counterparty nor the underlying of the FDI.

#### **Liquid Asset Strategy**

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 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 20% of the sub-funds’ net assets. In exceptionally unfavourable market conditions, it is permitted to temporarily exceed this 20% limit if circumstances so require and to the extent that this appears to be justified with regard to the interests of shareholders.

The sub-fund may hold ancillary liquid assets as specified in article 2 B. o) of the general section of the Sales Prospectus.

The sub-fund will not invest in contingent convertibles.

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

Notwithstanding article 2 B. (i), the following applies:

The sub-fund’s assets may be used to acquire shares of other UCITS and/or UCIs as defined in article 2 A. (e), provided that no more than 20% of the sub-fund’s assets are invested in one and the same UCITS and/or UCIs.

Every sub-fund of an umbrella fund is to be regarded as an independent issuer, provided that the principle of individual liability per sub-fund is applicable in terms of liability to third parties.

Investments in shares of other UCIs other than UCITS must not exceed 30% of the sub-fund’s net assets in total.

In the case of investments in shares of another UCITS and/or other UCIs, the investments held by that UCITS and/or by other UCIs are not taken into consideration for the purposes of the limits specified in article 2 B. (a), (b), (c), (d), (e) and (f).

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

#### **Integration of sustainability risks**

The sub-fund management integrates sustainability risks into its investment decisions as described in the General Section of the Sales Prospectus in the section “Integration of sustainability risks in the investment process”.

#### **Additional information**

When using total return swaps to implement the investment strategy as described above, the following shall be noted:

The proportion of the sub-fund's net assets subject to total return swaps, expressed as the sum of notionals of the total return swaps divided by the sub-fund's net asset value, is expected to be 0%, but depending on the respective market conditions, with the objective of efficient portfolio management and in the interest of the investors, it may reach up to 10%. The calculation is performed in line with the guidelines CESR/10-788. However, the disclosed expected level of leverage is not intended to be an additional exposure limit for the sub-fund.

Additional information on total return swaps may be found in the general section of the Sales Prospectus, amongst others, in the section "Efficient portfolio management techniques". The selection of counterparties to any total return swap is subject to the principles as described in the section "Choice of counterparty" of the Sales Prospectus. Further information on the counterparties is disclosed in the annual report. For special risk considerations linked to total return swaps, investors should refer to the section "General Risk Warnings", and in particular the section "Risks connected to derivative transactions" of the Sales Prospectus.

### **Risk Management**

The relative Value-at-Risk (VaR) approach is used to limit market risk in the sub-fund.

In addition to the provisions of the general section of 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 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 all-in fee attributable to shares of these target funds is reduced by the management fee/all-in fee up to 0.09% of the acquired target funds (modified difference method).

# Pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

**Sustainable investment** means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

**Product name:** DB ESG Conservative SAA (EUR)

**Legal entity identifier:** 254900VVTQSQGHD2DK87

**ISIN:** LU2132882023

## Environmental and/or social characteristics

**Does this financial product have a sustainable investment objective?**

<input checked="" type="radio"/> <input checked="" type="radio"/> <input type="checkbox"/> <b>Yes</b>	<input checked="" type="radio"/> <input type="radio"/> <input checked="" type="checkbox"/> <b>No</b>
<input type="checkbox"/> It will make a minimum of <b>sustainable investments with an environmental objective: __%</b> <ul style="list-style-type: none"> <li><input type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy</li> <li><input type="checkbox"/> in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy</li> </ul> <input type="checkbox"/> It will make a minimum of <b>sustainable investments with a social objective: __%</b>	<input type="checkbox"/> It <b>promotes Environmental/Social (E/S) characteristics</b> and while it does not have as its objective a sustainable investment, it will have a minimum proportion of __% of sustainable investments <ul style="list-style-type: none"> <li><input type="checkbox"/> with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy</li> <li><input type="checkbox"/> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy</li> <li><input type="checkbox"/> with a social objective</li> </ul> <input checked="" type="checkbox"/> It promotes E/S characteristics, but <b>will not make any sustainable investments</b>

**What environmental and/or social characteristics are promoted by this financial product?**

This sub-fund promotes at least 51% of its net assets in investments that are aligned with the following environmental and social characteristics:

1. ESG Quality: The sub-fund invests in instruments that have at least an MSCI ESG Rating of BBB
2. Fossil Fuel-based exclusion: The sub-fund excludes issuers active in the fossil fuel sector that exceed a predefined turnover threshold
3. Norm-based exclusions: The sub-fund excludes issuers that are in violation of the UN Global Compact principles or the OECD Guidelines for multinational enterprises
4. The sub-fund excludes issuers that have exposure to controversial weapons

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



**Sustainability indicators** measure how the environmental or social characteristics promoted by the financial product are attained.

What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?

The attainment of the promoted environmental and social characteristics is assessed via the application of MSCI ESG data as further described in section “What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?”. The methodology applies a variety of assessment categories that are used as sustainability indicators to assess the attainment of the promoted environmental and social characteristics, which are as follows:

- %-share of the sub-fund’s net assets that are invested in investment funds and securities of issuers that possess at least an MSCI ESG Rating of BBB
- %-share of the sub-fund’s net assets of issuers that are active in the fossil fuel sector that exceed a predefined turnover threshold
- %-share of the sub-fund’s net assets that are in violation of the UN Global Compact principles or the OECD Guidelines for multinational enterprises
- %-share of the sub-fund’s net assets that have exposure to controversial weapons

*The EU Taxonomy sets out a “do not significant harm” principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.*

The “do no significant harm” principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

*Any other sustainable investments must also not significantly harm any environmental or social objectives.*



**Principal adverse impacts** are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

Does this financial product consider principal adverse impacts on sustainability factors?

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

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

Principal adverse impacts are considered for the sub-funds’ assets that are aligned with environmental and social characteristics by selecting investments that exclude (i) issuers active in the fossil fuel sector that exceed a predefined turnover threshold (sustainability factors related to the adverse impact indicators no. 2, 3 and 4), (ii) issuers that are in violation of the UN Global Compact principles or the OECD Guidelines for multinational enterprises (sustainability factors related to the adverse impact indicator no. 10) and (iii) issuers that have exposure to controversial weapons (sustainability factors related to the adverse impact indicator no. 14).

Further information on principal adverse impacts will be provided in an annex to the sub-fund’s annual report.

No



**The Investment strategy** guides investment decisions based on factors such as investment objectives and risk tolerance.

## What investment strategy does this financial product follow?

This sub-fund pursues a strategy based on multiple asset classes as main investment strategy. The sub-fund will seek to gain indirect exposure to three primary asset class portfolios (Fixed Income Portfolio: up to 100%, Equity Portfolio: 0–40%, Alternatives Portfolio: 0–15%) diversified among and within themselves (each, a Portfolio and together the Portfolios) in proportions that are consistent with the Investment Objective. The sub-fund manager will implement the sub-fund’s investment policy predominantly via investments in UCITS and other UCIs. In doing so, the sub-fund pursues a fund-of-fund strategy. Further details regarding the main investment strategy are specified in the Special Section of the Sales Prospectus. The sub-fund’s assets are predominantly allocated into investments that comply with the defined standards in respect to the promoted environmental and social characteristics as described in the following sections. The sub-fund’s strategy in relation to the promoted environmental or social characteristics is integral part of the ESG assessment methodology, which is continuously monitored via the sub-fund’s investment guidelines.

## What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?

The sub-fund management and the investment advisor rely on data from MSCI, an external ESG data provider, when conducting fundamental analysis of the investment universe in order to take ESG criteria into account in the selection of target funds or the issuers of financial instruments. The sub-fund management incorporates the results of this analysis and the investment advisor’s investment recommendations based on it into its investment decisions.

At least 51% of the sub-fund’s net assets are invested in investment funds and securities of issuers that possess an MSCI ESG rating and that meet defined minimum standards with regard to ESG (Environment, Social, (Corporate) Governance) criteria.

MSCI assigns an ESG rating from AAA (highest score) to CCC (lowest score). This MSCI ESG rating is intended to make ESG characteristics more understandable and measurable.

The sub-fund invests at least 51% of the sub-fund’s net assets in investment instruments that have at least an MSCI ESG rating of BBB. In addition, investment instruments (e.g. investment funds, cash, equities or bonds issued by corporates) can be acquired that have no MSCI ESG rating.

At least 51% of the sub-fund’s net assets will meet the sub-fund’s ESG criteria at the time of purchase. If sub-fund investments no longer meet the minimum standards for ESG criteria of the sub-fund, the sub-fund can continue to hold these investments until (from the perspective of the sub-fund manager) it is possible and practical to liquidate the position, as long as at least 51% of the sub-fund’s net assets meet the ESG criteria.

### ESG rating for funds:

MSCI develops an ESG rating for a fund or an ETF based on the weighted average of the individual ESG scores of the assets held in a fund – according to the fund’s most recently published holdings. This excludes positions of cash and cash equivalents and certain derivatives. This includes an adjustment to reflect the weighting of assets held in the fund to which MSCI assigns a positive and a negative ESG trend/momentum score and the weighting of “ESG laggards” in the fund. ESG laggards are assets with ESG ratings from B to CCC. The ESG rating of the fund may change either due to changes in the ESG ratings of the securities held in the fund or due to a change in the composition of the analysed fund.

### ESG Rating for corporate issuers:

MSCI develops an ESG rating for corporate by issuers by assessing the ESG performance of a company independently of its financial success on the basis of various ESG criteria. These ESG criteria relate to the following topics, among others:

#### Environmental

- Preservation of biodiversity
- Protection of natural resources
- Mitigation of climate change
- Avoidance of environmental pollution and waste

#### Social

- General human rights
- Ban on child labour and forced labour
- Mandatory non-discrimination
- Careful management of human capital

– Support for social opportunity

#### Corporate governance

- Corporate principles in accordance with the International Corporate Governance Network
- Principles of combating corruption in accordance with the UN Global Compact

ESG rating for sovereigns and affiliated issuers:

MSCI develops an ESG rating for issuers such as sovereigns, regional authorities and issuers affiliated with sovereigns with a view to the ESG risk factors in the value chain of the relevant country. The focus here is on the stewardship of resources, the entitlement to basic services and performance. Natural, financial and human resources differ from country to country and therefore result in different starting points for the manufacture of productive goods and the provision of services. Other factors, such as a government and justice system that is recognized and effective from an ESG perspective, a low level of susceptibility to environmental impacts or other external factors, and a supportive economic environment can also influence the use of these resources.

The sub-fund manager evaluates potential investments using the above MSCI ESG rating.

Deposits with credit institutions and ancillary liquid assets will not be assessed via the ESG assessment methodology.

The sub-fund considers the following exclusions:

1. Fossil Fuel-based exclusion: The sub-fund excludes issuers active in the fossil fuel sector that exceed a predefined turnover threshold
2. Norm-based exclusions: The sub-fund excludes issuers that are in violation of the UN Global Compact principles or the OECD Guidelines for multinational enterprises
3. The sub-fund excludes issuers that have exposure to controversial weapons

What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?

The applied ESG investment strategy does not pursue a committed minimum reduction of the scope of the investments.

**Good governance** practices include sound management structures, employee relations, remuneration of staff and tax compliance.

What is the policy to assess good governance practices of the investee companies?

The procedure to assess the good governance practises of the investee companies is based on the analysis of the corporate principles in accordance with the International Corporate Governance Network – Principles of combating corruption in accordance with the UN Global Compact. Further, the management company considers active ownership as a strong driver to improve governance, policies and practices, and thus for a better long-term performance of investee companies. Active ownership means using the position as shareholders to influence the activities or behaviour of the investee companies. An engagement activity can be initiated with the investee companies regarding matters such as strategy, financial and non-financial performance, risk, capital structure, social and environmental impact as well as corporate governance including topics like disclosure, culture and remuneration. The engagement activity can be undertaken via, e.g., issuer meetings or engagement letters. Furthermore, for equity investments it could also be an interaction with the company resulting from proxy voting activities or participation at general meetings.

What is the asset allocation planned for this financial product?

This sub-fund invests at least 51% of its net assets in investments that are aligned with the promoted environmental and social characteristics (#1 Aligned with E/S characteristics). Within this category, at least 0% of the sub-fund's assets qualify as sustainable investments (#1A Sustainable).

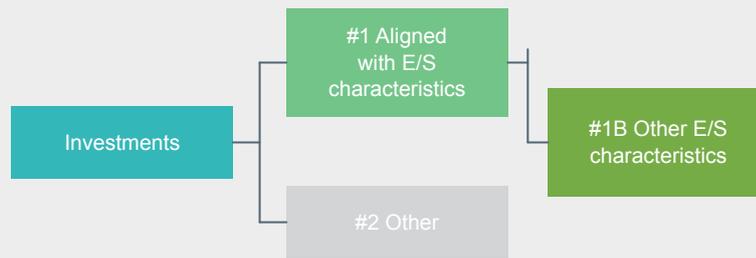
Up to 49% of the investments are not aligned with these characteristics (#2 Other). A more detailed description of the specific asset allocation of this sub-fund can be found in the Special Section of the Sales Prospectus.



**Asset allocation** describes the share of investments in specific assets.

Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.



**#1 Aligned with E/S characteristics** includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

**#2 Other** includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:

- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?

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

**Enabling activities** directly enable other activities to make a substantial contribution to an environmental objective.

**Transitional activities** are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

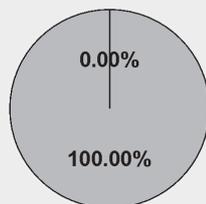


To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

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

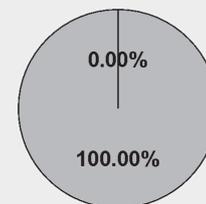
*The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds\*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.*

1. Taxonomy-alignment of investments including sovereign bonds\*



■ Taxonomy-aligned □ Other Investments

2. Taxonomy-alignment of investments excluding sovereign bonds\*



■ Taxonomy-aligned □ Other Investments

\*For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures

What is the minimum share of investments in transitional and enabling activities?

The sub-fund does not have a minimum share of investments in transitional and enabling activities, as it does not commit to a minimum proportion of environmentally sustainable investments aligned with the EU Taxonomy.



are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.



What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

Not applicable.



What is the minimum share of socially sustainable investments?

Not applicable.



What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?

This sub-fund promotes a predominant asset allocation in investments that are aligned with environmental and social characteristics (#1 Aligned with E/S characteristics). In addition, and on an ancillary basis, this sub-fund will invest into investments that are not considered aligned with the promoted characteristics (#2 Other). These remaining investments can include all asset classes as foreseen in the specific investment policy including cash and derivatives.

In line with the market positioning of this sub-fund, the purpose of these remaining investments is to provide investors with an exposure to non-ESG aligned investments while at the same time ensuring a predominant exposure to environmentally and socially aligned investments. Remaining investments can be used by the portfolio management for performance, diversification, liquidity and hedging purposes.

This sub-fund does not consider any minimum environmental or social safeguards on these remaining investments.



**Reference benchmarks** are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

This sub-fund has not designated a reference benchmark to determine whether it is aligned with the environmental and/or social characteristics that it promotes.



Where can I find more product specific information online?

**More product-specific information can be found on the website:** <https://funds.dws.com/en-lu/balanced-funds/LU2132882023/> as well as on your local country website [www.dws.com/fundinformation](http://www.dws.com/fundinformation).

## DB ESG Conservative SAA (EUR) Plus

<b>Investor profile</b>	Income-oriented
<b>Currency of sub-fund</b>	EUR
<b>Sub-fund manager</b>	DWS Investment GmbH and DWS International GmbH, Mainzer Landstr. 11-17, 60329 Frankfurt/Main, Germany. The Management Company entered into an investment management agreement with DWS Investment GmbH, Frankfurt/Main. Under its supervision, control and responsibility, and at its own expense, DWS Investment GmbH, Frankfurt/Main, entered into an investment management agreement with DWS International GmbH. The portfolio management of the sub-fund is performed by both companies by means of close cooperation as well as common processes and IT-systems.
<b>Investment Advisor</b>	Deutsche Bank AG, Taunusanlage 12, 60325 Frankfurt/Main, Germany The sub-fund manager has entered into an advisory agreement with Deutsche Bank AG. The investment advice shall thereby encompass analysis and recommendations of suitable investment instruments, which take into account sustainability risks.
<b>Performance benchmark</b>	-
<b>Reference portfolio (risk benchmark)</b>	Portfolio excl. Derivatives
<b>Leverage effect</b>	2 times the value of the investment sub-fund's assets
<b>Calculation of the NAV per share</b>	Each bank business day in Luxembourg and Frankfurt/Main.
<b>Swing Pricing</b>	The sub-fund may apply Swing Pricing. If implemented, it will be disclosed in the fund facts section on the website of the Management Company <a href="http://www.dws.com">www.dws.com</a> .
<b>Order acceptance</b>	All subscription, redemption and exchange orders are placed on the basis of an unknown net asset value per share. Orders received by the Transfer Agent at or before <b>4:00 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>Maximum management fee charged in respect of investments in shares of target funds (payable by the sub-fund)</b>	2%

### Overview of the share classes

<b>Currency of share class</b>	SC**, LC10, WAMC, DPMC, LC, PFC, LC50	EUR
<b>Initial issue price</b>	SC**, LC10, LC50 WAMC, DPMC LC PFC	EUR 10,100 (incl. front end load) EUR 10,000 EUR 104 (incl. front end load) EUR 100
<b>Front end load (payable by the investor)</b>	SC**, LC10, LC50 WAMC, DPMC, PFC LC	Up to 1% 0% up to 4%
<b>All-in Fee p.a. (payable by the sub-fund)*</b>	SC** LC10 WAMC, DPMC LC, PFC LC50	0.580% 0.380% 0.185% 1.225% 0.975% 0.250%

## Overview of the share classes (continued)

<b>Taxe d'abonnement (payable by the sub-fund)</b>	SC**, LC10, WAMC, LC, PFC, LC50 DPMC	0.05% 0.01%
<b>Launch date</b>	SC**, LC10, WAMC DPMC LC PFC LC50	April 30, 2020 June 17, 2020 February 1, 2021 March 31, 2021 September 7, 2021

<b>Dilution adjustment (payable by the shareholder)***</b>	PFC: A dilution adjustment of up to 4% based on the gross redemption amount may be charged. Please see the general section for further explanation.
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<b>Placement fee (payable from the sub-fund's assets)</b>	PFC: Up to 4% for the benefit of the distributor. The share class has an amortization period of 4 years. Please see the general section for further explanation.
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\* For additional costs, see clause 12 in the general section of the Sales Prospectus.

\*\* The minimum initial investment amount for this share class: EUR 500,000. The Investment Company reserves the right to deviate from this minimum initial investment amount at its own discretion. Subsequent purchases can be made in any amount.

\*\*\* The Management Company may, at its discretion, partially or completely dispense with the dilution adjustment.

For the sub-fund with the name DB ESG Conservative SAA (EUR) Plus, the following provisions shall apply in addition to the terms contained in the general section of the Sales Prospectus.

The sub-fund name indicates a "Conservative" profile as described under "Additional classification" in the general section of the Sales Prospectus.

### Investment Objective

The objective of the investment policy of the sub-fund DB ESG Conservative SAA (EUR) Plus is to achieve a mid to long-term return in EUR and aims to protect against losses of capital in excess of 10% on an annualised basis (as further described in more detail below).

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

### Investment Policy

This sub-fund is a financial product that highlights environmental and social features according to article 8 (1) of Regulation (EU) 2019/2088 on sustainability-related disclosure obligations in the financial services sector.

In order to achieve the investment objective, the sub-fund will seek to gain indirect exposure to three primary asset class portfolios diversified among and within themselves (each, a Portfolio and together the Portfolios) in proportions that are consistent with the Investment Objective, as further described below. The sub-fund manager will implement the sub-fund's investment policy predominantly via investments in UCITS and other UCIs. In doing so, the sub-fund pursues a fund-of-fund strategy.

The sub-fund management and the investment advisor rely on data from MSCI, an external ESG data provider, when conducting fundamental analysis of the investment universe in order to take ESG criteria into account in the selection of target funds or the issuers of financial instruments. The sub-fund management incorporates the results of this analysis and the investment advisor's investment recommendations based on it into its investment decisions.

At least 51% of the sub-fund's net assets are invested in investment funds and securities of issuers that possess an MSCI ESG rating and that meet defined minimum standards with regard to ESG (Environment, Social, (Corporate) Governance) criteria.

MSCI assigns an ESG rating from AAA (highest score) to CCC (lowest score). This MSCI ESG rating is intended to make ESG characteristics more understandable and measurable.

The sub-fund invests at least 51% of the sub-fund's net assets in investment instruments that have at least an MSCI ESG rating of BBB. In addition, investment instruments (e.g. investment funds, cash, equities or bonds issued by corporates) can be acquired that have no MSCI ESG rating. Please also refer to further information contained in the section on instruments used for purposes of the risk reduction strategy.

At least 51% of the sub-fund's net assets will meet the sub-fund's ESG criteria at the time of purchase. If sub-fund investments no longer meet the minimum standards for ESG criteria of the sub-fund, the sub-fund can continue to hold these investments until (from the perspective of the sub-fund manager) it is possible and practical to

liquidate the position, as long as at least 51% of the sub-fund's net assets meet the ESG criteria.

### ESG rating for funds:

MSCI develops an ESG rating for a fund or an ETF based on the weighted average of the individual ESG scores of the assets held in a fund – according to the fund's most recently published holdings. This excludes positions of cash and cash equivalents and certain derivatives. This includes an adjustment to reflect the weighting of assets held in the fund to which MSCI assigns a positive and a negative ESG trend/momentum score and the weighting of "ESG laggards" in the fund. ESG laggards are assets with ESG ratings from B to CCC. The ESG rating of the fund may change either due to changes in the ESG ratings of the securities held in the fund or due to a change in the composition of the analysed fund.

### ESG Rating for corporate issuers:

MSCI develops an ESG rating for corporate by issuers by assessing the ESG performance of a company independently of its financial success on the basis of various ESG criteria. These ESG criteria relate to the following topics, among others:

#### Environmental

- Preservation of biodiversity
- Protection of natural resources
- Mitigation of climate change
- Avoidance of environmental pollution and waste

#### Social

- General human rights
- Ban on child labour and forced labour
- Mandatory non-discrimination

- Careful management of human capital
- Support for social opportunity

#### Corporate governance

- Corporate principles in accordance with the International Corporate Governance Network
- Principles of combating corruption in accordance with the UN Global Compact

#### ESG rating for sovereigns and affiliated issuers:

MSCI develops an ESG rating for issuers such as sovereigns, regional authorities and issuers affiliated with sovereigns with a view to the ESG risk factors in the value chain of the relevant country. The focus here is on the stewardship of resources, the entitlement to basic services and performance. Natural, financial and human resources differ from country to country and therefore result in different starting points for the manufacture of productive goods and the provision of services. Other factors, such as a government and justice system that is recognized and effective from an ESG perspective, a low level of susceptibility to environmental impacts or other external factors, and a supportive economic environment can also influence the use of these resources.

The sub-fund manager evaluates potential investments using the above MSCI ESG rating.

Deposits with credit institutions and ancillary liquid assets will not be assessed via the ESG assessment methodology.

Derivatives are currently not used to attain the environmental or social characteristics promoted by the sub-fund and are therefore not taken into account for the calculation of the minimum share of assets complying with these characteristics.

The sub-fund considers the following exclusions:

1. Fossil Fuel-based exclusion: The sub-fund excludes issuers active in the fossil fuel sector that exceed a predefined turnover threshold
2. Norm-based exclusions: The sub-fund excludes issuers that are in violation of the UN Global Compact principles or the OECD Guidelines for multinational enterprises
3. The sub-fund excludes issuers that have exposure to controversial weapons

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

The sub-fund management considers the following principle adverse impacts on sustainability factors from Annex I of the Commission Dele-

gated Regulation (EU) 2022/1288 supplementing the SFDR:

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

Principal adverse impacts are considered for the sub-fund's assets that are aligned with environmental and social characteristics by selecting investments that exclude (i) issuers active in the fossil fuel sector that exceed a predefined turnover threshold (sustainability factors related to the adverse impact indicators no. 2, 3 and 4), (ii) issuers that are in violation of the UN Global Compact principles or the OECD Guidelines for multinational enterprises (sustainability factors related to the adverse impact indicator no. 10) and (iii) issuers that have exposure to controversial weapons (sustainability factors related to the adverse impact indicator no. 14).

The procedure to assess the good governance practises of the investee companies is based on the analysis of the corporate principles in accordance with the International Corporate Governance Network – Principles of combating corruption in accordance with the UN Global Compact. Further, the management company considers active ownership as a strong driver to improve governance, policies, and practices, and thus for a better long-term performance of investee companies. Active ownership means using the position as shareholders to influence the activities or behaviour of the investee companies. An engagement activity can be initiated with the investee companies regarding matters such as strategy, financial and non-financial performance, risk, capital structure, social and environmental impact as well as corporate governance including topics like disclosure, culture, and remuneration. The engagement activity can be undertaken via, e.g., issuer meetings or engagement letters. Furthermore, for equity investments it could also be an interaction with the company resulting from proxy voting activities or participation at general meetings.

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

#### Further information about the environmental and social characteristics promoted by this sub-fund is available in the annex to this Sales Prospectus.

#### The Portfolios

The sub-fund's investments will be indirectly allocated to each of the following Portfolios, as described under Investment Process further below:

- Debt securities, including fixed and floating rate government bonds, corporate bonds, high yield bonds and money market instruments of issuers domiciled in, and governments of both developed and emerging market countries which may be of investment or non-investment grade (the Fixed Income Portfolio).
- Equities of large and mid-cap companies which are either listed and/or domiciled in both developed markets and emerging markets (the Equity Portfolio).
- Alternative investments comprising eligible indirect exposure to commodities and property investments through closed-ended REITs (the Alternatives Portfolio).

The sub-fund's investments will be allocated in different proportions to the Portfolios by the sub-fund manager on the basis of advice received from the Investment Advisor. How the Investment Advisor determines the suggested allocations is described under Portfolio Allocation Process below. How the sub-fund manager may invest into the Portfolios is described under Investment Process below.

The sub-fund manager will consider any proposed changes to the portfolio and may in its discretion overrule or reject any suggestions.

The sub-fund manager is also responsible for risk and control monitoring in respect of the sub-fund, including but not limited to monitoring of market, credit and liquidity risks as well as some portfolio administration activities, including additional NAV checks and reporting.

The Investment Advisor may advise the sub-fund manager in relation to changing the composition of each of the Portfolios and the allocation to each Portfolio periodically – expected to be yearly but may be more or less frequently where required in order to take into account changing market, economic, political and other related circumstances.

The sub-fund is designed for investors who want to maximize their exposure to higher-yielding asset classes, while containing downside risk beyond their risk tolerance through the implementation of a Risk Reduction Strategy.

#### Risk Reduction Strategy

In addition to the allocation to the Portfolios, the sub-fund manager will seek to implement a strategy on the basis of the Investment Advisor's recommendation intended to preserve capital by limiting a fall in the value of the sub-fund's assets not more than 10% on an annualised basis (the Risk Reduction Strategy). The Risk Reduction Strategy aims to limit the potential loss in the sub-fund during any 12-month period on a rolling basis – i.e. from any given day, the strategy is designed to try to limit any loss in the value of the sub-fund's assets during the 12 months from that day to 10%.

The Risk Reduction Strategy involves investment in hedging instruments such as put options (the Hedge Portfolio) and/or other Financial Derivative Instruments (FDIs). Such put options and other FDIs may be used exclusively for Risk Reduction Strategy and will be intended to limit the risk of losses typically, in the Equity Portfolio, on the basis that equities tend to be more volatile than fixed income investments and are therefore more likely to suffer more significant falls in value. For example, the Investment Advisor may propose the purchase of a put option in respect of an equity or fixed income index regardless of whether the sub-fund is invested in these via an ETF or FDI. If the value of such index declines then the put option will increase in value and may allow the sub-fund manager to sell the put option at a price that is higher than the market price at which the put option was purchased and, as a result, limit the loss faced by the sub-fund as a result of the decline in the value of the index.

When using an FDI, no MSCI ESG rating or minimum rating is required for the FDI counterparty nor the underlying of the FDI.

The Hedge Portfolio may be adjusted frequently, including, in exceptional circumstances, up to daily, to take into account changing circumstances including market or economic conditions. There can be no guarantee that an investment in the Hedge Portfolio will be successful and actual losses in the sub-fund may exceed 10% in any one year or other period. There is a cost associated with purchasing hedging instruments such as put options and so an investment in the Hedge Portfolio may negatively impact the value of the sub-fund since put options may not be exercised and so may expire unused.

#### Portfolio Allocation Process

The Investment Advisor uses a strategic asset allocation approach (the Strategic Asset Allocation or SAA) in order to advise the sub-fund manager as regards the sub-fund's investments. The SAA is the basis upon which the Investment Advisor determines the suggested allocations both to, and also within, each of the Portfolios and it takes into account three fundamental parameters:

- The expected return of each of the assets in each Portfolio – this includes capital and income.
- The expected volatility of each of the assets in each Portfolio – this means the expected degree of variation in the return of the assets.
- The expected correlations between the assets in each Portfolio – this means how their respective returns move relative to each other. A high correlation would exist where the two assets move in the same direction (e.g. both move up in value over the same time period).

The analysis and predictions of the Investment Advisor under these parameters are based on factors including historical data (i.e. how has the asset performed in the past), market expectations

(e.g. the level of growth the U.S. economy is expected to experience) and also factors specific to an asset (e.g. expected defaults, if any, for fixed income assets). The aim of the SAA is to define the allocations to the various assets comprising each of the Portfolios based on a combined expected level of risk and return. Typically, a higher level of risk is associated with a higher potential level of return.

#### Allocations to the Portfolios

For a "conservative" portfolio, the Investment Advisor aims to suggest an allocation to provide the opportunity for a mid to long-term return in Euro. In order to do so, it is expected that the sub-fund will have a significant allocation to the Fixed Income Portfolio since fixed income assets tend to have lower volatility and so provide some protection against a fall in value of the sub-fund's investments while also offering income generation. The sub-fund may also have a smaller allocation to the Equity Portfolio and Alternative Portfolio since equities and alternative investments tend to offer the potential for capital appreciation but are typically more volatile than fixed income assets. The expected range of allocations for a "conservative" portfolio is set out below:

- Fixed Income Portfolio: up to 80%
- Equity Portfolio: 20–60%
- Alternatives Portfolio: 0–15%

#### Allocations within the Portfolios

Allocations within each of the Portfolios are made (i) in the case of the Equity Portfolio, geographically, for example, the United States, Japan or the Eurozone, (ii) in the case of the Fixed Income Portfolio to fixed income instruments of different types and issuers, for example, Euro corporate bonds, and (iii) in the case of the Alternatives Portfolio to indirect eligible baskets of commodities, single commodities and property investments through closed-ended REITs.

The sub-fund will also aim to weight each of the Portfolios towards exposure to Eurozone assets, such that the sub-fund has a Eurozone focus in line with its Base Currency. It is not expected that the sub-fund will have significant exposure to non-investment grade debt securities or emerging markets. In any case, such exposure will not represent more than 30% of the Net Asset Value of the sub-fund for non-investment grade debt securities and 20% for emerging markets. The sub-fund's investments in closed-ended REITs will not represent more than 10% of the Net Asset Value of the sub-fund.

#### Investment Process

The sub-fund manager will obtain exposure to the Portfolios predominantly through investment in exchange traded fund or funds (each an ETF) or other UCIs or, in the case of single commodity exposures, the allocations may be to debt securities linked to the performance of such individual commodities, which will be exchange traded notes or certificates (the ETCs). According to article 2 A. (j), investments in certificates are only

permitted if they are 1:1 certificates qualifying as transferable securities.

With the exception of permitted investments in unlisted securities and UCIs, the sub-fund's investments will be listed on regulated markets.

#### ETFs and other UCIs

Where exposure is obtained through investment in ETFs or other UCIs, the allocation to each Portfolio will be expressed as an allocation recommended by the Investment Advisor to an ETF, for example a Eurozone stock market focussed ETF or U.S. government bond focussed ETF, or a diversified commodity index, with the exception of individual commodities within the Alternatives Portfolio. To the extent that there is no suitable ETF tracking an index representative of the recommended allocation, the sub-fund may take exposure to a recommended financial index as further described below. Such ETFs may include ETFs in relation to which DWS Investments S.A. also acts as management company (such an ETF, a DWS ETF). ETFs are selected on the basis of criteria such as cost, liquidity and tracking error, in the best interests of investors and in order to achieve the Investment Objective.

The sub-fund may invest up to 100% of its assets in UCIs. Such UCIs will include UCITS (such as the ETFs) and, in accordance with the limits of the Law of 2010, AIFs. Such UCIs may be domiciled in the EEA, Guernsey, Jersey or the Isle of Man. Such UCIs may be constituted as corporates, including investment companies, unit trusts, partnerships or common contractual funds and may be traded, listed or dealt in on a stock exchange or other regulated market. The sub-fund will not invest in ETFs domiciled in the U.S. These investments will be in line with the investment policy of the sub-fund.

#### ETCs

In the case of single commodity exposures, the allocations will be to ETCs. These will be unleveraged debt securities listed or traded on regulated markets.

#### FDI

As an alternative to investing in an ETF, the sub-fund manager may take exposure to a financial index through the use of FDI. Forward currency exchange contracts, non-deliverable forwards (NDFs), currency futures, futures on indices, options or swaps, may be used by the sub-fund for investment purposes and also for the purposes of efficient portfolio management (including hedging). When using financial indices, legal provisions apply as set out in article 44 (1) of the Law of 2010, and article 9 of the Grand-Ducal Regulation of February 8, 2008.

When using an FDI, no MSCI ESG rating or minimum rating is required for the FDI counterparty nor the underlying of the FDI.

### Liquid Asset Strategy

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 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 20% of the sub-funds' net assets. In exceptionally unfavourable market conditions, it is permitted to temporarily exceed this 20% limit if circumstances so require and to the extent that this appears to be justified with regard to the interests of shareholders.

The sub-fund may hold ancillary liquid assets as specified in article 2 B. o) of the general section of the Sales Prospectus.

The sub-fund will not invest in contingent convertibles.

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

Notwithstanding article 2 B. (i), the following applies:

The sub-fund's assets may be used to acquire shares of other UCITS and/or UCIs as defined in article 2 A. (e), provided that no more than 20% of the sub-fund's assets are invested in one and the same UCITS and/or UCIs.

Every sub-fund of an umbrella fund is to be regarded as an independent issuer, provided that the principle of individual liability per sub-fund is applicable in terms of liability to third parties.

Investments in shares of other UCIs other than UCITS must not exceed 30% of the sub-fund's net assets in total.

In the case of investments in shares of another UCITS and/or other UCIs, the investments held by that UCITS and/or by other UCIs are not taken into consideration for the purposes of the limits specified in article 2 B. (a), (b), (c), (d), (e) and (f).

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

### Integration of sustainability risks

The sub-fund management integrates sustainability risks into its investment decisions as described in the General Section of the Sales Prospectus in the section "Integration of sustainability risks in the investment process".

### Additional information

When using total return swaps to implement the investment strategy as described above, the following shall be noted:

The proportion of the sub-fund's net assets subject to total return swaps, expressed as the sum of notional amounts of the total return swaps divided by the sub-fund's net asset value, is expected to be 0%, but depending on the respective market conditions, with the objective of efficient portfolio management and in the interest of the investors, it may reach up to 10%. The calculation is performed in line with the guidelines CESR/10-788. However, the disclosed expected level of leverage is not intended to be an additional exposure limit for the sub-fund.

Additional information on total return swaps may be found in the general section of the Sales Prospectus, amongst others, in the section "Efficient portfolio management techniques". The selection of counterparties to any total return swap is subject to the principles as described in the section "Choice of counterparty" of the Sales Prospectus. Further information on the counterparties is disclosed in the annual report. For special risk considerations linked to total return swaps, investors should refer to the section "General Risk Warnings", and in particular the section "Risks connected to derivative transactions" of the Sales Prospectus.

### Risk Management

The relative Value-at-Risk (VaR) approach is used to limit market risk in the sub-fund.

In addition to the provisions of the general section of 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 all-in fee attributable to shares of these target funds is reduced by the management fee/all-in fee up to 0.09% of the acquired target funds (modified difference method).

# Pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

**Sustainable investment** means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

**Product name:** DB ESG Conservative SAA (EUR) Plus

**Legal entity identifier:** 2549005N1048QFNZG879

**ISIN:** LU2132883344

## Environmental and/or social characteristics

**Does this financial product have a sustainable investment objective?**

<input checked="" type="radio"/> <input checked="" type="radio"/> <input type="checkbox"/> <b>Yes</b>	<input checked="" type="radio"/> <input type="radio"/> <input checked="" type="checkbox"/> <b>No</b>
<input type="checkbox"/> It will make a minimum of <b>sustainable investments with an environmental objective: __%</b> <ul style="list-style-type: none"> <li><input type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy</li> <li><input type="checkbox"/> in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy</li> </ul> <input type="checkbox"/> It will make a minimum of <b>sustainable investments with a social objective: __%</b>	<input type="checkbox"/> It <b>promotes Environmental/Social (E/S) characteristics</b> and while it does not have as its objective a sustainable investment, it will have a minimum proportion of __% of sustainable investments <ul style="list-style-type: none"> <li><input type="checkbox"/> with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy</li> <li><input type="checkbox"/> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy</li> <li><input type="checkbox"/> with a social objective</li> </ul> <input checked="" type="checkbox"/> It promotes E/S characteristics, but <b>will not make any sustainable investments</b>

**What environmental and/or social characteristics are promoted by this financial product?**

This sub-fund promotes at least 51% of its net assets in investments that are aligned with the following environmental and social characteristics:

1. ESG Quality: The sub-fund invests in instruments that have at least an MSCI ESG Rating of BBB
2. Fossil Fuel-based exclusion: The sub-fund excludes issuers active in the fossil fuel sector that exceed a predefined turnover threshold
3. Norm-based exclusions: The sub-fund excludes issuers that are in violation of the UN Global Compact principles or the OECD Guidelines for multinational enterprises
4. The sub-fund excludes issuers that have exposure to controversial weapons

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



**Sustainability indicators** measure how the environmental or social characteristics promoted by the financial product are attained.

What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?

The attainment of the promoted environmental and social characteristics is assessed via the application of MSCI ESG data as further described in section “What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?”. The methodology applies a variety of assessment categories that are used as sustainability indicators to assess the attainment of the promoted environmental and social characteristics, which are as follows:

- %-share of the sub-fund’s net assets that are invested in investment funds and securities of issuers that possess at least an MSCI ESG Rating of BBB
- %-share of the sub-fund’s net assets of issuers that are active in the fossil fuel sector that exceed a predefined turnover threshold
- %-share of the sub-fund’s net assets that are in violation of the UN Global Compact principles or the OECD Guidelines for multinational enterprises
- %-share of the sub-fund’s net assets that have exposure to controversial weapons

*The EU Taxonomy sets out a “do not significant harm” principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.*

The “do no significant harm” principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

*Any other sustainable investments must also not significantly harm any environmental or social objectives.*



**Principal adverse impacts** are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

Does this financial product consider principal adverse impacts on sustainability factors?

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

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

Principal adverse impacts are considered for the sub-funds’ assets that are aligned with environmental and social characteristics by selecting investments that exclude (i) issuers active in the fossil fuel sector that exceed a predefined turnover threshold (sustainability factors related to the adverse impact indicators no. 2, 3 and 4), (ii) issuers that are in violation of the UN Global Compact principles or the OECD Guidelines for multinational enterprises (sustainability factors related to the adverse impact indicator no. 10) and (iii) issuers that have exposure to controversial weapons (sustainability factors related to the adverse impact indicator no. 14).

Further information on principal adverse impacts will be provided in an annex to the sub-fund’s annual report.

No



**The Investment strategy** guides investment decisions based on factors such as investment objectives and risk tolerance.

## What investment strategy does this financial product follow?

This sub-fund pursues a strategy based on multiple asset classes as main investment strategy. The sub-fund will seek to gain indirect exposure to three primary asset class portfolios (Fixed Income Portfolio: up to 80%, Equity Portfolio: 20–60%, Alternatives Portfolio: 0–15%) diversified among and within themselves (each, a Portfolio and together the Portfolios) in proportions that are consistent with the Investment Objective. The sub-fund manager will implement the sub-fund's investment policy predominantly via investments in UCITS and other UCIs. In doing so, the sub-fund pursues a fund-of-fund strategy. In addition to the allocation to the Portfolio, a risk reduction strategy will be implemented in order to preserve capital by limiting a fall in value of the sub-fund's assets. The risk reduction strategy will be implemented with derivative instruments. Further details regarding the main investment strategy are specified in the Special Section of the Sales Prospectus. The sub-fund's assets are predominantly allocated into investments that comply with the defined standards in respect to the promoted environmental and social characteristics as described in the following sections. The sub-fund's strategy in relation to the promoted environmental or social characteristics is integral part of the ESG assessment methodology, which is continuously monitored via the sub-fund's investment guidelines.

## What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?

The sub-fund management and the investment advisor rely on data from MSCI, an external ESG data provider, when conducting fundamental analysis of the investment universe in order to take ESG criteria into account in the selection of target funds or the issuers of financial instruments. The sub-fund management incorporates the results of this analysis and the investment advisor's investment recommendations based on it into its investment decisions.

At least 51% of the sub-fund's net assets are invested in investment funds and securities of issuers that possess an MSCI ESG rating and that meet defined minimum standards with regard to ESG (Environment, Social, (Corporate) Governance) criteria.

MSCI assigns an ESG rating from AAA (highest score) to CCC (lowest score). This MSCI ESG rating is intended to make ESG characteristics more understandable and measurable.

The sub-fund invests at least 51% of the sub-fund's net assets in investment instruments that have at least an MSCI ESG rating of BBB. In addition, investment instruments (e.g. investment funds, cash, equities or bonds issued by corporates) can be acquired that have no MSCI ESG rating.

At least 51% of the sub-fund's net assets will meet the sub-fund's ESG criteria at the time of purchase. If sub-fund investments no longer meet the minimum standards for ESG criteria of the sub-fund, the sub-fund can continue to hold these investments until (from the perspective of the sub-fund manager) it is possible and practical to liquidate the position, as long as at least 51% of the sub-fund's net assets meet the ESG criteria.

### ESG rating for funds:

MSCI develops an ESG rating for a fund or an ETF based on the weighted average of the individual ESG scores of the assets held in a fund – according to the fund's most recently published holdings. This excludes positions of cash and cash equivalents and certain derivatives. This includes an adjustment to reflect the weighting of assets held in the fund to which MSCI assigns a positive and a negative ESG trend/momentum score and the weighting of "ESG laggards" in the fund. ESG laggards are assets with ESG ratings from B to CCC. The ESG rating of the fund may change either due to changes in the ESG ratings of the securities held in the fund or due to a change in the composition of the analysed fund.

### ESG Rating for corporate issuers:

MSCI develops an ESG rating for corporate by issuers by assessing the ESG performance of a company independently of its financial success on the basis of various ESG criteria. These ESG criteria relate to the following topics, among others:

#### Environmental

- Preservation of biodiversity
- Protection of natural resources
- Mitigation of climate change
- Avoidance of environmental pollution and waste

#### Social

- General human rights

- Ban on child labour and forced labour
- Mandatory non-discrimination
- Careful management of human capital
- Support for social opportunity

#### Corporate governance

- Corporate principles in accordance with the International Corporate Governance Network
- Principles of combating corruption in accordance with the UN Global Compact

#### ESG rating for sovereigns and affiliated issuers:

MSCI develops an ESG rating for issuers such as sovereigns, regional authorities and issuers affiliated with sovereigns with a view to the ESG risk factors in the value chain of the relevant country. The focus here is on the stewardship of resources, the entitlement to basic services and performance. Natural, financial and human resources differ from country to country and therefore result in different starting points for the manufacture of productive goods and the provision of services. Other factors, such as a government and justice system that is recognized and effective from an ESG perspective, a low level of susceptibility to environmental impacts or other external factors, and a supportive economic environment can also influence the use of these resources.

The sub-fund manager evaluates potential investments using the above MSCI ESG rating.

Deposits with credit institutions and ancillary liquid assets will not be assessed via the ESG assessment methodology.

The sub-fund considers the following exclusions:

1. Fossil Fuel-based exclusion: The sub-fund excludes issuers active in the fossil fuel sector that exceed a predefined turnover threshold
2. Norm-based exclusions: The sub-fund excludes issuers that are in violation of the UN Global Compact principles or the OECD Guidelines for multinational enterprises
3. The sub-fund excludes issuers that have exposure to controversial weapons

What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?

The applied ESG investment strategy does not pursue a committed minimum reduction of the scope of the investments.

**Good governance**  
practices include sound management structures, employee relations, remuneration of staff and tax compliance.

What is the policy to assess good governance practices of the investee companies?

The procedure to assess the good governance practices of the investee companies is based on the analysis of the corporate principles in accordance with the International Corporate Governance Network – Principles of combating corruption in accordance with the UN Global Compact. Further, the management company considers active ownership as a strong driver to improve governance, policies and practices, and thus for a better long-term performance of investee companies. Active ownership means using the position as shareholders to influence the activities or behaviour of the investee companies. An engagement activity can be initiated with the investee companies regarding matters such as strategy, financial and non-financial performance, risk, capital structure, social and environmental impact as well as corporate governance including topics like disclosure, culture and remuneration. The engagement activity can be undertaken via, e.g., issuer meetings or engagement letters. Furthermore, for equity investments it could also be an interaction with the company resulting from proxy voting activities or participation at general meetings.

What is the asset allocation planned for this financial product?

This sub-fund invests at least 51% of its net assets in investments that are aligned with the promoted environmental and social characteristics (#1 Aligned with E/S characteristics). Within this category, at least 0% of the sub-fund's assets qualify as sustainable investments (#1A Sustainable).

Up to 49% of the investments are not aligned with these characteristics (#2 Other). A more detailed description of the specific asset allocation of this sub-fund can be found in the Special Section of the Sales Prospectus.



**Asset allocation** describes the share of investments in specific assets.

Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.



**#1 Aligned with E/S characteristics** includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

**#2 Other** includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:

- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?

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

**Enabling activities** directly enable other activities to make a substantial contribution to an environmental objective.

**Transitional activities** are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

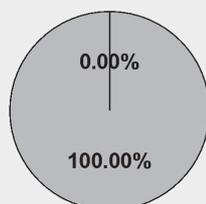


To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

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

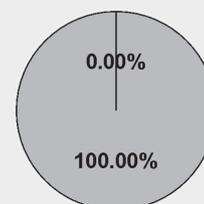
**The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds\*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.**

1. Taxonomy-alignment of investments including sovereign bonds\*



■ Taxonomy-aligned □ Other Investments

2. Taxonomy-alignment of investments excluding sovereign bonds\*



■ Taxonomy-aligned □ Other Investments

\*For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures

What is the minimum share of investments in transitional and enabling activities?

The sub-fund does not have a minimum share of investments in transitional and enabling activities, as it does not commit to a minimum proportion of environmentally sustainable investments aligned with the EU Taxonomy.



are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.



What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

Not applicable.



What is the minimum share of socially sustainable investments?

Not applicable.



What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?

This sub-fund promotes a predominant asset allocation in investments that are aligned with environmental and social characteristics (#1 Aligned with E/S characteristics). In addition, and on an ancillary basis, this sub-fund will invest into investments that are not considered aligned with the promoted characteristics (#2 Other). These remaining investments can include all asset classes as foreseen in the specific investment policy including cash and derivatives.

In line with the market positioning of this sub-fund, the purpose of these remaining investments is to provide investors with an exposure to non-ESG aligned investments while at the same time ensuring a predominant exposure to environmentally and socially aligned investments. Remaining investments can be used by the portfolio management for performance, diversification, liquidity and hedging purposes.

This sub-fund does not consider any minimum environmental or social safeguards on these remaining investments.



**Reference benchmarks** are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

This sub-fund has not designated a reference benchmark to determine whether it is aligned with the environmental and/or social characteristics that it promotes.



Where can I find more product specific information online?

**More product-specific information can be found on the website:** <https://funds.dws.com/en-lu/balanced-funds/LU2132883344/> as well as on your local country website [www.dws.com/fundinformation](http://www.dws.com/fundinformation).

## DB ESG Conservative SAA (USD)

<b>Investor profile</b>	Income-oriented
<b>Currency of sub-fund</b>	USD
<b>Sub-fund manager</b>	DWS Investment GmbH and DWS International GmbH, Mainzer Landstr. 11-17, 60329 Frankfurt/Main, Germany. The Management Company entered into an investment management agreement with DWS Investment GmbH, Frankfurt/Main. Under its supervision, control and responsibility, and at its own expense, DWS Investment GmbH, Frankfurt/Main, entered into an investment management agreement with DWS International GmbH. The portfolio management of the sub-fund is performed by both companies by means of close cooperation as well as common processes and IT-systems.
<b>Investment Advisor</b>	Deutsche Bank AG, Taunusanlage 12, 60325 Frankfurt/Main, Germany The sub-fund manager has entered into an advisory agreement with Deutsche Bank AG. The investment advice shall thereby encompass analysis and recommendations of suitable investment instruments, which take into account sustainability risks.
<b>Performance benchmark</b>	-
<b>Reference portfolio (risk benchmark)</b>	Portfolio excl. Derivatives
<b>Leverage effect</b>	1 time the value of the investment sub-fund's assets
<b>Calculation of the NAV per share</b>	Each bank business day in Luxembourg and Frankfurt/Main.
<b>Swing Pricing</b>	The sub-fund may apply Swing Pricing. If implemented, it will be disclosed in the fund facts section on the website of the Management Company <a href="http://www.dws.com">www.dws.com</a> .
<b>Order acceptance</b>	All subscription, redemption and exchange orders are placed on the basis of an unknown net asset value per share. Orders received by the Transfer Agent at or before <b>4:00 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>Maximum management fee charged in respect of investments in shares of target funds (payable by the sub-fund)</b>	2%

### Overview of the share classes

<b>Currency of share class</b>	USD LC, USD LC10, USD WAMC, USD DPMC	USD
<b>Initial issue price</b>	USD LC USD LC10 USD WAMC, USD DPMC	USD 101 (incl. front end load) USD 10,100 (incl. front end load) USD 10,000
<b>Front end load (payable by the investor)</b>	USD LC, USD LC10 USD WAMC, USD DPMC	Up to 1% 0%
<b>All-in Fee p.a. (payable by the sub-fund)*</b>	USD LC USD LC10 USD WAMC, USD DPMC	0.410% 0.210% 0.140%
<b>Taxe d'abonnement (payable by the sub-fund)</b>	USD LC, USD LC10, USD WAMC USD DPMC	0.05% 0.01%
<b>Launch date</b>	USD LC, USD LC10, USD WAMC USD DPMC	May 26, 2020 March 8, 2021

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

For the sub-fund with the name DB ESG Conservative SAA (USD), the following provisions shall apply in addition to the terms contained in the general section of the Sales Prospectus.

The sub-fund name indicates a “Conservative” profile as described under “Additional classification” in the general section of the Sales Prospectus.

### Investment Objective

The objective of the investment policy of the sub-fund DB ESG Conservative SAA (USD) is to achieve a mid to long-term return in USD.

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

### Investment Policy

This sub-fund is a financial product that highlights environmental and social features according to article 8 (1) of Regulation (EU) 2019/2088 on sustainability-related disclosure obligations in the financial services sector.

In order to achieve the investment objective, the sub-fund will seek to gain indirect exposure to three primary asset class portfolios diversified among and within themselves (each, a Portfolio and together the Portfolios) in proportions that are consistent with the Investment Objective, as further described below. The sub-fund manager will implement the sub-fund’s investment policy predominantly via investments in UCITS and other UCIs. In doing so, the sub-fund pursues a fund-of-fund strategy.

The sub-fund management and the investment advisor rely on data from MSCI, an external ESG data provider, when conducting fundamental analysis of the investment universe in order to take ESG criteria into account in the selection of target funds or the issuers of financial instruments. The sub-fund management incorporates the results of this analysis and the investment advisor’s investment recommendations based on it into its investment decisions.

At least 51% of the sub-fund’s net assets are invested in investment funds and securities of issuers that possess an MSCI ESG rating and that meet defined minimum standards with regard to ESG (Environment, Social, (Corporate) Governance) criteria.

MSCI assigns an ESG rating from AAA (highest score) to CCC (lowest score). This MSCI ESG rating is intended to make ESG characteristics more understandable and measurable.

The sub-fund invests at least 51% of the sub-fund’s net assets in investment instruments that have at least an MSCI ESG rating of BBB. In addition, investment instruments (e.g. investment funds, cash, equities or bonds issued by corporates) can be acquired that have no MSCI ESG rating.

At least 51% of the sub-fund’s net assets will meet the sub-fund’s ESG criteria at the time of purchase. If sub-fund investments no longer meet the minimum standards for ESG criteria of the sub-fund, the sub-fund can continue to hold these investments until (from the perspective of the sub-fund manager) it is possible and practical to liquidate the position, as long as at least 51% of the sub-fund’s net assets meet the ESG criteria.

### ESG rating for funds:

MSCI develops an ESG rating for a fund or an ETF based on the weighted average of the individual ESG scores of the assets held in a fund – according to the fund’s most recently published holdings. This excludes positions of cash and cash equivalents and certain derivatives. This includes an adjustment to reflect the weighting of assets held in the fund to which MSCI assigns a positive and a negative ESG trend/momentum score and the weighting of “ESG laggards” in the fund. ESG laggards are assets with ESG ratings from B to CCC. The ESG rating of the fund may change either due to changes in the ESG ratings of the securities held in the fund or due to a change in the composition of the analysed fund.

### ESG Rating for corporate issuers:

MSCI develops an ESG rating for corporate by issuers by assessing the ESG performance of a company independently of its financial success on the basis of various ESG criteria. These ESG criteria relate to the following topics, among others:

#### Environmental

- Preservation of biodiversity
- Protection of natural resources
- Mitigation of climate change
- Avoidance of environmental pollution and waste

#### Social

- General human rights
- Ban on child labour and forced labour
- Mandatory non-discrimination
- Careful management of human capital
- Support for social opportunity

#### Corporate governance

- Corporate principles in accordance with the International Corporate Governance Network
- Principles of combating corruption in accordance with the UN Global Compact

### ESG rating for sovereigns and affiliated issuers:

MSCI develops an ESG rating for issuers such as sovereigns, regional authorities and issuers affiliated with sovereigns with a view to the ESG risk factors in the value chain of the relevant country. The focus here is on the stewardship of resources, the entitlement to basic services and performance. Natural, financial and human resources differ from country to country and therefore result in different starting points for the

manufacture of productive goods and the provision of services. Other factors, such as a government and justice system that is recognized and effective from an ESG perspective, a low level of susceptibility to environmental impacts or other external factors, and a supportive economic environment can also influence the use of these resources.

The sub-fund manager evaluates potential investments using the above MSCI ESG rating.

Deposits with credit institutions and ancillary liquid assets will not be assessed via the ESG assessment methodology.

Derivatives are currently not used to attain the environmental or social characteristics promoted by the sub-fund and are therefore not taken into account for the calculation of the minimum share of assets complying with these characteristics.

The sub-fund considers the following exclusions:

1. Fossil Fuel-based exclusion: The sub-fund excludes issuers active in the fossil fuel sector that exceed a predefined turnover threshold
2. Norm-based exclusions: The sub-fund excludes issuers that are in violation of the UN Global Compact principles or the OECD Guidelines for multinational enterprises
3. The sub-fund excludes issuers that have exposure to controversial weapons

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

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

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

Principal adverse impacts are considered for the sub-fund’s assets that are aligned with environmental and social characteristics by selecting investments that exclude (i) issuers active in the fossil fuel sector that exceed a predefined turnover threshold (sustainability factors related to the adverse impact indicators no. 2, 3 and 4), (ii) issuers that are in violation of the UN Global

Compact principles or the OECD Guidelines for multinational enterprises (sustainability factors related to the adverse impact indicator no. 10) and (iii) issuers that have exposure to controversial weapons (sustainability factors related to the adverse impact indicator no. 14).

The procedure to assess the good governance practises of the investee companies is based on the analysis of the corporate principles in accordance with the International Corporate Governance Network – Principles of combating corruption in accordance with the UN Global Compact. Further, the management company considers active ownership as a strong driver to improve governance, policies, and practices, and thus for a better long-term performance of investee companies. Active ownership means using the position as shareholders to influence the activities or behaviour of the investee companies. An engagement activity can be initiated with the investee companies regarding matters such as strategy, financial and non-financial performance, risk, capital structure, social and environmental impact as well as corporate governance including topics like disclosure, culture, and remuneration. The engagement activity can be undertaken via, e.g., issuer meetings or engagement letters. Furthermore, for equity investments it could also be an interaction with the company resulting from proxy voting activities or participation at general meetings.

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

**Further information about the environmental and social characteristics promoted by this sub-fund is available in the annex to this Sales Prospectus.**

#### The Portfolios

The sub-fund's investments will be indirectly allocated to each of the following Portfolios as described under Investment Process further below:

- Debt securities, including fixed and floating rate government bonds, corporate bonds, high yield bonds and money market instruments of issuers domiciled in, and governments of both developed and emerging market countries which may be of investment or non-investment grade (the Fixed Income Portfolio).
- Equities of large and mid-cap companies which are either listed and/or domiciled in both developed markets and emerging markets (the Equity Portfolio).
- Alternative investments comprising eligible indirect exposure to commodities and property investments through closed-ended REITs (the Alternatives Portfolio).

The sub-fund's investments will be allocated in different proportions to the Portfolios by the

sub-fund manager on the basis of advice received from the Investment Advisor. How the Investment Advisor determines the suggested allocations is described under Portfolio Allocation Process below. How the sub-fund manager may invest into the Portfolios is described under Investment Process below.

The sub-fund manager will consider any proposed changes to the portfolio and may in its discretion overrule or reject any suggestions.

The sub-fund manager is also responsible for risk and control monitoring in respect of the sub-fund, including but not limited to monitoring of market, credit and liquidity risks as well as some portfolio administration activities, including additional NAV checks and reporting.

The Investment Advisor may advise the sub-fund manager in relation to changing the composition of each of the Portfolios and the allocation to each Portfolio periodically – expected to be yearly but may be more or less frequently where required in order to take into account changing market, economic, political and other related circumstances.

#### Portfolio Allocation Process

The Investment Advisor uses a strategic asset allocation approach (the Strategic Asset Allocation or SAA) in order to advise the sub-fund manager as regards the sub-fund's investments. The SAA is the basis upon which the Investment Advisor determines the suggested allocations both to, and also within, each of the Portfolios and it takes into account three fundamental parameters:

- The expected return of each of the assets in each Portfolio – this includes capital and income.
- The expected volatility of each of the assets in each Portfolio – this means the expected degree of variation in the return of the assets.
- The expected correlations between the assets in each Portfolio – this means how their respective returns move relative to each other. A high correlation would exist where the two assets move in the same direction (e.g. both move up in value over the same time period).

The analysis and predictions of the Investment Advisor under these parameters are based on factors including historical data (i.e. how has the asset performed in the past), market expectations (e.g. the level of growth the U.S. economy is expected to experience) and also factors specific to an asset (e.g. expected defaults, if any, for fixed income assets). The aim of the SAA is to define the allocations to the various assets comprising each of the Portfolios based on a combined expected level of risk and return. Typically, a higher level of risk is associated with a higher potential level of return.

#### Allocations to the Portfolios

For a "conservative" portfolio, the Investment Advisor aims to suggest an allocation to provide the opportunity for a mid to long-term return in USD. In order to do so, it is expected that the sub-fund will have a significant allocation to the Fixed Income Portfolio since fixed income assets tend to have lower volatility and so provide some protection against a fall in value of the sub-fund's investments while also offering income generation. The sub-fund may also have a smaller allocation to the Equity Portfolio and Alternative Portfolio since equities and alternative investments tend to offer the potential for capital appreciation but are typically more volatile than fixed income assets. The expected range of allocations for a "conservative" portfolio is set out below:

- Fixed Income Portfolio: up to 100%
- Equity Portfolio: 0–40%
- Alternatives Portfolio: 0–15%

#### Allocations within the Portfolios

Allocations within each of the Portfolios are made (i) in the case of the Equity Portfolio, geographically, for example, the United States, Japan or the Eurozone, (ii) in the case of the Fixed Income Portfolio to fixed income instruments of different types and issuers, for example, U.S. corporate bonds, and (iii) in the case of the Alternatives Portfolio to indirect eligible baskets of commodities, single commodities and property investments through closed-ended REITs.

The sub-fund will also aim to weight each of the Portfolios towards exposure to USD denominated assets, such that the sub-fund has a U.S. focus. It is not expected that the sub-fund will have significant exposure to non-investment grade debt securities or emerging markets. In any event, such exposure will not represent more than 30% of the Net Asset Value of the Fund for non-investment grade debt securities and 20% for emerging markets. The sub-fund's investments in closed-ended REITs will not represent more than 10% of the Net Asset Value of the sub-fund.

#### Investment Process

The sub-fund manager will obtain exposure to the Portfolios predominantly through investment in exchange traded fund or funds (each an ETF) or other UCIs or, in the case of single commodity exposures, the allocations may be to debt securities linked to the performance of such individual commodities, which will be exchange traded notes or certificates (the ETCs). According to article 2 A. (j), investments in certificates are only permitted if they are 1:1 certificates qualifying as transferable securities.

With the exception of permitted investments in unlisted securities and UCIs, the sub-fund's investments will be listed on regulated markets.

#### ETFs and other UCIs

Where exposure is obtained through investment in ETFs or other UCIs, the allocation to each Portfolio will be expressed as an allocation

recommended by the Investment Advisor to an ETF, for example a Eurozone stock market focussed ETF or U.S. government bond focussed ETF, or a diversified commodity index, with the exception of individual commodities within the Alternatives Portfolio. To the extent that there is no suitable ETF tracking an index representative of the recommended allocation, the sub-fund may take exposure to a recommended financial index as further described below.

Such ETFs may include ETFs in relation to which DWS Investments S.A. also acts as management company (such as an ETF, a DWS ETF). ETFs are selected on the basis of criteria such as cost, liquidity and tracking error, in the best interests of investors and in order to achieve the Investment Objective.

The sub-fund may invest up to 100% of its assets in other UCIs. Such UCIs will include UCITS (such as the ETFs) and, in accordance with the limits of the Law of 2010, AIFs. Such UCIs may be domiciled in the EEA, Guernsey, Jersey or the Isle of Man. Such UCIs may be constituted as corporates, including investment companies, unit trusts, partnerships or common contractual funds and may be traded, listed or dealt in on a stock exchange or other regulated market. The sub-fund will not invest in ETFs domiciled in the U.S. These investments will be in line with the investment policy of the sub-fund.

#### **ETCs**

In the case of single commodity exposures, the allocations will be to ETCs. These will be unleveraged debt securities listed or traded on regulated markets.

#### **FDI**

As an alternative to investing in an ETF, the sub-fund manager may take exposure to a financial index through the use of FDI. Forward currency exchange contracts, non-deliverable forwards (NDFs), currency futures, futures on indices, options or swaps, may be used by the sub-fund for investment purposes and also for the purposes of efficient portfolio management (including hedging). When using financial indices, legal provisions apply as set out in article 44 (1) of the Law of 2010, and article 9 of the Grand-Ducal Regulation of February 8, 2008.

When using an FDI, no MSCI ESG rating or minimum rating is required for the FDI counterparty nor the underlying of the FDI.

#### **Liquid Asset Strategy**

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 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 20% of the sub-funds' net assets. In exceptionally unfavourable market conditions, it is permitted to temporarily exceed

this 20% limit if circumstances so require and to the extent that this appears to be justified with regard to the interests of shareholders.

The sub-fund may hold ancillary liquid assets as specified in article 2 B. o) of the general section of the Sales Prospectus.

The sub-fund will not invest in contingent convertibles.

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

Notwithstanding article 2 B. (i), the following applies:

The sub-fund's assets may be used to acquire shares of other UCITS and/or UCIs as defined in article 2 A. (e), provided that no more than 20% of the sub-fund's assets are invested in one and the same UCITS and/or UCIs.

Every sub-fund of an umbrella fund is to be regarded as an independent issuer, provided that the principle of individual liability per sub-fund is applicable in terms of liability to third parties.

Investments in shares of other UCIs other than UCITS must not exceed 30% of the sub-fund's net assets in total.

In the case of investments in shares of another UCITS and/or other UCIs, the investments held by that UCITS and/or by other UCIs are not taken into consideration for the purposes of the limits specified in article 2 B. (a), (b), (c), (d), (e) and (f).

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

#### **Integration of sustainability risks**

The sub-fund management integrates sustainability risks into its investment decisions as described in the General Section of the Sales Prospectus in the section "Integration of sustainability risks in the investment process".

#### **Additional information**

When using total return swaps to implement the investment strategy as described above, the following shall be noted:

The proportion of the sub-fund's net assets subject to total return swaps, expressed as the sum of notional of the total return swaps divided by the sub-fund's net asset value, is expected to be 0%, but depending on the respective market conditions, with the objective of efficient portfolio management and in the interest of the investors, it may reach up to 10%. The calculation is performed in line with the guidelines CESR/10-788. However, the disclosed expected level of leverage is not intended to be an additional exposure limit for the sub-fund.

Additional information on total return swaps may be found in the general section of the Sales Prospectus, amongst others, in the section "Efficient portfolio management techniques". The selection of counterparties to any total return swap is subject to the principles as described in the section "Choice of counterparty" of the Sales Prospectus. Further information on the counterparties is disclosed in the annual report. For special risk considerations linked to total return swaps, investors should refer to the section "General Risk Warnings", and in particular the section "Risks connected to derivative transactions" of the Sales Prospectus.

#### **Risk Management**

The relative Value-at-Risk (VaR) approach is used to limit market risk in the sub-fund.

In addition to the provisions of the general section of 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 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 all-in fee attributable to shares of these target funds is reduced by the management fee/all-in fee up to 0.09% of the acquired target funds (modified difference method).

Pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

**Sustainable investment** means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

**Product name:** DB ESG Conservative SAA (USD)

**Legal entity identifier:** 254900B9KMH6F04IOP57

**ISIN:** LU2132880753

**Environmental and/or social characteristics**

**Does this financial product have a sustainable investment objective?**

<input checked="" type="radio"/> <input checked="" type="radio"/> <input type="checkbox"/> <b>Yes</b>	<input checked="" type="radio"/> <input type="radio"/> <input checked="" type="checkbox"/> <b>No</b>
<input type="checkbox"/> It will make a minimum of <b>sustainable investments with an environmental objective: __%</b> <ul style="list-style-type: none"> <li><input type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy</li> <li><input type="checkbox"/> in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy</li> </ul> <input type="checkbox"/> It will make a minimum of <b>sustainable investments with a social objective: __%</b>	<input type="checkbox"/> It <b>promotes Environmental/Social (E/S) characteristics</b> and while it does not have as its objective a sustainable investment, it will have a minimum proportion of __% of sustainable investments <ul style="list-style-type: none"> <li><input type="checkbox"/> with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy</li> <li><input type="checkbox"/> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy</li> <li><input type="checkbox"/> with a social objective</li> </ul> <input checked="" type="checkbox"/> It promotes E/S characteristics, but <b>will not make any sustainable investments</b>

**What environmental and/or social characteristics are promoted by this financial product?**

This sub-fund promotes at least 51% of its net assets in investments that are aligned with the following environmental and social characteristics:

1. ESG Quality: The sub-fund invests in instruments that have at least an MSCI ESG Rating of BBB
2. Fossil Fuel-based exclusion: The sub-fund excludes issuers active in the fossil fuel sector that exceed a predefined turnover threshold
3. Norm-based exclusions: The sub-fund excludes issuers that are in violation of the UN Global Compact principles or the OECD Guidelines for multinational enterprises
4. The sub-fund excludes issuers that have exposure to controversial weapons

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



**Sustainability indicators** measure how the environmental or social characteristics promoted by the financial product are attained.

What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?

The attainment of the promoted environmental and social characteristics is assessed via the application of MSCI ESG data as further described in section “What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?”. The methodology applies a variety of assessment categories that are used as sustainability indicators to assess the attainment of the promoted environmental and social characteristics, which are as follows:

- %-share of the sub-fund’s net assets that are invested in investment funds and securities of issuers that possess at least an MSCI ESG Rating of BBB
- %-share of the sub-fund’s net assets of issuers that are active in the fossil fuel sector that exceed a predefined turnover threshold
- %-share of the sub-fund’s net assets that are in violation of the UN Global Compact principles or the OECD Guidelines for multinational enterprises
- %-share of the sub-fund’s net assets that have exposure to controversial weapons

*The EU Taxonomy sets out a “do not significant harm” principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.*

The “do no significant harm” principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

*Any other sustainable investments must also not significantly harm any environmental or social objectives.*



**Principal adverse impacts** are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

Does this financial product consider principal adverse impacts on sustainability factors?

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

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

Principal adverse impacts are considered for the sub-funds’ assets that are aligned with environmental and social characteristics by selecting investments that exclude (i) issuers active in the fossil fuel sector that exceed a predefined turnover threshold (sustainability factors related to the adverse impact indicators no. 2, 3 and 4), (ii) issuers that are in violation of the UN Global Compact principles or the OECD Guidelines for multinational enterprises (sustainability factors related to the adverse impact indicator no. 10) and (iii) issuers that have exposure to controversial weapons (sustainability factors related to the adverse impact indicator no. 14).

Further information on principal adverse impacts will be provided in an annex to the sub-fund’s annual report.

No



**The Investment strategy** guides investment decisions based on factors such as investment objectives and risk tolerance.

## What investment strategy does this financial product follow?

This sub-fund pursues a strategy based on multiple asset classes as main investment strategy. The sub-fund will seek to gain indirect exposure to three primary asset class portfolios (Fixed Income Portfolio: up to 100%, Equity Portfolio: 0–40%, Alternatives Portfolio: 0–15%) diversified among and within themselves (each, a Portfolio and together the Portfolios) in proportions that are consistent with the Investment Objective. The sub-fund manager will implement the sub-fund's investment policy predominantly via investments in UCITS and other UCIs. In doing so, the sub-fund pursues a fund-of-fund strategy. Further details regarding the main investment strategy are specified in the Special Section of the Sales Prospectus. The sub-fund's assets are predominantly allocated into investments that comply with the defined standards in respect to the promoted environmental and social characteristics as described in the following sections. The sub-fund's strategy in relation to the promoted environmental or social characteristics is integral part of the ESG assessment methodology, which is continuously monitored via the sub-fund's investment guidelines.

## What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?

The sub-fund management and the investment advisor rely on data from MSCI, an external ESG data provider, when conducting fundamental analysis of the investment universe in order to take ESG criteria into account in the selection of target funds or the issuers of financial instruments. The sub-fund management incorporates the results of this analysis and the investment advisor's investment recommendations based on it into its investment decisions.

At least 51% of the sub-fund's net assets are invested in investment funds and securities of issuers that possess an MSCI ESG rating and that meet defined minimum standards with regard to ESG (Environment, Social, (Corporate) Governance) criteria.

MSCI assigns an ESG rating from AAA (highest score) to CCC (lowest score). This MSCI ESG rating is intended to make ESG characteristics more understandable and measurable.

The sub-fund invests at least 51% of the sub-fund's net assets in investment instruments that have at least an MSCI ESG rating of BBB. In addition, investment instruments (e.g. investment funds, cash, equities or bonds issued by corporates) can be acquired that have no MSCI ESG rating.

At least 51% of the sub-fund's net assets will meet the sub-fund's ESG criteria at the time of purchase. If sub-fund investments no longer meet the minimum standards for ESG criteria of the sub-fund, the sub-fund can continue to hold these investments until (from the perspective of the sub-fund manager) it is possible and practical to liquidate the position, as long as at least 51% of the sub-fund's net assets meet the ESG criteria.

### ESG rating for funds:

MSCI develops an ESG rating for a fund or an ETF based on the weighted average of the individual ESG scores of the assets held in a fund – according to the fund's most recently published holdings. This excludes positions of cash and cash equivalents and certain derivatives. This includes an adjustment to reflect the weighting of assets held in the fund to which MSCI assigns a positive and a negative ESG trend/momentum score and the weighting of "ESG laggards" in the fund. ESG laggards are assets with ESG ratings from B to CCC. The ESG rating of the fund may change either due to changes in the ESG ratings of the securities held in the fund or due to a change in the composition of the analysed fund.

### ESG Rating for corporate issuers:

MSCI develops an ESG rating for corporate by issuers by assessing the ESG performance of a company independently of its financial success on the basis of various ESG criteria. These ESG criteria relate to the following topics, among others:

#### Environmental

- Preservation of biodiversity
- Protection of natural resources
- Mitigation of climate change
- Avoidance of environmental pollution and waste

#### Social

- General human rights
- Ban on child labour and forced labour
- Mandatory non-discrimination
- Careful management of human capital

– Support for social opportunity

#### Corporate governance

- Corporate principles in accordance with the International Corporate Governance Network
- Principles of combating corruption in accordance with the UN Global Compact

#### ESG rating for sovereigns and affiliated issuers:

MSCI develops an ESG rating for issuers such as sovereigns, regional authorities and issuers affiliated with sovereigns with a view to the ESG risk factors in the value chain of the relevant country. The focus here is on the stewardship of resources, the entitlement to basic services and performance. Natural, financial and human resources differ from country to country and therefore result in different starting points for the manufacture of productive goods and the provision of services. Other factors, such as a government and justice system that is recognized and effective from an ESG perspective, a low level of susceptibility to environmental impacts or other external factors, and a supportive economic environment can also influence the use of these resources.

The sub-fund manager evaluates potential investments using the above MSCI ESG rating.

Deposits with credit institutions and ancillary liquid assets will not be assessed via the ESG assessment methodology.

The sub-fund considers the following exclusions:

1. Fossil Fuel-based exclusion: The sub-fund excludes issuers active in the fossil fuel sector that exceed a predefined turnover threshold
2. Norm-based exclusions: The sub-fund excludes issuers that are in violation of the UN Global Compact principles or the OECD Guidelines for multinational enterprises
3. The sub-fund excludes issuers that have exposure to controversial weapons

What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?

The applied ESG investment strategy does not pursue a committed minimum reduction of the scope of the investments.

**Good governance** practices include sound management structures, employee relations, remuneration of staff and tax compliance.

What is the policy to assess good governance practices of the investee companies?

The procedure to assess the good governance practises of the investee companies is based on the analysis of the corporate principles in accordance with the International Corporate Governance Network – Principles of combating corruption in accordance with the UN Global Compact. Further, the management company considers active ownership as a strong driver to improve governance, policies and practices, and thus for a better long-term performance of investee companies. Active ownership means using the position as shareholders to influence the activities or behaviour of the investee companies. An engagement activity can be initiated with the investee companies regarding matters such as strategy, financial and non-financial performance, risk, capital structure, social and environmental impact as well as corporate governance including topics like disclosure, culture and remuneration. The engagement activity can be undertaken via, e.g., issuer meetings or engagement letters. Furthermore, for equity investments it could also be an interaction with the company resulting from proxy voting activities or participation at general meetings.

What is the asset allocation planned for this financial product?

This sub-fund invests at least 51% of its net assets in investments that are aligned with the promoted environmental and social characteristics (#1 Aligned with E/S characteristics). Within this category, at least 0% of the sub-fund's assets qualify as sustainable investments (#1A Sustainable).

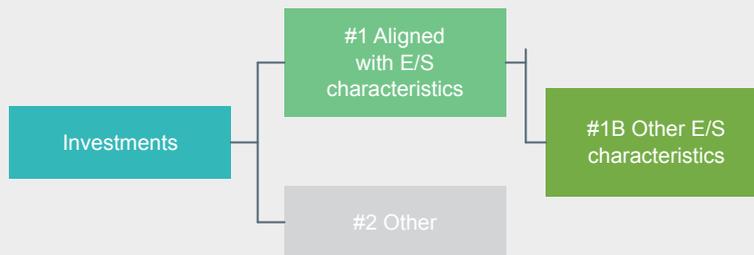
Up to 49% of the investments are not aligned with these characteristics (#2 Other). A more detailed description of the specific asset allocation of this sub-fund can be found in the Special Section of the Sales Prospectus.



**Asset allocation** describes the share of investments in specific assets.

Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.



**#1 Aligned with E/S characteristics** includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

**#2 Other** includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:

- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?

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

**Enabling activities** directly enable other activities to make a substantial contribution to an environmental objective.

**Transitional activities** are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

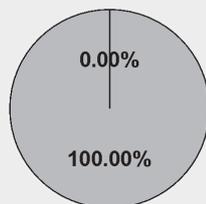


To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

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

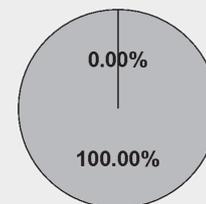
*The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds\*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.*

1. Taxonomy-alignment of investments including sovereign bonds\*



■ Taxonomy-aligned □ Other Investments

2. Taxonomy-alignment of investments excluding sovereign bonds\*



■ Taxonomy-aligned □ Other Investments

\*For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures

What is the minimum share of investments in transitional and enabling activities?

The sub-fund does not have a minimum share of investments in transitional and enabling activities, as it does not commit to a minimum proportion of environmentally sustainable investments aligned with the EU Taxonomy.



are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.



What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

Not applicable.



What is the minimum share of socially sustainable investments?

Not applicable.



What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?

This sub-fund promotes a predominant asset allocation in investments that are aligned with environmental and social characteristics (#1 Aligned with E/S characteristics). In addition, and on an ancillary basis, this sub-fund will invest into investments that are not considered aligned with the promoted characteristics (#2 Other). These remaining investments can include all asset classes as foreseen in the specific investment policy including cash and derivatives.

In line with the market positioning of this sub-fund, the purpose of these remaining investments is to provide investors with an exposure to non-ESG aligned investments while at the same time ensuring a predominant exposure to environmentally and socially aligned investments. Remaining investments can be used by the portfolio management for performance, diversification, liquidity and hedging purposes.

This sub-fund does not consider any minimum environmental or social safeguards on these remaining investments.



**Reference benchmarks** are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

This sub-fund has not designated a reference benchmark to determine whether it is aligned with the environmental and/or social characteristics that it promotes.



Where can I find more product specific information online?

**More product-specific information can be found on the website:** <https://funds.dws.com/en-lu/balanced-funds/LU2132880753/> as well as on your local country website [www.dws.com/fundinformation](http://www.dws.com/fundinformation).

## DB ESG Conservative SAA (USD) Plus

<b>Investor profile</b>	Income-oriented
<b>Currency of sub-fund</b>	USD
<b>Sub-fund manager</b>	DWS Investment GmbH and DWS International GmbH, Mainzer Landstr. 11–17, 60329 Frankfurt/Main, Germany. The Management Company entered into an investment management agreement with DWS Investment GmbH, Frankfurt/Main. Under its supervision, control and responsibility, and at its own expense, DWS Investment GmbH, Frankfurt/Main, entered into an investment management agreement with DWS International GmbH. The portfolio management of the sub-fund is performed by both companies by means of close cooperation as well as common processes and IT-systems.
<b>Investment Advisor</b>	Deutsche Bank AG, Taunusanlage 12, 60325 Frankfurt/Main, Germany The sub-fund manager has entered into an advisory agreement with Deutsche Bank AG. The investment advice shall thereby encompass analysis and recommendations of suitable investment instruments, which take into account sustainability risks.
<b>Performance benchmark</b>	–
<b>Reference portfolio (risk benchmark)</b>	Portfolio excl. Derivatives
<b>Leverage effect</b>	2 times the value of the investment sub-fund's assets
<b>Calculation of the NAV per share</b>	Each bank business day in Luxembourg and Frankfurt/Main.
<b>Swing Pricing</b>	The sub-fund may apply Swing Pricing. If implemented, it will be disclosed in the fund facts section on the website of the Management Company <a href="http://www.dws.com">www.dws.com</a> .
<b>Order acceptance</b>	All subscription, redemption and exchange orders are placed on the basis of an unknown net asset value per share. Orders received by the Transfer Agent at or before <b>4:00 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>Maximum management fee charged in respect of investments in shares of target funds (payable by the sub-fund)</b>	2%

### Overview of the share classes

<b>Currency of share class</b>	USD LC, USD LC10, USD WAMC, USD DPMC, GBP DPMCH	USD GBP
<b>Initial issue price</b>	USD LC USD LC10 USD WAMC, USD DPMC GBP DPMCH	USD 101 (incl. front end load) USD 10,100 (incl. front end load) USD 10,000 GBP 10,000
<b>Front end load (payable by the investor)</b>	USD LC, USD LC10 USD WAMC, USD DPMC, GBP DPMCH	Up to 1% 0%
<b>All-in Fee p.a. (payable by the sub-fund)*</b>	USD LC USD LC10 USD WAMC, USD DPMC GBP DPMCH	0.580% 0.380% 0.185% 0.215%

## Overview of the share classes (continued)

<b>Taxe d'abonnement (payable by the sub-fund)</b>	USD LC, USD LC10, USD WAMC USD DPMC, GBP DPMCH	0.05% 0.01%
<b>Launch date</b>	USD LC, USD LC10, USD WAMC USD DPMC GBP DPMCH	April 30, 2020 July 14, 2020 September 28, 2020

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

For the sub-fund with the name DB ESG Conservative SAA (USD) Plus, the following provisions shall apply in addition to the terms contained in the general section of the Sales Prospectus.

The sub-fund name indicates a "Conservative" profile as described under "Additional classification" in the general section of the Sales Prospectus.

### Investment Objective

The objective of the investment policy of the sub-fund DB ESG Conservative SAA (USD) Plus is to achieve a mid to long-term return in USD and aims to protect against losses of capital in excess of 10% on an annualised basis (as further described in more detail below).

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

### Investment Policy

This sub-fund is a financial product that highlights environmental and social features according to article 8 (1) of Regulation (EU) 2019/2088 on sustainability-related disclosure obligations in the financial services sector.

In order to achieve the investment objective, the sub-fund will seek to gain indirect exposure to three primary asset class portfolios (each, a Portfolio and together the Portfolios) in proportions that are consistent with the Investment Objective, as further described below. The sub-fund manager will implement the sub-fund's investment policy predominantly via investments in UCITS and other UCIs. In doing so, the sub-fund pursues a fund-of-fund strategy.

The sub-fund management and the investment advisor rely on data from MSCI, an external ESG data provider, when conducting fundamental analysis of the investment universe in order to take ESG criteria into account in the selection of target funds or the issuers of financial instruments. The sub-fund management incorporates the results of this analysis and the investment advisor's investment recommendations based on it into its investment decisions.

At least 51% of the sub-fund's net assets are invested in investment funds and securities of

issuers that possess an MSCI ESG rating and that meet defined minimum standards with regard to ESG (Environment, Social, (Corporate) Governance) criteria.

MSCI assigns an ESG rating from AAA (highest score) to CCC (lowest score). This MSCI ESG rating is intended to make ESG characteristics more understandable and measurable.

The sub-fund invests at least 51% of the sub-fund's net assets in investment instruments that have at least an MSCI ESG rating of BBB. In addition, investment instruments (e.g. investment funds, cash, equities or bonds issued by corporates) can be acquired that have no MSCI ESG rating. Please also refer to further information contained in the section on instruments used for purposes of the risk reduction strategy.

At least 51% of the sub-fund's net assets will meet the sub-fund's ESG criteria at the time of purchase. If sub-fund investments no longer meet the minimum standards for ESG criteria of the sub-fund, the sub-fund can continue to hold these investments until (from the perspective of the sub-fund manager) it is possible and practical to liquidate the position, as long as at least 51% of the sub-fund's net assets meet the ESG criteria.

#### ESG rating for funds:

MSCI develops an ESG rating for a fund or an ETF based on the weighted average of the individual ESG scores of the assets held in a fund – according to the fund's most recently published holdings. This excludes positions of cash and cash equivalents and certain derivatives. This includes an adjustment to reflect the weighting of assets held in the fund to which MSCI assigns a positive and a negative ESG trend/momentum score and the weighting of "ESG laggards" in the fund. ESG laggards are assets with ESG ratings from B to CCC. The ESG rating of the fund may change either due to changes in the ESG ratings of the securities held in the fund or due to a change in the composition of the analysed fund.

#### ESG Rating for corporate issuers:

MSCI develops an ESG rating for corporate by issuers by assessing the ESG performance of a company independently of its financial success on the basis of various ESG criteria. These ESG

criteria relate to the following topics, among others:

#### Environmental

- Preservation of biodiversity
- Protection of natural resources
- Mitigation of climate change
- Avoidance of environmental pollution and waste

#### Social

- General human rights
- Ban on child labour and forced labour
- Mandatory non-discrimination
- Careful management of human capital
- Support for social opportunity

#### Corporate governance

- Corporate principles in accordance with the International Corporate Governance Network
- Principles of combating corruption in accordance with the UN Global Compact

#### ESG rating for sovereigns and affiliated issuers:

MSCI develops an ESG rating for issuers such as sovereigns, regional authorities and issuers affiliated with sovereigns with a view to the ESG risk factors in the value chain of the relevant country. The focus here is on the stewardship of resources, the entitlement to basic services and performance. Natural, financial and human resources differ from country to country and therefore result in different starting points for the manufacture of productive goods and the provision of services. Other factors, such as a government and justice system that is recognized and effective from an ESG perspective, a low level of susceptibility to environmental impacts or other external factors, and a supportive economic environment can also influence the use of these resources.

The sub-fund manager evaluates potential investments using the above MSCI ESG rating.

Deposits with credit institutions and ancillary liquid assets will not be assessed via the ESG assessment methodology.

Derivatives are currently not used to attain the environmental or social characteristics promoted

by the sub-fund and are therefore not taken into account for the calculation of the minimum share of assets complying with these characteristics.

The sub-fund considers the following exclusions:

1. Fossil Fuel-based exclusion: The sub-fund excludes issuers active in the fossil fuel sector that exceed a predefined turnover threshold
2. Norm-based exclusions: The sub-fund excludes issuers that are in violation of the UN Global Compact principles or the OECD Guidelines for multinational enterprises
3. The sub-fund excludes issuers that have exposure to controversial weapons

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

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

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

Principal adverse impacts are considered for the sub-fund's assets that are aligned with environmental and social characteristics by selecting investments that exclude (i) issuers active in the fossil fuel sector that exceed a predefined turnover threshold (sustainability factors related to the adverse impact indicators no. 2, 3 and 4), (ii) issuers that are in violation of the UN Global Compact principles or the OECD Guidelines for multinational enterprises (sustainability factors related to the adverse impact indicator no. 10) and (iii) issuers that have exposure to controversial weapons (sustainability factors related to the adverse impact indicator no. 14).

The procedure to assess the good governance practices of the investee companies is based on the analysis of the corporate principles in accordance with the International Corporate Governance Network – Principles of combating corruption in accordance with the UN Global Compact. Further, the management company considers active ownership as a strong driver to improve governance, policies, and practices, and thus for a better long-term performance of investee companies. Active ownership means using the

position as shareholders to influence the activities or behaviour of the investee companies. An engagement activity can be initiated with the investee companies regarding matters such as strategy, financial and non-financial performance, risk, capital structure, social and environmental impact as well as corporate governance including topics like disclosure, culture, and remuneration. The engagement activity can be undertaken via, e.g., issuer meetings or engagement letters. Furthermore, for equity investments it could also be an interaction with the company resulting from proxy voting activities or participation at general meetings.

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

**Further information about the environmental and social characteristics promoted by this sub-fund is available in the annex to this Sales Prospectus.**

#### The Portfolios

The sub-fund's investments will be indirectly allocated to each of the following Portfolios, as described under Investment Process further below:

- Debt securities, including fixed and floating rate government bonds, corporate bonds, high yield bonds and money market instruments of issuers domiciled in, and governments of both developed and emerging market countries which may be of investment or non-investment grade (the Fixed Income Portfolio).
- Equities of large and mid-cap companies which are either listed and/or domiciled in both developed markets and emerging markets (the Equity Portfolio).
- Alternative investments comprising eligible indirect exposure to commodities and property investments through closed-ended REITs (the Alternatives Portfolio).

The sub-fund's investments will be allocated in different proportions to the Portfolios by the sub-fund manager on the basis of advice received from the Investment Advisor. How the Investment Advisor determines the suggested allocations is described under Portfolio Allocation Process below. How the sub-fund manager may invest into the Portfolios is described under Investment Process below.

The sub-fund manager will consider any proposed changes to the portfolio and may in its discretion overrule or reject any suggestions.

The sub-fund manager is also responsible for risk and control monitoring in respect of the sub-fund, including but not limited to monitoring of market, credit and liquidity risks as well as some portfolio administration activities, including additional NAV checks and reporting.

The Investment Advisor may advise the sub-fund manager in relation to changing the composition of each of the Portfolios and the allocation to each Portfolio periodically – expected to be yearly but may be more or less frequently where required in order to take into account changing market, economic, political and other related circumstances.

The sub-fund is designed for investors who want to maximize their exposure to higher-yielding asset classes, while containing downside risk beyond their risk tolerance through the implementation of a Risk Reduction Strategy.

#### Risk Reduction Strategy

In addition to the allocation to the Portfolios, the sub-fund manager will seek to implement a strategy on the basis of the Investment Advisor's recommendation intended to preserve capital by limiting a fall in the value of the sub-fund's assets not more than 10% on an annualised basis (the Risk Reduction Strategy). The Risk Reduction Strategy aims to limit the potential loss in the sub-fund during any 12-month period on a rolling basis – i.e. from any given day, the strategy is designed to try to limit any loss in the value of the sub-fund's assets during the 12 months from that day to 10%.

The Risk Reduction Strategy involves investment in hedging instruments such as put options (the Hedge Portfolio) and/or other Financial Derivative Instruments (FDIs).

Such put options and other FDIs may be used exclusively for Risk Reduction Strategy will be intended to limit the risk of losses typically, in the Equity Portfolio, on the basis that equities tend to be more volatile than fixed income investments and are therefore more likely to suffer more significant falls in value. For example, the Investment Advisor may propose the purchase of a put option in respect of an equity or fixed income index regardless of whether the sub-fund is invested via an ETF or FDIs. If the value of such index declines then the put option will increase in value and may allow the sub-fund manager to sell the put option at a price that is higher than the market price at which the put option was purchased and, as a result, limit the loss faced by the sub-fund as a result of the decline in the value of the index.

When using an FDI, no MSCI ESG rating or minimum rating is required for the FDI counterparty nor the underlying of the FDI.

The Hedge Portfolio may be adjusted frequently, including, in exceptional circumstances, up to daily, to take into account changing circumstances including market or economic conditions. There can be no guarantee that an investment in the Hedge Portfolio will be successful and actual losses in the sub-fund may exceed 10% in any one year or other period. There is a cost associated with purchasing hedging instruments such as put options and so an investment in the Hedge Portfolio may negatively impact the value of the sub-fund

since put options may not be exercised and so may expire unused.

#### Portfolio Allocation Process

The Investment Advisor uses a strategic asset allocation approach (the Strategic Asset Allocation or SAA) in order to advise the sub-fund manager as regards the sub-fund's investments. The SAA is the basis upon which the Investment Advisor determines the suggested allocations both to, and also within, each of the Portfolios and it takes into account three fundamental parameters:

- The expected return of each of the assets in each Portfolio – this includes capital and income.
- The expected volatility of each of the assets in each Portfolio – this means the expected degree of variation in the return of the assets.
- The expected correlations between the assets in each Portfolio – this means how their respective returns move relative to each other. A high correlation would exist where the two assets move in the same direction (e.g. both move up in value over the same time period).

The analysis and predictions of the Investment Advisor under these parameters are based on factors including historical data (i.e. how has the asset performed in the past), market expectations (e.g. the level of growth the U.S. economy is expected to experience) and also factors specific to an asset (e.g. expected defaults, if any, for fixed income assets). The aim of the SAA is to define the allocations to the various assets comprising each of the Portfolios based on a combined expected level of risk and return. Typically, a higher level of risk is associated with a higher potential level of return.

#### Allocations to the Portfolios

For a "conservative" portfolio, the Investment Advisor aims to suggest an allocation to provide the opportunity for a mid to long-term return in USD. In order to do so, it is expected that the sub-fund will have a significant allocation to the Fixed Income Portfolio since fixed income assets tend to have lower volatility and so provide some protection against a fall in value of the sub-fund's investments while also offering income generation. The sub-fund may also have a smaller allocation to the Equity Portfolio and Alternative Portfolio since equities and alternative investments tend to offer the potential for capital appreciation but are typically more volatile than fixed income assets. The expected range of allocations for a "conservative" portfolio is set out below:

- Fixed Income Portfolio: up to 80%
- Equity Portfolio: 20–60%
- Alternatives Portfolio: 0–15%

#### Allocations within the Portfolios

Allocations within each of the Portfolios are made (i) in the case of the Equity Portfolio, geographically, for example, the United States, Japan or

the Eurozone, (ii) in the case of the Fixed Income Portfolio to fixed income instruments of different types and issuers, for example, U.S. corporate bonds, and (iii) in the case of the Alternatives Portfolio to indirect eligible baskets of commodities, single commodities and property investments through closed-ended REITs.

The sub-fund will also aim to weight each of the Portfolios towards exposure to USD denominated assets, such that the sub-fund has a U.S. focus. It is not expected that the sub-fund will have significant exposure to non-investment grade debt securities or emerging markets. In any event, such exposure will not represent more than 30% of the Net Asset Value of the sub-fund for non-investment grade debt securities and 20% for emerging markets. The sub-fund's investments in closed-ended REITs will not represent more than 10% of the Net Asset Value of the sub-fund.

#### Investment Process

The sub-fund manager will obtain exposure to the Portfolios predominantly through investment in exchange traded fund or funds (each an ETF) or other UCIs or, in the case of single commodity exposures, the allocations may be to debt securities linked to the performance of such individual commodities, which will be exchange traded notes or certificates (the ETCs). According to article 2 A. (j), investments in certificates are only permitted if they are 1:1 certificates qualifying as transferable securities.

With the exception of permitted investments in unlisted securities and UCIs, the sub-fund's investments will be listed on regulated markets.

#### ETFs and other UCIs

Where exposure is obtained through investment in ETFs or other UCIs, the allocation to each Portfolio will be expressed as an allocation recommended by the Investment Advisor to an ETF, for example a Eurozone stock market focussed ETF or U.S. government bond focussed ETF, or a diversified commodity index, with the exception of individual commodities within the Alternatives Portfolio. To the extent that there is no suitable ETF tracking an index representative of the recommended allocation, the sub-fund may take exposure to a recommended financial index as further described below.

Such ETFs may include ETFs in relation to which DWS Investments S.A. also acts as management company (such an ETF, a DWS ETF). ETFs are selected on the basis of criteria such as cost, liquidity and tracking error, in the best interests of investors and in order to achieve the Investment Objective.

The sub-fund may invest up to 100% of its assets in other UCIs. Such UCIs will include UCITS (such as the ETFs) and, in accordance with the limits of the Law of 2010, AIFs. Such UCIs may be domiciled in the EEA, Guernsey, Jersey or the Isle of Man. Such UCIs may be constituted as corporates, including investment companies, unit trusts, partnerships or

common contractual funds and may be traded, listed or dealt in on a stock exchange or other regulated market. The sub-fund will not invest in ETFs domiciled in the U.S. These investments will be in line with the investment policy of the sub-fund.

#### ETCs

In the case of single commodity exposures, the allocations will be to ETCs. These will be unleveraged debt securities listed or traded on regulated markets.

#### FDI

As an alternative to investing in an ETF, the sub-fund manager may take exposure to a financial index through the use of FDI. Forward currency exchange contracts, non-deliverable forwards (NDFs), currency futures, futures on indices options or swaps, may be used by the sub-fund for investment purposes and also for the purposes of efficient portfolio management (including hedging). When using financial indices, legal provisions apply as set out in article 44 (1) of the Law of 2010, and article 9 of the Grand-Ducal Regulation of February 8, 2008.

When using an FDI, no MSCI ESG rating or minimum rating is required for the FDI counterparty nor the underlying of the FDI.

#### Liquid Asset Strategy

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 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 20% of the sub-funds' net assets. In exceptionally unfavourable market conditions, it is permitted to temporarily exceed this 20% limit if circumstances so require and to the extent that this appears to be justified with regard to the interests of shareholders.

The sub-fund may hold ancillary liquid assets as specified in article 2 B. o) of the general section of the Sales Prospectus.

The sub-fund will not invest in contingent convertibles.

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

Notwithstanding article 2 B. (i), the following applies:

The sub-fund's assets may be used to acquire shares of other UCITS and/or UCIs as defined in article 2 A. (e), provided that no more than 20% of the sub-fund's assets are invested in one and the same UCITS and/or UCIs.

Every sub-fund of an umbrella fund is to be regarded as an independent issuer, provided that the principle of individual liability per sub-fund is applicable in terms of liability to third parties.

Investments in shares of other UCIs other than UCITS must not exceed 30% of the sub-fund's net assets in total.

In the case of investments in shares of another UCITS and/or other UCIs, the investments held by that UCITS and/or by other UCIs are not taken into consideration for the purposes of the limits specified in article 2 B. (a), (b), (c), (d), (e) and (f).

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

### Integration of sustainability risks

The sub-fund management integrates sustainability risks into its investment decisions as described in the General Section of the Sales Prospectus in the section "Integration of sustainability risks in the investment process".

### Additional information

When using total return swaps to implement the investment strategy as described above, the following shall be noted:

The proportion of the sub-fund's net assets subject to total return swaps, expressed as the sum of notionals of the total return swaps divided by the sub-fund's net asset value, is expected to be 0%, but depending on the respective market conditions, with the objective of efficient portfolio management and in the interest of the investors, it may reach up to 10%. The calculation is performed in line with the guidelines CESR/10-788. However, the disclosed expected level of leverage is not intended to be an additional exposure limit for the sub-fund.

Additional information on total return swaps may be found in the general section of the Sales Prospectus, amongst others, in the section "Efficient portfolio management techniques". The selection of counterparties to any total return swap is subject to the principles as described in the section "Choice of counterparty" of the Sales Prospectus. Further information on the counterparties is disclosed in the annual report. For special risk considerations linked to total return swaps, investors should refer to the section "General Risk Warnings", and in particular the section "Risks connected to derivative transactions" of the Sales Prospectus.

### Risk Management

The relative Value-at-Risk (VaR) approach is used to limit market risk in the sub-fund.

In addition to the provisions of the general section of 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 all-in fee attributable to shares of these target funds is reduced by the management fee/all-in fee up to 0.09% of the acquired target funds (modified difference method).

Pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

**Sustainable investment** means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

**Product name:** DB ESG Conservative SAA (USD) Plus

**Legal entity identifier:** 254900XL6PTO1ULA2525

**ISIN:** LU2132879318

**Environmental and/or social characteristics**

**Does this financial product have a sustainable investment objective?**

<input checked="" type="radio"/> <input checked="" type="radio"/> <input type="checkbox"/> <b>Yes</b>	<input checked="" type="radio"/> <input type="radio"/> <input checked="" type="checkbox"/> <b>No</b>
<input type="checkbox"/> It will make a minimum of <b>sustainable investments with an environmental objective: __%</b> <ul style="list-style-type: none"> <li><input type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy</li> <li><input type="checkbox"/> in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy</li> </ul> <input type="checkbox"/> It will make a minimum of <b>sustainable investments with a social objective: __%</b>	<input type="checkbox"/> It <b>promotes Environmental/Social (E/S) characteristics</b> and while it does not have as its objective a sustainable investment, it will have a minimum proportion of __% of sustainable investments <ul style="list-style-type: none"> <li><input type="checkbox"/> with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy</li> <li><input type="checkbox"/> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy</li> <li><input type="checkbox"/> with a social objective</li> </ul> <input checked="" type="checkbox"/> It promotes E/S characteristics, but <b>will not make any sustainable investments</b>

**What environmental and/or social characteristics are promoted by this financial product?**

This sub-fund promotes at least 51% of its net assets in investments that are aligned with the following environmental and social characteristics:

1. ESG Quality: The sub-fund invests in instruments that have at least an MSCI ESG Rating of BBB
2. Fossil Fuel-based exclusion: The sub-fund excludes issuers active in the fossil fuel sector that exceed a predefined turnover threshold
3. Norm-based exclusions: The sub-fund excludes issuers that are in violation of the UN Global Compact principles or the OECD Guidelines for multinational enterprises
4. The sub-fund excludes issuers that have exposure to controversial weapons

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



**Sustainability indicators** measure how the environmental or social characteristics promoted by the financial product are attained.

What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?

The attainment of the promoted environmental and social characteristics is assessed via the application of MSCI ESG data as further described in section “What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?”. The methodology applies a variety of assessment categories that are used as sustainability indicators to assess the attainment of the promoted environmental and social characteristics, which are as follows:

- %-share of the sub-fund’s net assets that are invested in investment funds and securities of issuers that possess at least an MSCI ESG Rating of BBB
- %-share of the sub-fund’s net assets of issuers that are active in the fossil fuel sector that exceed a predefined turnover threshold
- %-share of the sub-fund’s net assets that are in violation of the UN Global Compact principles or the OECD Guidelines for multinational enterprises
- %-share of the sub-fund’s net assets that have exposure to controversial weapons

*The EU Taxonomy sets out a “do not significant harm” principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.*

The “do no significant harm” principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

*Any other sustainable investments must also not significantly harm any environmental or social objectives.*



**Principal adverse impacts** are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

Does this financial product consider principal adverse impacts on sustainability factors?

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

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

Principal adverse impacts are considered for the sub-funds’ assets that are aligned with environmental and social characteristics by selecting investments that exclude (i) issuers active in the fossil fuel sector that exceed a predefined turnover threshold (sustainability factors related to the adverse impact indicators no. 2, 3 and 4), (ii) issuers that are in violation of the UN Global Compact principles or the OECD Guidelines for multinational enterprises (sustainability factors related to the adverse impact indicator no. 10) and (iii) issuers that have exposure to controversial weapons (sustainability factors related to the adverse impact indicator no. 14).

Further information on principal adverse impacts will be provided in an annex to the sub-fund’s annual report.

No



**The Investment strategy** guides investment decisions based on factors such as investment objectives and risk tolerance.

## What investment strategy does this financial product follow?

This sub-fund pursues a strategy based on multiple asset classes as main investment strategy. The sub-fund will seek to gain indirect exposure to three primary asset class portfolios (Fixed Income Portfolio: up to 80%, Equity Portfolio: 20–60%, Alternatives Portfolio: 0–15%) diversified among and within themselves (each, a Portfolio and together the Portfolios) in proportions that are consistent with the Investment Objective. The sub-fund manager will implement the sub-fund's investment policy predominantly via investments in UCITS and other UCIs. In doing so, the sub-fund pursues a fund-of-fund strategy. In addition to the allocation to the Portfolio, a risk reduction strategy will be implemented in order to preserve capital by limiting a fall in value of the sub-fund's assets. The risk reduction strategy will be implemented with derivative instruments. Further details regarding the main investment strategy are specified in the Special Section of the Sales Prospectus. The sub-fund's assets are predominantly allocated into investments that comply with the defined standards in respect to the promoted environmental and social characteristics as described in the following sections. The sub-fund's strategy in relation to the promoted environmental or social characteristics is integral part of the ESG assessment methodology, which is continuously monitored via the sub-fund's investment guidelines.

## What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?

The sub-fund management and the investment advisor rely on data from MSCI, an external ESG data provider, when conducting fundamental analysis of the investment universe in order to take ESG criteria into account in the selection of target funds or the issuers of financial instruments. The sub-fund management incorporates the results of this analysis and the investment advisor's investment recommendations based on it into its investment decisions.

At least 51% of the sub-fund's net assets are invested in investment funds and securities of issuers that possess an MSCI ESG rating and that meet defined minimum standards with regard to ESG (Environment, Social, (Corporate) Governance) criteria.

MSCI assigns an ESG rating from AAA (highest score) to CCC (lowest score). This MSCI ESG rating is intended to make ESG characteristics more understandable and measurable.

The sub-fund invests at least 51% of the sub-fund's net assets in investment instruments that have at least an MSCI ESG rating of BBB. In addition, investment instruments (e.g. investment funds, cash, equities or bonds issued by corporates) can be acquired that have no MSCI ESG rating.

At least 51% of the sub-fund's net assets will meet the sub-fund's ESG criteria at the time of purchase. If sub-fund investments no longer meet the minimum standards for ESG criteria of the sub-fund, the sub-fund can continue to hold these investments until (from the perspective of the sub-fund manager) it is possible and practical to liquidate the position, as long as at least 51% of the sub-fund's net assets meet the ESG criteria.

### ESG rating for funds:

MSCI develops an ESG rating for a fund or an ETF based on the weighted average of the individual ESG scores of the assets held in a fund – according to the fund's most recently published holdings. This excludes positions of cash and cash equivalents and certain derivatives. This includes an adjustment to reflect the weighting of assets held in the fund to which MSCI assigns a positive and a negative ESG trend/momentum score and the weighting of "ESG laggards" in the fund. ESG laggards are assets with ESG ratings from B to CCC. The ESG rating of the fund may change either due to changes in the ESG ratings of the securities held in the fund or due to a change in the composition of the analysed fund.

### ESG Rating for corporate issuers:

MSCI develops an ESG rating for corporate by issuers by assessing the ESG performance of a company independently of its financial success on the basis of various ESG criteria. These ESG criteria relate to the following topics, among others:

#### Environmental

- Preservation of biodiversity
- Protection of natural resources
- Mitigation of climate change
- Avoidance of environmental pollution and waste

#### Social

- General human rights

- Ban on child labour and forced labour
- Mandatory non-discrimination
- Careful management of human capital
- Support for social opportunity

#### Corporate governance

- Corporate principles in accordance with the International Corporate Governance Network
- Principles of combating corruption in accordance with the UN Global Compact

#### ESG rating for sovereigns and affiliated issuers:

MSCI develops an ESG rating for issuers such as sovereigns, regional authorities and issuers affiliated with sovereigns with a view to the ESG risk factors in the value chain of the relevant country. The focus here is on the stewardship of resources, the entitlement to basic services and performance. Natural, financial and human resources differ from country to country and therefore result in different starting points for the manufacture of productive goods and the provision of services. Other factors, such as a government and justice system that is recognized and effective from an ESG perspective, a low level of susceptibility to environmental impacts or other external factors, and a supportive economic environment can also influence the use of these resources.

The sub-fund manager evaluates potential investments using the above MSCI ESG rating.

Deposits with credit institutions and ancillary liquid assets will not be assessed via the ESG assessment methodology.

The sub-fund considers the following exclusions:

1. Fossil Fuel-based exclusion: The sub-fund excludes issuers active in the fossil fuel sector that exceed a predefined turnover threshold
2. Norm-based exclusions: The sub-fund excludes issuers that are in violation of the UN Global Compact principles or the OECD Guidelines for multinational enterprises
3. The sub-fund excludes issuers that have exposure to controversial weapons

What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?

The applied ESG investment strategy does not pursue a committed minimum reduction of the scope of the investments.

**Good governance**  
practices include sound management structures, employee relations, remuneration of staff and tax compliance.

What is the policy to assess good governance practices of the investee companies?

The procedure to assess the good governance practices of the investee companies is based on the analysis of the corporate principles in accordance with the International Corporate Governance Network – Principles of combating corruption in accordance with the UN Global Compact. Further, the management company considers active ownership as a strong driver to improve governance, policies and practices, and thus for a better long-term performance of investee companies. Active ownership means using the position as shareholders to influence the activities or behaviour of the investee companies. An engagement activity can be initiated with the investee companies regarding matters such as strategy, financial and non-financial performance, risk, capital structure, social and environmental impact as well as corporate governance including topics like disclosure, culture and remuneration. The engagement activity can be undertaken via, e.g., issuer meetings or engagement letters. Furthermore, for equity investments it could also be an interaction with the company resulting from proxy voting activities or participation at general meetings.

What is the asset allocation planned for this financial product?

This sub-fund invests at least 51% of its net assets in investments that are aligned with the promoted environmental and social characteristics (#1 Aligned with E/S characteristics). Within this category, at least 0% of the sub-fund's assets qualify as sustainable investments (#1A Sustainable).

Up to 49% of the investments are not aligned with these characteristics (#2 Other). A more detailed description of the specific asset allocation of this sub-fund can be found in the Special Section of the Sales Prospectus.



**Asset allocation** describes the share of investments in specific assets.

Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.



**#1 Aligned with E/S characteristics** includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

**#2 Other** includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:

- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?

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

**Enabling activities** directly enable other activities to make a substantial contribution to an environmental objective.

**Transitional activities** are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

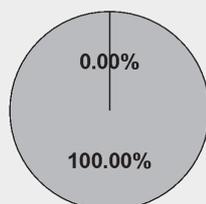


To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

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

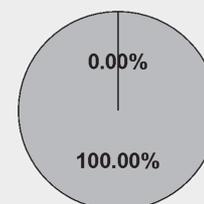
*The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds\*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.*

1. Taxonomy-alignment of investments including sovereign bonds\*



■ Taxonomy-aligned □ Other Investments

2. Taxonomy-alignment of investments excluding sovereign bonds\*



■ Taxonomy-aligned □ Other Investments

\*For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures

What is the minimum share of investments in transitional and enabling activities?

The sub-fund does not have a minimum share of investments in transitional and enabling activities, as it does not commit to a minimum proportion of environmentally sustainable investments aligned with the EU Taxonomy.



are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.



What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

Not applicable.



What is the minimum share of socially sustainable investments?

Not applicable.



What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?

This sub-fund promotes a predominant asset allocation in investments that are aligned with environmental and social characteristics (#1 Aligned with E/S characteristics). In addition, and on an ancillary basis, this sub-fund will invest into investments that are not considered aligned with the promoted characteristics (#2 Other). These remaining investments can include all asset classes as foreseen in the specific investment policy including cash and derivatives.

In line with the market positioning of this sub-fund, the purpose of these remaining investments is to provide investors with an exposure to non-ESG aligned investments while at the same time ensuring a predominant exposure to environmentally and socially aligned investments. Remaining investments can be used by the portfolio management for performance, diversification, liquidity and hedging purposes.

This sub-fund does not consider any minimum environmental or social safeguards on these remaining investments.



**Reference benchmarks** are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

This sub-fund has not designated a reference benchmark to determine whether it is aligned with the environmental and/or social characteristics that it promotes.



Where can I find more product specific information online?

**More product-specific information can be found on the website:** <https://funds.dws.com/en-lu/balanced-funds/LU2132879318/> as well as on your local country website [www.dws.com/fundinformation](http://www.dws.com/fundinformation).

## DB ESG Growth SAA (EUR)

<b>Investor profile</b>	Growth-oriented
<b>Currency of sub-fund</b>	EUR
<b>Sub-fund manager</b>	DWS Investment GmbH and DWS International GmbH, Mainzer Landstr. 11-17, 60329 Frankfurt/Main, Germany. The Management Company entered into an investment management agreement with DWS Investment GmbH, Frankfurt/Main. Under its supervision, control and responsibility, and at its own expense, DWS Investment GmbH, Frankfurt/Main, entered into an investment management agreement with DWS International GmbH. The portfolio management of the sub-fund is performed by both companies by means of close cooperation as well as common processes and IT-systems.
<b>Investment Advisor</b>	Deutsche Bank AG, Taunusanlage 12, 60325 Frankfurt/Main, Germany The sub-fund manager has entered into an advisory agreement with Deutsche Bank AG. The investment advice shall thereby encompass analysis and recommendations of suitable investment instruments, which take into account sustainability risks.
<b>Performance benchmark</b>	-
<b>Reference portfolio (risk benchmark)</b>	Portfolio excl. Derivatives
<b>Leverage effect</b>	1 time the value of the investment sub-fund's assets
<b>Calculation of the NAV per share</b>	Each bank business day in Luxembourg and Frankfurt/Main.
<b>Swing Pricing</b>	The sub-fund may apply Swing Pricing. If implemented, it will be disclosed in the fund facts section on the website of the Management Company <a href="http://www.dws.com">www.dws.com</a> .
<b>Order acceptance</b>	All subscription, redemption and exchange orders are placed on the basis of an unknown net asset value per share. Orders received by the Transfer Agent at or before <b>4:00 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>Maximum management fee charged in respect of investments in shares of target funds (payable by the sub-fund)</b>	2%

### Overview of the share classes

<b>Currency of share class</b>	SC**, LC10, WAMC, DPMC, LC, PFC	EUR
<b>Initial issue price</b>	SC**, LC10 WAMC, DPMC LC PFC	EUR 10,100 (incl. front end load) EUR 10,000 EUR 104 (incl. front end load) EUR 100
<b>Front end load (payable by the investor)</b>	SC**, LC10 WAMC, DPMC, PFC LC	Up to 1% 0% up to 4%
<b>All-in Fee p.a. (payable by the sub-fund)*</b>	SC** LC10 WAMC, DPMC LC, PFC	0.510% 0.310% 0.140% 1.430% 1.180%

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## Overview of the share classes (continued)

<b>Taxe d'abonnement (payable by the sub-fund)</b>	SC**, LC10, WAMC, LC, PFC DPMC	0.05% 0.01%
<b>Launch date</b>	SC**, LC10, WAMC DPMC LC PFC	April 30, 2020 August 27, 2020 February 1, 2021 March 31, 2021

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<b>Dilution adjustment (payable by the shareholder)***</b>	PFC: A dilution adjustment of up to 4% based on the gross redemption amount may be charged. Please see the general section for further explanation.
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<b>Placement fee (payable from the sub-fund's assets)</b>	PFC: Up to 4% for the benefit of the distributor. The share class has an amortization period of 4 years. Please see the general section for further explanation.
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\* For additional costs, see clause 12 in the general section of the Sales Prospectus.

\*\* The minimum initial investment amount for this share class: EUR 500,000. The Investment Company reserves the right to deviate from this minimum initial investment amount at its own discretion. Subsequent purchases can be made in any amount.

\*\*\* The Management Company may, at its discretion, partially or completely dispense with the dilution adjustment.

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

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For the sub-fund with the name DB ESG Growth SAA (EUR), the following provisions shall apply in addition to the terms contained in the general section of the Sales Prospectus.

The sub-fund name indicates a "Growth" profile as described under "Additional classification" in the general section of the Sales Prospectus.

### Investment Objective

The objective of the investment policy of the sub-fund DB ESG Growth SAA (EUR) is to achieve long-term capital growth.

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

### Investment Policy

This sub-fund is a financial product that highlights environmental and social features according to article 8 (1) of Regulation (EU) 2019/2088 on sustainability-related disclosure obligations in the financial services sector.

In order to achieve the investment objective, the sub-fund will seek to gain indirect exposure to three primary asset class portfolios diversified among and within themselves (each, a Portfolio and together the Portfolios) in proportions that are consistent with the Investment Objective, as further described below. The sub-fund manager will implement the sub-fund's investment policy predominantly via investments in UCITS and other UCIs. In doing so, the sub-fund pursues a fund-of-fund strategy.

The sub-fund management and the investment advisor rely on data from MSCI, an external ESG data provider, when conducting fundamental analysis of the investment universe in order to take ESG criteria into account in the selection of target funds or the issuers of financial instruments. The sub-fund management incorporates the results of this analysis and the investment advisor's investment recommendations based on it into its investment decisions.

At least 51% of the sub-fund's net assets are invested in investment funds and securities of issuers that possess an MSCI ESG rating and that meet defined minimum standards with regard to ESG (Environment, Social, (Corporate) Governance) criteria.

MSCI assigns an ESG rating from AAA (highest score) to CCC (lowest score). This MSCI ESG rating is intended to make ESG characteristics more understandable and measurable.

The sub-fund invests at least 51% of the sub-fund's net assets in investment instruments that have at least an MSCI ESG rating of BBB. In addition, investment instruments (e.g. investment funds, cash, equities or bonds issued by corporates) can be acquired that have no MSCI ESG rating.

At least 51% of the sub-fund's net assets will meet the sub-fund's ESG criteria at the time of purchase. If sub-fund investments no longer meet the minimum standards for ESG criteria of the sub-fund, the sub-fund can continue to hold these

investments until (from the perspective of the sub-fund manager) it is possible and practical to liquidate the position, as long as at least 51% of the sub-fund's net assets meet the ESG criteria.

### ESG rating for funds:

MSCI develops an ESG rating for a fund or an ETF based on the weighted average of the individual ESG scores of the assets held in a fund – according to the fund's most recently published holdings. This excludes positions of cash and cash equivalents and certain derivatives. This includes an adjustment to reflect the weighting of assets held in the fund to which MSCI assigns a positive and a negative ESG trend/momentum score and the weighting of "ESG laggards" in the fund. ESG laggards are assets with ESG ratings from B to CCC. The ESG rating of the fund may change either due to changes in the ESG ratings of the securities held in the fund or due to a change in the composition of the analysed fund.

### ESG Rating for corporate issuers:

MSCI develops an ESG rating for corporate by issuers by assessing the ESG performance of a company independently of its financial success on the basis of various ESG criteria. These ESG criteria relate to the following topics, among others:

#### Environmental

- Preservation of biodiversity
- Protection of natural resources
- Mitigation of climate change
- Avoidance of environmental pollution and waste

## Social

- General human rights
- Ban on child labour and forced labour
- Mandatory non-discrimination
- Careful management of human capital
- Support for social opportunity

## Corporate governance

- Corporate principles in accordance with the International Corporate Governance Network
- Principles of combating corruption in accordance with the UN Global Compact

### ESG rating for sovereigns and affiliated issuers:

MSCI develops an ESG rating for issuers such as sovereigns, regional authorities and issuers affiliated with sovereigns with a view to the ESG risk factors in the value chain of the relevant country. The focus here is on the stewardship of resources, the entitlement to basic services and performance. Natural, financial and human resources differ from country to country and therefore result in different starting points for the manufacture of productive goods and the provision of services. Other factors, such as a government and justice system that is recognized and effective from an ESG perspective, a low level of susceptibility to environmental impacts or other external factors, and a supportive economic environment can also influence the use of these resources.

The sub-fund manager evaluates potential investments using the above MSCI ESG rating.

Deposits with credit institutions and ancillary liquid assets will not be assessed via the ESG assessment methodology.

Derivatives are currently not used to attain the environmental or social characteristics promoted by the sub-fund and are therefore not taken into account for the calculation of the minimum share of assets complying with these characteristics.

The sub-fund considers the following exclusions:

1. Fossil Fuel-based exclusion: The sub-fund excludes issuers active in the fossil fuel sector that exceed a predefined turnover threshold
2. Norm-based exclusions: The sub-fund excludes issuers that are in violation of the UN Global Compact principles or the OECD Guidelines for multinational enterprises
3. The sub-fund excludes issuers that have exposure to controversial weapons

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

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

- Carbon Footprint (no. 2)
  - GHG intensity of investee companies (no. 3)
  - Exposure to companies active in the fossil fuel sector (no. 4);
  - Violation of UN Global Compact principles and OECD Guidelines for multinational enterprises (no. 10);
  - Exposure to controversial weapons (no. 14).
- Principal adverse impacts are considered for the sub-fund's assets that are aligned with environmental and social characteristics by selecting investments that exclude (i) issuers active in the fossil fuel sector that exceed a predefined turnover threshold (sustainability factors related to the adverse impact indicators no. 2, 3 and 4), (ii) issuers that are in violation of the UN Global Compact principles or the OECD Guidelines for multinational enterprises (sustainability factors related to the adverse impact indicator no. 10) and (iii) issuers that have exposure to controversial weapons (sustainability factors related to the adverse impact indicator no. 14).

The procedure to assess the good governance practices of the investee companies is based on the analysis of the corporate principles in accordance with the International Corporate Governance Network – Principles of combating corruption in accordance with the UN Global Compact. Further, the management company considers active ownership as a strong driver to improve governance, policies, and practices, and thus for a better long-term performance of investee companies. Active ownership means using the position as shareholders to influence the activities or behaviour of the investee companies. An engagement activity can be initiated with the investee companies regarding matters such as strategy, financial and non-financial performance, risk, capital structure, social and environmental impact as well as corporate governance including topics like disclosure, culture, and remuneration. The engagement activity can be undertaken via, e.g., issuer meetings or engagement letters. Furthermore, for equity investments it could also be an interaction with the company resulting from proxy voting activities or participation at general meetings.

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

**Further information about the environmental and social characteristics promoted by this sub-fund is available in the annex to this Sales Prospectus.**

## The Portfolios

The sub-fund's investments will be indirectly allocated to each of the following Portfolios, as described under Investment Process further below:

- Debt securities, including fixed and floating rate government bonds, corporate bonds, high yield bonds and money market instruments of issuers domiciled in, and governments of both developed and emerging market countries which may be of investment or non-investment grade (the Fixed Income Portfolio).
- Equities of large and mid-cap companies which are either listed and/or domiciled in both developed markets and emerging markets (the Equity Portfolio).
- Alternative investments comprising eligible indirect exposure to commodities and property investments through closed-ended REITs (the Alternatives Portfolio).

The sub-fund's investments will be allocated in different proportions to the Portfolios by the sub-fund manager on the basis of advice received from the Investment Advisor. How the Investment Advisor determines the suggested allocations is described under Portfolio Allocation Process below. How the sub-fund manager may invest into the Portfolios is described under Investment Process below.

The sub-fund manager will consider any proposed changes to the portfolio and may in its discretion overrule or reject any suggestions.

The sub-fund manager is also responsible for risk and control monitoring in respect of the sub-fund, including but not limited to monitoring of market, credit and liquidity risks as well as some portfolio administration activities, including additional NAV checks and reporting.

The Investment Advisor may advise the sub-fund manager in relation to changing the composition of each of the Portfolios and the allocation to each Portfolio periodically – expected to be yearly but may be more or less frequently where required in order to take into account changing market and economic conditions.

### Portfolio Allocation Process

The Investment Advisor uses a strategic asset allocation approach (the Strategic Asset Allocation or SAA) in order to advise the sub-fund manager as regards the sub-fund's investments. The SAA is the basis upon which the Investment Advisor determines the suggested allocations both to, and also within, each of the Portfolios and it takes into account three fundamental parameters:

- The expected return of each of the assets in each Portfolio – this includes capital and income.

- The expected volatility of each of the assets in each Portfolio – this means the expected degree of variation in the return of the assets.
- The expected correlations between the assets in each Portfolio – this means how their respective returns move relative to each other. A high correlation would exist where the two assets move in the same direction (e.g. both move up in value over the same time period).

The analysis and predictions of the Investment Advisor under these parameters are based on factors including historical data (i.e. how has the asset performed in the past), market expectations (e.g. the level of growth the U.S. economy is expected to experience) and also factors specific to an asset (e.g. expected defaults, if any, for fixed income assets). The aim of the SAA is to define the allocations to the various assets comprising each of the Portfolios based on a combined expected level of risk and return. Typically, a higher level of risk is associated with a higher potential level of return.

#### Allocations to the Portfolios

For a “growth” portfolio, the Investment Advisor aims to suggest an allocation to provide the opportunity for long-term capital growth. In order to do so, it is expected that the sub-fund will always have a strong allocation to the Equity Portfolio since equities tend to offer the potential for capital appreciation. In addition, a smaller allocation to the Alternative Portfolio might be used for potential capital appreciation. The sub-fund may have an allocation to the Fixed Income Portfolio since fixed income assets tend to have lower volatility and so provide some protection against a fall in value of the sub-fund’s investments. The expected range of allocations for a “growth” portfolio is set out below:

- Fixed Income Portfolio: up to 60%
- Equity Portfolio: 40–80%
- Alternatives Portfolio: 0–15%

#### Allocations within the Portfolios

Allocations within each of the Portfolios are made (i) in the case of the Equity Portfolio, geographically, for example, the United States, Japan or the Eurozone, (ii) in the case of the Fixed Income Portfolio to fixed income instruments of different types and issuers, for example, Euro corporate bonds, and (iii) in the case of the Alternatives Portfolio to indirect eligible baskets of commodities, single commodities and property investments through closed-ended REITs.

The sub-fund will also aim to weight each of the Portfolios towards exposure to Eurozone assets, such that the sub-fund has a Eurozone focus in line with its Base Currency. It is not expected that the sub-fund will have significant exposure to non-investment grade debt securities or emerging markets. In any event, such exposure will not represent more than 30% of the Net Asset Value of the sub-fund for non-investment grade debt

securities and 20% for emerging markets. The sub-fund’s investments in closed-ended REITs will not represent more than 10% of the Net Asset Value of the sub-fund.

#### Investment Process

The sub-fund manager will obtain exposure to the Portfolios predominantly through investment in exchange traded fund or funds (each an ETF) or other UCIs or, in the case of single commodity exposures, the allocations may be to debt securities linked to the performance of such individual commodities, which will be exchange traded notes or certificates (the ETCs). According to article 2 A. (j), investments in certificates are only permitted if they are 1:1 certificates qualifying as transferable securities.

With the exception of permitted investments in unlisted securities and UCIs, the sub-fund’s investments will be listed on regulated markets.

#### ETFs and other UCIs

Where exposure is obtained through investment in ETFs or other UCIs, the allocation to each Portfolio will be expressed as an allocation recommended by the Investment Advisor to an ETF, for example a Eurozone stock market focussed ETF or U.S. government bond focussed ETF, or a diversified commodity index, with the exception of individual commodities within the Alternatives Portfolio. To the extent that there is no suitable ETF tracking an index representative of the recommended allocation, the sub-fund may take exposure to a recommended financial index as further described below.

Such ETFs may include ETFs in relation to which DWS Investments S.A. also acts as management company (such an ETF, a DWS ETF). ETFs are selected on the basis of criteria such as cost, liquidity and tracking error, in the best interests of investors and in order to achieve the Investment Objective.

The sub-fund may invest up to 100% of its assets in other UCIs. Such UCIs will include UCITS (such as the ETFs) and, in accordance with the limits of the Law of 2010, AIFs. Such UCIs may be domiciled in the EEA, Guernsey, Jersey or the Isle of Man. Such UCIs may be constituted as corporates, including investment companies, unit trusts, partnerships or common contractual funds and may be traded, listed or dealt in on a stock exchange or other regulated market. The sub-fund will not invest in ETFs domiciled in the U.S. These investments will be in line with the investment policy of the sub-fund.

#### ETCs

In the case of single commodity exposures, the allocations will be to ETCs. These will be unleveraged debt securities listed or traded on regulated markets.

#### FDI

As an alternative to investing in an ETF, the sub-fund manager may take exposure to a financial index through the use of FDI. Forward currency exchange contracts, non-deliverable forwards (NDFs), currency futures, futures on indices, options or swaps, may be used by the sub-fund for investment purposes and also for the purposes of efficient portfolio management (including hedging). When using financial indices, legal provisions apply as set out in article 44 (1) of the Law of 2010, and article 9 of the Grand-Ducal Regulation of February 8, 2008.

When using an FDI, no MSCI ESG rating or minimum rating is required for the FDI counterparty nor the underlying of the FDI.

#### Liquid Asset Strategy

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 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 20% of the sub-funds’ net assets. In exceptionally unfavourable market conditions, it is permitted to temporarily exceed this 20% limit if circumstances so require and to the extent that this appears to be justified with regard to the interests of shareholders.

The sub-fund may hold ancillary liquid assets as specified in article 2 B. o) of the general section of the Sales Prospectus.

The sub-fund will not invest in contingent convertibles.

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

For the purpose of inducing a partial tax exemption within the meaning of the German Investment Tax Act and in addition to the investment limits described in the Articles of Incorporation and this Sales Prospectus at least 25% of the sub-fund’s gross assets (determined as being the value of the sub-fund’s assets without taking into account liabilities) are invested in such equity capital investments as defined in article 2 (8) of the German Investment Tax Act that may be acquired for the sub-fund in accordance with the Articles of Incorporation and this Sales Prospectus (Mixed Fund).

Equity capital investments in this respect are

- equities admitted to official trading on a stock exchange or admitted to, or included in, another organized market and which are not:
  - i) units of investment funds;
  - ii) 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;

iii) 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;

iv) 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 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;

v) 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.

- units of investment funds, which in accordance with their terms and conditions of investment invest more than 50% of their value or more than 50% of their gross assets (determined as being the value of the investment fund's assets without taking into account liabilities) themselves or as a fund of fund indirectly in units of corporations in the amount of 51% of their value; if the terms and conditions of an equity fund make provisions for a percentage higher than 51% of its value or its gross assets, the share of the equity capital investment is, by way of derogation, deemed to be the amount of the higher percentage;
- units of investment funds, which in accordance with their terms and conditions of investment invest at least 25% of their value or at least 25% of their gross assets (determined as being the value of the investment fund's assets without taking into account liabilities) themselves or as a fund of fund indirectly in units of corporations in the amount of 25% of their value; if the terms and conditions of a balanced fund make provisions for a percentage higher than 25% of its value or its gross assets, the share of the

equity capital investment is, by way of derogation, deemed to be the amount of the higher percentage;

- units of investment funds that carry out a valuation at least once per week in the amount of the percentage of their assets published on each valuation date that they actually invest themselves, or as a fund of fund, in units of corporations.

Units of corporations as defined in indents 2 through 4 are

- units of corporations admitted to official trading on a stock exchange or admitted to, or included in, another organized market;
- units of corporations that are not real estate companies and that are domiciled in a member state of the European Union or in another state that is a party to the Agreement on the European Economic Area and are subject there to corporate income tax and are not exempt from it;
- units of corporations that are not real estate companies and that are domiciled in a third country and are subject there to corporate income tax of at least 15% and are not exempt from it; and
- units of other investment funds, which in turn meet the requirements of indents 2 through 4 and of this sentence, in the respective amount specified there.

However, units of corporations are not those that correspond to the categories as defined in indent 1 (i) to (v) above or are held indirectly via partnerships.

Equity capital investments indirectly held by the sub-fund via partnerships are not equity capital investments.

Individual investment fund units may only be taken into consideration once for the purposes of determining the daily equity capital investment rate.

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.

Notwithstanding article 2 B. (i), the following applies:

The sub-fund's assets may be used to acquire shares of other UCITS and/or UCIs as defined in article 2 A. (e), provided that no more than 20% of the sub-fund's assets are invested in one and the same UCITS and/or UCIs.

Every sub-fund of an umbrella fund is to be regarded as an independent issuer, provided that the principle of individual liability per sub-fund is applicable in terms of liability to third parties.

Investments in shares of other UCIs other than UCITS must not exceed 30% of the sub-fund's net assets in total.

In the case of investments in shares of another UCITS and/or other UCIs, the investments held by that UCITS and/or by other UCIs are not taken into consideration for the purposes of the limits specified in article 2 B. (a), (b), (c), (d), (e) and (f).

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

### Integration of sustainability risks

The sub-fund management integrates sustainability risks into its investment decisions as described in the General Section of the Sales Prospectus in the section "Integration of sustainability risks in the investment process".

### Additional information

When using total return swaps to implement the investment strategy as described above, the following shall be noted:

The proportion of the sub-fund's net assets subject to total return swaps, expressed as the sum of notionals of the total return swaps divided by the sub-fund's net asset value, is expected to be 0%, but depending on the respective market conditions, with the objective of efficient portfolio management and in the interest of the investors, it may reach up to 10%. The calculation is performed in line with the guidelines CESR/10-788. However, the disclosed expected level of leverage is not intended to be an additional exposure limit for the sub-fund.

Additional information on total return swaps may be found in the general section of the Sales Prospectus, amongst others, in the section "Efficient portfolio management techniques". The selection of counterparties to any total return swap is subject to the principles as described in the section "Choice of counterparty" of the Sales Prospectus. Further information on the counterparties is disclosed in the annual report. For special risk considerations linked to total return swaps, investors should refer to the section "General Risk Warnings", and in particular the section "Risks connected to derivative transactions" of the Sales Prospectus.

### Risk Management

The relative Value-at-Risk (VaR) approach is used to limit market risk in the sub-fund.

In addition to the provisions of the general section of 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 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 all-in fee attributable to shares of these target funds is reduced by the management fee/all-in fee up to 0.09% of the acquired target funds (modified difference method).

Pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

**Sustainable investment** means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

**Product name:** DB ESG Growth SAA (EUR)

**Legal entity identifier:** 254900OKG5DDDN6SKQ26

**ISIN:** LU2132882965

**Environmental and/or social characteristics**

**Does this financial product have a sustainable investment objective?**

<input checked="" type="radio"/> <input checked="" type="radio"/> <input type="checkbox"/> <b>Yes</b>	<input checked="" type="radio"/> <input type="radio"/> <input checked="" type="checkbox"/> <b>No</b>
<input type="checkbox"/> It will make a minimum of <b>sustainable investments with an environmental objective: __%</b>  <input type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy  <input type="checkbox"/> in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy  <input type="checkbox"/> It will make a minimum of <b>sustainable investments with a social objective: __%</b>	<input type="checkbox"/> It <b>promotes Environmental/Social (E/S) characteristics</b> and while it does not have as its objective a sustainable investment, it will have a minimum proportion of __% of sustainable investments  <input type="checkbox"/> with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy  <input type="checkbox"/> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy  <input type="checkbox"/> with a social objective  <input checked="" type="checkbox"/> It promotes E/S characteristics, but <b>will not make any sustainable investments</b>

**What environmental and/or social characteristics are promoted by this financial product?**

This sub-fund promotes at least 51% of its net assets in investments that are aligned with the following environmental and social characteristics:

1. ESG Quality: The sub-fund invests in instruments that have at least an MSCI ESG Rating of BBB
2. Fossil Fuel-based exclusion: The sub-fund excludes issuers active in the fossil fuel sector that exceed a predefined turnover threshold
3. Norm-based exclusions: The sub-fund excludes issuers that are in violation of the UN Global Compact principles or the OECD Guidelines for multinational enterprises
4. The sub-fund excludes issuers that have exposure to controversial weapons

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



**Sustainability indicators** measure how the environmental or social characteristics promoted by the financial product are attained.

What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?

The attainment of the promoted environmental and social characteristics is assessed via the application of MSCI ESG data as further described in section “What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?”. The methodology applies a variety of assessment categories that are used as sustainability indicators to assess the attainment of the promoted environmental and social characteristics, which are as follows:

- %-share of the sub-fund’s net assets that are invested in investment funds and securities of issuers that possess at least an MSCI ESG Rating of BBB
- %-share of the sub-fund’s net assets of issuers that are active in the fossil fuel sector that exceed a predefined turnover threshold
- %-share of the sub-fund’s net assets that are in violation of the UN Global Compact principles or the OECD Guidelines for multinational enterprises
- %-share of the sub-fund’s net assets that have exposure to controversial weapons

*The EU Taxonomy sets out a “do not significant harm” principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.*

The “do no significant harm” principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

*Any other sustainable investments must also not significantly harm any environmental or social objectives.*



**Principal adverse impacts** are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

Does this financial product consider principal adverse impacts on sustainability factors?

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

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

Principal adverse impacts are considered for the sub-funds’ assets that are aligned with environmental and social characteristics by selecting investments that exclude (i) issuers active in the fossil fuel sector that exceed a predefined turnover threshold (sustainability factors related to the adverse impact indicators no. 2, 3 and 4), (ii) issuers that are in violation of the UN Global Compact principles or the OECD Guidelines for multinational enterprises (sustainability factors related to the adverse impact indicator no. 10) and (iii) issuers that have exposure to controversial weapons (sustainability factors related to the adverse impact indicator no. 14).

Further information on principal adverse impacts will be provided in an annex to the sub-fund’s annual report.

No



**The Investment strategy** guides investment decisions based on factors such as investment objectives and risk tolerance.

## What investment strategy does this financial product follow?

This sub-fund pursues a strategy based on multiple asset classes as main investment strategy. The sub-fund will seek to gain indirect exposure to three primary asset class portfolios (Fixed Income Portfolio: up to 60%, Equity Portfolio: 40–80%, Alternatives Portfolio: 0–15%) diversified among and within themselves (each, a Portfolio and together the Portfolios) in proportions that are consistent with the Investment Objective. The sub-fund manager will implement the sub-fund's investment policy predominantly via investments in UCITS and other UCIs. In doing so, the sub-fund pursues a fund-of-fund strategy. Further details regarding the main investment strategy are specified in the Special Section of the Sales Prospectus. The sub-fund's assets are predominantly allocated into investments that comply with the defined standards in respect to the promoted environmental and social characteristics as described in the following sections. The sub-fund's strategy in relation to the promoted environmental or social characteristics is integral part of the ESG assessment methodology, which is continuously monitored via the sub-fund's investment guidelines.

## What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?

The sub-fund management and the investment advisor rely on data from MSCI, an external ESG data provider, when conducting fundamental analysis of the investment universe in order to take ESG criteria into account in the selection of target funds or the issuers of financial instruments. The sub-fund management incorporates the results of this analysis and the investment advisor's investment recommendations based on it into its investment decisions.

At least 51% of the sub-fund's net assets are invested in investment funds and securities of issuers that possess an MSCI ESG rating and that meet defined minimum standards with regard to ESG (Environment, Social, (Corporate) Governance) criteria.

MSCI assigns an ESG rating from AAA (highest score) to CCC (lowest score). This MSCI ESG rating is intended to make ESG characteristics more understandable and measurable.

The sub-fund invests at least 51% of the sub-fund's net assets in investment instruments that have at least an MSCI ESG rating of BBB. In addition, investment instruments (e.g. investment funds, cash, equities or bonds issued by corporates) can be acquired that have no MSCI ESG rating.

At least 51% of the sub-fund's net assets will meet the sub-fund's ESG criteria at the time of purchase. If sub-fund investments no longer meet the minimum standards for ESG criteria of the sub-fund, the sub-fund can continue to hold these investments until (from the perspective of the sub-fund manager) it is possible and practical to liquidate the position, as long as at least 51% of the sub-fund's net assets meet the ESG criteria.

### ESG rating for funds:

MSCI develops an ESG rating for a fund or an ETF based on the weighted average of the individual ESG scores of the assets held in a fund – according to the fund's most recently published holdings. This excludes positions of cash and cash equivalents and certain derivatives. This includes an adjustment to reflect the weighting of assets held in the fund to which MSCI assigns a positive and a negative ESG trend/momentum score and the weighting of "ESG laggards" in the fund. ESG laggards are assets with ESG ratings from B to CCC. The ESG rating of the fund may change either due to changes in the ESG ratings of the securities held in the fund or due to a change in the composition of the analysed fund.

### ESG Rating for corporate issuers:

MSCI develops an ESG rating for corporate by issuers by assessing the ESG performance of a company independently of its financial success on the basis of various ESG criteria. These ESG criteria relate to the following topics, among others:

#### Environmental

- Preservation of biodiversity
- Protection of natural resources
- Mitigation of climate change
- Avoidance of environmental pollution and waste

#### Social

- General human rights
- Ban on child labour and forced labour
- Mandatory non-discrimination
- Careful management of human capital

– Support for social opportunity

#### Corporate governance

- Corporate principles in accordance with the International Corporate Governance Network
- Principles of combating corruption in accordance with the UN Global Compact

ESG rating for sovereigns and affiliated issuers:

MSCI develops an ESG rating for issuers such as sovereigns, regional authorities and issuers affiliated with sovereigns with a view to the ESG risk factors in the value chain of the relevant country. The focus here is on the stewardship of resources, the entitlement to basic services and performance. Natural, financial and human resources differ from country to country and therefore result in different starting points for the manufacture of productive goods and the provision of services. Other factors, such as a government and justice system that is recognized and effective from an ESG perspective, a low level of susceptibility to environmental impacts or other external factors, and a supportive economic environment can also influence the use of these resources.

The sub-fund manager evaluates potential investments using the above MSCI ESG rating.

Deposits with credit institutions and ancillary liquid assets will not be assessed via the ESG assessment methodology.

The sub-fund considers the following exclusions:

1. Fossil Fuel-based exclusion: The sub-fund excludes issuers active in the fossil fuel sector that exceed a predefined turnover threshold
2. Norm-based exclusions: The sub-fund excludes issuers that are in violation of the UN Global Compact principles or the OECD Guidelines for multinational enterprises
3. The sub-fund excludes issuers that have exposure to controversial weapons

What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?

The applied ESG investment strategy does not pursue a committed minimum reduction of the scope of the investments.

**Good governance** practices include sound management structures, employee relations, remuneration of staff and tax compliance.

What is the policy to assess good governance practices of the investee companies?

The procedure to assess the good governance practises of the investee companies is based on the analysis of the corporate principles in accordance with the International Corporate Governance Network – Principles of combating corruption in accordance with the UN Global Compact. Further, the management company considers active ownership as a strong driver to improve governance, policies and practices, and thus for a better long-term performance of investee companies. Active ownership means using the position as shareholders to influence the activities or behaviour of the investee companies. An engagement activity can be initiated with the investee companies regarding matters such as strategy, financial and non-financial performance, risk, capital structure, social and environmental impact as well as corporate governance including topics like disclosure, culture and remuneration. The engagement activity can be undertaken via, e.g., issuer meetings or engagement letters. Furthermore, for equity investments it could also be an interaction with the company resulting from proxy voting activities or participation at general meetings.

What is the asset allocation planned for this financial product?

This sub-fund invests at least 51% of its net assets in investments that are aligned with the promoted environmental and social characteristics (#1 Aligned with E/S characteristics). Within this category, at least 0% of the sub-fund's assets qualify as sustainable investments (#1A Sustainable).

Up to 49% of the investments are not aligned with these characteristics (#2 Other). A more detailed description of the specific asset allocation of this sub-fund can be found in the Special Section of the Sales Prospectus.



**Asset allocation** describes the share of investments in specific assets.

Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.



**#1 Aligned with E/S characteristics** includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

**#2 Other** includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:

- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?

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

**Enabling activities** directly enable other activities to make a substantial contribution to an environmental objective.

**Transitional activities** are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

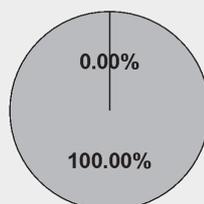


To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

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

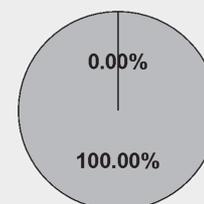
*The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds\*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.*

1. Taxonomy-alignment of investments including sovereign bonds\*



■ Taxonomy-aligned □ Other Investments

2. Taxonomy-alignment of investments excluding sovereign bonds\*



■ Taxonomy-aligned □ Other Investments

\*For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures

What is the minimum share of investments in transitional and enabling activities?

The sub-fund does not have a minimum share of investments in transitional and enabling activities, as it does not commit to a minimum proportion of environmentally sustainable investments aligned with the EU Taxonomy.



are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.



What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

Not applicable.



What is the minimum share of socially sustainable investments?

Not applicable.



What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?

This sub-fund promotes a predominant asset allocation in investments that are aligned with environmental and social characteristics (#1 Aligned with E/S characteristics). In addition, and on an ancillary basis, this sub-fund will invest into investments that are not considered aligned with the promoted characteristics (#2 Other). These remaining investments can include all asset classes as foreseen in the specific investment policy including cash and derivatives.

In line with the market positioning of this sub-fund, the purpose of these remaining investments is to provide investors with an exposure to non-ESG aligned investments while at the same time ensuring a predominant exposure to environmentally and socially aligned investments. Remaining investments can be used by the portfolio management for performance, diversification, liquidity and hedging purposes.

This sub-fund does not consider any minimum environmental or social safeguards on these remaining investments.



**Reference benchmarks** are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

This sub-fund has not designated a reference benchmark to determine whether it is aligned with the environmental and/or social characteristics that it promotes.



Where can I find more product specific information online?

**More product-specific information can be found on the website:** <https://funds.dws.com/en-lu/balanced-funds/LU2132882965/> as well as on your local country website [www.dws.com/fundinformation](http://www.dws.com/fundinformation).

## DB ESG Growth SAA (USD)

<b>Investor profile</b>	Growth-oriented
<b>Currency of sub-fund</b>	USD
<b>Sub-fund manager</b>	DWS Investment GmbH and DWS International GmbH, Mainzer Landstr. 11-17, 60329 Frankfurt/Main, Germany. The Management Company entered into an investment management agreement with DWS Investment GmbH, Frankfurt/Main. Under its supervision, control and responsibility, and at its own expense, DWS Investment GmbH, Frankfurt/Main, entered into an investment management agreement with DWS International GmbH. The portfolio management of the sub-fund is performed by both companies by means of close cooperation as well as common processes and IT-systems.
<b>Investment Advisor</b>	Deutsche Bank AG, Taunusanlage 12, 60325 Frankfurt/Main, Germany The sub-fund manager has entered into an advisory agreement with Deutsche Bank AG. The investment advice shall thereby encompass analysis and recommendations of suitable investment instruments, which take into account sustainability risks.
<b>Performance benchmark</b>	-
<b>Reference portfolio (risk benchmark)</b>	Portfolio excl. Derivatives
<b>Leverage effect</b>	1 time the value of the investment sub-fund's assets
<b>Calculation of the NAV per share</b>	Each bank business day in Luxembourg and Frankfurt/Main.
<b>Swing Pricing</b>	The sub-fund may apply Swing Pricing. If implemented, it will be disclosed in the fund facts section on the website of the Management Company <a href="http://www.dws.com">www.dws.com</a> .
<b>Order acceptance</b>	All subscription, redemption and exchange orders are placed on the basis of an unknown net asset value per share. Orders received by the Transfer Agent at or before <b>4:00 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>Maximum management fee charged in respect of investments in shares of target funds (payable by the sub-fund)</b>	2%

### Overview of the share classes

<b>Currency of share class</b>	USD LC, USD LC10, USD WAMC, USD DPMC	USD
<b>Initial issue price</b>	USD LC USD LC10 USD WAMC, USD DPMC	USD 101 (incl. front end load) USD 10,100 (incl. front end load) USD 10,000
<b>Front end load (payable by the investor)</b>	USD LC, USD LC10 USD WAMC, USD DPMC	Up to 1% 0%
<b>All-in Fee p.a. (payable by the sub-fund)*</b>	USD LC USD LC10 USD WAMC, USD DPMC	0.510% 0.310% 0.140%
<b>Taxe d'abonnement (payable by the sub-fund)</b>	USD LC, USD LC10, USD WAMC USD DPMC	0.05% 0.01%
<b>Launch date</b>	USD LC, USD LC10, USD WAMC USD DPMC	April 30, 2020 November 17, 2020

\* For additional costs, see clause 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.

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For the sub-fund with the name DB ESG Growth SAA (USD), the following provisions shall apply in addition to the terms contained in the general section of the Sales Prospectus.

The sub-fund name indicates a "Growth" profile as described under "Additional classification" in the general section of the Sales Prospectus.

### Investment Objective

The objective of the investment policy of the sub-fund DB ESG Growth SAA (USD) is to achieve long-term capital growth.

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

### Investment Policy

This sub-fund is a financial product that highlights environmental and social features according to article 8 (1) of Regulation (EU) 2019/2088 on sustainability-related disclosure obligations in the financial services sector.

In order to achieve the investment objective, the sub-fund will seek to gain indirect exposure to three primary asset class portfolios diversified among and within themselves (each, a Portfolio and together the Portfolios) in proportions that are consistent with the Investment Objective, as further described below. The sub-fund manager will implement the sub-fund's investment policy predominantly via investments in UCITS and other UCIs. In doing so, the sub-fund pursues a fund-of-fund strategy.

The sub-fund management and the investment advisor rely on data from MSCI, an external ESG data provider, when conducting fundamental analysis of the investment universe in order to take ESG criteria into account in the selection of target funds or the issuers of financial instruments. The sub-fund management incorporates the results of this analysis and the investment advisor's investment recommendations based on it into its investment decisions.

At least 51% of the sub-fund's net assets are invested in investment funds and securities of issuers that possess an MSCI ESG rating and that meet defined minimum standards with regard to ESG (Environment, Social, (Corporate) Governance) criteria.

MSCI assigns an ESG rating from AAA (highest score) to CCC (lowest score). This MSCI ESG rating is intended to make ESG characteristics more understandable and measurable.

The sub-fund invests at least 51% of the sub-fund's net assets in investment instruments that have at least an MSCI ESG rating of BBB. In addition, investment instruments (e.g. investment funds, cash, equities or bonds issued by corporates) can be acquired that have no MSCI ESG rating.

At least 51% of the sub-fund's net assets will meet the sub-fund's ESG criteria at the time of purchase. If sub-fund investments no longer meet the minimum standards for ESG criteria of the sub-fund, the sub-fund can continue to hold these investments until (from the perspective of the sub-fund manager) it is possible and practical to liquidate the position, as long as at least 51% of the sub-fund's net assets meet the ESG criteria.

#### ESG rating for funds:

MSCI develops an ESG rating for a fund or an ETF based on the weighted average of the individual ESG scores of the assets held in a fund – according to the fund's most recently published holdings. This excludes positions of cash and cash equivalents and certain derivatives. This includes an adjustment to reflect the weighting of assets held in the fund to which MSCI assigns a positive and a negative ESG trend/momentum score and the weighting of "ESG laggards" in the fund. ESG laggards are assets with ESG ratings from B to CCC. The ESG rating of the fund may change either due to changes in the ESG ratings of the securities held in the fund or due to a change in the composition of the analysed fund.

#### ESG Rating for corporate issuers:

MSCI develops an ESG rating for corporate by issuers by assessing the ESG performance of a company independently of its financial success on the basis of various ESG criteria. These ESG criteria relate to the following topics, among others:

##### Environmental

- Preservation of biodiversity
- Protection of natural resources
- Mitigation of climate change
- Avoidance of environmental pollution and waste

##### Social

- General human rights
- Ban on child labour and forced labour
- Mandatory non-discrimination
- Careful management of human capital
- Support for social opportunity

##### Corporate governance

- Corporate principles in accordance with the International Corporate Governance Network
- Principles of combating corruption in accordance with the UN Global Compact

#### ESG rating for sovereigns and affiliated issuers:

MSCI develops an ESG rating for issuers such as sovereigns, regional authorities and issuers affiliated with sovereigns with a view to the ESG risk factors in the value chain of the relevant country. The focus here is on the stewardship of resources, the entitlement to basic services and performance. Natural, financial and human resources differ from country to country and therefore result in different starting points for the manufacture of productive goods and the provision of services. Other factors, such as a government and justice system that is recognized and effective from an ESG perspective, a low level of susceptibility to environmental impacts or other external factors, and a supportive economic environment can also influence the use of these resources.

The sub-fund manager evaluates potential investments using the above MSCI ESG rating.

Deposits with credit institutions and ancillary liquid assets will not be assessed via the ESG assessment methodology.

Derivatives are currently not used to attain the environmental or social characteristics promoted by the sub-fund and are therefore not taken into account for the calculation of the minimum share of assets complying with these characteristics.

The sub-fund considers the following exclusions:

1. Fossil Fuel-based exclusion: The sub-fund excludes issuers active in the fossil fuel sector that exceed a predefined turnover threshold
2. Norm-based exclusions: The sub-fund excludes issuers that are in violation of the UN Global Compact principles or the OECD Guidelines for multinational enterprises
3. The sub-fund excludes issuers that have exposure to controversial weapons

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

ments' underlying economic activities are aligned with the EU Taxonomy.

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

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

Principal adverse impacts are considered for the sub-fund's assets that are aligned with environmental and social characteristics by selecting investments that exclude (i) issuers active in the fossil fuel sector that exceed a predefined turnover threshold (sustainability factors related to the adverse impact indicators no. 2, 3 and 4), (ii) issuers that are in violation of the UN Global Compact principles or the OECD Guidelines for multinational enterprises (sustainability factors related to the adverse impact indicator no. 10) and (iii) issuers that have exposure to controversial weapons (sustainability factors related to the adverse impact indicator no. 14).

The procedure to assess the good governance practices of the investee companies is based on the analysis of the corporate principles in accordance with the International Corporate Governance Network – Principles of combating corruption in accordance with the UN Global Compact. Further, the management company considers active ownership as a strong driver to improve governance, policies, and practices, and thus for a better long-term performance of investee companies. Active ownership means using the position as shareholders to influence the activities or behaviour of the investee companies. An engagement activity can be initiated with the investee companies regarding matters such as strategy, financial and non-financial performance, risk, capital structure, social and environmental impact as well as corporate governance including topics like disclosure, culture, and remuneration. The engagement activity can be undertaken via, e.g., issuer meetings or engagement letters. Furthermore, for equity investments it could also be an interaction with the company resulting from proxy voting activities or participation at general meetings.

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

**Further information about the environmental and social characteristics promoted by this sub-fund is available in the annex to this Sales Prospectus.**

### The Portfolios

The sub-fund's investments will be indirectly allocated to each of the following Portfolios as described under Investment Process further below:

- Debt securities, including fixed and floating rate government bonds, corporate bonds, high yield bonds and money market instruments of issuers domiciled in, and governments of both developed and emerging market countries which may be of investment or non-investment grade (the Fixed Income Portfolio);
- Equities of large and mid-cap companies which are either listed and/or domiciled in both developed markets and emerging markets (the Equity Portfolio).
- Alternative investments comprising eligible indirect exposure to commodities and property investments through closed-ended REITs (the Alternatives Portfolio).

The sub-fund's investments will be allocated in different proportions to the Portfolios by the sub-fund manager on the basis of advice received from the Investment Advisor. How the Investment Advisor determines the suggested allocations is described under Portfolio Allocation Process below. How the sub-fund manager may invest into the Portfolios is described under Investment Process below.

The sub-fund manager will consider any proposed changes to the portfolio and may in its discretion overrule or reject any suggestions.

The sub-fund manager is also responsible for risk and control monitoring in respect of the sub-fund, including but not limited to monitoring of market, credit and liquidity risks as well as some portfolio administration activities, including additional NAV checks and reporting.

The Investment Advisor may advise the sub-fund manager in relation to changing the composition of each of the Portfolios and the allocation to each Portfolio periodically – expected to be yearly but may be more or less frequently where required in order to take into account changing market, economic, political and other related circumstances.

### Portfolio Allocation Process

The Investment Advisor uses a strategic asset allocation approach (the Strategic Asset Allocation or SAA) in order to advise the sub-fund manager as regards the sub-fund's investments. The SAA is the basis upon which the Investment Advisor determines the suggested allocations both to, and also within, each of the Portfolios and it takes into account three fundamental parameters:

- The expected return of each of the assets in each Portfolio – this includes capital and income.

- The expected volatility of each of the assets in each Portfolio – this means the expected degree of variation in the return of the assets.
- The expected correlations between the assets in each Portfolio – this means how their respective returns move relative to each other. A high correlation would exist where the two assets move in the same direction (e.g. both move up in value over the same time period).

The analysis and predictions of the Investment Advisor under these parameters are based on factors including historical data (i.e. how has the asset performed in the past), market expectations (e.g. the level of growth the U.S. economy is expected to experience) and also factors specific to an asset (e.g. expected defaults, if any, for fixed income assets). The aim of the SAA is to define the allocations to the various assets comprising each of the Portfolios based on a combined expected level of risk and return. Typically, a higher level of risk is associated with a higher potential level of return.

### Allocations to the Portfolios

For a "growth" portfolio, the Investment Advisor aims to suggest an allocation to provide the opportunity for long-term capital growth. In order to do so, it is expected that the sub-fund will always have a strong allocation to the Equity Portfolio since equities tend to offer the potential for capital appreciation. In addition, a smaller allocation to the Alternative Portfolio might be used for potential capital appreciation. The sub-fund may have an allocation to the Fixed Income Portfolio since fixed income assets tend to have lower volatility and so provide some protection against a fall in value of the sub-fund's investments. The expected range of allocations for a "growth" portfolio is set out below:

- Fixed Income Portfolio: up to 60%
- Equity Portfolio: 40–80%
- Alternatives Portfolio: 0–15%

### Allocations within the Portfolios

Allocations within each of the Portfolios are made (i) in the case of the Equity Portfolio, geographically, for example, the United States, Japan or the Eurozone, (ii) in the case of the Fixed Income Portfolio to fixed income instruments of different types and issuers, for example, U.S. corporate bonds, and (iii) in the case of the Alternatives Portfolio to indirect eligible baskets of commodities, single commodities and property investments through closed-ended REITs.

The sub-fund will also aim to weight each of the Portfolios towards exposure to USD denominated assets, such that the sub-fund has a U.S. focus. It is not expected that the sub-fund will have significant exposure to non-investment grade debt securities or emerging markets. In any event, such exposure will not represent more than 30% of the Net Asset Value of the sub-fund for non-investment grade debt securities and 20% for emerging markets. The sub-fund's investments in

closed-ended REITs will not represent more than 10% of the Net Asset Value of the sub-fund.

#### Investment Process

The sub-fund manager will obtain exposure to the Portfolios predominantly through investment in exchange traded fund or funds (each an ETF) or other UCIs or, in the case of single commodity exposures, the allocations may be to debt securities linked to the performance of such individual commodities, which will be exchange traded notes or certificates (the ETCs). According to article 2 A. (j), investments in certificates are only permitted if they are 1:1 certificates qualifying as transferable securities.

With the exception of permitted investments in unlisted securities and UCIs, the sub-fund's investments will be listed on regulated markets.

#### ETFs and other UCIs

Where exposure is obtained through investment in ETFs or other UCIs, the allocation to each Portfolio will be expressed as an allocation recommended by the Investment Advisor to an ETF, for example a Eurozone stock market focussed ETF or U.S. government bond focussed ETF, or a diversified commodity index, with the exception of individual commodities within the Alternatives Portfolio. To the extent that there is no suitable ETF tracking an index representative of the recommended allocation, the sub-fund may take exposure to a recommended financial index as further described below.

Such ETFs may include ETFs in relation to which DWS Investments S.A. also acts as management company (such an ETF, a DWS ETF). ETFs are selected on the basis of criteria such as cost, liquidity and tracking error, in the best interests of investors and in order to achieve the Investment Objective.

The sub-fund may invest up to 100% of its assets in other UCIs. Such UCIs will include UCITS (such as the ETFs) and, in accordance with the requirements the limits of the Law of 2010, AIFs. Such UCIs may be domiciled in the EEA, Guernsey, Jersey or the Isle of Man. Such UCIs may be constituted as corporates, including investment companies, unit trusts, partnerships or common contractual funds and may be traded, listed or dealt in on a stock exchange or other regulated market. The sub-fund will not invest in ETFs domiciled in the U.S. These investments will be in line with the investment policy of the sub-fund.

#### ETCs

In the case of single commodity exposures, the allocations will be to ETCs. These will be unleveraged debt securities listed or traded on regulated markets.

#### FDI

As an alternative to investing in an ETF, the sub-fund manager may take exposure to a financial index through the use of FDI. Forward currency exchange contracts, non-deliverable for-

wards (NDFs), currency futures, futures on indices, options or swaps, may be used by the sub-fund for investment purposes and also for the purposes of efficient portfolio management (including hedging). When using financial indices, legal provisions apply as set out in article 44 (1) of the Law of 2010, and article 9 of the Grand-Ducal Regulation of February 8, 2008.

When using an FDI, no MSCI ESG rating or minimum rating is required for the FDI counterparty nor the underlying of the FDI.

#### Liquid Asset Strategy

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 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 20% of the sub-funds' net assets. In exceptionally unfavourable market conditions, it is permitted to temporarily exceed this 20% limit if circumstances so require and to the extent that this appears to be justified with regard to the interests of shareholders.

The sub-fund may hold ancillary liquid assets as specified in article 2 B. o) of the general section of the Sales Prospectus.

The sub-fund will not invest in contingent convertibles.

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

For the purpose of inducing a partial tax exemption within the meaning of the German Investment Tax Act and in addition to the investment limits described in the Articles of Incorporation and this Sales Prospectus at least 25% of the sub-fund's gross assets (determined as being the value of the sub-fund's assets without taking into account liabilities) are invested in such equity capital investments as defined in article 2 (8) of the German Investment Tax Act that may be acquired for the sub-fund in accordance with the Articles of Incorporation and this Sales Prospectus (Mixed Fund).

Equity capital investments in this respect are

- equities admitted to official trading on a stock exchange or admitted to, or included in, another organized market and which are not:
  - i) units of investment funds;
  - ii) 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;

- iii) 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;
  - iv) 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 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;
  - v) 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.
- units of investment funds, which in accordance with their terms and conditions of investment invest more than 50% of their value or more than 50% of their gross assets (determined as being the value of the investment fund's assets without taking into account liabilities) themselves or as a fund of fund indirectly in units of corporations in the amount of 51% of their value; if the terms and conditions of an equity fund make provisions for a percentage higher than 51% of its value or its gross assets, the share of the equity capital investment is, by way of derogation, deemed to be the amount of the higher percentage;
  - units of investment funds, which in accordance with their terms and conditions of investment invest at least 25% of their value or at least 25% of their gross assets (determined as being the value of the investment fund's assets without taking into account liabilities) themselves or as a fund of fund indirectly in units of corporations in the amount of 25% of their value; if the terms and conditions of a balanced fund make provisions for a percentage higher than 25% of its value or its gross assets, the share of the equity capital investment is, by way of derogation, deemed to be the amount of the higher percentage;

- units of investment funds that carry out a valuation at least once per week in the amount of the percentage of their assets published on each valuation date that they actually invest themselves, or as a fund of fund, in units of corporations.

Units of corporations as defined in indents 2 through 4 are

- units of corporations admitted to official trading on a stock exchange or admitted to, or included in, another organized market;
- units of corporations that are not real estate companies and that are domiciled in a member state of the European Union or in another state that is a party to the Agreement on the European Economic Area and are subject there to corporate income tax and are not exempt from it;
- units of corporations that are not real estate companies and that are domiciled in a third country and are subject there to corporate income tax of at least 15% and are not exempt from it; and
- units of other investment funds, which in turn meet the requirements of indents 2 through 4 and of this sentence, in the respective amount specified there.

However, units of corporations are not those that correspond to the categories as defined in indent 1 (i) to (v) above or are held indirectly via partnerships.

Equity capital investments indirectly held by the sub-fund via partnerships are not equity capital investments.

Individual investment fund units may only be taken into consideration once for the purposes of determining the daily equity capital investment rate.

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.

Notwithstanding article 2 B. (i), the following applies:

The sub-fund's assets may be used to acquire shares of other UCITS and/or UCIs as defined in article 2 A. (e), provided that no more than 20% of the sub-fund's assets are invested in one and the same UCITS and/or UCIs.

Every sub-fund of an umbrella fund is to be regarded as an independent issuer, provided that the principle of individual liability per sub-fund is applicable in terms of liability to third parties.

Investments in shares of other UCIs other than UCITS must not exceed 30% of the sub-fund's net assets in total.

In the case of investments in shares of another UCITS and/or other UCIs, the investments held by that UCITS and/or by other UCIs are not taken into consideration for the purposes of the limits specified in article 2 B. (a), (b), (c), (d), (e) and (f).

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

### Integration of sustainability risks

The sub-fund management integrates sustainability risks into its investment decisions as described in the General Section of the Sales Prospectus in the section "Integration of sustainability risks in the investment process".

### Additional information

When using total return swaps to implement the investment strategy as described above, the following shall be noted:

The proportion of the sub-fund's net assets subject to total return swaps, expressed as the sum of notionals of the total return swaps divided by the sub-fund's net asset value, is expected to be 0%, but depending on the respective market conditions, with the objective of efficient portfolio management and in the interest of the investors, it may reach up to 10%. The calculation is performed in line with the guidelines CESR/10-788. However, the disclosed expected level of leverage is not intended to be an additional exposure limit for the sub-fund.

Additional information on total return swaps may be found in the general section of the Sales Prospectus, amongst others, in the section "Efficient portfolio management techniques". The selection of counterparties to any total return swap is subject to the principles as described in the section "Choice of counterparty" of the Sales Prospectus. Further information on the counterparties is disclosed in the annual report. For special risk considerations linked to total return swaps, investors should refer to the section "General Risk Warnings", and in particular the section "Risks connected to derivative transactions" of the Sales Prospectus.

### Risk Management

The relative Value-at-Risk (VaR) approach is used to limit market risk in the sub-fund.

In addition to the provisions of the general section of 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 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 all-in fee attributable to shares of these target funds is reduced by the management fee/all-in fee up to 0.09% of the acquired target funds (modified difference method).

Pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

**Sustainable investment** means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

**Product name:** DB ESG Growth SAA (USD)

**Legal entity identifier:** 2549003G0PERUG6TEQ61

**ISIN:** LU2132881132

**Environmental and/or social characteristics**

**Does this financial product have a sustainable investment objective?**

<input checked="" type="radio"/> <input checked="" type="radio"/> <input type="checkbox"/> <b>Yes</b>	<input checked="" type="radio"/> <input type="radio"/> <input checked="" type="checkbox"/> <b>No</b>
<input type="checkbox"/> It will make a minimum of <b>sustainable investments with an environmental objective: __%</b> <ul style="list-style-type: none"> <li><input type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy</li> <li><input type="checkbox"/> in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy</li> </ul> <input type="checkbox"/> It will make a minimum of <b>sustainable investments with a social objective: __%</b>	<input type="checkbox"/> It <b>promotes Environmental/Social (E/S) characteristics</b> and while it does not have as its objective a sustainable investment, it will have a minimum proportion of __% of sustainable investments <ul style="list-style-type: none"> <li><input type="checkbox"/> with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy</li> <li><input type="checkbox"/> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy</li> <li><input type="checkbox"/> with a social objective</li> </ul> <input checked="" type="checkbox"/> It promotes E/S characteristics, but <b>will not make any sustainable investments</b>

**What environmental and/or social characteristics are promoted by this financial product?**

This sub-fund promotes at least 51% of its net assets in investments that are aligned with the following environmental and social characteristics:

1. ESG Quality: The sub-fund invests in instruments that have at least an MSCI ESG Rating of BBB
2. Fossil Fuel-based exclusion: The sub-fund excludes issuers active in the fossil fuel sector that exceed a predefined turnover threshold
3. Norm-based exclusions: The sub-fund excludes issuers that are in violation of the UN Global Compact principles or the OECD Guidelines for multinational enterprises
4. The sub-fund excludes issuers that have exposure to controversial weapons

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



**Sustainability indicators** measure how the environmental or social characteristics promoted by the financial product are attained.

What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?

The attainment of the promoted environmental and social characteristics is assessed via the application of MSCI ESG data as further described in section “What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?”. The methodology applies a variety of assessment categories that are used as sustainability indicators to assess the attainment of the promoted environmental and social characteristics, which are as follows:

- %-share of the sub-fund’s net assets that are invested in investment funds and securities of issuers that possess at least an MSCI ESG Rating of BBB
- %-share of the sub-fund’s net assets of issuers that are active in the fossil fuel sector that exceed a predefined turnover threshold
- %-share of the sub-fund’s net assets that are in violation of the UN Global Compact principles or the OECD Guidelines for multinational enterprises
- %-share of the sub-fund’s net assets that have exposure to controversial weapons

*The EU Taxonomy sets out a “do not significant harm” principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.*

The “do no significant harm” principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

*Any other sustainable investments must also not significantly harm any environmental or social objectives.*



**Principal adverse impacts** are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

Does this financial product consider principal adverse impacts on sustainability factors?

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

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

Principal adverse impacts are considered for the sub-funds’ assets that are aligned with environmental and social characteristics by selecting investments that exclude (i) issuers active in the fossil fuel sector that exceed a predefined turnover threshold (sustainability factors related to the adverse impact indicators no. 2, 3 and 4), (ii) issuers that are in violation of the UN Global Compact principles or the OECD Guidelines for multinational enterprises (sustainability factors related to the adverse impact indicator no. 10) and (iii) issuers that have exposure to controversial weapons (sustainability factors related to the adverse impact indicator no. 14).

Further information on principal adverse impacts will be provided in an annex to the sub-fund’s annual report.

No



**The Investment strategy** guides investment decisions based on factors such as investment objectives and risk tolerance.

## What investment strategy does this financial product follow?

This sub-fund pursues a strategy based on multiple asset classes as main investment strategy. The sub-fund will seek to gain indirect exposure to three primary asset class portfolios (Fixed Income Portfolio: up to 60%, Equity Portfolio: 40–80%, Alternatives Portfolio: 0–15%) diversified among and within themselves (each, a Portfolio and together the Portfolios) in proportions that are consistent with the Investment Objective. The sub-fund manager will implement the sub-fund's investment policy predominantly via investments in UCITS and other UCIs. In doing so, the sub-fund pursues a fund-of-fund strategy. Further details regarding the main investment strategy are specified in the Special Section of the Sales Prospectus. The sub-fund's assets are predominantly allocated into investments that comply with the defined standards in respect to the promoted environmental and social characteristics as described in the following sections. The sub-fund's strategy in relation to the promoted environmental or social characteristics is integral part of the ESG assessment methodology, which is continuously monitored via the sub-fund's investment guidelines.

## What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?

The sub-fund management and the investment advisor rely on data from MSCI, an external ESG data provider, when conducting fundamental analysis of the investment universe in order to take ESG criteria into account in the selection of target funds or the issuers of financial instruments. The sub-fund management incorporates the results of this analysis and the investment advisor's investment recommendations based on it into its investment decisions.

At least 51% of the sub-fund's net assets are invested in investment funds and securities of issuers that possess an MSCI ESG rating and that meet defined minimum standards with regard to ESG (Environment, Social, (Corporate) Governance) criteria.

MSCI assigns an ESG rating from AAA (highest score) to CCC (lowest score). This MSCI ESG rating is intended to make ESG characteristics more understandable and measurable.

The sub-fund invests at least 51% of the sub-fund's net assets in investment instruments that have at least an MSCI ESG rating of BBB. In addition, investment instruments (e.g. investment funds, cash, equities or bonds issued by corporates) can be acquired that have no MSCI ESG rating.

At least 51% of the sub-fund's net assets will meet the sub-fund's ESG criteria at the time of purchase. If sub-fund investments no longer meet the minimum standards for ESG criteria of the sub-fund, the sub-fund can continue to hold these investments until (from the perspective of the sub-fund manager) it is possible and practical to liquidate the position, as long as at least 51% of the sub-fund's net assets meet the ESG criteria.

### ESG rating for funds:

MSCI develops an ESG rating for a fund or an ETF based on the weighted average of the individual ESG scores of the assets held in a fund – according to the fund's most recently published holdings. This excludes positions of cash and cash equivalents and certain derivatives. This includes an adjustment to reflect the weighting of assets held in the fund to which MSCI assigns a positive and a negative ESG trend/momentum score and the weighting of "ESG laggards" in the fund. ESG laggards are assets with ESG ratings from B to CCC. The ESG rating of the fund may change either due to changes in the ESG ratings of the securities held in the fund or due to a change in the composition of the analysed fund.

### ESG Rating for corporate issuers:

MSCI develops an ESG rating for corporate by issuers by assessing the ESG performance of a company independently of its financial success on the basis of various ESG criteria. These ESG criteria relate to the following topics, among others:

#### Environmental

- Preservation of biodiversity
- Protection of natural resources
- Mitigation of climate change
- Avoidance of environmental pollution and waste

#### Social

- General human rights
- Ban on child labour and forced labour
- Mandatory non-discrimination
- Careful management of human capital

– Support for social opportunity

#### Corporate governance

- Corporate principles in accordance with the International Corporate Governance Network
- Principles of combating corruption in accordance with the UN Global Compact

ESG rating for sovereigns and affiliated issuers:

MSCI develops an ESG rating for issuers such as sovereigns, regional authorities and issuers affiliated with sovereigns with a view to the ESG risk factors in the value chain of the relevant country. The focus here is on the stewardship of resources, the entitlement to basic services and performance. Natural, financial and human resources differ from country to country and therefore result in different starting points for the manufacture of productive goods and the provision of services. Other factors, such as a government and justice system that is recognized and effective from an ESG perspective, a low level of susceptibility to environmental impacts or other external factors, and a supportive economic environment can also influence the use of these resources.

The sub-fund manager evaluates potential investments using the above MSCI ESG rating.

Deposits with credit institutions and ancillary liquid assets will not be assessed via the ESG assessment methodology.

The sub-fund considers the following exclusions:

1. Fossil Fuel-based exclusion: The sub-fund excludes issuers active in the fossil fuel sector that exceed a predefined turnover threshold
2. Norm-based exclusions: The sub-fund excludes issuers that are in violation of the UN Global Compact principles or the OECD Guidelines for multinational enterprises
3. The sub-fund excludes issuers that have exposure to controversial weapons

What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?

The applied ESG investment strategy does not pursue a committed minimum reduction of the scope of the investments.

**Good governance** practices include sound management structures, employee relations, remuneration of staff and tax compliance.

What is the policy to assess good governance practices of the investee companies?

The procedure to assess the good governance practises of the investee companies is based on the analysis of the corporate principles in accordance with the International Corporate Governance Network – Principles of combating corruption in accordance with the UN Global Compact. Further, the management company considers active ownership as a strong driver to improve governance, policies and practices, and thus for a better long-term performance of investee companies. Active ownership means using the position as shareholders to influence the activities or behaviour of the investee companies. An engagement activity can be initiated with the investee companies regarding matters such as strategy, financial and non-financial performance, risk, capital structure, social and environmental impact as well as corporate governance including topics like disclosure, culture and remuneration. The engagement activity can be undertaken via, e.g., issuer meetings or engagement letters. Furthermore, for equity investments it could also be an interaction with the company resulting from proxy voting activities or participation at general meetings.

What is the asset allocation planned for this financial product?

This sub-fund invests at least 51% of its net assets in investments that are aligned with the promoted environmental and social characteristics (#1 Aligned with E/S characteristics). Within this category, at least 0% of the sub-fund's assets qualify as sustainable investments (#1A Sustainable).

Up to 49% of the investments are not aligned with these characteristics (#2 Other). A more detailed description of the specific asset allocation of this sub-fund can be found in the Special Section of the Sales Prospectus.



**Asset allocation** describes the share of investments in specific assets.

Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.



**#1 Aligned with E/S characteristics** includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

**#2 Other** includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:

- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?

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

**Enabling activities** directly enable other activities to make a substantial contribution to an environmental objective.

**Transitional activities** are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

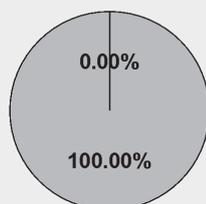


To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

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

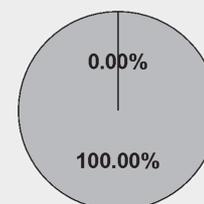
**The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds\*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.**

1. Taxonomy-alignment of investments including sovereign bonds\*



■ Taxonomy-aligned □ Other Investments

2. Taxonomy-alignment of investments excluding sovereign bonds\*



■ Taxonomy-aligned □ Other Investments

\*For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures

What is the minimum share of investments in transitional and enabling activities?

The sub-fund does not have a minimum share of investments in transitional and enabling activities, as it does not commit to a minimum proportion of environmentally sustainable investments aligned with the EU Taxonomy.



are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.



What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

Not applicable.



What is the minimum share of socially sustainable investments?

Not applicable.



What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?

This sub-fund promotes a predominant asset allocation in investments that are aligned with environmental and social characteristics (#1 Aligned with E/S characteristics). In addition, and on an ancillary basis, this sub-fund will invest into investments that are not considered aligned with the promoted characteristics (#2 Other). These remaining investments can include all asset classes as foreseen in the specific investment policy including cash and derivatives.

In line with the market positioning of this sub-fund, the purpose of these remaining investments is to provide investors with an exposure to non-ESG aligned investments while at the same time ensuring a predominant exposure to environmentally and socially aligned investments. Remaining investments can be used by the portfolio management for performance, diversification, liquidity and hedging purposes.

This sub-fund does not consider any minimum environmental or social safeguards on these remaining investments.



**Reference benchmarks** are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

This sub-fund has not designated a reference benchmark to determine whether it is aligned with the environmental and/or social characteristics that it promotes.



Where can I find more product specific information online?

**More product-specific information can be found on the website:** <https://funds.dws.com/en-lu/balanced-funds/LU2132881132/> as well as on your local country website [www.dws.com/fundinformation](http://www.dws.com/fundinformation).

## DB Strategic Income Allocation EUR (SIA) Balanced Plus

<b>Investor profile</b>	Growth-oriented
<b>Currency of sub-fund</b>	EUR
<b>Sub-fund manager</b>	DWS Investment GmbH and DWS International GmbH, Mainzer Landstr. 11-17, 60329 Frankfurt/Main, Germany. The Management Company entered into an investment management agreement with DWS Investment GmbH, Frankfurt/Main. Under its supervision, control and responsibility, and at its own expense, DWS Investment GmbH, Frankfurt/Main, entered into an investment management agreement with DWS International GmbH. The portfolio management of the sub-fund is performed by both companies by means of close cooperation as well as common processes and IT-systems.
<b>Investment Advisor</b>	Deutsche Bank AG, Taunusanlage 12, 60325 Frankfurt/Main, Germany The sub-fund manager has entered into an advisory agreement with Deutsche Bank AG. The investment advice shall thereby encompass analysis and recommendations of suitable investment instruments, which take into account sustainability risks.
<b>Performance benchmark</b>	-
<b>Reference portfolio (risk benchmark)</b>	Portfolio excl. Derivatives
<b>Leverage effect</b>	2 times the value of the investment sub-fund's assets
<b>Calculation of the NAV per share</b>	Each bank business day in Luxembourg and Frankfurt/Main.
<b>Swing Pricing</b>	The sub-fund may apply Swing Pricing. If implemented, it will be disclosed in the fund facts section on the website of the Management Company <a href="http://www.dws.com">www.dws.com</a> .
<b>Order acceptance</b>	All subscription, redemption and exchange orders are placed on the basis of an unknown net asset value per share. Orders received by the Transfer Agent at or before <b>4:00 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>Maximum management fee charged in respect of investments in shares of target funds (payable by the sub-fund)</b>	2%

### Overview of the share classes

<b>Currency of share class</b>	LBD****, LBD10****, PFBD****, SBD**, ****, WAMBD****, DPMBD****	EUR
<b>Initial issue price</b>	LBD**** LBD10****, SBD**, **** PFBD**** WAMBD****, DPMBD****	EUR 104 (incl. front end load) EUR 10,100 (incl. front end load) EUR 100 EUR 10,000
<b>Front end load (payable by the investor)</b>	LBD**** LBD10****, SBD**, **** PFBD****, WAMBD****, DPMBD****	up to 4.0% up to 1.0% 0.0%
<b>All-in Fee p.a. (payable by the sub-fund)*</b>	LBD**** LBD10**** PFBD**** SBD**, **** WAMBD****, DPMBD****	1.445% 0.450% 1.195% 0.650% 0.245

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## Overview of the share classes (continued)

<b>Taxe d'abonnement (payable by the sub-fund)</b>	LBD****, LBD10****, PFBD****, SBD**, ****, WAMBD****, DPMBD****	0.05% 0.01%
<b>Launch date</b>	LBD****, LBD10****, PFBD****, SBD**, ****, WAMBD****, DPMBD****	July 19, 2021 Upon decision of the Board of Directors

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**Dilution adjustment (payable by the shareholder)\*\*\*** PFC:  
A dilution adjustment of up to 4% based on the gross redemption amount may be charged. Please see the general section for further explanation.

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**Placement fee (payable from the sub-fund's assets)** PFC:  
Up to 4% for the benefit of the distributor. The share class has an amortization period of 4 years. Please see the general section for further explanation.

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

\*\* The minimum initial investment amount for this share class: EUR 500,000. The Investment Company reserves the right to deviate from this minimum initial investment amount at its own discretion. Subsequent purchases can be made in any amount.

\*\*\* The Management Company may, at its discretion, partially or completely dispense with the dilution adjustment.

\*\*\*\* The share class targets a distribution of 4% per annum. Distribution amounts are not guaranteed and are purely indicative. The targeted distribution amounts depend on various factors, such as market developments and the composition of the portfolio and may be subject to change without notice. Actual determined distributions may therefore differ over time or may even be zero.

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

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For the sub-fund with the name DB Strategic Income Allocation EUR (SIA) Balanced Plus, the following provisions shall apply in addition to the terms contained in the general section of the Sales Prospectus.

The sub-fund name indicates a "Balanced" profile as described under "Additional classification" in the general section of the Sales Prospectus.

### Investment Objective

The objective of the investment policy of the sub-fund DB Strategic Income Allocation EUR (SIA) Balanced Plus is to achieve a mid to long-term capital growth and aims to limit losses of capital in excess of 20% on an annualised basis (as further described in more detail below).

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

### Investment Policy

In order to achieve the investment objective, the sub-fund will seek to gain indirect exposure to three primary asset class portfolios diversified among and within themselves (each, a Portfolio and together the Portfolios) in proportions that are consistent with the Investment Objective, as further described below. The sub-fund manager will implement the sub-fund's investment policy predominantly via investments in UCITS and other UCIs. In doing so, the sub-fund pursues a fund-of-fund strategy.

### The Portfolios

The sub-fund's investments will be indirectly allocated to each of the following Portfolios, as described under Investment Process further below:

- Debt securities, including fixed and floating rate government bonds, corporate bonds, high yield bonds and money market instruments of issuers domiciled in, and governments of both developed and emerging market countries which may be of investment or non-investment grade (the Fixed Income Portfolio).
- Equities of companies (all-cap) which are either listed and/or domiciled in both developed markets and emerging markets (the Equity Portfolio).
- Alternative investments comprising eligible indirect exposure to commodities and property investments through closed-ended REITs (the Alternatives Portfolio).

The sub-fund's investments will be allocated in different proportions to the Portfolios by the sub-fund manager on the basis of advice received from the Investment Advisor. How the Investment Advisor determines the suggested allocations is described under Portfolio Allocation Process below. How the sub-fund manager may invest into the Portfolios is described under Investment Process below.

The sub-fund manager will consider any proposed changes to the portfolio and may in its discretion overrule or reject any suggestions.

The sub-fund manager is also responsible for risk and control monitoring in respect of the sub-fund, including but not limited to monitoring of market, credit and liquidity risks as well as some portfolio administration activities, including additional NAV checks and reporting.

The Investment Advisor may advise the sub-fund manager in relation to changing the composition of each of the Portfolios and the allocation to each Portfolio periodically – expected to be yearly but may be more or less frequently where required in order to take into account changing market, economic, political and other related circumstances.

The sub-fund is designed for investors who want to maximize their exposure to higher-yielding asset classes, while containing downside risk beyond their risk tolerance through the implementation of a Risk Reduction Strategy.

### Risk Reduction Strategy

In addition to the allocation to the Portfolios, the sub-fund manager will seek to implement a strategy on the basis of the Investment Advisor's recommendation intended to preserve capital by limiting a fall in the value of the sub-fund's assets not more than 20% on an annualised basis (the Risk Reduction Strategy). The Risk Reduction

Strategy aims to limit the potential loss in the sub-fund during any 12-month period on a rolling basis – i.e. from any given day, the strategy is designed to try to limit any loss in the value of the sub-fund's assets during the 12 months from that day to 20%.

The Risk Reduction Strategy involves investment in hedging instruments such as put options (the Hedge Portfolio) and/or other FDIs. Such put options will be intended to limit the risk of losses typically, but not exclusively, in the Equity Portfolio, on the basis that equities tend to be more volatile than fixed income investments and therefore more likely to suffer more significant falls in value. For example, the Investment Advisor may propose the purchase of a put option in respect of an equity or fixed income index in which the sub-fund is invested via an ETF. If the value of such index declines (and therefore so does the value of the ETF tracking such index) then the put option will increase in value and may allow the sub-fund manager to sell the put option at a price that is higher than the market price at which the put option was purchased and, as a result, limit the loss faced by the sub-fund as a result of the decline in the value of the index.

The Hedge Portfolio may be adjusted frequently, including, in exceptional circumstances, up to daily, to take into account changing circumstances including market or economic conditions. There can be no guarantee that an investment in the Hedge Portfolio will be successful and actual losses in the sub-fund may exceed 20% in any one year or other period. There is a cost associated with purchasing hedging instruments such as put options and so an investment in the Hedge Portfolio may negatively impact the value of the sub-fund since put options may not be exercised and so may expire unused.

#### Call Writing Strategy

The sub-fund may sell call options on the underlying portfolio or portfolio related positions (i.e. options on equity indices, bond indices or commodity indices) in order to receive a premium and increase the income. Selling call options generally results in the sub-fund not or only partially participating in price increases of the underlying assets. On the other hand participation in price losses is reduced by the amount of the option premiums received.

#### Portfolio Allocation Process

The Investment Advisor uses a strategic asset allocation approach (the Strategic Asset Allocation or SAA) in order to advise the sub-fund manager as regards the sub-fund's investments. The SAA is the basis upon which the Investment Advisor determines the suggested allocations both to, and also within, each of the Portfolios and it takes into account three fundamental parameters:

- The expected return of each of the assets in each Portfolio – this includes capital and income.

- The expected volatility of each of the assets in each Portfolio – this means the expected degree of variation in the return of the assets.
- The expected correlations between the assets in each Portfolio – this means how their respective returns move relative to each other. A high correlation would exist where the two assets move in the same direction (e.g. both move up in value over the same time period).

The analysis and predictions of the Investment Advisor under these parameters are based on factors including historical data (i.e. how has the asset performed in the past), market expectations (e.g. the level of growth the U.S. economy is expected to experience) and also factors specific to an asset (e.g. expected defaults, if any, for fixed income assets). The aim of the SAA is to define the allocations to the various assets comprising each of the Portfolios based on a combined expected level of risk and return. Typically, a higher level of risk is associated with a higher potential level of return.

The Strategic Income Allocation (SIA) aims to offer investors a broadly diversified global investment opportunity with the primary purpose to generate regular income. Consequently, the sub-fund mainly invests into distributing investment vehicles, which have an income component. Additionally, a call writing strategy is used to generate further income.

#### Allocations to the Portfolios

For a "balanced" portfolio, the Investment Advisor aims to suggest an allocation to provide the opportunity for a mid to long-term capital growth. In order to do so, it is expected that the sub-fund will always have an allocation to the Equity Portfolio since equities tend to offer the potential for capital appreciation. In addition, a smaller allocation to the Alternative Portfolio might be used for potential capital appreciation. It is also expected that the sub-fund will have an allocation to the Fixed Income Portfolio since fixed income assets tend to have lower volatility and so provide some protection against a fall in value of the sub-fund's investments. The expected range of allocations for a "balanced" portfolio is set out below:

- Fixed Income Portfolio: up to 70%
- Equity Portfolio: 30–80%
- Alternatives Portfolio: 0–15%

#### Allocations within the Portfolios

Allocations within each of the Portfolios are made (i) in the case of the Equity Portfolio, geographically, for example, the United States, Japan or the Eurozone, (ii) in the case of the Fixed Income Portfolio to fixed income instruments of different types and issuers, for example, Euro corporate bonds, and (iii) in the case of the Alternatives Portfolio to indirect eligible baskets of commodities, single commodities and property investments through closed-ended REITs.

The sub-fund will also aim to weight each of the Portfolios towards exposure to Eurozone assets, such that the sub-fund has a Eurozone focus in line with its Base Currency.

#### Investment Process

The sub-fund manager will obtain exposure to the Portfolios predominantly through investment in exchange traded fund or funds (each an ETF) or other UCIs or, in the case of single commodity exposures, the allocations may be to debt securities linked to the performance of such individual commodities, which will be exchange traded notes or certificates (the ETCs). According to article 2 A. (j), investments in certificates are only permitted if they are 1:1 certificates qualifying as transferable securities.

The sub-fund may not enter into any obligations regarding the transfer of physical commodities.

With the exception of permitted investments in unlisted securities and UCIs, the sub-fund's investments will be listed on regulated markets.

#### ETFs and other UCIs

Where exposure is obtained through investment in ETFs or other UCIs, the allocation to each Portfolio will be expressed as an allocation recommended by the Investment Advisor to an ETF, for example a Eurozone stock market focussed ETF or U.S. government bond focussed ETF, or a diversified commodity index, with the exception of individual commodities within the Alternatives Portfolio. To the extent that there is no suitable ETF tracking an index representative of the recommended allocation, the sub-fund may take exposure to a recommended financial index as further described below.

Such ETFs may include ETFs in relation to which DWS Investments S.A. also acts as management company (such an ETF, a DWS ETF). ETFs are selected on the basis of criteria such as cost, liquidity and tracking error, in the best interests of investors and in order to achieve the Investment Objective.

The sub-fund may invest up to 100% of its assets in other UCIs. Such UCIs will include UCITS (such as the ETFs) and, in accordance with the limits of the Law of 2010, up to 10% in AIFs. Such UCIs may be domiciled in the EEA, Guernsey, Jersey or the Isle of Man. Such UCIs may be constituted as corporations, including investment companies, unit trusts, partnerships or common contractual funds and may be traded, listed or dealt in on a stock exchange or other regulated market. The sub-fund will not invest in ETFs domiciled in the U.S. These investments will be in line with the investment policy of the sub-fund.

#### ETCs

In the case of single commodity exposures, the allocations will be to ETCs. These will be unleveraged debt securities listed or traded on regulated markets.

## FDI

As an alternative to investing in an ETF, the sub-fund manager may take exposure to a financial index through the use of FDI. Forward currency exchange contracts, non-deliverable forwards (NDFs), currency futures, futures on indices and single stocks or securities, options or swaps, may be used by the sub-fund for investment purposes and also for the purposes of efficient portfolio management (including hedging). When using financial indices, legal provisions apply as set out in article 44 (1) of the Law of 2010, and article 9 of the Grand-Ducal Regulation of February 8, 2008.

## Liquid Asset Strategy

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 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 20% of the sub-funds' net assets. In exceptionally unfavourable market conditions, it is permitted to temporarily exceed this 20% limit if circumstances so require and to the extent that this appears to be justified with regard to the interests of shareholders.

The sub-fund may hold ancillary liquid assets as specified in article 2 B. o) of the general section of the Sales Prospectus.

The following disclosure is made for the sub-fund in accordance with article 7(1) of Regulation (EU) 2019/2088 on sustainability-related disclosures in the financial services sector: The sub-fund management does not consider any principle adverse impacts on sustainability factors for this financial product, as it does not pursue any environmental or social characteristics in its investment strategy.

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

The sub-fund will not invest in contingent convertibles.

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

For the purpose of inducing a partial tax exemption within the meaning of the German Investment Tax Act and in addition to the investment limits described in the articles of incorporation and this Sales Prospectus at least 25% of the sub-fund's gross assets (determined as being the value of the sub-fund's assets without taking into account liabilities) are invested in such equity capital investments as defined in article 2 (8) of the German

Investment Tax Act that may be acquired for the sub-fund in accordance with the articles of incorporation and this Sales Prospectus (Mixed Fund).

Equity capital investments in this respect are

- equities admitted to official trading on a stock exchange or admitted to, or included in, another organized market and which are not:
  - a) units of investment funds;
  - b) 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;
  - c) 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;
  - d) 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 a Member State or EEA Member State 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;
  - e) 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 or EEA Member State 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.
- units of investment funds, which in accordance with their terms and conditions of investment invest more than 50% of their value or more than 50% of their gross assets (determined as being the value of the fund's assets without taking into account liabilities) themselves or as a fund of fund indirectly in units of corporations in the amount of 51% of their value; if the terms and conditions of an equity fund make provisions for a percentage higher than 51% of its value or its gross assets, the share of the equity capital investment is, by way of derogation, deemed to be the amount of the higher percentage;

- units of investment funds, which in accordance with their terms and conditions of investment invest at least 25% of their value or at least 25% of their gross assets (determined as being the value of the fund's assets without taking into account liabilities) themselves or as a fund of fund indirectly in units of corporations in the amount of 25% of their value; if the terms and conditions of a balanced fund make provisions for a percentage higher than 25% of its value or its gross assets, the share of the equity capital investment is, by way of derogation, deemed to be the amount of the higher percentage;
- units of investment funds that carry out a valuation at least once per week in the amount of the percentage of their assets published on each valuation date that they actually invest themselves, or as a fund of fund, in units of corporations.

Units of corporations as defined in indents 2 through 4 are

- units of corporations that are admitted to official trading on an exchange or admitted to, or included in, another organized market;
- units of corporations that are not real estate companies and that are domiciled in a member state of the European Union or in another state that is a party to the Agreement on the European Economic Area and are subject there to corporate income tax and are not exempt from it;
- units of corporations that are not real estate companies and that are domiciled in a third country and are subject there to corporate income tax of at least 15% and are not exempt from it; and
- units of other investment funds, which in turn meet the requirements of indents 2 through 4 and of this sentence, in the respective amount specified there.

However, units of corporations are not those that correspond to the categories as defined in indent 1 (a) to (e) above or are held indirectly via partnerships.

Equity capital investments indirectly held by the sub-fund via partnerships are not equity capital investments.

Individual investment fund units may only be taken into consideration once for the purposes of determining the daily equity capital investment rate.

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.

Notwithstanding article 2 B. (i), the following applies:

The sub-fund's assets may be used to acquire shares of other UCITS and/or UCIs as defined in article 2 A. (e), provided that no more than 20% of the sub-fund's assets are invested in one and the same UCITS and/or UCIs.

Every sub-fund of an umbrella fund is to be regarded as an independent issuer, provided that the principle of individual liability per sub-fund is applicable in terms of liability to third parties. Investments in shares of other UCIs other than UCITS must not exceed 30% of the sub-fund's net assets in total.

In the case of investments in shares of another UCITS and/or other UCIs, the investments held by that UCITS and/or by other UCIs are not taken into consideration for the purposes of the limits specified in article 2 B. (a), (b), (c), (d), (e) and (f).

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

### Integration of sustainability risks

The sub-fund management integrates sustainability risks into its investment decisions as described in the General Section of the Sales Prospectus in the section "Integration of sustainability risks in the investment process".

The sub-fund does not promote any Environmental or Social characteristics or any combination of these characteristics.

### Additional information

When using total return swaps to implement the investment strategy as described above, the following shall be noted:

The proportion of the sub-fund's net assets subject to total return swaps, expressed as the sum of notionals of the total return swaps divided by the sub-fund's net asset value, is expected to be 0%, but depending on the respective market conditions, with the objective of efficient portfolio management and in the interest of the investors, it may reach up to 10%. The calculation is performed in line with the guidelines CESR/10-788. However, the disclosed expected level of leverage is not intended to be an additional exposure limit for the sub-fund.

Additional information on total return swaps may be found in the general section of the Sales Prospectus, amongst others, in the section "Efficient portfolio management techniques". The selection of counterparties to any total return swap is subject to the principles as described in the section "Choice of counterparty" of the Sales Prospectus. Further information on the counter-

parties is disclosed in the annual report. For special risk considerations linked to total return swaps, investors should refer to the section "General Risk Warnings", and in particular the section "Risks connected to derivative transactions" of the Sales Prospectus.

### Risk Management

The relative Value-at-Risk (VaR) approach is used to limit market risk in the sub-fund.

In addition to the provisions of the general section of 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 all-in fee attributable to shares of these target funds is reduced by the management fee/all-in fee up to 0.11% of the acquired target funds (modified difference method).

## DB Strategic Income Allocation USD (SIA) Balanced Plus

<b>Investor profile</b>	Growth-oriented
<b>Currency of sub-fund</b>	USD
<b>Sub-fund manager</b>	DWS Investment GmbH and DWS International GmbH, Mainzer Landstr. 11-17, 60329 Frankfurt/Main, Germany. The Management Company entered into an investment management agreement with DWS Investment GmbH, Frankfurt/Main. Under its supervision, control and responsibility, and at its own expense, DWS Investment GmbH, Frankfurt/Main, entered into an investment management agreement with DWS International GmbH. The portfolio management of the sub-fund is performed by both companies by means of close cooperation as well as common processes and IT-systems.
<b>Investment Advisor</b>	Deutsche Bank AG, Taunusanlage 12, 60325 Frankfurt/Main, Germany The sub-fund manager has entered into an advisory agreement with Deutsche Bank AG. The investment advice shall thereby encompass analysis and recommendations of suitable investment instruments, which take into account sustainability risks.
<b>Performance benchmark</b>	-
<b>Reference portfolio (risk benchmark)</b>	Portfolio excl. Derivatives
<b>Leverage effect</b>	2 times the value of the investment sub-fund's assets
<b>Calculation of the NAV per share</b>	Each bank business day in Luxembourg and Frankfurt/Main.
<b>Swing Pricing</b>	The sub-fund may apply Swing Pricing. If implemented, it will be disclosed in the fund facts section on the website of the Management Company <a href="http://www.dws.com">www.dws.com</a> .
<b>Order acceptance</b>	All subscription, redemption and exchange orders are placed on the basis of an unknown net asset value per share. Orders received by the Transfer Agent at or before <b>4:00 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>Maximum management fee charged in respect of investments in shares of target funds (payable by the sub-fund)</b>	2%

### Overview of the share classes

<b>Currency of share class</b>	USD LBD**, USD LBD10**, USD SBD**, ***, USD WAMBD**, USD DPMBD**, USD PFBD, HKD SBD**, ***, SGD SBDH**, *****,	USD HKD SGD
<b>Initial issue price</b>	USD LBD** USD LBD10** USD SBD**, ***, USD WAMBD**, USD DPMBD** HKD SBD**, *****, SGD SBDH**, *****, USD PFBD	USD 103 (incl. front end load) USD 10,100 (incl. front end load) USD 10,300 (incl. front end load) USD 10,000 HKD 103,000 (incl. front end load) SGD 10,300 (incl. front end load) USD 100
<b>Front end load (payable by the investor)</b>	USD LBD**, USD SBD**, ***, HKD SBD**, *****, SGD SBDH**, *****, USD LBD10** USD WAMBD**, USD DPMBD**, USD PFBD	up to 3.0% up to 1.0% 0.0%

## Overview of the share classes (continued)

<b>All-in Fee p.a. (payable by the sub-fund)*</b>	USD LBD**	1.445%	
	USD LBD10**	0.450%	
	USD SBD**,***, HKD SBD**,****	0.650%	
	USD WAMBD**, USD DPMBD**	0.245	
	SGD SBDH**,*****	0.680%	
	USD PFBD	1.195%	
<b>Taxe d'abonnement (payable by the sub-fund)</b>	USD LBD**, USD LBD10**, USD SBD**,***, USD WAMBD**, HKD SBD**,***SGD SBDH**,*****, USD PFBD,	0.05%	
	USD DPMBD**	0.01%	
	<b>Launch date</b>	USD LBD**, USD LBD10**, USD SBD**,***, USD WAMBD**	June 28, 2021
		HKD SBD**,****	Upon decision of the Board of Directors
SGD SBDH**,*****		August 20, 2021	
USD DPMBD**		October 8, 2021	
USD PFBD		January 17, 2022	

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

\*\* The share class targets a distribution of 4% per annum. Distribution amounts are not guaranteed and are purely indicative. The targeted distribution amounts depend on various factors, such as market developments and the composition of the portfolio and may be subject to change without notice. Actual determined distributions may therefore differ over time or may even be zero.

\*\*\* The minimum initial investment amount for this share class: USD 500,000. The Investment Company reserves the right to deviate from this minimum initial investment amount at its own discretion. Subsequent purchases can be made in any amount.

\*\*\*\* The minimum initial investment amount for this share class: HKD 5,000,000. The Investment Company reserves the right to deviate from this minimum investment amount at its own discretion. Subsequent purchases can be made in any amount.

\*\*\*\*\* The minimum initial investment amount for this share class: SGD 500,000. The Investment Company reserves the right to deviate from this minimum investment amount at its own discretion. Subsequent purchases can be made in any amount.

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

For the sub-fund with the name DB Strategic Income Allocation USD (SIA) Balanced Plus, the following provisions shall apply in addition to the terms contained in the general section of the Sales Prospectus.

The sub-fund name indicates a "Balanced" profile as described under "Additional classification" in the general section of the Sales Prospectus.

### Investment Objective

The objective of the investment policy of the sub-fund DB Strategic Income Allocation USD (SIA) Balanced Plus is to achieve a mid to long-term capital growth and aims to limit losses of capital to a maximum of 20% on an annualised basis (as further described in more detail below).

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

### Investment Policy

In order to achieve the investment objective, the sub-fund will seek to gain indirect exposure to three primary asset class portfolios diversified among and within themselves (each, a Portfolio and together the Portfolios) in proportions that are consistent with the Investment Objective, as further described below. The sub-fund manager will implement the sub-fund's investment policy predominantly via investments in UCITS and

other UCIs. In doing so, the sub-fund pursues a fund-of-fund strategy.

#### The Portfolios

The sub-fund's investments will be indirectly allocated to each of the following Portfolios, as described under Investment Process further below:

- Debt securities, including fixed and floating rate government bonds, corporate bonds, high yield bonds and money market instruments of issuers domiciled in, and governments of both developed and emerging market countries which may be of investment or non-investment grade (the Fixed Income Portfolio).
- Equities of companies (all-cap) which are either listed and/or domiciled in both developed markets and emerging markets (the Equity Portfolio).
- Alternative investments comprising eligible indirect exposure to commodities and property investments through closed-ended REITs (the Alternatives Portfolio).

The sub-fund's investments will be allocated in different proportions to the Portfolios by the sub-fund manager on the basis of advice received from the Investment Advisor. How the Investment Advisor determines the suggested allocations is described under Portfolio Allocation Process

below. How the sub-fund manager may invest into the Portfolios is described under Investment Process below.

The sub-fund manager will consider any proposed changes to the portfolio and may in its discretion overrule or reject any suggestions.

The sub-fund manager is also responsible for risk and control monitoring in respect of the sub-fund, including but not limited to monitoring of market, credit and liquidity risks as well as some portfolio administration activities, including additional NAV checks and reporting.

The Investment Advisor may advise the sub-fund manager in relation to changing the composition of each of the Portfolios and the allocation to each Portfolio periodically – expected to be yearly but may be more or less frequently where required in order to take into account changing market, economic, political and other related circumstances.

The sub-fund is designed for investors who want to maximize their exposure to higher-yielding asset classes, while containing downside risk beyond their risk tolerance through the implementation of a Risk Reduction Strategy.

### Risk Reduction Strategy

In addition to the allocation to the Portfolios, the sub-fund manager will seek to implement a strategy on the basis of the Investment Advisor's recommendation intended to preserve capital by limiting a fall in the value of the sub-fund's assets not more than 20% on an annualised basis (the Risk Reduction Strategy). The Risk Reduction Strategy aims to limit the potential loss in the sub-fund during any 12-month period on a rolling basis – i.e. from any given day, the strategy is designed to try to limit any loss in the value of the sub-fund's assets during the 12 months from that day to 20%.

The Risk Reduction Strategy involves investment in hedging instruments such as put options (the Hedge Portfolio) and/or other FDIs. Such put options will be intended to limit the risk of losses typically, but not exclusively, in the Equity Portfolio, on the basis that equities tend to be more volatile than fixed income investments and therefore more likely to suffer more significant falls in value. For example, the Investment Advisor may propose the purchase of a put option in respect of an equity or fixed income index in which the sub-fund is invested via an ETF. If the value of such index declines (and therefore so does the value of the ETF tracking such index) then the put option will increase in value and may allow the sub-fund manager to sell the put option at a price that is higher than the market price at which the put option was purchased and, as a result, limit the loss faced by the sub-fund as a result of the decline in the value of the index.

The Hedge Portfolio may be adjusted frequently, including, in exceptional circumstances, up to daily, to take into account changing circumstances including market or economic conditions. There can be no guarantee that an investment in the Hedge Portfolio will be successful and actual losses in the sub-fund may exceed 20% in any one year or other period. There is a cost associated with purchasing hedging instruments such as put options and so an investment in the Hedge Portfolio may negatively impact the value of the sub-fund since put options may not be exercised and so may expire unused.

### Call Writing Strategy

The sub-fund may sell call options on the underlying portfolio or portfolio related positions (i.e. options on equity indices, bond indices or commodity indices) in order to receive a premium and increase the income. Selling call options generally results in the sub-fund not or only partially participating in price increases of the underlying assets. On the other hand participation in price losses is reduced by the amount of the option premiums received.

### Portfolio Allocation Process

The Investment Advisor uses a strategic asset allocation approach (the Strategic Asset Allocation or SAA) in order to advise the sub-fund manager as regards the sub-fund's investments. The SAA is the basis upon which the Investment

Advisor determines the suggested allocations both to, and also within, each of the Portfolios and it takes into account three fundamental parameters:

- The expected return of each of the assets in each Portfolio – this includes capital and income.
- The expected volatility of each of the assets in each Portfolio – this means the expected degree of variation in the return of the assets.
- The expected correlations between the assets in each Portfolio – this means how their respective returns move relative to each other. A high correlation would exist where the two assets move in the same direction (e.g. both move up in value over the same time period).

The analysis and predictions of the Investment Advisor under these parameters are based on factors including historical data (i.e. how has the asset performed in the past), market expectations (e.g. the level of growth the U.S. economy is expected to experience) and also factors specific to an asset (e.g. expected defaults, if any, for fixed income assets). The aim of the SAA is to define the allocations to the various assets comprising each of the Portfolios based on a combined expected level of risk and return. Typically, a higher level of risk is associated with a higher potential level of return.

The Strategic Income Allocation (SIA) aims to offer investors a broadly diversified global investment opportunity with the primary purpose to generate regular income. Consequently, the sub-fund mainly invests into distributing investment vehicles, which have an income component. Additionally, a call writing strategy is used to generate further income.

### Allocations to the Portfolios

For a "balanced" portfolio, the Investment Advisor aims to suggest an allocation to provide the opportunity for a mid to long-term capital growth. In order to do so, it is expected that the sub-fund will always have an allocation to the Equity Portfolio since equities tend to offer the potential for capital appreciation. In addition, a smaller allocation to the Alternative Portfolio might be used for potential capital appreciation. It is also expected that the sub-fund will have an allocation to the Fixed Income Portfolio since fixed income assets tend to have lower volatility and so provide some protection against a fall in value of the sub-fund's investments. The expected range of allocations for a "balanced" portfolio is set out below:

- Fixed Income Portfolio: up to 70%
- Equity Portfolio: 30–80%
- Alternatives Portfolio: 0–15%

### Allocations within the Portfolios

Allocations within each of the Portfolios are made (i) in the case of the Equity Portfolio, geographically, for example, the United States, Japan or the

Eurozone, (ii) in the case of the Fixed Income Portfolio to fixed income instruments of different types and issuers, for example, U.S. corporate bonds, and (iii) in the case of the Alternatives Portfolio to indirect eligible baskets of commodities, single commodities and property investments through closed-ended REITs.

The sub-fund will also aim to weight each of the Portfolios towards exposure to USD denominated assets, such that the sub-fund has a U.S. focus.

### Investment Process

The sub-fund manager will obtain exposure to the Portfolios predominantly through investment in exchange traded fund or funds (each an ETF) or other UCIs or, in the case of single commodity exposures, the allocations may be to debt securities linked to the performance of such individual commodities, which will be exchange traded notes or certificates (the ETCs). According to Article 2 A. (j), investments in certificates are only permitted if they are 1:1 certificates qualifying as transferable securities.

The sub-fund may not enter into any obligations regarding the transfer of physical commodities.

With the exception of permitted investments in unlisted securities and UCIs, the sub-fund's investments will be listed on regulated markets.

### ETFs and other UCIs

Where exposure is obtained through investment in ETFs or other UCIs, the allocation to each Portfolio will be expressed as an allocation recommended by the Investment Advisor to an ETF, for example a Eurozone stock market focussed ETF or U.S. government bond focussed ETF, or a diversified commodity index, with the exception of individual commodities within the Alternatives Portfolio. To the extent that there is no suitable ETF tracking an index representative of the recommended allocation, the sub-fund may take exposure to a recommended financial index as further described below.

Such ETFs may include ETFs in relation to which DWS Investments S.A. also acts as management company (such an ETF, a DWS ETF). ETFs are selected on the basis of criteria such as cost, liquidity and tracking error, in the best interests of investors and in order to achieve the Investment Objective.

The sub-fund may invest up to 100% of its assets in UCIs. Such UCIs will include UCITS (such as the ETFs) and, in accordance with the limits of the Law of 2010, up to 10% in AIFs. Such UCIs may be domiciled in the EEA, Guernsey, Jersey or the Isle of Man. Such UCIs may be constituted as corporations, including investment companies, unit trusts, partnerships or common contractual funds and may be traded, listed or dealt in on a stock exchange or other regulated market. The sub-fund will not invest in ETFs domiciled in the U.S. These investments will be in line with the investment policy of the sub-fund.

## ETCs

In the case of single commodity exposures, the allocations will be to ETCs. These will be unleveraged debt securities listed or traded on regulated markets.

## FDI

As an alternative to investing in an ETF, the sub-fund manager may take exposure to a financial index through the use of FDI. Forward currency exchange contracts, non-deliverable forwards (NDFs), currency futures, futures on indices and single stocks or securities, options or swaps, may be used by the sub-fund for investment purposes and also for the purposes of efficient portfolio management (including hedging). When using financial indices, legal provisions apply as set out in article 44 (1) of the Law of 2010, and article 9 of the Grand-Ducal Regulation of February 8, 2008.

## Liquid Asset Strategy

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 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 20% of the sub-funds' net assets. In exceptionally unfavourable market conditions, it is permitted to temporarily exceed this 20% limit if circumstances so require and to the extent that this appears to be justified with regard to the interests of shareholders.

The sub-fund may hold ancillary liquid assets as specified in Article 2 B. o) of the general section of the Sales Prospectus.

The following disclosure is made for the sub-fund in accordance with Article 7(1) of Regulation (EU) 2019/2088 on sustainability-related disclosures in the financial services sector: The sub-fund management does not consider any principle adverse impacts on sustainability factors for this financial product, as it does not pursue any environmental or social characteristics in its investment strategy.

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

The sub-fund will not invest in contingent convertibles.

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

For the purpose of inducing a partial tax exemption within the meaning of the German Investment Tax Act and in addition to the investment limits described in the articles of incorporation

and this Sales Prospectus at least 25% of the sub-fund's gross assets (determined as being the value of the sub-fund's assets without taking into account liabilities) are invested in such equity capital investments as defined in article 2 (8) of the German Investment Tax Act that may be acquired for the sub-fund in accordance with the articles of incorporation and this Sales Prospectus (Mixed Fund).

Equity capital investments in this respect are

- equities admitted to official trading on a stock exchange or admitted to, or included in, another organized market and which are not:
  - a) units of investment funds;
  - b) 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;
  - c) 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;
  - d) 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 a Member State or EEA Member State 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;
  - e) 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 or EEA Member State 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.
- units of investment funds, which in accordance with their terms and conditions of investment invest more than 50% of their value or more than 50% of their gross assets (determined as being the value of the fund's assets without taking into account liabilities) themselves or as a fund of fund indirectly in units of corporations in the amount of 51% of

their value; if the terms and conditions of an equity fund make provisions for a percentage higher than 51% of its value or its gross assets, the share of the equity capital investment is, by way of derogation, deemed to be the amount of the higher percentage;

- units of investment funds, which in accordance with their terms and conditions of investment invest at least 25% of their value or at least 25% of their gross assets (determined as being the value of the fund's assets without taking into account liabilities) themselves or as a fund of fund indirectly in units of corporations in the amount of 25% of their value; if the terms and conditions of a balanced fund make provisions for a percentage higher than 25% of its value or its gross assets, the share of the equity capital investment is, by way of derogation, deemed to be the amount of the higher percentage;
- units of investment funds that carry out a valuation at least once per week in the amount of the percentage of their assets published on each valuation date that they actually invest themselves, or as a fund of fund, in units of corporations.

Units of corporations as defined in indents 2 through 4 are

- units of corporations that are admitted to official trading on an exchange or admitted to, or included in, another organized market;
- units of corporations that are not real estate companies and that are domiciled in a member state of the European Union or in another state that is a party to the Agreement on the European Economic Area and are subject there to corporate income tax and are not exempt from it;
- units of corporations that are not real estate companies and that are domiciled in a third country and are subject there to corporate income tax of at least 15% and are not exempt from it; and
- units of other investment funds, which in turn meet the requirements of indents 2 through 4 and of this sentence, in the respective amount specified there.

However, units of corporations are not those that correspond to the categories as defined in indent 1 (a) to (e) above or are held indirectly via partnerships.

Equity capital investments indirectly held by the sub-fund via partnerships are not equity capital investments.

Individual investment fund units may only be taken into consideration once for the purposes of determining the daily equity capital investment rate.

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.

Notwithstanding Article 2 B. (i), the following applies:

The sub-fund's assets may be used to acquire shares of other UCITS and/or UCIs as defined in Article 2 A. (e), provided that no more than 20% of the sub-fund's assets are invested in one and the same UCITS and/or UCIs.

Every sub-fund of an umbrella fund is to be regarded as an independent issuer, provided that the principle of individual liability per sub-fund is applicable in terms of liability to third parties.

Investments in shares of other UCIs other than UCITS must not exceed 30% of the sub-fund's net assets in total.

In the case of investments in shares of another UCITS and/or other UCIs, the investments held by that UCITS and/or by other UCIs are not taken into consideration for the purposes of the limits specified in Article 2 B. (a), (b), (c), (d), (e) and (f).

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

### Integration of sustainability risks

The sub-fund management integrates sustainability risks into its investment decisions as described in the General Section of the Sales Prospectus in the section "Integration of sustainability risks in the investment process".

The sub-fund does not promote any Environmental or Social characteristics or any combination of these characteristics.

### Additional information

When using total return swaps to implement the investment strategy as described above, the following shall be noted:

The proportion of the sub-fund's net assets subject to total return swaps, expressed as the sum of notionals of the total return swaps divided by the sub-fund's net asset value, is expected to be 0%, but depending on the respective market conditions, with the objective of efficient portfolio management and in the interest of the investors, it may reach up to 10%. The calculation is performed in line with the guidelines CESR/10-788. However, the disclosed expected level of leverage is not intended to be an additional exposure limit for the sub-fund.

Additional information on total return swaps may be found in the general section of the Sales Prospectus, amongst others, in the section "Efficient portfolio management techniques". The selection of counterparties to any total return swap is subject to the principles as described in the section "Choice of counterparty" of the Sales

Prospectus. Further information on the counterparties is disclosed in the annual report. For special risk considerations linked to total return swaps, investors should refer to the section "General Risk Warnings", and in particular the section "Risks connected to derivative transactions" of the Sales Prospectus.

### Risk Management

The relative Value-at-Risk (VaR) approach is used to limit market risk in the sub-fund.

In addition to the provisions of the general section of 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 all-in fee attributable to shares of these target funds is reduced by the management fee/all-in fee up to 0.11% of the acquired target funds (modified difference method).

## DB Strategic Income Allocation EUR (SIA) Conservative Plus

<b>Investor profile</b>	Income-oriented
<b>Currency of sub-fund</b>	EUR
<b>Sub-fund manager</b>	DWS Investment GmbH and DWS International GmbH, Mainzer Landstr. 11-17, 60329 Frankfurt/Main, Germany. The Management Company entered into an investment management agreement with DWS Investment GmbH, Frankfurt/Main. Under its supervision, control and responsibility, and at its own expense, DWS Investment GmbH, Frankfurt/Main, entered into an investment management agreement with DWS International GmbH. The portfolio management of the sub-fund is performed by both companies by means of close cooperation as well as common processes and IT-systems.
<b>Investment Advisor</b>	Deutsche Bank AG, Taunusanlage 12, 60325 Frankfurt/Main, Germany The sub-fund manager has entered into an advisory agreement with Deutsche Bank AG. The investment advice shall thereby encompass analysis and recommendations of suitable investment instruments, which take into account sustainability risks.
<b>Performance benchmark</b>	-
<b>Reference portfolio (risk benchmark)</b>	Portfolio excl. Derivatives
<b>Leverage effect</b>	2 times the value of the investment sub-fund's assets
<b>Calculation of the NAV per share</b>	Each bank business day in Luxembourg and Frankfurt/Main.
<b>Swing Pricing</b>	The sub-fund may apply Swing Pricing. If implemented, it will be disclosed in the fund facts section on the website of the Management Company <a href="http://www.dws.com">www.dws.com</a> .
<b>Order acceptance</b>	All subscription, redemption and exchange orders are placed on the basis of an unknown net asset value per share. Orders received by the Transfer Agent at or before <b>4:00 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>Maximum management fee charged in respect of investments in shares of target funds (payable by the sub-fund)</b>	2%

### Overview of the share classes

<b>Currency of share class</b>	LBD****, LBD10****, PFBD****, SBD**, ****, WAMBD****, DPMBD****	EUR
<b>Initial issue price</b>	LBD**** LBD10****, SBD**, **** PFBD**** WAMBD****, DPMBD****	EUR 104 (incl. front end load) EUR 10,100 (incl. front end load) EUR 100 EUR 10,000
<b>Front end load (payable by the investor)</b>	LBD**** LBD10****, SBD**, **** PFBD****, WAMBD****, DPMBD****	up to 4.0% up to 1.0% 0.0%
<b>All-in Fee p.a. (payable by the sub-fund)*</b>	LBD**** LBD10**** PFBD**** SBD**, **** WAMBD****, DPMBD****	1.295% 0.450% 1.045% 0.650% 0.245

## Overview of the share classes (continued)

<b>Taxe d'abonnement (payable by the sub-fund)</b>	LBD****, LBD10****, PFBD****, SBD**, ****, % WAMBD**** DPMBD****	0.05 0.01%
<b>Launch date</b>	LBD****, LBD10****, PFBD****, SBD**, ****, 1 WAMBD**** DPMBD****	July 19, 2021 Upon decision of the Board of Directors
<b>Dilution adjustment (payable by the shareholder)***</b>	PFC: A dilution adjustment of up to 4% based on the gross redemption amount may be charged. Please see the general section for further explanation.	
<b>Placement fee (payable from the sub-fund's assets)</b>	PFC: Up to 4% for the benefit of the distributor. The share class has an amortization period of 4 years. Please see the general section for further explanation.	

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

\*\* The minimum initial investment amount for this share class: EUR 500,000. The Investment Company reserves the right to deviate from this minimum initial investment amount at its own discretion. Subsequent purchases can be made in any amount.

\*\*\* The Management Company may, at its discretion, partially or completely dispense with the dilution adjustment.

\*\*\*\* The share class targets a distribution of 4% per annum. Distribution amounts are not guaranteed and are purely indicative. The targeted distribution amounts depend on various factors, such as market developments and the composition of the portfolio and may be subject to change without notice. Actual determined distributions may therefore differ over time or may even be zero.

For the sub-fund with the name DB Strategic Income Allocation EUR (SIA) Conservative Plus, the following provisions shall apply in addition to the terms contained in the general section of the Sales Prospectus.

The sub-fund name indicates a "Conservative" profile as described under "Additional classification" in the general section of the Sales Prospectus.

### Investment Objective

The objective of the investment policy of the sub-fund DB Strategic Income Allocation EUR (SIA) Conservative Plus is to achieve a mid to long-term return in EUR and aims to limit losses of capital in excess of 10% on an annualised basis (as further described in more detail below).

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

### Investment Policy

In order to achieve the investment objective, the sub-fund will seek to gain indirect exposure to three primary asset class portfolios diversified among and within themselves (each, a Portfolio and together the Portfolios) in proportions that are consistent with the Investment Objective, as further described below. The sub-fund manager will implement the sub-fund's investment policy predominantly via investments in UCITS and other UCIs. In doing so, the sub-fund pursues a fund-of-fund strategy.

### The Portfolios

The sub-fund's investments will be indirectly allocated to each of the following Portfolios, as described under Investment Process further below:

- Debt securities, including fixed and floating rate government bonds, corporate bonds, high yield bonds and money market instruments of issuers domiciled in, and governments of both developed and emerging market countries which may be of investment or non-investment grade (the Fixed Income Portfolio).
- Equities of companies (all-cap) which are either listed and/or domiciled in both developed markets and emerging markets (the Equity Portfolio).
- Alternative investments comprising eligible indirect exposure to commodities and property investments through closed-ended REITs (the Alternatives Portfolio).

The sub-fund's investments will be allocated in different proportions to the Portfolios by the sub-fund manager on the basis of advice received from the Investment Advisor. How the Investment Advisor determines the suggested allocations is described under Portfolio Allocation Process below. How the sub-fund manager may invest into the Portfolios is described under Investment Process below.

The sub-fund manager will consider any proposed changes to the portfolio and may in its discretion overrule or reject any suggestions.

The sub-fund manager is also responsible for risk and control monitoring in respect of the sub-fund,

including but not limited to monitoring of market, credit and liquidity risks as well as some portfolio administration activities, including additional NAV checks and reporting.

The Investment Advisor may advise the sub-fund manager in relation to changing the composition of each of the Portfolios and the allocation to each Portfolio periodically – expected to be yearly but may be more or less frequently where required in order to take into account changing market, economic, political and other related circumstances.

The sub-fund is designed for investors who want to maximize their exposure to higher-yielding asset classes, while containing downside risk beyond their risk tolerance through the implementation of a Risk Reduction Strategy.

### Risk Reduction Strategy

In addition to the allocation to the Portfolios, the sub-fund manager will seek to implement a strategy on the basis of the Investment Advisor's recommendation intended to preserve capital by limiting a fall in the value of the sub-fund's assets not more than 10% on an annualised basis (the Risk Reduction Strategy). The Risk Reduction Strategy aims to limit the potential loss in the sub-fund during any 12-month period on a rolling basis – i.e. from any given day, the strategy is designed to try to limit any loss in the value of the sub-fund's assets during the 12 months from that day to 10%.

The Risk Reduction Strategy involves investment in hedging instruments such as put options (the Hedge Portfolio) and/or other FDIs. Such put options will be intended to limit the risk of losses

typically, but not exclusively, in the Equity Portfolio, on the basis that equities tend to be more volatile than fixed income investments and therefore more likely to suffer more significant falls in value. For example, the Investment Advisor may propose the purchase of a put option in respect of an equity or fixed income index in which the sub-fund is invested via an ETF. If the value of such index declines (and therefore so does the value of the ETF tracking such index) then the put option will increase in value and may allow the sub-fund manager to sell the put option at a price that is higher than the market price at which the put option was purchased and, as a result, limit the loss faced by the sub-fund as a result of the decline in the value of the index.

The Hedge Portfolio may be adjusted frequently, including, in exceptional circumstances, up to daily, to take into account changing circumstances including market or economic conditions. There can be no guarantee that an investment in the Hedge Portfolio will be successful and actual losses in the sub-fund may exceed 10% in any one year or other period. There is a cost associated with purchasing hedging instruments such as put options and so an investment in the Hedge Portfolio may negatively impact the value of the sub-fund since put options may not be exercised and so may expire unused.

#### Call Writing Strategy

The sub-fund may sell call options on the underlying portfolio or portfolio related positions (i.e. options on equity indices, bond indices or commodity indices) in order to receive a premium and increase the income. Selling call options generally results in the sub-fund not or only partially participating in price increases of the underlying assets. On the other hand participation in price losses is reduced by the amount of the option premiums received.

#### Portfolio Allocation Process

The Investment Advisor uses a strategic asset allocation approach (the Strategic Asset Allocation or SAA) in order to advise the sub-fund manager as regards the sub-fund's investments. The SAA is the basis upon which the Investment Advisor determines the suggested allocations both to, and also within, each of the Portfolios and it takes into account three fundamental parameters:

- The expected return of each of the assets in each Portfolio – this includes capital and income.
- The expected volatility of each of the assets in each Portfolio – this means the expected degree of variation in the return of the assets.
- The expected correlations between the assets in each Portfolio – this means how their respective returns move relative to each other. A high correlation would exist where the two assets move in the same direction (e.g. both move up in value over the same time period).

The analysis and predictions of the Investment Advisor under these parameters are based on factors including historical data (i.e. how has the asset performed in the past), market expectations (e.g. the level of growth the U.S. economy is expected to experience) and also factors specific to an asset (e.g. expected defaults, if any, for fixed income assets). The aim of the SAA is to define the allocations to the various assets comprising each of the Portfolios based on a combined expected level of risk and return. Typically, a higher level of risk is associated with a higher potential level of return.

The Strategic Income Allocation ("SIA") aims to offer investors a broadly diversified global investment opportunity with the primary purpose to generate regular income. Consequently, the sub-fund mainly invests into distributing investment vehicles, which have an income component. Additionally, a call writing strategy is used to generate further income.

#### Allocations to the Portfolios

For a "conservative" portfolio, the Investment Advisor aims to suggest an allocation to provide the opportunity for a mid to long-term return in Euro. In order to do so, it is expected that the sub-fund will have a significant allocation to the Fixed Income Portfolio since fixed income assets tend to have lower volatility and so provide some protection against a fall in value of the sub-fund's investments while also offering income generation. The sub-fund may also have a smaller allocation to the Equity Portfolio and Alternative Portfolio since equities and alternative investments tend to offer the potential for capital appreciation but are typically more volatile than fixed income assets. The expected range of allocations for a "conservative" portfolio is set out below:

- Fixed Income Portfolio: up to 100%
- Equity Portfolio: 0–60%
- Alternatives Portfolio: 0–15%

#### Allocations within the Portfolios

Allocations within each of the Portfolios are made (i) in the case of the Equity Portfolio, geographically, for example, the United States, Japan or the Eurozone, (ii) in the case of the Fixed Income Portfolio to fixed income instruments of different types and issuers, for example, Euro corporate bonds, and (iii) in the case of the Alternatives Portfolio to indirect eligible baskets of commodities, single commodities and property investments through closed-ended REITs.

The sub-fund will also aim to weight each of the Portfolios towards exposure to Eurozone assets, such that the sub-fund has a Eurozone focus in line with its Base Currency.

#### Investment Process

The sub-fund manager will obtain exposure to the Portfolios predominantly through investment in exchange traded fund or funds (each an ETF) or other UCIs or, in the case of single commodity

exposures, the allocations may be to debt securities linked to the performance of such individual commodities, which will be exchange traded notes or certificates (the ETCs). According to article 2 A. (j), investments in certificates are only permitted if they are 1:1 certificates qualifying as transferable securities.

The sub-fund may not enter into any obligations regarding the transfer of physical commodities. With the exception of permitted investments in unlisted securities and UCIs, the sub-fund's investments will be listed on regulated markets.

#### ETFs and other UCIs

Where exposure is obtained through investment in ETFs or other UCIs, the allocation to each Portfolio will be expressed as an allocation recommended by the Investment Advisor to an ETF, for example a Eurozone stock market focussed ETF or U.S. government bond focussed ETF, or a diversified commodity index, with the exception of individual commodities within the Alternatives Portfolio. To the extent that there is no suitable ETF tracking an index representative of the recommended allocation, the sub-fund may take exposure to a recommended financial index as further described below.

Such ETFs may include ETFs in relation to which DWS Investments S.A. also acts as management company (such an ETF, a DWS ETF). ETFs are selected on the basis of criteria such as cost, liquidity and tracking error, in the best interests of investors and in order to achieve the Investment Objective.

The sub-fund may invest up to 100% of its assets in UCIs. Such UCIs will include UCITS (such as the ETFs) and, in accordance with the limits of the Law of 2010, up to 10% in AIFs. Such UCIs may be domiciled in the EEA, Guernsey, Jersey or the Isle of Man. Such UCIs may be constituted as corporates, including investment companies, unit trusts, partnerships or common contractual funds and may be traded, listed or dealt in on a stock exchange or other regulated market. The sub-fund will not invest in ETFs domiciled in the U.S. These investments will be in line with the investment policy of the sub-fund.

#### ETCs

In the case of single commodity exposures, the allocations will be to ETCs. These will be unleveraged debt securities listed or traded on regulated markets.

#### FDI

As an alternative to investing in an ETF, the sub-fund manager may take exposure to a financial index through the use of FDI. Forward currency exchange contracts, non-deliverable forwards (NDFs), currency futures, futures on indices and single stocks or securities, options or swaps, may be used by the sub-fund for investment purposes and also for the purposes of efficient portfolio management (including hedging). When using financial indices, legal provisions apply as set out

in article 44 (1) of the Law of 2010, and article 9 of the Grand-Ducal Regulation of February 8, 2008.

#### **Liquid Asset Strategy**

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 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 20% of the sub-funds' net assets. In exceptionally unfavourable market conditions, it is permitted to temporarily exceed this 20% limit if circumstances so require and to the extent that this appears to be justified with regard to the interests of shareholders.

The sub-fund may hold ancillary liquid assets as specified in article 2 B. o) of the general section of the Sales Prospectus.

The following disclosure is made for the sub-fund in accordance with article 7(1) of Regulation (EU) 2019/2088 on sustainability-related disclosures in the financial services sector: The sub-fund management does not consider any principle adverse impacts on sustainability factors for this financial product, as it does not pursue any environmental or social characteristics in its investment strategy.

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

The sub-fund will not invest in contingent convertibles.

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

Notwithstanding article 2 B. (i), the following applies:

The sub-fund's assets may be used to acquire shares of other UCITS and/or UCIs as defined in article 2 A. (e), provided that no more than 20% of the sub-fund's assets are invested in one and the same UCITS and/or UCIs.

Every sub-fund of an umbrella fund is to be regarded as an independent issuer, provided that the principle of individual liability per sub-fund is applicable in terms of liability to third parties.

Investments in shares of other UCIs other than UCITS must not exceed 30% of the sub-fund's net assets in total.

In the case of investments in shares of another UCITS and/or other UCIs, the investments held by that UCITS and/or by other UCIs are not taken

into consideration for the purposes of the limits specified in article 2 B. (a), (b), (c), (d), (e) and (f).

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

#### **Integration of sustainability risks**

The sub-fund management integrates sustainability risks into its investment decisions as described in the General Section of the Sales Prospectus in the section "Integration of sustainability risks in the investment process".

The sub-fund does not promote any Environmental or Social characteristics or any combination of these characteristics.

#### **Additional information**

When using total return swaps to implement the investment strategy as described above, the following shall be noted:

The proportion of the sub-fund's net assets subject to total return swaps, expressed as the sum of notionals of the total return swaps divided by the sub-fund's net asset value, is expected to be 0%, but depending on the respective market conditions, with the objective of efficient portfolio management and in the interest of the investors, it may reach up to 10%. The calculation is performed in line with the guidelines CESR/10-788. However, the disclosed expected level of leverage is not intended to be an additional exposure limit for the sub-fund.

Additional information on total return swaps may be found in the general section of the Sales Prospectus, amongst others, in the section "Efficient portfolio management techniques". The selection of counterparties to any total return swap is subject to the principles as described in the section "Choice of counterparty" of the Sales Prospectus. Further information on the counterparties is disclosed in the annual report. For special risk considerations linked to total return swaps, investors should refer to the section "General Risk Warnings", and in particular the section "Risks connected to derivative transactions" of the Sales Prospectus.

#### **Risk Management**

The relative Value-at-Risk (VaR) approach is used to limit market risk in the sub-fund.

In addition to the provisions of the general section of 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 all-in fee attributable to shares of these target funds is reduced by the management fee/all-in fee up to 0.11% of the acquired target funds (modified difference method).

## DB Strategic Income Allocation USD (SIA) Conservative Plus

<b>Investor profile</b>	Income-oriented
<b>Currency of sub-fund</b>	USD
<b>Sub-fund manager</b>	DWS Investment GmbH and DWS International GmbH, Mainzer Landstr. 11-17, 60329 Frankfurt/Main, Germany. The Management Company entered into an investment management agreement with DWS Investment GmbH, Frankfurt/Main. Under its supervision, control and responsibility, and at its own expense, DWS Investment GmbH, Frankfurt/Main, entered into an investment management agreement with DWS International GmbH. The portfolio management of the sub-fund is performed by both companies by means of close cooperation as well as common processes and IT-systems.
<b>Investment Advisor</b>	Deutsche Bank AG, Taunusanlage 12, 60325 Frankfurt/Main, Germany The sub-fund manager has entered into an advisory agreement with Deutsche Bank AG. The investment advice shall thereby encompass analysis and recommendations of suitable investment instruments, which take into account sustainability risks.
<b>Performance benchmark</b>	-
<b>Reference portfolio (risk benchmark)</b>	Portfolio excl. Derivatives
<b>Leverage effect</b>	2 times the value of the investment sub-fund's assets
<b>Calculation of the NAV per share</b>	Each bank business day in Luxembourg and Frankfurt/Main.
<b>Swing Pricing</b>	The sub-fund may apply Swing Pricing. If implemented, it will be disclosed in the fund facts section on the website of the Management Company <a href="http://www.dws.com">www.dws.com</a> .
<b>Order acceptance</b>	All subscription, redemption and exchange orders are placed on the basis of an unknown net asset value per share. Orders received by the Transfer Agent at or before <b>4:00 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>Maximum management fee charged in respect of investments in shares of target funds (payable by the sub-fund)</b>	2%

### Overview of the share classes

<b>Currency of share class</b>	USD LBD**, USD LBD10**, USD SBD**, ***, USD WAMBD**, USD DPMBD**, USD PFBD, HKD SBD**, ***, SGD SBDH**, *****,	USD HKD SGD
<b>Initial issue price</b>	USD LBD** USD LBD10** USD SBD**, ***, USD WAMBD** HKD SBD**, *****, SGD SBDH** *****, USD DPMBD** USD PFBD	USD 103 (incl. front end load) USD 10,100 (incl. front end load) USD 10,300 (incl. front end load) USD 10,000 HKD 103,000 (incl. front end load) SGD 10,300 (incl. front end load) USD 10,000 (incl. front end load) USD 100
<b>Front end load (payable by the investor)</b>	USD LBD**, USD SBD**, ***, HKD SBD**, *****, SGD SBDH**, *****, USD LBD10** USD WAMBD**, USD DPMBD**, USD PFBD	up to 3.0% up to 1.0% 0.0%

## Overview of the share classes (continued)

<b>All-in Fee p.a. (payable by the sub-fund)*</b>	USD LBD**	1.295%	
	USD LBD10**	0.450%	
	USD SBD**,***, HKD SBD**,****	0.650%	
	USD WAMBD**, USD DPMBD**	0.245	
	SGD SBDH**,*****	0.680%	
	USD PFBD	1.045%	
<b>Taxe d'abonnement (payable by the sub-fund)</b>	USD LBD**, USD LBD10**, USD SBD**,***, USD WAMBD**, HKD SBD**,***SGD SBDH**,*****, USD PFBD,	0.05%	
	USD DPMBD**	0.01%	
	<b>Launch date</b>	USD LBD**, USD LBD10**, USD SBD**,***, USD WAMBD**	June 28, 2021
		HKD SBD**,****, SGD SBDH**,*****, USD DPMBD** USD PFBD	Upon decision of the Board of Directors January 17, 2022

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

\*\* The share class targets a distribution of 4% per annum. Distribution amounts are not guaranteed and are purely indicative. The targeted distribution amounts depend on various factors, such as market developments and the composition of the portfolio and may be subject to change without notice. Actual determined distributions may therefore differ over time or may even be zero.

\*\*\* The minimum initial investment amount for this share class: USD 500,000. The Investment Company reserves the right to deviate from this minimum initial investment amount at its own discretion. Subsequent purchases can be made in any amount.

\*\*\*\* The minimum initial investment amount for this share class: HKD 5,000,000. The Investment Company reserves the right to deviate from this minimum investment amount at its own discretion. Subsequent purchases can be made in any amount.

\*\*\*\*\* The minimum initial investment amount for this share class: SGD 500,000. The Investment Company reserves the right to deviate from this minimum investment amount at its own discretion. Subsequent purchases can be made in any amount.

For the sub-fund with the name DB Strategic Income Allocation USD (SIA) Conservative Plus, the following provisions shall apply in addition to the terms contained in the general section of the Sales Prospectus.

The sub-fund name indicates a "Conservative" profile as described under "Additional classification" in the general section of the Sales Prospectus.

### Investment Objective

The objective of the investment policy of the sub-fund DB Strategic Income Allocation USD (SIA) Conservative Plus is to achieve a mid to long-term return in USD and aims to limit losses of capital in excess of 10% on an annualised basis (as further described in more detail below).

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

### Investment Policy

In order to achieve the investment objective, the sub-fund will seek to gain indirect exposure to three primary asset class portfolios (each, a Portfolio and together the Portfolios) in proportions that are consistent with the Investment Objective, as further described below. The sub-fund manager will implement the sub-fund's investment policy predominantly via investments in UCITS and other UCIs. In doing so, the sub-fund pursues a fund-of-fund strategy.

### The Portfolios

The sub-fund's investments will be indirectly allocated to each of the following Portfolios, as described under Investment Process further below:

- Debt securities, including fixed and floating rate government bonds, corporate bonds, high yield bonds and money market instruments of issuers domiciled in, and governments of both developed and emerging market countries which may be of investment or non-investment grade (the Fixed Income Portfolio).
- Equities of companies (all-cap) which are either listed and/or domiciled in both developed markets and emerging markets (the Equity Portfolio).
- Alternative investments comprising eligible indirect exposure to commodities and property investments through closed-ended REITs (the Alternatives Portfolio).

The sub-fund's investments will be allocated in different proportions to the Portfolios by the sub-fund manager on the basis of advice received from the Investment Advisor. How the Investment Advisor determines the suggested allocations is described under Portfolio Allocation Process below. How the sub-fund manager may invest into the Portfolios is described under Investment Process below.

The sub-fund manager will consider any proposed changes to the portfolio and may in its discretion overrule or reject any suggestions.

The sub-fund manager is also responsible for risk and control monitoring in respect of the sub-fund, including but not limited to monitoring of market, credit and liquidity risks as well as some portfolio administration activities, including additional NAV checks and reporting.

The Investment Advisor may advise the sub-fund manager in relation to changing the composition of each of the Portfolios and the allocation to each Portfolio periodically – expected to be yearly but may be more or less frequently where required in order to take into account changing market, economic, political and other related circumstances.

The sub-fund is designed for investors who want to maximize their exposure to higher-yielding asset classes, while containing downside risk beyond their risk tolerance through the implementation of a Risk Reduction Strategy.

### Risk Reduction Strategy

In addition to the allocation to the Portfolios, the sub-fund manager will seek to implement a strategy on the basis of the Investment Advisor's recommendation intended to preserve capital by limiting a fall in the value of the sub-fund's assets not more than 10% on an annualised basis (the Risk Reduction Strategy). The Risk Reduction Strategy aims to limit the potential loss in the sub-fund during any 12-month period on a rolling basis – i.e. from any given day, the strategy is designed to try to limit any loss in the value of the sub-fund's assets during the 12 months from that day to 10%.

The Risk Reduction Strategy involves investment in hedging instruments such as put options (the Hedge Portfolio) and/or other FDIs.

Such put options will be intended to limit the risk of losses typically, but not exclusively, in the Equity Portfolio, on the basis that equities tend to be more volatile than fixed income investments and therefore more likely to suffer more significant falls in value. For example, the Investment Advisor may propose the purchase of a put option in respect of an equity or fixed income index in which the sub-fund is invested via an ETF. If the value of such index declines (and therefore so does the value of the ETF tracking such index) then the put option will increase in value and may allow the sub-fund manager to sell the put option at a price that is higher than the market price at which the put option was purchased and, as a result, limit the loss faced by the sub-fund as a result of the decline in the value of the index.

The Hedge Portfolio may be adjusted frequently, including, in exceptional circumstances, up to daily, to take into account changing circumstances including market or economic conditions. There can be no guarantee that an investment in the Hedge Portfolio will be successful and actual losses in the sub-fund may exceed 10% in any one year or other period. There is a cost associated with purchasing hedging instruments such as put options and so an investment in the Hedge Portfolio may negatively impact the value of the sub-fund since put options may not be exercised and so may expire unused.

#### Call Writing Strategy

The sub-fund may sell call options on the underlying portfolio or portfolio related positions (i.e. options on equity indices, bond indices or commodity indices) in order to receive a premium and increase the income. Selling call options generally results in the sub-fund not or only partially participating in price increases of the underlying assets. On the other hand participation in price losses is reduced by the amount of the option premiums received.

#### Portfolio Allocation Process

The Investment Advisor uses a strategic asset allocation approach (the Strategic Asset Allocation or SAA) in order to advise the sub-fund manager as regards the sub-fund's investments. The SAA is the basis upon which the Investment Advisor determines the suggested allocations both to, and also within, each of the Portfolios and it takes into account three fundamental parameters:

- The expected return of each of the assets in each Portfolio – this includes capital and income.
- The expected volatility of each of the assets in each Portfolio – this means the expected degree of variation in the return of the assets.
- The expected correlations between the assets in each Portfolio – this means how their respective returns move relative to each

other. A high correlation would exist where the two assets move in the same direction (e.g. both move up in value over the same time period).

The analysis and predictions of the Investment Advisor under these parameters are based on factors including historical data (i.e. how has the asset performed in the past), market expectations (e.g. the level of growth the U.S. economy is expected to experience) and also factors specific to an asset (e.g. expected defaults, if any, for fixed income assets). The aim of the SAA is to define the allocations to the various assets comprising each of the Portfolios based on a combined expected level of risk and return. Typically, a higher level of risk is associated with a higher potential level of return.

The Strategic Income Allocation ("SIA") aims to offer investors a broadly diversified global investment opportunity with the primary purpose to generate regular income. Consequently, the sub-fund mainly invests into distributing investment vehicles, which have an income component. Additionally, a call writing strategy is used to generate further income.

#### Allocations to the Portfolios

For a "conservative" portfolio, the Investment Advisor aims to suggest an allocation to provide the opportunity for a mid to long-term return in USD. In order to do so, it is expected that the sub-fund will have a significant allocation to the Fixed Income Portfolio since fixed income assets tend to have lower volatility and so provide some protection against a fall in value of the sub-fund's investments while also offering income generation. The sub-fund may also have a smaller allocation to the Equity Portfolio and Alternative Portfolio since equities and alternative investments tend to offer the potential for capital appreciation but are typically more volatile than fixed income assets. The expected range of allocations for a "conservative" portfolio is set out below:

- Fixed Income Portfolio: up to 100%
- Equity Portfolio: 0–60%
- Alternatives Portfolio: 0–15%

#### Allocations within the Portfolios

Allocations within each of the Portfolios are made (i) in the case of the Equity Portfolio, geographically, for example, the United States, Japan or the Eurozone, (ii) in the case of the Fixed Income Portfolio to fixed income instruments of different types and issuers, for example, U.S. corporate bonds, and (iii) in the case of the Alternatives Portfolio to indirect eligible baskets of commodities, single commodities and property investments through closed-ended REITs.

The sub-fund will also aim to weight each of the Portfolios towards exposure to USD denominated assets, such that the sub-fund has a U.S. focus.

#### Investment Process

The sub-fund manager will obtain exposure to the Portfolios predominantly through investment in exchange traded fund or funds (each an ETF) or other UCIs or, in the case of single commodity exposures, the allocations may be to debt securities linked to the performance of such individual commodities, which will be exchange traded notes or certificates (the ETCs). According to article 2 A. (j), investments in certificates are only permitted if they are 1:1 certificates qualifying as transferable securities.

The sub-fund may not enter into any obligations regarding the transfer of physical commodities.

With the exception of permitted investments in unlisted securities and UCIs, the sub-fund's investments will be listed on regulated markets.

#### ETFs and other UCIs

Where exposure is obtained through investment in ETFs or other UCIs, the allocation to each Portfolio will be expressed as an allocation recommended by the Investment Advisor to an ETF, for example a Eurozone stock market focussed ETF or U.S. government bond focussed ETF, or a diversified commodity index, with the exception of individual commodities within the Alternatives Portfolio. To the extent that there is no suitable ETF tracking an index representative of the recommended allocation, the sub-fund may take exposure to a recommended financial index as further described below.

Such ETFs may include ETFs in relation to which DWS Investments S.A. also acts as management company (such an ETF, a DWS ETF). ETFs are selected on the basis of criteria such as cost, liquidity and tracking error, in the best interests of investors and in order to achieve the Investment Objective.

The sub-fund may invest up to 100% of its assets in other UCIs. Such UCIs will include UCITS (such as the ETFs) and, in accordance with the limits of the Law of 2010, up to 10% in AIFs. Such UCIs may be domiciled in the EEA, Guernsey, Jersey or the Isle of Man. Such UCIs may be constituted as corporations, including investment companies, unit trusts, partnerships or common contractual funds and may be traded, listed or dealt in on a stock exchange or other regulated market. The sub-fund will not invest in ETFs domiciled in the U.S. These investments will be in line with the investment policy of the sub-fund.

#### ETCs

In the case of single commodity exposures, the allocations will be to ETCs. These will be unleveraged debt securities listed or traded on regulated markets.

#### FDI

As an alternative to investing in an ETF, the sub-fund manager may take exposure to a financial index through the use of FDI. Forward currency exchange contracts, non-deliverable forwards

(NDFs), currency futures, futures on indices and single stocks or securities, options or swaps, may be used by the sub-fund for investment purposes and also for the purposes of efficient portfolio management (including hedging). When using financial indices, legal provisions apply as set out in article 44 (1) of the Law of 2010, and article 9 of the Grand-Ducal Regulation of February 8, 2008.

#### Liquid Asset Strategy

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 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 20% of the sub-funds' net assets. In exceptionally unfavourable market conditions, it is permitted to temporarily exceed this 20% limit if circumstances so require and to the extent that this appears to be justified with regard to the interests of shareholders.

The sub-fund may hold ancillary liquid assets as specified in article 2 B. o) of the general section of the Sales Prospectus.

The following disclosure is made for the sub-fund in accordance with article 7(1) of Regulation (EU) 2019/2088 on sustainability-related disclosures in the financial services sector: The sub-fund management does not consider any principle adverse impacts on sustainability factors for this financial product, as it does not pursue any environmental or social characteristics in its investment strategy.

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

The sub-fund will not invest in contingent convertibles.

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

Notwithstanding article 2 B. (i), the following applies:

The sub-fund's assets may be used to acquire shares of other UCITS and/or UCIs as defined in article 2 A. (e), provided that no more than 20% of the sub-fund's assets are invested in one and the same UCITS and/or UCIs.

Every sub-fund of an umbrella fund is to be regarded as an independent issuer, provided that the principle of individual liability per sub-fund is applicable in terms of liability to third parties.

Investments in shares of other UCIs other than UCITS must not exceed 30% of the sub-fund's net assets in total.

In the case of investments in shares of another UCITS and/or other UCIs, the investments held by that UCITS and/or by other UCIs are not taken into consideration for the purposes of the limits specified in article 2 B. (a), (b), (c), (d), (e) and (f).

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

#### Integration of sustainability risks

The sub-fund management integrates sustainability risks into its investment decisions as described in the General Section of the Sales Prospectus in the section "Integration of sustainability risks in the investment process".

The sub-fund does not promote any Environmental or Social characteristics or any combination of these characteristics.

#### Additional information

When using total return swaps to implement the investment strategy as described above, the following shall be noted:

The proportion of the sub-fund's net assets subject to total return swaps, expressed as the sum of notionals of the total return swaps divided by the sub-fund's net asset value, is expected to be 0%, but depending on the respective market conditions, with the objective of efficient portfolio management and in the interest of the investors, it may reach up to 10%. The calculation is performed in line with the guidelines CESR/10-788. However, the disclosed expected level of leverage is not intended to be an additional exposure limit for the sub-fund.

Additional information on total return swaps may be found in the general section of the Sales Prospectus, amongst others, in the section "Efficient portfolio management techniques". The selection of counterparties to any total return swap is subject to the principles as described in the section "Choice of counterparty" of the Sales Prospectus. Further information on the counterparties is disclosed in the annual report. For special risk considerations linked to total return swaps, investors should refer to the section "General Risk Warnings", and in particular the section "Risks connected to derivative transactions" of the Sales Prospectus.

#### Risk Management

The relative Value-at-Risk (VaR) approach is used to limit market risk in the sub-fund.

In addition to the provisions of the general section of 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 all-in fee attributable to shares of these target funds is reduced by the management fee/all-in fee up to 0.11% of the acquired target funds (modified difference method).

## DWS Strategic ESG Allocation Balance

<b>Investor profile</b>	Growth-oriented
<b>Currency of sub-fund</b>	EUR
<b>Sub-fund manager</b>	DWS Investment GmbH
<b>Performance benchmark</b>	–
<b>Reference portfolio (risk benchmark)</b>	50% MSCI World net total return, unhedged in EUR (MSDEWIN), 50% iBoxx EUR Overall TR Index (QW7A)
<b>Leverage effect</b>	2 times the value of the investment sub-fund's assets
<b>Calculation of the NAV per share</b>	Each bank business day in Luxembourg.
<b>Order acceptance</b>	All subscription, redemption and exchange orders are placed on the basis of an unknown net asset value per share. Orders received by the Transfer Agent at or before <b>4:00 PM Luxembourg time</b> on a valuation date are processed on the basis of the net asset value per share on the subsequent valuation date. Orders received after <b>4:00 PM Luxembourg time</b> are processed on the basis of the net asset value per share on the valuation date immediately following that next valuation date.
<b>Value date</b>	In a purchase, the equivalent value is debited three bank business days after issue of the shares. The equivalent value is credited three bank business days after redemption of the shares. The value date for purchase and redemption orders of certain currencies may deviate by one day from the value date as specified in the description of share classes in the general section of the Sales Prospectus.
<b>Fractional shares</b>	Up to three places after the decimal point

### Overview of the share classes

<b>Currency of share class</b>	FC, ID, LC, LD, NC, RC, FC10	EUR
<b>Front end load (payable by the investor)</b>	FC, ID, RC, FC10 LC, LD NC	0% 3% 2%
<b>All-in Fee p.a. (payable by the sub-fund)*</b>	FC ID, FC10 LC, LD NC, RC	up to 0.43% up to 0.30% up to 0.80% up to 1% up to 0.90%
<b>Taxe d'abonnement (payable by the sub-fund)</b>	FC, LC, LD, NC, RC, FC10 ID	0.05% 0.01%
<b>Launch date</b>	FC, ID, LC LD NC RC FC10	January 29, 2018 January 31, 2019 April 25, 2019 June 28, 2019 January 31, 2022

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

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

For the sub-fund with the name DWS Strategic ESG Allocation Balance, the following provisions shall apply in addition to the terms contained in the general section of the Sales Prospectus.

### Investment policy

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

The objective of the investment policy of the sub-fund DWS Strategic ESG Allocation Balance is to achieve a positive mid- to long-term investment performance taking in account the opportunities and risks of the international capital markets.

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

The sub-fund combines eligible investment vehicles from different asset classes in order to achieve a balanced risk-reward investment profile and targets an annualized volatility between 5% and 10% over a rolling 5-year period. However, it cannot be guaranteed that the volatility range will be met at any time.

The sub-fund invests predominantly in Exchange Traded Funds (ETFs). The scope of ETF's is not limited to a single investment type. The sub-fund may invest in ETF's of all asset classes which are eligible as per article 41 (1) e) of the Law of 2010. Moreover, the sub-fund may invest up to 49% in interest-bearing securities, in equities, in certificates on, for example, equities, bonds, indices, commodities and precious metals, in convertible bonds, in warrant-linked bonds whose underlying warrants relate to securities, in equity warrants, in participation and dividend-right certificates, in derivatives, funds (including money market funds) as well as in money market instruments and deposits with credit institutions.

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 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-funds' net assets. In exceptionally unfavourable market conditions, it is permitted to temporarily exceed this 49% limit if circumstances so require and to the extent that this appears to be justified with regard to the interests of shareholders.

The sub-fund may hold ancillary liquid assets as specified in article 2 B. o) of the general section of the Sales Prospectus.

The sub-fund's investments in asset backed securities and mortgage-backed securities shall be limited to 20% of the sub-fund's net asset value.

Up to 10% of the sub-fund's assets may be invested in certificates on commodities, commodities indices, precious metals and precious metals indices. According to clause 2 A. (j) of the General Section of the Sales Prospectus, investment in the certificates listed here is only permitted if they are 1:1 certificates qualifying as transferable securities. When using financial indices, legal provisions apply as set out in article 44 (1) of the Law of 2010, and article 9 of the Grand-Ducal Regulation of February 8, 2008.

Investments in shares of UCIs other than UCITS must not exceed 30% of the sub-fund's net assets in total.

The sub-fund may use financial derivative instruments ("FDIs") which relate to the Reference Portfolio or constituents of the Reference Portfolio, which may include FDIs which are expected to generate a risk and return profile similar to that of the Reference Portfolio, a constituent of the Reference Portfolio or a sub-set of constituents of the Reference Portfolio. The FDIs which the sub-fund may use include futures, contracts for difference ("CFDs"), currency forwards and non-deliverable forwards ("NDFs"). Futures and CFDs may be used in order to equitize cash balances pending investment of subscription proceeds or other cash balances held by the sub-fund to seek to reduce tracking error. Currency forwards and NDFs may be used to hedge currency exposures. The sub-fund may use futures or CFDs as an alternative to direct investment in the constituents of the Reference Portfolio in order to avail of the related cost or liquidity advantages of FDIs which may, in certain circumstances, be available over the direct investment in the constituents of the Reference Portfolio. The sub-fund may also use American depository receipts ("ADRs") and global depository receipts ("GDRs") to gain exposure to equity securities instead of using physical securities in circumstances where, due to local restrictions or quota limitations, it is not possible to hold these directly or where it is otherwise advantageous to the sub-fund to do so.

The Management Company employs a risk management process which enables it to accurately measure, monitor and manage at any time the risks attached to the Fund's FDI positions and their contribution to the overall risk profile of the portfolio of assets of a Fund. The Management Company will, on request, provide supplementary information to Shareholders relating to the risk management methods employed, including the quantitative limits that are applied and any recent developments in the risk and yield characteristics of the main categories of investments in respect of the relevant Fund.

At least 51% of the sub-fund's net assets are invested in assets that comply with DWS stan-

dards in respect to environmental and social characteristics as well as good governance practices as detailed below.

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

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

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

#### DWS Climate and Transition Risk Assessment

The DWS Climate and Transition Risk Assessment evaluates issuers in relation to climate change and environmental changes, e.g. in respect to greenhouse gas reduction and water conservation. Issuers that contribute less to climate change and other negative environmental changes or are less exposed to such risks receive better evaluations. Issuers with excessive climate risk profile (i.e. a letter score of "F") are excluded as an investment. Issuers with high climate risk profile (i.e. a letter score of "E") are limited to 5% of the sub-fund's net assets.

#### DWS Norm Assessment

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

Issuers with high severity of norm issues (i.e. a letter score of "E") are limited to 5% of the sub-fund's net assets.

#### DWS ESG Quality Assessment

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

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

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

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

#### Exposure to controversial sectors

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

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

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

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

#### Involvement in controversial weapons

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

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

#### DWS Use of Proceed Bond Assessment

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

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

In the first stage DWS assesses whether a bond qualifies as a Use of Proceeds Bond. A key element is checking for compliance with the ICMA Green Bond Principles, the ICMA Social Bond Principles or the ICMA Sustainability Bond Principles. The assessment focuses on the use of proceeds, the selection of the projects financed by these proceeds, the management of the proceeds spending as well as the annual reporting on the use of proceeds to investors. If a bond complies with these principles, the second stage assesses the ESG quality of the issuer of that bond in relation to defined minimum standards in respect to environmental, social, and corporate governance factors. This assessment is based on the ESG assessment methodology as described above and excludes

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

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

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

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

As part of the sub-fund's investment in assets that meet the DWS standards in respect to environmental and social characteristics as well as good governance practices as further described above, the sub-fund management will invest at least 1% of the sub-fund's net assets in sustainable investments in accordance with article 2 (17) SFDR. Such sustainable investments will contribute to at least one of the UN SDGs that relate to environmental and/or social objectives, such as the following (non-exhaustive list):

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

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

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

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

the activity will be considered sustainable if the company passes the DNSH assessment and complies with the DWS safeguard assessment.

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

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

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

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

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

Further, the management company considers active ownership as a strong driver to improve governance, policies, and practices, and thus for a better long-term performance of investee companies. Active ownership means using the position as shareholders to influence the activities or behaviour of the investee companies. An engagement activity can be initiated with the investee companies regarding matters such as strategy, financial and non-financial performance, risk, capital structure, social and environmental impact as well as corporate governance including topics like disclosure, culture, and remuneration. The engagement activity can be undertaken via, e.g., issuer meetings or engagement letters. Furthermore, for equity investments it could also be an interaction with the company resulting from proxy voting activities or participation at general meetings.

#### **Further information about the environmental and social characteristics promoted by this**

#### **sub-fund is available in the annex to this Sales Prospectus.**

The sub-fund will not invest in contingent convertibles.

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

In addition, the sub-fund's assets may be invested in all other permissible assets as specified in clause 2 of the general section of the Sales Prospectus.

For the purpose of inducing a partial tax exemption within the meaning of the German Investment Tax Act and in addition to the investment limits described in the Articles of Incorporation and this Sales Prospectus at least 25% of the sub-fund's gross assets (determined as being the value of the sub-fund's assets without taking into account liabilities) are invested in such equity capital investments as defined in article 2 (8) of the German Investment Tax Act that may be acquired for the sub-fund in accordance with the Articles of Incorporation and this Sales Prospectus (Mixed Fund).

Equity capital investments in this respect are

- equities admitted to official trading on a stock exchange or admitted to, or included in, another organized market and which are not:
  - i) units of investment funds;
  - ii) 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;
  - iii) 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;
  - iv) 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 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;

- v) 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.
- units of investment funds, which in accordance with their terms and conditions of investment invest more than 50% of their value or more than 50% of their gross assets (determined as being the value of the investment fund's assets without taking into account liabilities) themselves or as a fund of fund indirectly in units of corporations in the amount of 51% of their value; if the terms and conditions of an equity fund make provisions for a percentage higher than 51% of its value or its gross assets, the share of the equity capital investment is, by way of derogation, deemed to be the amount of the higher percentage;
  - units of investment funds, which in accordance with their terms and conditions of investment invest at least 25% of their value or at least 25% of their gross assets (determined as being the value of the investment fund's assets without taking into account liabilities) themselves or as a fund of fund indirectly in units of corporations in the amount of 25% of their value; if the terms and conditions of a balanced fund make provisions for a percentage higher than 25% of its value or its gross assets, the share of the equity capital investment is, by way of derogation, deemed to be the amount of the higher percentage;
  - units of investment funds that carry out a valuation at least once per week in the amount of the percentage of their assets published on each valuation date that they actually invest themselves, or as a fund of fund, in units of corporations.

Units of corporations as defined in indents 2 through 4 are

- units of corporations admitted to official trading on a stock exchange or admitted to, or included in, another organized market;
- units of corporations that are not real estate companies and that are domiciled in a member state of the European Union or in another state that is a party to the Agreement on the European Economic Area and are subject there to corporate income tax and are not exempt from it;
- units of corporations that are not real estate companies and that are domiciled in a third country and are subject there to corporate

- income tax of at least 15% and are not exempt from it; and
- units of other investment funds, which in turn meet the requirements of indents 2 through 4 and of this sentence, in the respective amount specified there.

However, units of corporations are not those that correspond to the categories as defined in indent 1 (i) to (v) above or are held indirectly via partnerships.

Equity capital investments indirectly held by the sub-fund via partnerships are not equity capital investments.

Individual investment fund units may only be taken into consideration once for the purposes of determining the daily equity capital investment rate.

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.

Notwithstanding article 2 B. (i), the following applies:

The sub-fund's assets may be used to acquire shares of other UCITS and/or UCIs as defined in article 2 A. (e), provided that no more than 20% of the sub-fund's assets are invested in one and the same UCITS and/or UCIs.

Every sub-fund of an umbrella fund is to be regarded as an independent issuer, provided that the principle of individual liability per sub-fund is applicable in terms of liability to third parties. Investments in shares of other UCIs other than UCITS must not exceed 30% of the sub-fund's net assets in total.

In the case of investments in shares of another UCITS and/or other UCIs, the investments held by that UCITS and/or by other UCIs are not taken into consideration for the purposes of the limits specified in article 2 B. (a), (b), (c), (d), (e) and (f). The respective risks connected with investments in this sub-fund are contained in the general section of the Sales Prospectus.

### Integration of sustainability risks

The sub-fund management integrates sustainability risks into its investment decisions as described in the General Section of the Sales Prospectus in the section "Integration of sustainability risks in the investment process".

### Risk Management

The relative Value-at-Risk (VaR) approach is used to limit market risk in the sub-fund.

In addition to the provisions of the general section of the Sales Prospectus, the potential market risk of the sub-fund is measured using a reference portfolio that does not contain derivatives ("risk benchmark").

Leverage is not expected to exceed twice the value of the investment sub-fund's assets. The leverage effect is calculated using the sum of notional approach (absolute (notional) amount of each derivative position divided by the net present value of the portfolio). However, the disclosed expected level of leverage is not intended to be an additional exposure limit for the sub-fund.

### Investment in shares of target funds

In addition to the information in the general section of the Sales Prospectus the following is applicable to this sub-fund:

When investing in target funds associated to the sub-fund, the part of the all-in fee attributable to shares of these target funds is reduced by the management fee/all-in fee, up to 0.05% of the acquired target funds (modified difference method).

Pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

**Sustainable investment** means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

**Product name:** DWS Strategic ESG Allocation Balance

**Legal entity identifier:** 5493000VZUWEEH77IC29

**ISIN:** LU1740984924

**Environmental and/or social characteristics**

**Does this financial product have a sustainable investment objective?**

<input checked="" type="radio"/> <input checked="" type="radio"/> <input type="checkbox"/> <b>Yes</b>	<input checked="" type="radio"/> <input type="radio"/> <input checked="" type="checkbox"/> <b>No</b>
<input type="checkbox"/> It will make a minimum of <b>sustainable investments with an environmental objective: __%</b> <ul style="list-style-type: none"> <li><input type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy</li> <li><input type="checkbox"/> in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy</li> </ul> <input type="checkbox"/> It will make a minimum of <b>sustainable investments with a social objective: __%</b>	<input checked="" type="checkbox"/> It <b>promotes Environmental/Social (E/S) characteristics</b> and while it does not have as its objective a sustainable investment, it will have a minimum proportion of 1% of sustainable investments <ul style="list-style-type: none"> <li><input type="checkbox"/> with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy</li> <li><input checked="" type="checkbox"/> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy</li> <li><input checked="" type="checkbox"/> with a social objective</li> </ul> <input type="checkbox"/> It promotes E/S characteristics, but <b>will not make any sustainable investments</b>

**What environmental and/or social characteristics are promoted by this financial product?**

This sub-fund promotes environmental and social characteristics related to climate, governance and social norms as well as general ESG quality through the avoidance of issuers (1) exposed to high or excessive climate and transition risks, (2) exposed to high or highest severity of norm issues (i.e. as regards compliance with international standards of corporate governance, human rights and labour rights, customer and environment safety and business ethics), (3) exposed to high or excessive environmental, social and governance risks compared to their peer group, (4) moderately, highly or excessively exposed to controversial sectors and controversial activities, and/or (5) involved in controversial weapons.

This sub-fund further promotes a minimum proportion of sustainable investments with a positive contribution to one or several of the United Nations Sustainable Development Goals (UN SDGs).

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



**Sustainability indicators** measure how the environmental or social characteristics promoted by the financial product are attained.

What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?

The attainment of the promoted environmental and social characteristics as well as the sustainable investment is assessed via the application of a proprietary ESG assessment methodology as further described in section “What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?”. The methodology applies a variety of assessment categories that are used as sustainability indicators to assess the attainment of the promoted environmental and social characteristics, which are as follows:

- **DWS Climate and Transition Risk Assessment** is used as indicator for an issuer’s exposure to climate and transition risks
- **DWS Norm Assessment** is used as indicator for an issuer’s exposure to norm-related issues
- **DWS ESG Quality Assessment** is used as indicator for comparison of an issuer’s environmental, social and governance risks in relation to their peer group
- **Exposure to controversial sectors** is used as indicator for an issuer’s involvement in controversial sectors and controversial activities
- **Involvement in controversial weapons** is used as indicator for an issuer’s involvement in controversial weapons
- **Sustainability Investment Assessment** is used as indicator to measure the proportion of sustainable investments

What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?

The sub-fund will partially invest in sustainable investments according to article 2(17) SFDR. Such sustainable investments will contribute to at least one of the UN SDGs that relate to environmental and/or social objectives, such as the following (non-exhaustive list):

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

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

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

The sustainability investment assessment uses data from multiple data providers, public sources and internal assessments (based on a defined assessment and classification methodology) to determine if an activity is sustainable. Activities that contribute positively to the UN SDGs are measured in terms of revenues, capital expenditure (CapEx) and/or operational expenditure (OpEx). If a positive contribution is determined, the activity will be considered sustainable if the company passes the DNSH assessment and complies with the DWS safeguard assessment as detailed in the section “How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights?”.

The sub-fund will currently not commit to target a minimum proportion of sustainable investments with an environmental objective aligned with the EU Taxonomy.

How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?

The DNSH assessment is integral part of the sustainability investment assessment and evaluates whether an economic activity with a contribution to an UN SDG causes significant harm to any of these objectives. In case that a significant harm is identified, the economic activity fails the DNSH assessment and cannot be considered as sustainable economic activity.

How have the indicators for adverse impacts on sustainability factors been taken into account?

As part of the DNSH assessment under article 2(17) SFDR, the sustainability investment assessment systematically integrates all mandatory principal adverse indicators from Table 1 and relevant indicators from Tables 2 and 3 of Annex I of the Commission Delegated Regulation (EU) 2022/1288 supplementing the Sustainable Finance Disclosure Regulation (SFDR). Taking into account these adverse impacts, DWS has established quantitative thresholds and/or qualitative values to determine if an investment significantly harms any of the environmental or social objectives. These values are set based upon various external and internal factors, such as data availability or market developments and may be adapted going forward.

How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:

As part of its sustainability investment assessment, DWS further evaluates through its safeguard assessment the alignment of a company with international norms. This includes checks in relation to adherence to international norms, for example, the OECD Guidelines for Multinational Enterprises, the UN Guiding Principles on Business and Human Rights, the principles of the United Nations Global Compact and the standards of the International Labour Organization. Companies with assessed and reconfirmed highest violations of one of the international norms are considered as non-compliant to the safeguards and their economic activities cannot be considered sustainable.

*The EU Taxonomy sets out a “do not significant harm” principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.*

The “do no significant harm” principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

*Any other sustainable investments must also not significantly harm any environmental or social objectives.*



**Principal adverse impacts** are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

Does this financial product consider principal adverse impacts on sustainability factors?

**X** Yes, the sub-fund management considers the following principle adverse impacts on sustainability factors from Annex I of the Commission Delegated Regulation (EU) 2022/1288 supplementing the Sustainable Finance Disclosure Regulation:

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

The above principal adverse impacts are considered at product level through the exclusion strategy for the sub-fund's assets that are aligned with environmental and social characteristics via the proprietary ESG assessment methodology as detailed in section "What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?"

For sustainable investments, the principal adverse impacts are further considered in the DNSH assessment as described above in section "How have the indicators for adverse impacts on sustainability factors been taken into account?"

Further information on principal adverse impacts will be provided in an annex to the sub-fund's annual report.

No



**The Investment strategy** guides investment decisions based on factors such as investment objectives and risk tolerance.

What investment strategy does this financial product follow?

This sub-fund pursues a strategy based on multiple asset classes as main investment strategy. The sub-fund targets an annualized volatility between 5% and 10% over a rolling 5-year period and invests predominantly in Exchange Traded Funds (ETFs). The scope of ETF's is not limited to a single investment type. The sub-fund may invest in ETF's of all asset classes which are eligible as per Article 41 (1) e) of the Law of 2010. Moreover, the sub-fund may invest up to 49% in interest-bearing securities, in equities, in certificates on, for example, equities, bonds, indices, commodities and precious metals, in convertible bonds, in warrant-linked bonds whose underlying warrants relate to securities, in equity warrants, in participation and dividend-right certificates, in derivatives, funds (including money market funds) as well as in money market instruments and deposits with credit institutions. The sub-fund's investments in asset backed securities and mortgage backed securities shall be limited to 20% of the sub-fund's net asset value. Up to 10% of the sub-fund's assets may be invested in certificates on commodities, commodities indices, precious metals and precious metals indices. The sub-fund's assets may be used to acquire shares of other UCITS and/or UCIs provided that no more than 20% of the sub-fund's assets are invested in one and the same UCITS and/or UCIs. Investments in shares of UCIs other than UCITS must not exceed 30% of the sub-fund's net assets in total. Further details regarding the main investment strategy are specified in the Special Section of the Sales Prospectus. The sub-fund's assets are predominantly allocated into investments that comply with the defined standards in respect to the promoted environmental and social characteristics as described in the following sections. The sub-fund's strategy in relation to the promoted environmental or social characteristics is integral part of the ESG assessment methodology, which is continuously monitored via the sub-fund's investment guidelines.

What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?

#### **ESG assessment methodology**

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

The ESG database derives "A" to "F" letter coded assessments within different categories as further detailed below. Within each category, issuers receive one of six possible scores, with "A" being the highest score and "F" being the lowest score. If an issuer's score in one category is deemed

insufficient, the portfolio management is prohibited from investing in that issuer, even if it is eligible according to other categories. For exclusion purposes, each letter score in a category is considered individually and may result in exclusion of an issuer.

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

• **DWS Climate and Transition Risk Assessment**

The DWS Climate and Transition Risk Assessment evaluates issuers in relation to climate change and environmental changes, e.g., in respect to greenhouse gas reduction and water conservation. Issuers that contribute less to climate change and other negative environmental changes or are less exposed to such risks receive better evaluations. Issuers with excessive climate risk profile (i.e., a letter score of “F”) are excluded as an investment. Issuers with high climate risk profile (i.e., a letter score of “E”) are limited to 5% of the sub-fund’s net assets.

• **DWS Norm Assessment**

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

• **DWS ESG Quality Assessment**

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

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

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

• **Exposure to controversial sectors**

The ESG database defines certain business areas and business activities as relevant. Business areas and business activities are defined as relevant if they involve the production or distribution of products in a controversial area (“controversial sectors”). Controversial sectors are defined, for example, as the civil firearms industry, military defence, tobacco and adult entertainment. Other business sectors and business activities that affect the production or distribution of products in other sectors are defined as relevant. Other relevant sectors are, for example, nuclear energy or coal mining and coal-based power generation.

Issuers are evaluated according to the share of total revenues they generate in controversial business areas and controversial business activities. The lower the percentage of revenues from the controversial business areas and controversial business activities, the better the score. Issuers (excluding target funds) with a moderate, high or excessive exposure (i.e., a letter score of “D”, “E” or “F”) are excluded as an investment. As regards the involvement in coal mining and coal-based power generation, issuers (excluding target funds) with high or excessive exposure (i.e., a letter score of “E” or “F”) are excluded as an investment.

• **Involvement in controversial weapons**

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

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

• **DWS Use of Proceed Bond Assessment**

By way of derogation from the above, bonds that comply with DWS’ Use-of-proceeds bond

assessment are investable also in cases where the bond issuer does not fully comply with the ESG assessment methodology.

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

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

If a bond complies with these principles, the second stage assesses the ESG quality of the issuer of that bond in relation to defined minimum standards in respect to environmental, social, and corporate governance factors. This assessment is based on the ESG assessment methodology as described above and excludes

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

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

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

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

### **Sustainability investment assessment methodology**

Further, for the proportion of sustainable investments DWS will measure the contribution to one or several UN SDGs via its sustainability investment assessment which evaluates potential investments in relation to different criteria to conclude that an economic activity can be considered as sustainable as further detailed in section “What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?”

What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?

The applied ESG investment strategy does not pursue a committed minimum reduction of the scope of the investments.

What is the policy to assess good governance practices of the investee companies?

The procedure to assess the good governance practices of the investee companies is based on the DWS Norm Assessment, as further detailed in the dedicated section “What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?”. Accordingly, the assessed investee companies follow good governance practices.

Further, the management company considers active ownership as a strong driver to improve governance, policies and practices, and thus for a better long-term performance of investee companies. Active ownership means using the position as shareholders to influence the activities or behaviour of the investee companies. An engagement activity can be initiated with the investee companies regarding matters such as strategy, financial and non-financial performance, risk, capital structure, social and environmental impact as well as corporate governance including topics like disclosure, culture and remuneration. The engagement activity can be undertaken via, e.g., issuer meetings or engagement letters. Furthermore, for equity investments it could also be an interaction with the company resulting from proxy voting activities or participation at general meetings.

**Good governance**  
practices include sound management structures, employee relations, remuneration of staff and tax compliance.



## What is the asset allocation planned for this financial product?

This sub-fund invests at least 51% of its net assets in investments that are aligned with the promoted environmental and social characteristics (**#1 Aligned with E/S characteristics**). Within this category, at least 1% of the sub-fund's assets qualify as sustainable investments (**#1A Sustainable**).

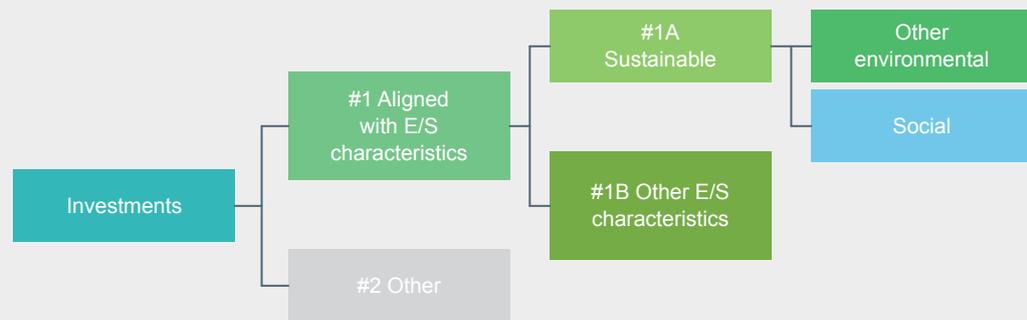
Up to 49% of the investments are not aligned with these characteristics (**#2 Other**). A more detailed description of the specific asset allocation of this sub-fund can be found in the Special Section of the Sales Prospectus.

### Asset allocation

describes the share of investments in specific assets.

Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.



**#1 Aligned with E/S characteristics** includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

**#2 Other** includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:

- The sub-category **#1A Sustainable** covers sustainable investments with environmental or social objectives.
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

## How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?

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

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For nuclear **energy**, the criteria include comprehensive safety and waste management rules.

**Enabling activities** directly enable other activities to make a substantial contribution to an environmental objective.

**Transitional activities** are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

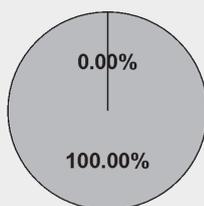


To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

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

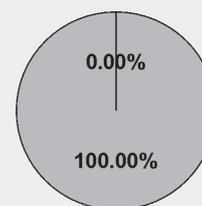
*The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds\*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.*

1. Taxonomy-alignment of investments including sovereign bonds\*



■ Taxonomy-aligned □ Other Investments

2. Taxonomy-alignment of investments excluding sovereign bonds\*



■ Taxonomy-aligned □ Other Investments

\*For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures

What is the minimum share of investments in transitional and enabling activities?

The sub-fund does not have a minimum share of investments in transitional and enabling activities, as it does not commit to a minimum proportion of environmentally sustainable investments aligned with the EU Taxonomy.



are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.



What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

The sub-fund does not intend to make a minimum allocation to environmentally or socially sustainable investments pursuant to Article 2(17) SFDR. However, the minimum share of environmentally and socially sustainable investments shall in total be at least 1% of the net assets of the sub-fund.



What is the minimum share of socially sustainable investments?

The sub-fund does not intend to make a minimum allocation to environmentally or socially sustainable investments pursuant to Article 2(17) SFDR. However, the minimum share of environmentally and socially sustainable investments shall in total be at least 1% of the net assets of the sub-fund.



What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?

This sub-fund promotes a predominant asset allocation in investments that are aligned with environmental and social characteristics (#1 Aligned with E/S characteristics). In addition, and on an ancillary basis, this sub-fund will invest into investments that are not considered aligned with the promoted characteristics (#2 Other). These remaining investments can include all asset classes as foreseen in the specific investment policy including cash and derivatives.

In line with the market positioning of this sub-fund, the purpose of these remaining investments is to provide investors with an exposure to non-ESG aligned investments while at the same time ensuring a predominant exposure to environmentally and socially aligned investments. Remaining investments can be used by the portfolio management for performance, diversification, liquidity and hedging purposes.

This sub-fund does not consider any minimum environmental or social safeguards on these remaining investments.



Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

This sub-fund has not designated a reference benchmark to determine whether it is aligned with the environmental and/or social characteristics that it promotes.

**Reference benchmarks** are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.



Where can I find more product specific information online?

**More product-specific information can be found on the website:** <https://funds.dws.com/en-lu/balanced-funds/LU1740984924/> as well as on your local country website [www.dws.com/fundinformation](http://www.dws.com/fundinformation).

## DWS Strategic ESG Allocation Defensive

<b>Investor profile</b>	Income-oriented
<b>Currency of sub-fund</b>	EUR
<b>Sub-fund manager</b>	DWS Investment GmbH
<b>Performance benchmark</b>	–
<b>Reference portfolio (risk benchmark)</b>	30% MSCI World net total return, unhedged in EUR (MSDEWIN), 70% iboxx EUR Overall TR Index (QW7A)
<b>Leverage effect</b>	2 times the value of the investment sub-fund's assets
<b>Calculation of the NAV per share</b>	Each bank business day in Luxembourg.
<b>Swing Pricing</b>	The sub-fund may apply Swing Pricing. If implemented, it will be disclosed in the fund facts section on the website of the Management Company <a href="http://www.dws.com">www.dws.com</a>
<b>Order acceptance</b>	All subscription, redemption and exchange orders are placed on the basis of an unknown net asset value per share. Orders received by the Transfer Agent at or before <b>4:00 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

### Overview of the share classes

<b>Currency of share class</b>	FC, ID, LC, LD, RC, XD**, FC10	EUR
<b>Front end load (payable by the investor)</b>	FC, ID, RC, XD**, FC10 LC, LD	0% 3%
<b>All-in Fee p.a. (payable by the sub-fund)*</b>	FC ID, FC10 LC, LD RC XD**	up to 0.40% up to 0.27% up to 0.75% up to 0.90% up to 0.15%
<b>Taxe d'abonnement (payable by the sub-fund)</b>	FC, LC, LD, RC, XD**, FC10 ID	0.05% 0.01%
<b>Launch date</b>	FC, ID, LC, XD** LD RC FC10	January 29, 2018 January 31, 2019 June 28, 2019 January 31, 2022

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

\*\* The share class is excluded from the option "exchanges of shares" stated in paragraph 8 of the general part of the Sales Prospectus. Redemption of the share class is still possible as stated in paragraph 5 of the general part of the Sales Prospectus.

For the sub-fund with the name DWS Strategic ESG Allocation Defensive, the following provisions shall apply in addition to the terms contained in the general section of the Sales Prospectus.

### Investment policy

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

The objective of the investment policy of the sub-fund DWS Strategic ESG Allocation Defensive is to achieve a positive mid- to long-term investment performance taking in account the opportunities and risks of the international capital markets.

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

The sub-fund combines eligible investment vehicles from different asset classes in order to achieve a defensive risk-reward investment profile and targets an annualized volatility between 2% and 5% over a rolling 5-year period. However, it cannot be guaranteed that the volatility range will be met at any time.

The sub-fund invests predominantly in Exchange Traded Funds (ETFs). The scope of ETF's is not limited to a single investment type. The sub-fund may invest in ETF's of all asset classes which are eligible as per article 41 (1) e) of the Law of 2010. Moreover, the sub-fund may invest up to 49% in interest-bearing securities, in equities, in certificates on, for example, equities, bonds, indices, commodities and precious metals, in convertible bonds, in warrant-linked bonds whose underlying warrants relate to securities, in equity warrants, in participation and dividend-right certificates, in derivatives, funds (including money market funds) as well as in money market instruments and deposits with credit institutions.

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 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-funds' net assets. In exceptionally unfavourable market conditions, it is permitted to temporarily exceed this 49% limit if circumstances so require and to the extent that this appears to be justified with regard to the interests of shareholders.

The sub-fund may hold ancillary liquid assets as specified in article 2 B. o) of the general section of the Sales Prospectus.

The sub-fund's investments in asset-backed securities and mortgage-backed securities shall be limited to 20% of the sub-fund's net asset value.

Up to 10% of the sub-fund's assets may be invested in certificates on commodities, commodities indices, precious metals and precious metals indices. According to clause 2 A. (j), in the general section of the Sales Prospectus, investment in the certificates listed here is only permitted if they are 1:1 certificates qualifying as transferable securities. When using financial indices, legal provisions apply as set out in article 44 (1) of the Law of 2010, and article 9 of the Grand-Ducal Regulation of February 8, 2008.

Notwithstanding clause 2 B. (i) in the general section of the Sales Prospectus, the following applies:

The sub-fund's assets may be used to acquire shares of other UCITS and/or UCIs as defined in clause 2 A. (e) in the general section of the Sales Prospectus, provided that no more than 20% of the sub-fund's assets are invested in one and the same UCITS and/or UCIs.

Every sub-fund of an umbrella fund is to be regarded as an independent issuer, provided that the principle of individual liability per sub-fund is applicable in terms of liability to third parties.

Investments in shares of other UCIs other than UCITS must not exceed 30% of the sub-fund's net assets in total.

In the case of investments in shares of another UCITS and/or other UCIs, the investments held by that UCITS and/or by other UCIs are not taken into consideration for the purposes of the limits specified in clause 2 B. (a), (b), (c), (d), (e) and (f).

The sub-fund may use financial derivative instruments ("FDIs") which relate to the Reference Portfolio or constituents of the Reference Portfolio, which may include FDIs which are expected to generate a risk and return profile similar to that of the Reference Portfolio, a constituent of the Reference Portfolio or a sub-set of constituents of the Reference Portfolio. The FDIs which the sub-fund may use include futures, contracts for difference ("CFDs"), currency forwards and non-deliverable forwards ("NDFs"). Futures and CFDs may be used in order to equitize cash balances pending investment of subscription proceeds or other cash balances held by the sub-fund to seek to reduce tracking error. Currency forwards and NDFs may be used to hedge currency exposures. The sub-fund may use futures or CFDs as an alternative to direct investment in the constituents of the Reference Portfolio in order to avail of the related cost or liquidity advantages of FDIs which may, in certain circumstances, be available over the direct investment in the constituents of the Reference Portfolio. The sub-fund may also use American depository receipts ("ADRs") and global depository

receipts ("GDRs") to gain exposure to equity securities instead of using physical securities in circumstances where, due to local restrictions or quota limitations, it is not possible to hold these directly or where it is otherwise advantageous to the sub-fund to do so.

The Management Company employs a risk management process which enables it to accurately measure, monitor and manage at any time the risks attached to the Fund's FDI positions and their contribution to the overall risk profile of the portfolio of assets of a Fund. The Management Company will, on request, provide supplementary information to Shareholders relating to the risk management methods employed, including the quantitative limits that are applied and any recent developments in the risk and yield characteristics of the main categories of investments in respect of the relevant sub-fund.

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

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

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

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

### DWS Climate and Transition Risk Assessment

The DWS Climate and Transition Risk Assessment evaluates issuers in relation to climate change and environmental changes, e.g. in respect to greenhouse gas reduction and water conservation. Issuers that contribute less to climate change and other negative environmental changes or are less exposed to such risks receive better evaluations. Issuers with excessive climate risk profile (i.e. a letter score of "F") are excluded as an investment. Issuers with high climate risk profile (i.e. a letter score of "E") are limited to 5% of the sub-fund's net assets.

### DWS Norm Assessment

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

### DWS ESG Quality Assessment

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

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

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

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

### Exposure to controversial sectors

The ESG database defines certain business areas and business activities as relevant. Business areas and business activities are defined as relevant if they involve the production or distribu-

tion of products in a controversial area ("controversial sectors"). Controversial sectors are defined, for example, as the civil firearms industry, military defence, tobacco, and adult entertainment. Other business sectors and business activities that affect the production or distribution of products in other sectors are defined as relevant. Other relevant sectors are, for example, nuclear energy or coal mining and coal-based power generation.

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

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

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

### Involvement in controversial weapons

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

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

### DWS Use of Proceed Bond Assessment

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

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

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

If a bond complies with these principles, the second stage assesses the ESG quality of the issuer of that bond in relation to defined minimum standards in respect to environmental, social, and corporate governance factors. This assessment is based on the ESG assessment methodology as described above and excludes

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

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

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

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

As part of the sub-fund's investment in assets that meet the DWS standards in respect to environmental and social characteristics as well as good governance practices as further described above, the sub-fund management will invest at least 1% of the sub-fund's net assets in sustainable investments in accordance with article 2 (17) SFDR. Such sustainable investments will contribute to at least one of the UN SDGs that relate to environmental and/or social objectives, such as the following (non-exhaustive list):

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

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

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

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

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

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

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

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

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

Further, the management company considers active ownership as a strong driver to improve governance, policies, and practices, and thus for a better long-term performance of investee companies. Active ownership means using the position as shareholders to influence the activities or behaviour of the investee companies. An engagement activity can be initiated with the investee companies regarding matters such as strategy, financial and non-financial performance, risk, capital structure, social and environmental impact as well as corporate governance including topics like disclosure, culture, and remuneration. The engagement activity can be undertaken via, e.g., issuer meetings or engagement letters. Furthermore, for equity investments it could also be an interaction with the company resulting from proxy voting activities or participation at general meetings.

**Further information about the environmental and social characteristics promoted by this sub-fund is available in the annex to this Sales Prospectus.**

The sub-fund will not invest in contingent convertibles.

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

In addition, the sub-fund's assets may be invested in all other permissible assets as specified in clause 2 of the general section of the Sales Prospectus.

Notwithstanding article 2 B. (i), the following applies:

The sub-fund's assets may be used to acquire shares of other UCITS and/or UCIs as defined in article 2 A. (e), provided that no more than 20% of the sub-fund's assets are invested in one and the same UCITS and/or UCIs.

Every sub-fund of an umbrella fund is to be regarded as an independent issuer, provided that the principle of individual liability per sub-fund is applicable in terms of liability to third parties. Investments in shares of other UCIs other than UCITS must not exceed 30% of the sub-fund's net assets in total.

In the case of investments in shares of another UCITS and/or other UCIs, the investments held by that UCITS and/or by other UCIs are not taken into consideration for the purposes of the limits specified in article 2 B. (a), (b), (c), (d), (e) and (f).

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

### Integration of sustainability risks

The sub-fund management integrates sustainability risks into its investment decisions as described in the General Section of the Sales Prospectus in the section "Integration of sustainability risks in the investment process".

### Risk Management

The relative Value-at-Risk (VaR) approach is used to limit market risk in the sub-fund.

In addition to the provisions of the general section of the Sales Prospectus, the potential market risk of the sub-fund is measured using a reference portfolio that does not contain derivatives ("risk benchmark").

Leverage is not expected to exceed twice the value of the investment sub-fund's assets. The leverage effect is calculated using the sum of notional approach (absolute (notional) amount of each derivative position divided by the net present value of the portfolio). However, the disclosed expected level of leverage is not intended to be an additional exposure limit for the sub-fund.

### Investment in shares of target funds

In addition to the information in the general section of the Sales Prospectus the following is applicable to this sub-fund:

When investing in target funds associated to the sub-fund, the part of the all-in fee attributable to shares of these target funds is reduced by the management fee/all-in fee up to 0.05% of the acquired target funds (modified difference method).

Pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

**Sustainable investment** means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

**Product name:** DWS Strategic ESG Allocation Defensive

**Legal entity identifier:** 549300R19X0PLHZRW555

**ISIN:** LU1740985228

**Environmental and/or social characteristics**

**Does this financial product have a sustainable investment objective?**

<input checked="" type="radio"/> <input checked="" type="radio"/> <input type="checkbox"/> <b>Yes</b>	<input checked="" type="radio"/> <input type="radio"/> <input checked="" type="checkbox"/> <b>No</b>
<input type="checkbox"/> It will make a minimum of <b>sustainable investments with an environmental objective: __%</b> <ul style="list-style-type: none"> <li><input type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy</li> <li><input type="checkbox"/> in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy</li> </ul> <input type="checkbox"/> It will make a minimum of <b>sustainable investments with a social objective: __%</b>	<input checked="" type="checkbox"/> It <b>promotes Environmental/Social (E/S) characteristics</b> and while it does not have as its objective a sustainable investment, it will have a minimum proportion of 1% of sustainable investments <ul style="list-style-type: none"> <li><input type="checkbox"/> with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy</li> <li><input checked="" type="checkbox"/> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy</li> <li><input checked="" type="checkbox"/> with a social objective</li> </ul> <input type="checkbox"/> It promotes E/S characteristics, but <b>will not make any sustainable investments</b>

**What environmental and/or social characteristics are promoted by this financial product?**



This sub-fund promotes environmental and social characteristics related to climate, governance and social norms as well as general ESG quality through the avoidance of issuers (1) exposed to high or excessive climate and transition risks, (2) exposed to high or highest severity of norm issues (i.e. as regards compliance with international standards of corporate governance, human rights and labour rights, customer and environment safety and business ethics), (3) exposed to high or excessive environmental, social and governance risks compared to their peer group, (4) moderately, highly or excessively exposed to controversial sectors and controversial activities, and/or (5) involved in controversial weapons.

This sub-fund further promotes a minimum proportion of sustainable investments with a positive contribution to one or several of the United Nations Sustainable Development Goals (UN SDGs).

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

**Sustainability indicators** measure how the environmental or social characteristics promoted by the financial product are attained.

What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?

The attainment of the promoted environmental and social characteristics as well as the sustainable investment is assessed via the application of a proprietary ESG assessment methodology as further described in section “What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?”. The methodology applies a variety of assessment categories that are used as sustainability indicators to assess the attainment of the promoted environmental and social characteristics, which are as follows:

- **DWS Climate and Transition Risk Assessment** is used as indicator for an issuer’s exposure to climate and transition risks
- **DWS Norm Assessment** is used as indicator for an issuer’s exposure to norm-related issues
- **DWS ESG Quality Assessment** is used as indicator for comparison of an issuer’s environmental, social and governance risks in relation to their peer group
- **Exposure to controversial sectors** is used as indicator for an issuer’s involvement in controversial sectors and controversial activities
- **Involvement in controversial weapons** is used as indicator for an issuer’s involvement in controversial weapons
- **Sustainability Investment Assessment** is used as indicator to measure the proportion of sustainable investments

What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?

The sub-fund will partially invest in sustainable investments according to article 2(17) SFDR. Such sustainable investments will contribute to at least one of the UN SDGs that relate to environmental and/or social objectives, such as the following (non-exhaustive list):

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

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

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

The sustainability investment assessment uses data from multiple data providers, public sources and internal assessments (based on a defined assessment and classification methodology) to determine if an activity is sustainable. Activities that contribute positively to the UN SDGs are measured in terms of revenues, capital expenditure (CapEx) and/or operational expenditure (OpEx). If a positive contribution is determined, the activity will be considered sustainable if the company passes the DNSH assessment and complies with the DWS safeguard assessment as detailed in the section “How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights?”.

The sub-fund will currently not commit to target a minimum proportion of sustainable investments with an environmental objective aligned with the EU Taxonomy.

How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?

The DNSH assessment is integral part of the sustainability investment assessment and evaluates whether an economic activity with a contribution to an UN SDG causes significant harm to any of these objectives. In case that a significant harm is identified, the economic activity fails the DNSH assessment and cannot be considered as sustainable economic activity.

How have the indicators for adverse impacts on sustainability factors been taken into account?

As part of the DNSH assessment under article 2(17) SFDR, the sustainability investment assessment systematically integrates all mandatory principal adverse indicators from Table 1 and relevant indicators from Tables 2 and 3 of Annex I of the Commission Delegated Regulation (EU) 2022/1288 supplementing the Sustainable Finance Disclosure Regulation (SFDR). Taking into account these adverse impacts, DWS has established quantitative thresholds and/or qualitative values to determine if an investment significantly harms any of the environmental or social objectives. These values are set based upon various external and internal factors, such as data availability or market developments and may be adapted going forward.

How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:

As part of its sustainability investment assessment, DWS further evaluates through its safeguard assessment the alignment of a company with international norms. This includes checks in relation to adherence to international norms, for example, the OECD Guidelines for Multinational Enterprises, the UN Guiding Principles on Business and Human Rights, the principles of the United Nations Global Compact and the standards of the International Labour Organization. Companies with assessed and reconfirmed highest violations of one of the international norms are considered as non-compliant to the safeguards and their economic activities cannot be considered sustainable.

*The EU Taxonomy sets out a “do not significant harm” principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.*

The “do no significant harm” principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

*Any other sustainable investments must also not significantly harm any environmental or social objectives.*



**Principal adverse impacts** are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

Does this financial product consider principal adverse impacts on sustainability factors?

**X** Yes, the sub-fund management considers the following principle adverse impacts on sustainability factors from Annex I of the Commission Delegated Regulation (EU) 2022/1288 supplementing the Sustainable Finance Disclosure Regulation:

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

The above principal adverse impacts are considered at product level through the exclusion strategy for the sub-fund's assets that are aligned with environmental and social characteristics via the proprietary ESG assessment methodology as detailed in section "What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?".

For sustainable investments, the principal adverse impacts are further considered in the DNSH assessment as described above in section "How have the indicators for adverse impacts on sustainability factors been taken into account?".

Further information on principal adverse impacts will be provided in an annex to the sub-fund's annual report.

No



**The Investment strategy** guides investment decisions based on factors such as investment objectives and risk tolerance.

What investment strategy does this financial product follow?

This sub-fund pursues a strategy based on multiple asset classes as main investment strategy. The sub-fund targets an annualized volatility between 2% and 5% over a rolling 5-year period and invests predominantly in Exchange Traded Funds (ETFs). The scope of ETF's is not limited to a single investment type. The sub-fund may invest in ETF's of all asset classes which are eligible as per Article 41 (1) e) of the Law of 2010. Moreover, the sub-fund may invest up to 49% in interest-bearing securities, in equities, in certificates on, for example, equities, bonds, indices, commodities and precious metals, in convertible bonds, in warrant-linked bonds whose underlying warrants relate to securities, in equity warrants, in participation and dividend-right certificates, in derivatives, funds (including money market funds) as well as in money market instruments and deposits with credit institutions. The sub-fund's investments in asset-backed securities and mortgage backed securities shall be limited to 20% of the sub-fund's net asset value. Up to 10% of the sub-fund's assets may be invested in certificates on commodities, commodities indices, precious metals and precious metals indices. The sub-fund's assets may be used to acquire shares of other UCITS and/or UCIs provided that no more than 20% of the sub-fund's assets are invested in one and the same UCITS and/or UCIs. Investments in shares of other UCIs other than UCITS must not exceed 30% of the sub-fund's net assets in total. Further details regarding the main investment strategy are specified in the Special Section of the Sales Prospectus. The sub-fund's assets are predominantly allocated into investments that comply with the defined standards in respect to the promoted environmental and social characteristics as described in the following sections. The sub-fund's strategy in relation to the promoted environmental or social characteristics is integral part of the ESG assessment methodology, which is continuously monitored via the sub-fund's investment guidelines.

What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?

#### **ESG assessment methodology**

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

The ESG database derives "A" to "F" letter coded assessments within different categories as further detailed below. Within each category, issuers receive one of six possible scores, with "A" being the highest score and "F" being the lowest score. If an issuer's score in one category is deemed

insufficient, the portfolio management is prohibited from investing in that issuer, even if it is eligible according to other categories. For exclusion purposes, each letter score in a category is considered individually and may result in exclusion of an issuer.

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

• **DWS Climate and Transition Risk Assessment**

The DWS Climate and Transition Risk Assessment evaluates issuers in relation to climate change and environmental changes, e.g., in respect to greenhouse gas reduction and water conservation. Issuers that contribute less to climate change and other negative environmental changes or are less exposed to such risks receive better evaluations. Issuers with excessive climate risk profile (i.e., a letter score of "F") are excluded as an investment. Issuers with high climate risk profile (i.e., a letter score of "E") are limited to 5% of the sub-fund's net assets.

• **DWS Norm Assessment**

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

• **DWS ESG Quality Assessment**

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

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

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

• **Exposure to controversial sectors**

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

Issuers are evaluated according to the share of total revenues they generate in controversial business areas and controversial business activities. The lower the percentage of revenues from the controversial business areas and controversial business activities, the better the score. Issuers (excluding target funds) with a moderate, high or excessive exposure (i.e., a letter score of "D", "E" or "F") are excluded as an investment. As regards the involvement in coal mining and coal-based power generation, issuers (excluding target funds) with high or excessive exposure (i.e., a letter score of "E" or "F") are excluded as an investment.

• **Involvement in controversial weapons**

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

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

• **DWS Use of Proceed Bond Assessment**

By way of derogation from the above, bonds that comply with DWS' Use-of-proceeds bond

assessment are investable also in cases where the bond issuer does not fully comply with the ESG assessment methodology.

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

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

If a bond complies with these principles, the second stage assesses the ESG quality of the issuer of that bond in relation to defined minimum standards in respect to environmental, social, and corporate governance factors. This assessment is based on the ESG assessment methodology as described above and excludes

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

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

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

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

### **Sustainability investment assessment methodology**

Further, for the proportion of sustainable investments DWS will measure the contribution to one or several UN SDGs via its sustainability investment assessment which evaluates potential investments in relation to different criteria to conclude that an economic activity can be considered as sustainable as further detailed in section “What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?”

What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?

The applied ESG investment strategy does not pursue a committed minimum reduction of the scope of the investments.

What is the policy to assess good governance practices of the investee companies?

The procedure to assess the good governance practices of the investee companies is based on the DWS Norm Assessment, as further detailed in the dedicated section “What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?”. Accordingly, the assessed investee companies follow good governance practices.

Further, the management company considers active ownership as a strong driver to improve governance, policies and practices, and thus for a better long-term performance of investee companies. Active ownership means using the position as shareholders to influence the activities or behaviour of the investee companies. An engagement activity can be initiated with the investee companies regarding matters such as strategy, financial and non-financial performance, risk, capital structure, social and environmental impact as well as corporate governance including topics like disclosure, culture and remuneration. The engagement activity can be undertaken via, e.g., issuer meetings or engagement letters. Furthermore, for equity investments it could also be an interaction with the company resulting from proxy voting activities or participation at general meetings.

**Good governance**  
practices include sound management structures, employee relations, remuneration of staff and tax compliance.



## What is the asset allocation planned for this financial product?

This sub-fund invests at least 51% of its net assets in investments that are aligned with the promoted environmental and social characteristics (**#1 Aligned with E/S characteristics**). Within this category, at least 1% of the sub-fund's assets qualify as sustainable investments (**#1A Sustainable**).

Up to 49% of the investments are not aligned with these characteristics (**#2 Other**). A more detailed description of the specific asset allocation of this sub-fund can be found in the Special Section of the Sales Prospectus.

### Asset allocation

describes the share of investments in specific assets.

Taxonomy-aligned activities are expressed as a share of:

#### - turnover

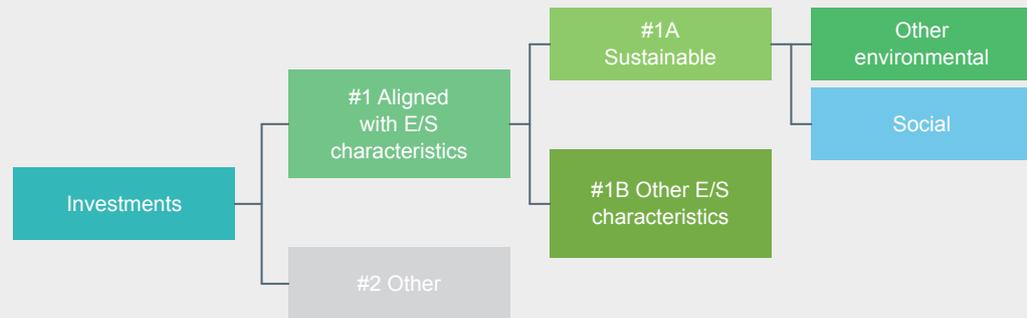
reflecting the share of revenue from green activities of investee companies

#### - capital expenditure

(CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.

#### - operational expenditure

(OpEx) reflecting green operational activities of investee companies.



**#1 Aligned with E/S characteristics** includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

**#2 Other** includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:

- The sub-category **#1A Sustainable** covers sustainable investments with environmental or social objectives.
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

## How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?

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

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For nuclear **energy**, the criteria include comprehensive safety and waste management rules.

**Enabling activities** directly enable other activities to make a substantial contribution to an environmental objective.

**Transitional activities** are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

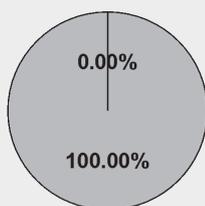


To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

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

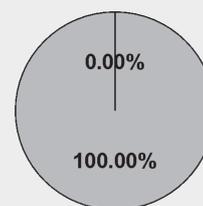
*The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds\*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.*

1. Taxonomy-alignment of investments including sovereign bonds\*



■ Taxonomy-aligned □ Other Investments

2. Taxonomy-alignment of investments excluding sovereign bonds\*



■ Taxonomy-aligned □ Other Investments

\*For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures

What is the minimum share of investments in transitional and enabling activities?

The sub-fund does not have a minimum share of investments in transitional and enabling activities, as it does not commit to a minimum proportion of environmentally sustainable investments aligned with the EU Taxonomy.



are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.



What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

The sub-fund does not intend to make a minimum allocation to environmentally or socially sustainable investments pursuant to Article 2(17) SFDR. However, the minimum share of environmentally and socially sustainable investments shall in total be at least 1% of the net assets of the sub-fund.



What is the minimum share of socially sustainable investments?

The sub-fund does not intend to make a minimum allocation to environmentally or socially sustainable investments pursuant to Article 2(17) SFDR. However, the minimum share of environmentally and socially sustainable investments shall in total be at least 1% of the net assets of the sub-fund.



What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?

This sub-fund promotes a predominant asset allocation in investments that are aligned with environmental and social characteristics (#1 Aligned with E/S characteristics). In addition, and on an ancillary basis, this sub-fund will invest into investments that are not considered aligned with the promoted characteristics (#2 Other). These remaining investments can include all asset classes as foreseen in the specific investment policy including cash and derivatives.

In line with the market positioning of this sub-fund, the purpose of these remaining investments is to provide investors with an exposure to non-ESG aligned investments while at the same time ensuring a predominant exposure to environmentally and socially aligned investments. Remaining investments can be used by the portfolio management for performance, diversification, liquidity and hedging purposes.

This sub-fund does not consider any minimum environmental or social safeguards on these remaining investments.



Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

This sub-fund has not designated a reference benchmark to determine whether it is aligned with the environmental and/or social characteristics that it promotes.

**Reference benchmarks** are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.



Where can I find more product specific information online?

**More product-specific information can be found on the website:** <https://funds.dws.com/en-lu/balanced-funds/LU1740985228/> as well as on your local country website [www.dws.com/fundinformation](http://www.dws.com/fundinformation).

## DWS Strategic ESG Allocation Dynamic

<b>Investor profile</b>	Growth-oriented
<b>Currency of sub-fund</b>	EUR
<b>Sub-fund manager</b>	DWS Investment GmbH
<b>Performance benchmark</b>	–
<b>Reference portfolio (risk benchmark)</b>	75% MSCI World net total return, unhedged in EUR (MSDEWIN), 25% iboxx EUR Overall TR Index (QW7A)
<b>Leverage effect</b>	2 times the value of the investment sub-fund's assets
<b>Calculation of the NAV per share</b>	Each bank business day in Luxembourg.
<b>Order acceptance</b>	All subscription, redemption and exchange orders are placed on the basis of an unknown net asset value per share. Orders received by the Transfer Agent at or before <b>4:00 PM Luxembourg time</b> on a valuation date are processed on the basis of the net asset value per share on the subsequent valuation date. Orders received after <b>4:00 PM Luxembourg time</b> are processed on the basis of the net asset value per share on the valuation date immediately following that next valuation date.
<b>Value date</b>	In a purchase, the equivalent value is debited three bank business days after issue of the shares. The equivalent value is credited three bank business days after redemption of the shares. The value date for purchase and redemption orders of certain currencies may deviate by one day from the value date as specified in the description of share classes in the general section of the Sales Prospectus.
<b>Fractional shares</b>	Up to three places after the decimal point

### Overview of the share classes

<b>Currency of share class</b>	FC, IC, ID, LC, LD, RC, FC10	EUR
<b>Front end load (payable by the investor)</b>	FC, IC, ID, RC, FC10 LC, LD	0% 3%
<b>All-in Fee p.a. (payable by the sub-fund)*</b>	FC IC, ID, FC10 LC, LD RC	up to 0.45% up to 0.32% up to 0.85% up to 0.90%
<b>Taxe d'abonnement (payable by the sub-fund)</b>	FC, LC, LD, RC, FC10 IC, ID	0.05% 0.01%
<b>Launch date</b>	FC, ID, LC, LD IC RC FC10	January 29, 2018 November 15, 2018 June 28, 2019 January 31, 2022

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

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

For the sub-fund with the name DWS Strategic ESG Allocation Dynamic, the following provisions shall apply in addition to the terms contained in the general section of the Sales Prospectus.

### Investment policy

This sub-fund promotes environmental and social characteristics and reports as product in accordance with article 8(1) of Regulation (EU) 2019/2088 on sustainability related disclosures in the financial services sector ("SFDR"). While the sub-fund does

not have as its objective a sustainable investment, it will invest a minimum proportion of its assets in sustainable investments as defined by article 2 (17) SFDR.

The objective of the investment policy of the sub-fund DWS Strategic ESG Allocation Dynamic is to achieve a positive mid- to long-term investment performance taking into account the opportunities and risks of the international capital markets.

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

The sub-fund combines eligible investment vehicles from different asset classes in order to achieve a dynamic risk-reward investment profile and targets an annualized volatility between 10% and 15% over a rolling 5-year period. However, it cannot be guaranteed that the volatility range will be met at any time.

The sub-fund invests predominantly in Exchange Traded Funds (ETFs). The scope of ETF's is not limited to a single investment type. The sub-fund may invest in ETF's of all asset classes which are eligible as per article 41 (1) e) of the Law of 2010.

Moreover, the sub-fund may invest up to 49% in interest-bearing securities, in equities, in certificates on, for example, equities, bonds, indices, commodities and precious metals, in convertible bonds, in warrant-linked bonds whose underlying warrants relate to securities, in equity warrants, in participation and dividend-right certificates, in derivatives, funds (including money market funds) as well as in money market instruments and deposits with credit institutions.

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 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-funds' net assets. In exceptionally unfavourable market conditions, it is permitted to temporarily exceed this 49% limit if circumstances so require and to the extent that this appears to be justified with regard to the interests of shareholders.

The sub-fund may hold ancillary liquid assets as specified in article 2 B. o) of the general section of the Sales Prospectus.

The sub-fund's investments in asset backed securities and mortgage-backed securities shall be limited to 20% of the sub-fund's net asset value.

Up to 10% of the sub-fund's assets may be invested in certificates on commodities, commodities indices, precious metals and precious metals indices. According to clause 2 A. (j) in the general section of the Sales Prospectus, investment in the certificates listed here is only permitted if they are 1:1 certificates qualifying as transferable securities. When using financial indices, legal provisions apply as set out in article 44 (1) of the Law of 2010, and article 9 of the Grand-Ducal Regulation of February 8, 2008.

Notwithstanding clause 2 B. (i) in the general section of the Sales Prospectus, the following applies:

The sub-fund's assets may be used to acquire shares of other UCITS and/or UCIs as defined in clause 2 A. (e) of the general section of the Sales Prospectus, provided that no more than 20% of the sub-fund's assets are invested in one and the same UCITS and/or UCIs.

Every sub-fund of an umbrella fund is to be regarded as an independent issuer, provided that the principle of individual liability per sub-fund is applicable in terms of liability to third parties. Investments in shares of other UCIs other than

UCITS must not exceed 30% of the sub-fund's net assets in total.

In the case of investments in shares of another UCITS and/or other UCIs, the investments held by that UCITS and/or by other UCIs are not taken into consideration for the purposes of the limits specified in clause 2 B. (a), (b), (c), (d), (e) and (f) of the general Section of the Sales Prospectus.

The sub-fund may use financial derivative instruments ("FDIs") which relate to the Reference Portfolio or constituents of the Reference Portfolio, which may include FDIs which are expected to generate a risk and return profile similar to that of the Reference Portfolio, a constituent of the Reference Portfolio or a sub-set of constituents of the Reference Portfolio. The FDIs which the sub-fund may use include futures, contracts for difference ("CFDs"), currency forwards and non-deliverable forwards ("NDFs"). Futures and CFDs may be used in order to equitize cash balances pending investment of subscription proceeds or other cash balances held by the sub-fund to seek to reduce tracking error. Currency forwards and NDFs may be used to hedge currency exposures. The sub-fund may use futures or CFDs as an alternative to direct investment in the constituents of the Reference Portfolio in order to avail of the related cost or liquidity advantages of FDIs which may, in certain circumstances, be available over the direct investment in the constituents of the Reference Portfolio. The sub-fund may also use American depository receipts ("ADRs") and global depository receipts ("GDRs") to gain exposure to equity securities instead of using physical securities in circumstances where, due to local restrictions or quota limitations, it is not possible to hold these directly or where it is otherwise advantageous to the sub-fund to do so.

The Management Company employs a risk management process which enables it to accurately measure, monitor and manage at any time the risks attached to the Fund's FDI positions and their contribution to the overall risk profile of the portfolio of assets of a Fund. The Management Company will, on request, provide supplementary information to Shareholders relating to the risk management methods employed, including the quantitative limits that are applied and any recent developments in the risk and yield characteristics of the main categories of investments in respect of the relevant Fund.

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

The portfolio management of this sub-fund seeks to attain the promoted environmental and social characteristics by assessing potential investments via a proprietary ESG assessment methodology irrespective of economic prospects of success. This methodology is based on the ESG

database, which uses data from multiple ESG data providers, public sources and internal assessments (based on a defined assessment and classification methodology) to derive combined scores. The ESG database is therefore constituted by data and figures as well as on internal assessments that take into account factors beyond the processed data and figures, such as an issuer's future expected ESG development, plausibility of the data with regard to past or future events, an issuer's willingness to engage in dialogues on ESG matters or corporate decisions.

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

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

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

The DWS Climate and Transition Risk Assessment evaluates issuers in relation to climate change and environmental changes, e.g. in respect to greenhouse gas reduction and water conservation. Issuers that contribute less to climate change and other negative environmental changes or are less exposed to such risks receive better evaluations. Issuers with excessive climate risk profile (i.e. a letter score of "F") are excluded as an investment. Issuers with high climate risk profile (i.e. a letter score of "E") are limited to 5% of the sub-fund's net assets.

#### **DWS Norm Assessment**

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

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

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

For corporate issuers, the DWS ESG Quality Assessment allows for a peer group comparison

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

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

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

#### Exposure to controversial sectors

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

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

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

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

#### Involvement in controversial weapons

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

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

#### DWS Use of Proceed Bond Assessment

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

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

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

If a bond complies with these principles, the second stage assesses the ESG quality of the issuer of that bond in relation to defined minimum standards in respect to environmental, social, and corporate governance factors. This assessment is based on the ESG assessment methodology as described above and excludes

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

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

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

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

As part of the sub-fund's investment in assets that meet the DWS standards in respect to environmental and social characteristics as well as good governance practices as further described above, the sub-fund management will invest at least 1% of the sub-fund's net assets in sustainable investments in accordance with article 2 (17) SFDR. Such sustainable investments will contribute to at least one of the UN SDGs that relate to environmental and/or social objectives, such as the following (non-exhaustive list):

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

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

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

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

Due to a lack of reliable data the sub-fund does not commit to invest a minimum proportion of sustainable investments with an environmental objective aligned with the EU Taxonomy. Therefore, the minimum percentage of environmentally sustainable investments aligned with the EU

Taxonomy is 0% of the sub-fund's net assets. However, it may occur that part of the investments' underlying economic activities are aligned with the EU Taxonomy.

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

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

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

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

Further, the management company considers active ownership as a strong driver to improve governance, policies, and practices, and thus for a better long-term performance of investee companies. Active ownership means using the position as shareholders to influence the activities or behaviour of the investee companies. An engagement activity can be initiated with the investee companies regarding matters such as strategy, financial and non-financial performance, risk, capital structure, social and environmental impact as well as corporate governance including topics like disclosure, culture, and remuneration. The engagement activity can be undertaken via, e.g., issuer meetings or engagement letters. Furthermore, for equity investments it could also be an interaction with the company resulting from proxy voting activities or participation at general meetings.

**Further information about the environmental and social characteristics promoted by this sub-fund is available in the annex to this Sales Prospectus.**

The sub-fund will not invest in contingent convertibles.

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

In addition, the sub-fund's assets may be invested in all other permissible assets as specified in clause 2 of the general section of the Sales Prospectus.

For the purpose of inducing a partial tax exemption within the meaning of the German Investment Tax Act and in addition to the investment limits described in the Articles of Incorporation and this Sales Prospectus 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 such equity capital investments as defined in article 2 (8) of the German Investment Tax Act that may be acquired for the sub-fund in accordance with the Articles of Incorporation and this Sales Prospectus (Equity Fund).

Equity capital investments in this respect are

- equities admitted to official trading on a stock exchange or admitted to, or included in, another organized market and which are not:
  - i) units of investment funds;
  - ii) 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;
  - iii) 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;
  - iv) 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 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;
  - v) 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.

- units of investment funds, which in accordance with their terms and conditions of investment invest more than 50% of their value or more than 50% of their gross assets (determined as being the value of the investment fund's assets without taking into account liabilities) themselves or as a fund of fund indirectly in units of corporations in the amount of 51% of their value; if the terms and conditions of an equity fund make provisions for a percentage higher than 51% of its value or its gross assets, the share of the equity capital investment is, by way of derogation, deemed to be the amount of the higher percentage;
- units of investment funds, which in accordance with their terms and conditions of investment invest at least 25% of their value or at least 25% of their gross assets (determined as being the value of the investment fund's assets without taking into account liabilities) themselves or as a fund of fund indirectly in units of corporations in the amount of 25% of their value; if the terms and conditions of a balanced fund make provisions for a percentage higher than 25% of its value or its gross assets, the share of the equity capital investment is, by way of derogation, deemed to be the amount of the higher percentage;
- units of investment funds that carry out a valuation at least once per week in the amount of the percentage of their assets published on each valuation date that they actually invest themselves, or as a fund of fund, in units of corporations.

Units of corporations as defined in indents 2 through 4 are

- units of corporations admitted to official trading on a stock exchange or admitted to, or included in, another organized market;
- units of corporations that are not real estate companies and that are domiciled in a member state of the European Union or in another state that is a party to the Agreement on the European Economic Area and are subject there to corporate income tax and are not exempt from it;
- units of corporations that are not real estate companies and that are domiciled in a third country and are subject there to corporate income tax of at least 15% and are not exempt from it; and
- units of other investment funds, which in turn meet the requirements of indents 2 through 4 and of this sentence, in the respective amount specified there.

However, units of corporations are not those that correspond to the categories as defined in indent 1 (i) to (v) above or are held indirectly via partnerships.

Equity capital investments indirectly held by the sub-fund via partnerships are not equity capital investments.

Individual investment fund units may only be taken into consideration once for the purposes of determining the daily equity capital investment rate.

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.

Notwithstanding article 2 B. (i), the following applies:

The sub-fund's assets may be used to acquire shares of other UCITS and/or UCIs as defined in article 2 A. (e), provided that no more than 20% of the sub-fund's assets are invested in one and the same UCITS and/or UCIs.

Every sub-fund of an umbrella fund is to be regarded as an independent issuer, provided that the principle of individual liability per sub-fund is applicable in terms of liability to third parties.

Investments in shares of other UCIs other than UCITS must not exceed 30% of the sub-fund's net assets in total.

In the case of investments in shares of another UCITS and/or other UCIs, the investments held by that UCITS and/or by other UCIs are not taken into consideration for the purposes of the limits specified in article 2 B. (a), (b), (c), (d), (e) and (f).

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

### **Integration of sustainability risks**

The sub-fund management integrates sustainability risks into its investment decisions as described in the General Section of the Sales Prospectus in the section "Integration of sustainability risks in the investment process".

### **Risk Management**

The relative Value-at-Risk (VaR) approach is used to limit market risk in the sub-fund.

In addition to the provisions of the general section of the Sales Prospectus, the potential market risk of the sub-fund is measured using a reference portfolio that does not contain derivatives ("risk benchmark").

Leverage is not expected to exceed twice the value of the investment sub-fund's assets. The leverage effect is calculated using the sum of notional approach (absolute (notional) amount of each derivative position divided by the net pres-

ent 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 all-in fee attributable to shares of these target funds is reduced by the management fee/all-in fee up to 0.05% of the acquired target funds (modified difference method).

Pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

**Sustainable investment** means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

**Product name:** DWS Strategic ESG Allocation Dynamic

**Legal entity identifier:** 549300AZ897RVVOGIL41

**ISIN:** LU1740985731

**Environmental and/or social characteristics**

**Does this financial product have a sustainable investment objective?**

<input checked="" type="radio"/> <input checked="" type="radio"/> <input type="checkbox"/> <b>Yes</b>	<input checked="" type="radio"/> <input type="radio"/> <input checked="" type="checkbox"/> <b>No</b>
<input type="checkbox"/> It will make a minimum of <b>sustainable investments with an environmental objective: __%</b> <ul style="list-style-type: none"> <li><input type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy</li> <li><input type="checkbox"/> in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy</li> </ul> <input type="checkbox"/> It will make a minimum of <b>sustainable investments with a social objective: __%</b>	<input checked="" type="checkbox"/> It <b>promotes Environmental/Social (E/S) characteristics</b> and while it does not have as its objective a sustainable investment, it will have a minimum proportion of 1% of sustainable investments <ul style="list-style-type: none"> <li><input type="checkbox"/> with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy</li> <li><input checked="" type="checkbox"/> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy</li> <li><input checked="" type="checkbox"/> with a social objective</li> </ul> <input type="checkbox"/> It promotes E/S characteristics, but <b>will not make any sustainable investments</b>

**What environmental and/or social characteristics are promoted by this financial product?**

This sub-fund promotes environmental and social characteristics related to climate, governance and social norms as well as general ESG quality through the avoidance of issuers (1) exposed to high or excessive climate and transition risks, (2) exposed to high or highest severity of norm issues (i.e. as regards compliance with international standards of corporate governance, human rights and labour rights, customer and environment safety and business ethics), (3) exposed to high or excessive environmental, social and governance risks compared to their peer group, (4) moderately, highly or excessively exposed to controversial sectors and controversial activities, and/or (5) involved in controversial weapons.

This sub-fund further promotes a minimum proportion of sustainable investments with a positive contribution to one or several of the United Nations Sustainable Development Goals (UN SDGs).

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



**Sustainability indicators** measure how the environmental or social characteristics promoted by the financial product are attained.

What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?

The attainment of the promoted environmental and social characteristics as well as the sustainable investment is assessed via the application of a proprietary ESG assessment methodology as further described in section “What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?”. The methodology applies a variety of assessment categories that are used as sustainability indicators to assess the attainment of the promoted environmental and social characteristics, which are as follows:

- **DWS Climate and Transition Risk Assessment** is used as indicator for an issuer’s exposure to climate and transition risks
- **DWS Norm Assessment** is used as indicator for an issuer’s exposure to norm-related issues
- **DWS ESG Quality Assessment** is used as indicator for comparison of an issuer’s environmental, social and governance risks in relation to their peer group
- **Exposure to controversial sectors** is used as indicator for an issuer’s involvement in controversial sectors and controversial activities
- **Involvement in controversial weapons** is used as indicator for an issuer’s involvement in controversial weapons
- **Sustainability Investment Assessment** is used as indicator to measure the proportion of sustainable investments

What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?

The sub-fund will partially invest in sustainable investments according to article 2(17) SFDR. Such sustainable investments will contribute to at least one of the UN SDGs that relate to environmental and/or social objectives, such as the following (non-exhaustive list):

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

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

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

The sustainability investment assessment uses data from multiple data providers, public sources and internal assessments (based on a defined assessment and classification methodology) to determine if an activity is sustainable. Activities that contribute positively to the UN SDGs are measured in terms of revenues, capital expenditure (CapEx) and/or operational expenditure (OpEx). If a positive contribution is determined, the activity will be considered sustainable if the company passes the DNSH assessment and complies with the DWS safeguard assessment as detailed in the section “How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights?”.

The sub-fund will currently not commit to target a minimum proportion of sustainable investments with an environmental objective aligned with the EU Taxonomy.

How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?

The DNSH assessment is integral part of the sustainability investment assessment and evaluates whether an economic activity with a contribution to an UN SDG causes significant harm to any of these objectives. In case that a significant harm is identified, the economic activity fails the DNSH assessment and cannot be considered as sustainable economic activity.

How have the indicators for adverse impacts on sustainability factors been taken into account?

As part of the DNSH assessment under article 2(17) SFDR, the sustainability investment assessment systematically integrates all mandatory principal adverse indicators from Table 1 and relevant indicators from Tables 2 and 3 of Annex I of the Commission Delegated Regulation (EU) 2022/1288 supplementing the Sustainable Finance Disclosure Regulation (SFDR). Taking into account these adverse impacts, DWS has established quantitative thresholds and/or qualitative values to determine if an investment significantly harms any of the environmental or social objectives. These values are set based upon various external and internal factors, such as data availability or market developments and may be adapted going forward.

How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:

As part of its sustainability investment assessment, DWS further evaluates through its safeguard assessment the alignment of a company with international norms. This includes checks in relation to adherence to international norms, for example, the OECD Guidelines for Multinational Enterprises, the UN Guiding Principles on Business and Human Rights, the principles of the United Nations Global Compact and the standards of the International Labour Organization. Companies with assessed and reconfirmed highest violations of one of the international norms are considered as non-compliant to the safeguards and their economic activities cannot be considered sustainable.

*The EU Taxonomy sets out a “do not significant harm” principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.*

The “do no significant harm” principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

*Any other sustainable investments must also not significantly harm any environmental or social objectives.*



**Principal adverse impacts** are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

Does this financial product consider principal adverse impacts on sustainability factors?

**X** Yes, the sub-fund management considers the following principle adverse impacts on sustainability factors from Annex I of the Commission Delegated Regulation (EU) 2022/1288 supplementing the Sustainable Finance Disclosure Regulation:

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

The above principal adverse impacts are considered at product level through the exclusion strategy for the sub-fund's assets that are aligned with environmental and social characteristics via the proprietary ESG assessment methodology as detailed in section "What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?".

For sustainable investments, the principal adverse impacts are further considered in the DNSH assessment as described above in section "How have the indicators for adverse impacts on sustainability factors been taken into account?".

Further information on principal adverse impacts will be provided in an annex to the sub-fund's annual report.

No



**The Investment strategy** guides investment decisions based on factors such as investment objectives and risk tolerance.

What investment strategy does this financial product follow?

This sub-fund pursues a strategy based on multiple asset classes as main investment strategy. The sub-fund targets an annualized volatility between 10% and 15% over a rolling 5-year period and invests predominantly in Exchange Traded Funds (ETFs). The scope of ETF's is not limited to a single investment type. The sub-fund may invest in ETF's of all asset classes which are eligible as per Article 41 (1) e) of the Law of 2010. Moreover, the sub-fund may invest up to 49% in interest-bearing securities, in equities, in certificates on, for example, equities, bonds, indices, commodities and precious metals, in convertible bonds, in warrant-linked bonds whose underlying warrants relate to securities, in equity warrants, in participation and dividend-right certificates, in derivatives, funds (including money market funds) as well as in money market instruments and deposits with credit institutions. The sub-fund's investments in asset backed securities and mortgage backed securities shall be limited to 20% of the sub-fund's net asset value. Up to 10% of the sub-fund's assets may be invested in certificates on commodities, commodities indices, precious metals and precious metals indices. The sub-fund's assets may be used to acquire shares of other UCITS and/or UCIs provided that no more than 20% of the sub-fund's assets are invested in one and the same UCITS and/or UCIs. Investments in shares of other UCIs other than UCITS must not exceed 30% of the sub-fund's net assets in total. Further details regarding the main investment strategy are specified in the Special Section of the Sales Prospectus. The sub-fund's assets are predominantly allocated into investments that comply with the defined standards in respect to the promoted environmental and social characteristics as described in the following sections. The sub-fund's strategy in relation to the promoted environmental or social characteristics is integral part of the ESG assessment methodology, which is continuously monitored via the sub-fund's investment guidelines.

What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?

**ESG assessment methodology**

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

The ESG database derives "A" to "F" letter coded assessments within different categories as further detailed below. Within each category, issuers receive one of six possible scores, with "A" being the highest score and "F" being the lowest score. If an issuer's score in one category is deemed

insufficient, the portfolio management is prohibited from investing in that issuer, even if it is eligible according to other categories. For exclusion purposes, each letter score in a category is considered individually and may result in exclusion of an issuer.

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

• **DWS Climate and Transition Risk Assessment**

The DWS Climate and Transition Risk Assessment evaluates issuers in relation to climate change and environmental changes, e.g., in respect to greenhouse gas reduction and water conservation. Issuers that contribute less to climate change and other negative environmental changes or are less exposed to such risks receive better evaluations. Issuers with excessive climate risk profile (i.e., a letter score of “F”) are excluded as an investment. Issuers with high climate risk profile (i.e., a letter score of “E”) are limited to 5% of the sub-fund’s net assets.

• **DWS Norm Assessment**

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

• **DWS ESG Quality Assessment**

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

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

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

• **Exposure to controversial sectors**

The ESG database defines certain business areas and business activities as relevant. Business areas and business activities are defined as relevant if they involve the production or distribution of products in a controversial area (“controversial sectors”). Controversial sectors are defined, for example, as the civil firearms industry, military defence, tobacco and adult entertainment. Other business sectors and business activities that affect the production or distribution of products in other sectors are defined as relevant. Other relevant sectors are, for example, nuclear energy or coal mining and coal-based power generation.

Issuers are evaluated according to the share of total revenues they generate in controversial business areas and controversial business activities. The lower the percentage of revenues from the controversial business areas and controversial business activities, the better the score. Issuers (excluding target funds) with a moderate, high or excessive exposure (i.e., a letter score of “D”, “E” or “F”) are excluded as an investment. As regards the involvement in coal mining and coal-based power generation, issuers (excluding target funds) with high or excessive exposure (i.e., a letter score of “E” or “F”) are excluded as an investment.

• **Involvement in controversial weapons**

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

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

• **DWS Use of Proceed Bond Assessment**

By way of derogation from the above, bonds that comply with DWS’ Use-of-proceeds bond

assessment are investable also in cases where the bond issuer does not fully comply with the ESG assessment methodology.

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

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

If a bond complies with these principles, the second stage assesses the ESG quality of the issuer of that bond in relation to defined minimum standards in respect to environmental, social, and corporate governance factors. This assessment is based on the ESG assessment methodology as described above and excludes

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

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

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

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

### **Sustainability investment assessment methodology**

Further, for the proportion of sustainable investments DWS will measure the contribution to one or several UN SDGs via its sustainability investment assessment which evaluates potential investments in relation to different criteria to conclude that an economic activity can be considered as sustainable as further detailed in section “What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?”

What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?

The applied ESG investment strategy does not pursue a committed minimum reduction of the scope of the investments.

What is the policy to assess good governance practices of the investee companies?

The procedure to assess the good governance practices of the investee companies is based on the DWS Norm Assessment, as further detailed in the dedicated section “What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?”. Accordingly, the assessed investee companies follow good governance practices.

Further, the management company considers active ownership as a strong driver to improve governance, policies and practices, and thus for a better long-term performance of investee companies. Active ownership means using the position as shareholders to influence the activities or behaviour of the investee companies. An engagement activity can be initiated with the investee companies regarding matters such as strategy, financial and non-financial performance, risk, capital structure, social and environmental impact as well as corporate governance including topics like disclosure, culture and remuneration. The engagement activity can be undertaken via, e.g., issuer meetings or engagement letters. Furthermore, for equity investments it could also be an interaction with the company resulting from proxy voting activities or participation at general meetings.

**Good governance**  
practices include sound management structures, employee relations, remuneration of staff and tax compliance.



## What is the asset allocation planned for this financial product?

This sub-fund invests at least 51% of its net assets in investments that are aligned with the promoted environmental and social characteristics (#1 Aligned with E/S characteristics). Within this category, at least 1% of the sub-fund's assets qualify as sustainable investments (#1A Sustainable).

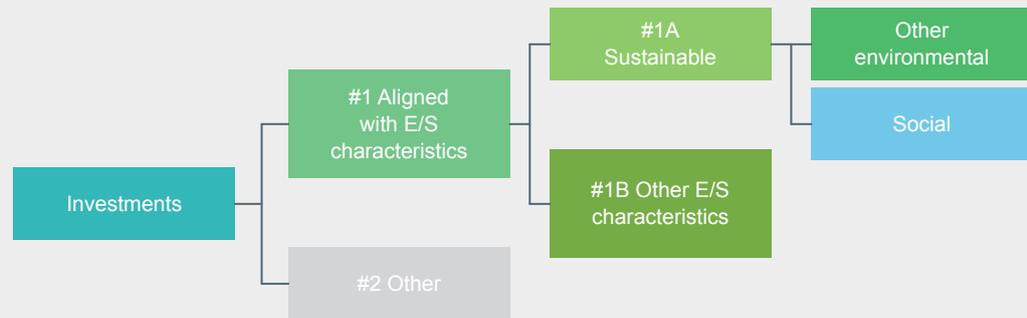
Up to 49% of the investments are not aligned with these characteristics (#2 Other). A more detailed description of the specific asset allocation of this sub-fund can be found in the Special Section of the Sales Prospectus.

### Asset allocation

describes the share of investments in specific assets.

Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.



**#1 Aligned with E/S characteristics** includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

**#2 Other** includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:

- The sub-category **#1A Sustainable** covers sustainable investments with environmental or social objectives.
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

## How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?

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

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For nuclear **energy**, the criteria include comprehensive safety and waste management rules.

**Enabling activities** directly enable other activities to make a substantial contribution to an environmental objective.

**Transitional activities** are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

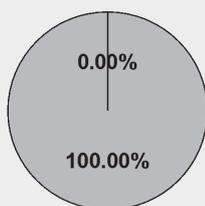


To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

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

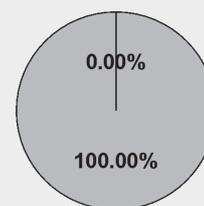
*The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds\*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.*

1. Taxonomy-alignment of investments including sovereign bonds\*



■ Taxonomy-aligned □ Other Investments

2. Taxonomy-alignment of investments excluding sovereign bonds\*



■ Taxonomy-aligned □ Other Investments

\*For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures

What is the minimum share of investments in transitional and enabling activities?

The sub-fund does not have a minimum share of investments in transitional and enabling activities, as it does not commit to a minimum proportion of environmentally sustainable investments aligned with the EU Taxonomy.



are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.



What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

The sub-fund does not intend to make a minimum allocation to environmentally or socially sustainable investments pursuant to Article 2(17) SFDR. However, the minimum share of environmentally and socially sustainable investments shall in total be at least 1% of the net assets of the sub-fund.



What is the minimum share of socially sustainable investments?

The sub-fund does not intend to make a minimum allocation to environmentally or socially sustainable investments pursuant to Article 2(17) SFDR. However, the minimum share of environmentally and socially sustainable investments shall in total be at least 1% of the net assets of the sub-fund.



What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?

This sub-fund promotes a predominant asset allocation in investments that are aligned with environmental and social characteristics (#1 Aligned with E/S characteristics). In addition, and on an ancillary basis, this sub-fund will invest into investments that are not considered aligned with the promoted characteristics (#2 Other). These remaining investments can include all asset classes as foreseen in the specific investment policy including cash and derivatives.

In line with the market positioning of this sub-fund, the purpose of these remaining investments is to provide investors with an exposure to non-ESG aligned investments while at the same time ensuring a predominant exposure to environmentally and socially aligned investments. Remaining investments can be used by the portfolio management for performance, diversification, liquidity and hedging purposes.

This sub-fund does not consider any minimum environmental or social safeguards on these remaining investments.



Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

This sub-fund has not designated a reference benchmark to determine whether it is aligned with the environmental and/or social characteristics that it promotes.

**Reference benchmarks** are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.



Where can I find more product specific information online?

**More product-specific information can be found on the website:** <https://funds.dws.com/en-lu/balanced-funds/LU1740985731/> as well as on your local country website [www.dws.com/fundinformation](http://www.dws.com/fundinformation).

# Summary of tax regulations of importance to investors (subject, without limitation, to taxation in Germany) (As of: April 27, 2022)

## Fund organized under Luxembourg law

### General information

The statements on tax regulations only apply to investors who are subject, without limitation, to taxation in Germany. Investors subject, without limitation, to taxation in Germany are hereinafter also referred to as “German tax residents.” We recommend that, prior to acquiring units of the fund described in this Sales Prospectus, the foreign investor individually discuss with his tax advisor any possible tax consequences in his country of residence arising from the acquisition of units. Foreign investors are investors not subject, without limitation, to taxation in Germany. They are hereinafter also referred to as “non-resident taxpayers.”

The statements contained herein relate to the legal situation since January 1, 2018. Where fund units were acquired prior to January 1, 2018, additional circumstances particular to such fund investment may arise that are not described here in further detail.

As an estate, the foreign fund is, in principle, exempt from corporate income tax and trade tax in Germany. It is, however, partially subject to corporate income tax on its domestic income from equity investments and on other domestic income, in the sense of the limited income tax liability, not including gains on the sale of units in corporations. The tax rate is 15 percent.

However, the investment income is taxable for the individual investor as income from capital assets, which is subject to income tax, provided that it exceeds the saver’s flat allowance of EUR 801 p.a. (for single persons or spouses assessed separately) or EUR 1,602 p.a. (for spouses assessed jointly) when added to any other investment income.

Income from capital assets is generally subject to a 25-percent withholding tax (plus solidarity surcharge and, where applicable, church tax). Income from capital assets also includes the income from investment funds (investment income), i.e., the fund’s distributions, the advance income estimates and the gains on the sale of the units. Under certain conditions, investors can receive a lump-sum portion of this investment income tax-free (“partial exemption”).

In general, for the individual investor, the withholding of tax acts as a final payment (“final withholding tax”), so that, as a rule, income from capital assets is not declared in the income tax return. The institution maintaining the custody account usually offsets income subject to withholding against losses and foreign withholding taxes arising from direct investment.

However, the withholding tax does not act as a final payment if the investor’s personal tax rate is lower than the final withholding rate of 25 percent. In this case, income from capital assets may be declared in the income tax return. The tax office then applies the lower personal tax rate and credits the tax withheld against the personal tax liability (“reduced rate test”).

If income from capital assets was not subject to any withholding (for example, in the event that units are held in custody abroad or because a capital gain on the sale of fund units was realized in a foreign custody account), such income must be declared in the tax return. Within the tax assessment, any income from capital assets is then also subject to the final withholding rate of 25 percent, or, alternatively, the lower personal tax rate.

If units are held as business assets, the income is considered taxable as operating income.

### I Units held as personal assets (German tax residents)

#### 1. Distributions

Distributions of the fund are generally taxable.

If the fund meets the tax prerequisites for partial exemption of an equity fund, 30 percent of the distributions are tax-exempt. Equity funds are investment funds that, according to their terms and conditions of investment, continuously invest more than 50 percent of their value or of their gross assets in equity capital investments.

If the fund meets the tax prerequisites for partial exemption of a balanced fund, 15 percent of the distributions are tax-exempt. Balanced funds are investment funds that, according to their terms and conditions of investment, continuously invest at least 25 percent of their value or of their gross assets in equity capital investments.

If the fund does not meet the tax prerequisites for either an equity fund or a balanced fund, no partial exemption is applicable to the distributions.

A tax classification for purposes of the partial exemption of the fund/funds or sub-fund/sub-funds can be found in the Annex to this summary of tax regulations of importance to German investors. The classification may change for the future. In such a case, the fund unit is treated as sold and subsequently acquired on the following day with a new tax classification for partial exemption purposes; any resulting notional capital gain, however, is only taken into account once the units are actually sold.

Taxable distributions are usually subject to the 25-percent withholding tax (plus solidarity surcharge and, where applicable, church tax).

Tax will not be withheld if the investor is a German tax resident and submits an exemption form, provided the taxable income components do not exceed EUR 801 for separate assessment or EUR 1,602 for joint assessment of spouses.

A corresponding exemption also applies if a certificate for persons who are not expected to be assessed for income tax (the “non-assessment certificate”) is submitted.

If a domestic investor has units held in domestic custody, the institution maintaining the custody account, acting as the paying agent, will not withhold tax provided that, prior to the fixed distribution date, it is presented with either an exemption form conforming to the official sample document and covering an adequate amount or a non-assessment certificate issued by the tax office for a maximum of three years. In this case, the investor is credited the full amount of the distribution.

#### 2. Advance income estimates

The advance income estimate (“Vorabpauschale”) is the amount by which the fund’s distributions within a calendar year fall short of the baseline return for that calendar year. The baseline return is determined by multiplying the redemption price of the unit at the beginning of a calendar year by 70 percent of the baseline interest rate, which in turn is derived from long-term government bond market yields. The baseline return is limited to the amount exceeding the difference between the first and last redemption prices determined in the calendar year plus the distributions paid during the calendar year. For the year in which the units were acquired, the advance income estimate is reduced by one-twelfth for each full month preceding the month of acquisition. The advance income estimate is deemed to have accrued on the first workday of the following calendar year.

Advance income estimates are generally taxable.

If the fund meets the tax prerequisites for partial exemption of an equity fund, 30 percent of the advance income estimates are tax-exempt. Equity funds are investment funds that, according to their terms and conditions of investment, continuously invest more than 50 percent of their value or of their gross assets in equity capital investments.

If the fund meets the tax prerequisites for partial exemption of a balanced fund, 15 percent of the advance income estimates are tax-exempt. Balanced funds are investment funds that, according

to their terms and conditions of investment, continuously invest at least 25 percent of their value or of their gross assets in equity capital investments.

If the fund does not meet the tax prerequisites for either an equity fund or a balanced fund, no partial exemption is applicable to the advance income estimate.

A tax classification for purposes of the partial exemption of the fund/funds or sub-fund/sub-funds can be found in the Annex to this summary of tax regulations of importance to German investors. The classification may change for the future. In such a case, the fund unit is treated as sold and subsequently acquired on the following day with a new tax classification for partial exemption purposes; any resulting notional capital gain, however, is only taken into account once the units are actually sold.

Taxable advance income estimates are usually subject to the 25 percent withholding tax (plus solidarity surcharge and, where applicable, church tax).

Tax will not be withheld if the investor is a German tax resident and submits an exemption form, provided the taxable income components do not exceed EUR 801 for separate assessment or EUR 1,602 for joint assessment of spouses.

A corresponding exemption also applies if a certificate for persons who are not expected to be assessed for income tax (the "non-assessment certificate") is submitted.

If a domestic investor has units held in domestic custody, the institution maintaining the custody account, acting as the paying agent, will not withhold tax provided that, prior to the aforementioned receipt date, it is presented with either an exemption form conforming to the official sample document and covering an adequate amount or a non-assessment certificate issued by the tax office for a maximum of three years. No tax is withheld in this case. Otherwise, the investor must provide the domestic institution maintaining the custody account with the amount of tax to be withheld. For this purpose, the institution maintaining the custody account may withdraw the amount of tax to be withheld from a cash account held at the institution in the name of the investor without the consent of the investor. If the investor does not object before the advance income estimate is deemed received, the institution maintaining the custody account may also withdraw the amount of tax to be withheld from a cash account in the name of the investor to the extent that an overdraft facility agreed with the investor for this account has not been utilized. If the investor fails to comply with its obligation to provide the domestic institution maintaining the custody account with the amount of tax to be withheld, the institution maintaining the custody account must inform its competent tax office accordingly. In this case, the unreported advance income estimate must be declared in the investor's income tax return.

### 3. Capital gains at investor level

If units of the fund are sold, the capital gain is subject to the final withholding rate of 25 percent.

If the fund meets the tax prerequisites for partial exemption of an equity fund, 30 percent of the capital gains are tax-exempt. Equity funds are investment funds that, according to their terms and conditions of investment, continuously invest more than 50 percent of their value or of their gross assets in equity capital investments.

If the fund meets the tax prerequisites for partial exemption of a balanced fund, 15 percent of the capital gains are tax-exempt. Balanced funds are investment funds that, according to their terms and conditions of investment, continuously invest at least 25 percent of their value or of their gross assets in equity capital investments.

If the fund does not meet the tax prerequisites for either an equity fund or a balanced fund, no partial exemption is applicable to the capital gains.

A tax classification for purposes of the partial exemption of the fund/funds or sub-fund/sub-funds can be found in the Annex to this summary of tax regulations of importance to German investors. The classification may change for the future. In such a case, the fund unit is treated as sold and subsequently acquired on the following day with a new tax classification for partial exemption purposes; any resulting notional capital gain, however, is only taken into account once the units are actually sold.

If the units are held in a domestic custody account, the institution maintaining the custody account withholds the tax, taking into account any applicable partial exemptions. The 25-percent withholding tax (plus solidarity surcharge and, where applicable, church tax) can be avoided by submitting an exemption form covering an adequate amount or a non-assessment certificate. If such units are sold by an individual investor at a loss, the amount of that loss – less any reduction based on a partial exemption – may be offset against other positive income from capital assets. If the units are held in a custody account at a domestic institution, and positive income from capital assets was generated at the same institution in the same calendar year, the institution maintaining the custody account will offset the loss.

When determining the capital gain for tax purposes, the gain must be reduced by the advance income estimates applied during the holding period.

## II Units held as business assets (German tax residents)

### 1. Tax-exempt unit class (unit class for "tax-privileged" investors)

As explained above, the fund is partially subject to corporate income tax on certain income.

However, a unit class is tax-exempt if the units in a unit class may only be acquired or held by such tax-privileged investors that are a domestic corporate entity, association of persons or estate that, according to its respective Articles of Incorporation, foundation deed of trust or other founding instrument, solely and directly serves non-profit, charitable or religious purposes, and is actually administered accordingly, or if it is a foundation under public law that solely and directly serves non-profit or charitable purposes, or if it is a legal entity under public law that solely and directly serves religious interests; this shall not apply, however, if the units are held in a for-profit business operation. The same applies to comparable foreign investors with registered offices and administrations in a foreign country that provides official legal and recovery assistance.

A unit class is also tax exempt if the units are held solely or in addition to the above-mentioned tax-privileged investors within the framework of individual retirement arrangements or basic pensions that have been certified in accordance with the German Pension Contracts Certification Act.

The prerequisites for tax exemption of a unit class are that the investors furnish proof of their tax exemption to the fund and that the investment conditions only permit the redemption of units in such a unit class to the investment fund and that the transfer of units in such unit class is excluded.

Furthermore, exemption from the corporate income tax paid at fund level on German dividends and on income from German dividend rights similar to equities also essentially requires that German equities and German dividend rights similar to equities were held by the fund as the beneficial owner for 45 days without interruption within a period of 45 days before and after the investment income was payable, and that the minimum risk of changes in value was 70 percent throughout that entire 45-day period.

Tax exemption amounts that the Company receives in connection with the administration of the fund and that are attributable to income from the unit classes described above must generally be paid out to investors in those unit classes. Notwithstanding the preceding, the Company shall be entitled to transfer exemption amounts directly to the fund for the benefit of the investors in this unit class; new units will not be issued on the basis of this transfer.

Information about tax-exempt unit classes, if there are any unit classes of this nature, is provided in the general and special sections of this Sales Prospectus.

### 2. Refund of corporate income tax imposed on the fund

The corporate income tax incurred at fund level may be reimbursed to the fund for forwarding to an investor if the investor is a domestic corporate entity, association of persons or estate that,

according to its respective Articles of Incorporation, foundation deed of trust or other founding instrument, solely and directly serves non-profit, charitable or religious purposes, and is actually administered accordingly, or if it is a foundation under public law that solely and directly serves non-profit or charitable purposes, or if it is a legal entity under public law that solely and directly serves religious interests; this shall not apply, however, if the units are held in a for-profit business operation. The same applies to comparable foreign investors with registered offices and administrations in a foreign country that provides official legal and recovery assistance.

The prerequisite for this is that such an investor submits a corresponding application and that the corporate income tax is prorated over the investor's holding period. In addition, the investor must be the legal and beneficial owner of the units for a period of at least three months before receiving the income of the fund subject to corporate income tax, and there must be no obligation to transfer the units to another person. Furthermore, with regard to the corporate income tax paid at fund level on German dividends and on income from German dividend rights similar to equities, such refunding also essentially requires that German equities and German dividend rights similar to equities were held by the fund as the beneficial owner for 45 days without interruption within a period of 45 days before and after the investment income was payable, and that the minimum risk of changes in value was 70 percent throughout that entire 45-day period ("45-day rule").

The refund application must be accompanied by documentation of tax-exempt status and by a statement of investment fund unit holdings issued by the institution maintaining the custody account. The statement of investment fund unit holdings is a certificate conforming to the official sample document documenting the extent to which units were held by the investor during the entire calendar year, as well as the timing and extent of any purchases and sales of units during the calendar year.

The corporate income tax incurred at the fund level may also be refunded to the fund for forwarding to an investor if the units in the fund are held within the framework of individual retirement arrangements or basic pensions that have been certified in accordance with the German Pension Contracts Certification Act. This requires the provider of an individual retirement arrangement or basic pension contract to inform the fund within one month of the fund's fiscal year-end at which points in time and in what amounts units were acquired or sold. The aforementioned 45-day rule must additionally taken into account.

There is no obligation on the part of the fund or the Company to have the corresponding corporate income tax refunded for forwarding to the investor. In particular, the fund or the Company can make the application for such a refund dependent on a

minimum expected refund amount and/or on an agreement for reimbursement of expenses by the investor.

Given the elevated complexity of this rule, it may be beneficial to consult with a tax advisor.

### 3. Distributions

Distributions of the fund are generally subject to individual or corporate income tax and to trade tax.

If the fund meets the tax prerequisites for partial exemption of an equity fund, 60 percent of the distributions are tax-exempt for income tax purposes, and 30 percent for trade tax purposes, if the units are held by natural persons as business assets. For taxable corporate entities, 80 percent of the distributions are generally tax-exempt for corporation tax purposes, and 40 percent for trade tax purposes. For corporate entities that are life or health insurers or pension funds and in which the units are attributable to the investments, and for those that are credit institutions and in which the units are allocable to the trading portfolio as defined by article 340e (3) HGB or that at the time of addition to the business assets are to be carried as current assets, 30 percent of the distributions are tax exempt for corporate income tax purposes, and 15 percent for trade tax purposes. Equity funds are investment funds that, according to their terms and conditions of investment, continuously invest more than 50 percent of their value or of their gross assets in equity capital investments.

If the fund meets the tax prerequisites for partial exemption of a balanced fund, 30 percent of the distributions are tax-exempt for income tax purposes, and 15 percent for trade tax purposes, if the units are held by natural persons as business assets. For taxable corporate entities, 40 percent of the distributions are generally tax-exempt for corporation tax purposes, and 20 percent for trade tax purposes. For corporate entities that are life or health insurers or pension funds and in which the units are attributable to the investments, and for those that are credit institutions and in which the units are allocable to the trading portfolio as defined by article 340e (3) HGB or that at the time of addition to the business assets are to be carried as current assets, 15 percent of the distributions are tax exempt for corporate income tax purposes, and 7.5 percent for trade tax purposes. Balanced funds are investment funds that, according to their terms and conditions of investment, continuously invest at least 25 percent of their value or of their gross assets in equity capital investments.

If the fund does not meet the tax prerequisites for either an equity fund or a balanced fund, no partial exemption is applicable to the distributions.

A tax classification for purposes of the partial exemption of the fund/funds or sub-fund/sub-funds can be found in the Annex to this summary

of tax regulations of importance to German investors. The classification may change for the future. In such a case, the fund unit is treated as sold and subsequently acquired on the following day with a new tax classification for partial exemption purposes; any resulting notional capital gain, however, is only taken into account once the units are actually sold.

Distributions are usually subject to the 25-percent withholding tax (plus solidarity surcharge).

If the tax prerequisites for an equity or balanced fund are met, the partial-exemption rate applicable for individual investors, i.e., 30 percent in the case of an equity fund and 15 percent in the case of a balanced fund, is applied consistently for withholding purposes.

### 4. Advance income estimates

The advance income estimate ("Vorabpauschale") is the amount by which the fund's distributions within a calendar year fall short of the baseline return for that calendar year. The baseline return is determined by multiplying the redemption price of the unit at the beginning of a calendar year by 70 percent of the baseline interest rate, which in turn is derived from long-term government bond market yields. The baseline return is limited to the amount exceeding the difference between the first and last redemption prices determined in the calendar year plus the distributions paid during the calendar year. For the year in which the units were acquired, the advance income estimate is reduced by one-twelfth for each full month preceding the month of acquisition. The advance income estimate is deemed to have accrued on the first workday of the following calendar year.

Advance income estimates are generally subject to individual or corporate income tax and to trade tax.

If the fund meets the tax prerequisites for partial exemption of an equity fund, 60 percent of the advance income estimates are tax-exempt for income tax purposes, and 30 percent for trade tax purposes, if the units are held by natural persons as business assets. For taxable corporate entities, 80 percent of the advance income estimates are generally tax-exempt for corporation tax purposes, and 40 percent for trade tax purposes. For corporate entities that are life or health insurers or pension funds and in which the units are attributable to the investments, and for those that are credit institutions and in which the units are allocable to the trading portfolio as defined by article 340e (3) HGB or that at the time of addition to the business assets are to be carried as current assets, 30 percent of the advance income estimates are tax exempt for corporate income tax purposes, and 15 percent for trade tax purposes. Equity funds are investment funds that, according to their terms and conditions of investment, continuously invest more than 50 percent of their value or of their gross assets in equity capital investments.

If the fund meets the tax prerequisites for partial exemption of a balanced fund, 30 percent of the advance income estimates are tax-exempt for income tax purposes, and 15 percent for trade tax purposes, if the units are held by natural persons as business assets. For taxable corporate entities, 40 percent of the advance income estimates are generally tax-exempt for corporation tax purposes, and 20 percent for trade tax purposes. For corporate entities that are life or health insurers or pension funds and in which the units are attributable to the investments, and for those that are credit institutions and in which the units are allocable to the trading portfolio as defined by article 340e (3) HGB or that at the time of addition to the business assets are to be carried as current assets, 15 percent of the advance income estimates are tax exempt for corporate income tax purposes, and 7.5 percent for trade tax purposes. Balanced funds are investment funds that, according to their terms and conditions of investment, continuously invest at least 25 percent of their value or of their gross assets in equity capital investments.

If the fund does not meet the tax prerequisites for either an equity fund or a balanced fund, no partial exemption is applicable to the advance income estimate.

A tax classification for purposes of the partial exemption of the fund/funds or sub-fund/sub-funds can be found in the Annex to this summary of tax regulations of importance to German investors. The classification may change for the future. In such a case, the fund unit is treated as sold and subsequently acquired on the following day with a new tax classification for partial exemption purposes; any resulting notional capital gain, however, is only taken into account once the units are actually sold.

Advance income estimates are usually subject to the 25-percent withholding tax (plus solidarity surcharge).

If the tax prerequisites for an equity or balanced fund are met, the partial-exemption rate applicable for individual investors, i.e., 30 percent in the case of an equity fund and 15 percent in the case of a balanced fund, is applied consistently for withholding purposes.

## 5. Capital gains at investor level

Gains on the sale of the units are generally subject to individual or corporate income tax and to trade tax. When determining the capital gain for tax purposes, the gain must be reduced by the advance income estimates applied during the holding period.

If the fund meets the tax prerequisites for partial exemption of an equity fund, 60 percent of the capital gains are tax-exempt for corporation tax purposes, and 30 percent for trade tax purposes, if the units are held by natural persons as business assets. For taxable corporate entities, 80 percent of the capital gains are generally tax-exempt for

corporation tax purposes, and 40 percent for trade tax purposes. For corporate entities that are life or health insurers or pension funds and in which the units are attributable to the investments, and for those that are credit institutions and in which the units are allocable to the trading portfolio as defined by article 340e (3) HGB or that at the time of addition to the business assets are to be carried as current assets, 30 percent of the capital gains are tax exempt for corporate income tax purposes, and 15 percent for trade tax purposes. Equity funds are investment funds that, according to their terms and conditions of investment, continuously invest more than 50 percent of their value or of their gross assets in equity capital investments.

If the fund meets the tax prerequisites for partial exemption of a balanced fund, 30 percent of the capital gains are tax-exempt for corporation tax purposes, and 15 percent for trade tax purposes, if the units are held by natural persons as business assets. For taxable corporate entities, 40 percent of the capital gains are generally tax-exempt for corporation tax purposes, and 20 percent for trade tax purposes. For corporate entities that are life or health insurers or pension funds and in which the units are attributable to the investments, and for those that are credit institutions and in which the units are allocable to the trading portfolio as defined by article 340e (3) HGB or that at the time of addition to the business assets are to be carried as current assets, 15 percent of the capital gains are tax exempt for corporate income tax purposes, and 7.5 percent for trade tax purposes. Balanced funds are investment funds that, according to their terms and conditions of investment, continuously invest at least 25 percent of their value or of their gross assets in equity capital investments.

In the event of a loss on a sale, the loss amount corresponding to the respective applicable partial exemption is not deductible at investor level.

If the fund does not meet the tax prerequisites for either an equity fund or a balanced fund, no partial exemption is applicable to the capital gains.

A tax classification for purposes of the partial exemption of the fund/funds or sub-fund/sub-funds can be found in the Annex to this summary of tax regulations of importance to German investors. The classification may change for the future. In such a case, the fund unit is treated as sold and subsequently acquired on the following day with a new tax classification for partial exemption purposes; any resulting notional capital gain, however, is only taken into account once the units are actually sold.

The gains on the sale of the units are usually not subject to withholding of investment income tax.

## 6. Simplified overview for the taxation of regular business investor groups

	Distributions	Advance income estimates	Capital gains
<b>German investors</b>			
Sole proprietorships	<p><u>Investment income tax:</u> 25% (the partial exemption for equity funds of 30%, or 15% for balanced funds, is taken into account)</p> <p><u>Substantive taxation:</u> Individual income tax and trade tax, taking into account partial exemptions where applicable (equity funds: 60% for individual income tax / 30% for trade tax; balanced funds: 30% for individual income tax / 15% for trade tax)</p>		<p><u>Investment income tax:</u> No withholding</p>
Regularly taxed corporations (typically industrial companies; banks, unless units are held in their trading portfolio; property insurers)	<p><u>Investment income tax:</u> No withholding for banks, otherwise 25% (the partial exemption for equity funds of 30%, or 15% for balanced funds, is taken into account)</p> <p><u>Substantive taxation:</u> Corporate income tax and trade tax, taking into account partial exemptions where applicable (equity funds: 80% for corporate income tax / 40% for trade tax; balanced funds: 40% for corporate income tax / 20% for trade tax)</p>		<p><u>Investment income tax:</u> No withholding</p>
Life and health insurance companies and pension funds with which the fund units are attributable to investments	<p><u>Investment income tax:</u> No withholding</p> <p><u>Substantive taxation:</u> Corporate income tax and trade tax, unless the commercial accounts contain a provision for premium refunds that is also recognized for tax purposes, taking into account partial exemptions where applicable (equity funds: 30% for corporate income tax / 15% for trade tax; balanced funds: 15% for corporate income tax / 7.5% for trade tax)</p>		
Banks that hold the fund units for trading	<p><u>Investment income tax:</u> No withholding</p> <p><u>Substantive taxation:</u> Corporate income tax and trade tax, taking into account partial exemptions where applicable (equity funds: 30% for corporate income tax / 15% for trade tax; balanced funds: 15% for corporate income tax / 7.5% for trade tax)</p>		
Tax-exempt non-profit, charitable or religious investors (in particular, churches and non-profit foundations)	<p><u>Investment income tax:</u> No withholding</p> <p><u>Substantive taxation:</u> Tax-exempt – in addition, the corporate income tax paid at fund level can be refunded on request under certain conditions.</p>		
Other tax-exempt investors (in particular, pension funds, burial funds and provident funds, provided that the requirements provided for in the German Corporate Tax Act are met)	<p><u>Investment income tax:</u> No withholding</p> <p><u>Substantive taxation:</u> Tax-exempt</p>		

It is assumed that units are held in custody in Germany. A surtax called the “solidarity surcharge” is levied on investment income tax, individual income tax and corporate income tax. To obtain

exemption from withholding of investment income tax, it may be necessary to submit certificates to the institution maintaining the custody account in sufficient time.

### III Non-resident taxpayers

If a non-resident taxpayer has the fund units held in custody by a domestic institution, no tax will be withheld on distributions, advance income estimates and the from the sale of the units, provided that the taxpayer submits proof of non-resident status. If the institution maintaining the custody account is not aware of the investor's non-resident status, or if such status is not verified in time, the foreign investor has no option but to apply for a refund of the tax withheld as provided for by the German Fiscal Code (Abgabenordnung)<sup>1</sup>. The tax office of the institution maintaining the custody account will be responsible for processing such a refund application.

### IV Solidarity surcharge

A solidarity surcharge of 5.5 percent is levied on the amount of tax to be withheld from distributions, advance income estimates and gains on the sale of units.

### V Church tax

Provided that income tax is already being withheld by a domestic institution maintaining the custody account (withholding agent), the attributable church tax is regularly levied as a surcharge on the tax withheld at the church tax rate of the religious group to which the church tax payer belongs. The deductibility of the church tax as a special expense is taken into account and used to reduce withholding.

### VI Foreign withholding tax

Local withholding tax is in some cases retained at source on fund income generated abroad. Such withholding tax cannot be taken into account to reduce the tax liability of investors.

### VII Consequences of merging investment funds

In cases of the merger of foreign investment funds to which the same partial-exemption rate is applicable and where both are subject to the same law of a EU state or of a third country that provides official legal and recovery assistance, unrealized gains will not be disclosed at the level of the investors, i.e., a transaction such as this is tax neutral. In general, both contract-form (e.g., Luxembourg FCP) and corporate-form (e.g., Luxembourg SICAV) investment funds can be merged on a tax-neutral basis.

<sup>1</sup> Article 37 (2) of the German Fiscal Code.

If the applicable partial-exemption rate of the transferring investment fund is different from that of the receiving investment fund, the unit of the transferring investment fund is treated as sold, and the unit of the receiving investment fund is treated as acquired. The gain on the notional sale is only deemed to have accrued once the unit of the receiving investment fund is actually sold. Once the notional acquisition has taken place, the partial-exemption rate of the receiving investment fund shall be applied.

Tax-neutral cross-border mergers are not possible. If a merger of investment funds is not tax-neutral, what takes place for tax purposes is a sale of the units of the transferring investment fund and a purchase of the units of the receiving investment fund.

### **VIII Special notice for German tax residents using foreign custody accounts**

Particular circumstances must be taken into account by German investors holding units of the fund in a foreign custody account. In particular,

the foreign institution maintaining the custody account will not withhold tax, which means that German tax residents must declare in their tax returns all distributions, advance income estimates and gains realized on the sale of units (regarding the calculation of capital gains, see points I. 3 and II. 5 above, respectively). It must be noted here that distributions and advance income estimates must be declared in the tax return every year.

Given the transitional provisions to the legal situation applicable since January 1, 2018, a large number of particular circumstances must be considered (e.g., any inflow of taxable capital gains on the sale of units applicable as of December 31, 2017, in the context of the actual unit sale).

If foreign custody accounts are to be used, we recommend that, prior to acquiring units of the fund described in this Sales Prospectus, investors consult their tax advisor and individually clarify any possible tax consequences arising from the acquisition of units.

### **IX Notification of foreign interests**

Investors subject, without limitation, to taxation in Germany should note that they are to report the acquisition and sale of certain applicable interests in the fund to the German tax authority responsible as per article 138 (2) of the German Fiscal Code. However, exceptions to this may apply, e.g., in the case of exchange-traded funds.

## **General note**

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The information provided here is based on our understanding of current tax laws. It is addressed to persons subject, without limitation, to individ-

ual or corporate income tax in Germany. However, no responsibility can be assumed for potential

changes in the tax structure through legislation, court decisions or the orders of the tax authorities.

## **Tax risks from hedging transactions for major investors**

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The possibility that investment income tax on German dividends and income from domestic dividend rights similar to equities that the investor originally generates may not be creditable or refundable in whole or in part cannot be ruled out. The investment income tax is fully offset or refunded if (i) the investor holds German equities and German dividend rights similar to equities for 45 days without interruption within a period of 45 days before and after the investment income was payable (91 days in total) and (ii) bears no less than 70% of the risk of a decline in value of the units or dividend rights without interruption throughout

that entire 45-day period ("45-day rule"). Moreover, in order to receive an investment income tax credit, there must not be an obligation to directly or indirectly pay the investment income to another person (e.g., through swaps, securities lending and borrowing, repurchase agreement transactions). For this reason, hedging or forward transactions that directly or indirectly hedge the risk arising from German equities or German dividend rights similar to equities may be detrimental. Hedging transactions on value and price indices are considered to be indirect hedges. To the extent that the fund is to be considered a related party of the

investor and enters into hedging transactions, these can result in these being attributed to the investor, and the investor therefore failing to comply with the 45-day rule.

In the event that investment income tax is not withheld from corresponding income that the investor originally generates, hedging transactions of the fund can result in these being attributed to the investor and the investor being required to remit the investment income tax to the tax office.

## ANNEX – Tax classification overview for partial tax exemption purposes for DWS Strategic SICAV

Fund	Classification for partial tax exemption purposes
<b>DB ESG Balanced SAA (EUR)</b>	Mixed fund
<b>DB ESG Balanced SAA (EUR) Plus</b>	Mixed fund
<b>DB ESG Balanced SAA (USD)</b>	Mixed fund
<b>DB ESG Balanced SAA (USD) Plus</b>	Mixed fund
<b>DB ESG Conservative SAA (EUR)</b>	Fund with no partial tax exemption
<b>DB ESG Conservative SAA (EUR) Plus</b>	Fund with no partial tax exemption
<b>DB ESG Conservative SAA (USD)</b>	Fund with no partial tax exemption
<b>DB ESG Conservative SAA (USD) Plus</b>	Fund with no partial tax exemption
<b>DB ESG Growth SAA (EUR)</b>	Mixed fund
<b>DB ESG Growth SAA (USD)</b>	Mixed fund
<b>DB Strategic Income Allocation EUR (SIA) Balanced Plus</b>	Mixed fund
<b>DB Strategic Income Allocation USD (SIA) Balanced Plus</b>	Mixed fund
<b>DB Strategic Income Allocation EUR (SIA) Conservative Plus</b>	Fund with no partial tax exemption
<b>DB Strategic Income Allocation USD (SIA) Conservative Plus</b>	Fund with no partial tax exemption
<b>DWS Strategic ESG Allocation Balance</b>	Mixed fund
<b>DWS Strategic ESG Allocation Defensive</b>	Fund with no partial tax exemption
<b>DWS Strategic ESG Allocation Dynamic</b>	Equity fund

# Management and Administration

## Investment Company

DWS Strategic SICAV  
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

Sven Sendmeyer  
DWS Investment GmbH,  
Frankfurt/Main

Gero Schomann  
DWS International GmbH,  
Frankfurt/Main

Thilo Hubertus Wendenburg  
Medius Capital,  
Frankfurt/Main

Elena Wichmann  
DWS Investment S.A.,  
Luxembourg

## Fund Management

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

The address of an additional sub-fund manager and/or investment advisor is specified for each sub-fund in the special section of the Sales Prospectus.

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

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

## Sub-Registrar and Sub-Transfer Agent

RBC Investor Services Bank S.A.  
14, Porte de France  
4360 Esch-sur-Alzette  
Grand Duchy of Luxembourg

MorgenFund GmbH,  
Luxembourg Branch  
Parc d'Activite Syrdall 2,  
18-20, rue Gabriel Lippmann  
5365 Munsbach  
Grand Duchy of Luxembourg

## Supervisory Board of the Management Company

Claire Peel  
Chairwoman  
DWS Management GmbH,  
Frankfurt/Main

Manfred Bauer  
DWS Management GmbH,  
Frankfurt/Main

Frank Rückbrodt  
Deutsche Bank Luxembourg S.A.,  
Luxembourg

Dr. Matthias Liermann  
DWS Investment GmbH,  
Frankfurt/Main

Holger Naumann  
DWS Investments Hong Kong Ltd.,  
Hong Kong

## Management Board of the Management Company

Nathalie Bausch  
Chairwoman  
DWS Investment S.A., Luxembourg

Leif Bjurstroem  
DWS Investment S.A., Luxembourg

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

Barbara Schots  
DWS Investment S.A., Luxembourg

## Custodian and Sub-Administrator

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

## Auditor

KPMG Luxembourg S.A.  
39, Avenue John F. Kennedy  
1855 Luxembourg, Grand Duchy of Luxembourg

## Information and Paying Agents

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

**DWS Strategic SICAV**

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