

DWS Investment GmbH

# DWS ESG Convertibles

Sales Prospectus  
including Terms and Conditions of Investment

February 1, 2024



Investors for a new now

# DWS Investment GmbH currently manages the following investment undertakings (As of 25/1/2024):

## Investment undertakings compliant with the UCITS Directive

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AL GlobalDynamik	DWS ESG Stiftungsfonds	DWS SDG Multi Asset Dynamic
Albatros Fonds	DWS ESG Top Asien	DWS Smart Industrial Technologies
Baloise – Aktienfonds DWS	DWS ESG Top World	DWS Together For Tomorrow
Baloise – International DWS	DWS Euro Bond Fund	DWS Top Dividende
Baloise – Rentenfonds DWS	DWS Euro Flexizins	DWS Top Europe
Barmeria Renditefonds DWS	DWS European Net Zero Transition	DWS TRC Deutschland
Best Managers Concept I	DWS European Opportunities	DWS TRC Global Growth
Champions Select Balance	DWS Eurovesta	DWS TRC Top Asien
Champions Select Dynamic	DWS Eurozone Bonds Flexible	DWS TRC Top Dividende
DeAM-Fonds WOP 2	DWS Fintech	DWS US Growth
DEGEF-Bayer-Mitarbeiter-Fonds	DWS-Fonds ESG BKN-HR	DWS Vermögensbildungsfonds I
DWS Aktien Schweiz	DWS Future Trends	Dynamic Global Balance
DWS Aktien Strategie Deutschland	DWS German Equities Typ O	E.ON Aktienfonds DWS
DWS Artificial Intelligence	DWS German Small/Mid Cap	E.ON Rentenfonds DWS
DWS Concept DJE Globale Aktien	DWS Global Communications	FOS Focus Green Bonds
DWS Concept GS&P Food	DWS Global Emerging Markets Equities	FOS Rendite und Nachhaltigkeit
DWS Covered Bond Fund	DWS Global Growth	FOS Strategie-Fonds Nr. 1
DWS Deutschland	DWS Global Hybrid Bond Fund	Gottlieb Daimler Aktienfonds DWS
DWS ESG Akkumula	DWS Global Natural Resources Equity Typ O	LEA-Fonds DWS
DWS ESG Balance	DWS Global Water	Löwen-Aktienfonds
DWS ESG Balance Portfolio E	DWS Health Care Typ O	Multi-Index Equity Fund
DWS ESG Biotech	DWS Internationale Renten Typ O	Noris-Fonds
DWS ESG Convertibles	DWS-Merkur-Fonds 1	Renten Strategie K
DWS ESG Defensiv	DWS Nomura Japan Growth	Strategiekonzept I
DWS ESG Dynamic Opportunities	DWS Qi European Equity	
DWS ESG Dynamik	DWS Qi Eurozone Equity	
DWS ESG Investa	DWS Qi Extra Bond Total Return	
DWS ESG Qi LowVol Europe	DWS SDG Global Equities	

## Alternative Investment Funds (AIFs)

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Capital Growth Fund	DWS Vorsorge AS (Flex)	Vermögensmanagement Chance
DWS Sachwerte	FFPB Substanz	Vermögensmanagement Rendite
DWS Vorsorge AS (Dynamik)	PWM US Dynamic Growth (USD)	ZinsPlus

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In addition, the Company currently manages 144 investment undertakings for institutional investors.

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# Sales Prospectus – General Section

## Notice regarding the Sales Prospectus

The purchase and sale of units of investment funds discussed in this Sales Prospectus takes place on the basis of the respective applicable versions of the Sales Prospectus, the Key Information Document and the General Terms and Conditions of Investment in conjunction with the Special Terms and Conditions of Investment. The General Terms and Conditions of Investment and the Special Terms and Conditions of Investment are annexed to this Sales Prospectus.

The Sales Prospectus, together with the most recently published annual report and any semiannual report published after the annual report, must be provided free of charge upon request to persons interested in purchasing a unit of this investment fund as well as to each investor in the investment fund. In addition, the Key Information Document must be provided free of charge to the interested persons in good time before entering into any agreement.

Information or statements other than those contained in the Sales Prospectus must not be provided. Any purchase and sale of units on the basis of information or statements not contained in the Sales Prospectus or in the Key Information Document shall be at the exclusive risk of the purchaser. The Sales Prospectus is supplemented by the most recent annual report and by any semiannual report published after the annual report.

This Sales Prospectus consists of a general section and a special section. The general section contains general regulations on the type of investment fund discussed in this Sales Prospectus. Special, partly restrictive and specific regulations for the relevant investment fund are set forth in the special section.

## Investment restrictions

The units of this investment fund 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. Unless DWS Investment GmbH (the "Company"), or a third party authorized by it, has obtained permission to do so from the local regulatory authorities, this Sales Prospectus does not constitute a solicitation to purchase investment fund units, nor may this Sales Prospectus be used for the purpose of soliciting the purchase of investment fund units.

This Sales Prospectus may be used for sales purposes only by persons who have express written authorization from the Company (granted directly or indirectly via authorized sales agents) to do so.

The Company continuously examines the requirements that statutory regulations – including those of other states – impose on it. It may therefore be

necessary for investors to produce the required documents as evidence, especially with regard to money laundering or tax residency.

## Investment restrictions for U.S. persons

The units hereby offered were not approved by the United States Securities and Exchange Commission ("SEC") or by another government authority of the United States of America, and neither the SEC nor another authority of the United States of America has checked the accuracy or the suitability of this Sales Prospectus. The units are offered and sold outside of the United States of America in compliance with Regulation S of the United States Securities Act of 1933, as amended (the Securities Act). Any person that is a U.S. person (in accordance with the definition of the term "U.S. person" according to Regulation S of the Securities Act) is not entitled to invest in the fund. The Company was not and will not be registered as an investment company according to the United States Investment Company Act of 1940 as amended ("Investment Company Act") and is therefore not subject to the provisions of the Investment Company Act, which is designed to protect investors in registered investment companies.

The units may not be sold, assigned, transferred, pledged or transferred as collateral to U.S. persons, attributed to U.S. persons, encumbered with rights of U.S. persons or exchanged with U.S. persons, and derivative contracts, swaps, structured notes or other agreements may not grant U.S. persons rights to units directly, indirectly or synthetically, or subject U.S. persons to the provisions of such agreements in relation to the units (each referred to as "transfer"). Any such transfer to a U.S. person is null and void.

## Most important legal implications of the contractual relationship

By purchasing units, the investor becomes a joint owner, on a fractional basis, of the assets held by this fund. The investor has no control over the assets. Subject to the information in the special section, there are no voting rights associated with the units.

All publications and advertising documentation are prepared in German or accompanied by a translation into German. The Company may declare translations of the Sales Prospectus into the languages of those countries where units of the fund may be offered for sale to the public to be binding. Otherwise, in the event of discrepancies between the German version of the Sales Prospectus and any translation, the German version shall always prevail. Moreover, the Company will conduct the entire communication with its investors in German, in the language of the country in which the investment fund is authorized for public distribution, or in English.

## Enforcement of rights

The legal relationship between the Company and the investor as well as contractual relationships are governed by German law. The location of the registered office of the Company shall be the place of jurisdiction for any legal claims on the part of the investor against the Company arising from this contractual relationship. Investors who are consumers (see definition below) and who reside in another EU country may also bring a legal claim before a competent court in their country of residence.

Consumers are natural persons who invest in the fund for a purpose that is primarily related to neither their commercial activity nor their independent professional activity, meaning that they trade for private purposes.

To enforce their rights, investors may seek recourse from the ordinary courts or, if available, initiate proceedings for alternative dispute resolution.

The Company has undertaken to participate in dispute resolution proceedings of a consumer arbitration office.

In the case of disputes consumers may contact the investment funds ombudsman's office ("Ombudsstelle für Investmentfonds") at BVI Bundesverband Investment und Asset Management e.V. as the competent consumer arbitration office. The Company participates in dispute resolution proceedings before this arbitration office.

The Ombudsstelle für Investmentfonds can be contacted at:

Büro der Ombudsstelle  
(Office of the Ombudsman) of BVI  
Bundesverband Investment und  
Asset Management e.V.  
Unter den Linden 42  
10117 Berlin, Germany  
Tel.: +49 (0)30 - 6449046-0  
Fax: +49 (0)30 - 6449046-29  
E-mail: info@ombudsstelle-investmentfonds.de  
www.ombudsstelle-investmentfonds.de

In the case of disputes relating to sales contracts or service contracts concluded by electronic means, consumers may also contact the EU's online dispute resolution platform ([www.ec.europa.eu/consumers/odr](http://www.ec.europa.eu/consumers/odr)). The following e-mail can be used as the contact address for the Company: info@dws.com. The platform itself is not a dispute resolution office, but instead merely puts the parties into contact with a competent national arbitration office.

The right of recourse to the courts shall not be affected by dispute resolution proceedings.

## General principles

### The investment fund (the fund)

This investment fund ("fund") is a collective investment undertaking ("investment undertaking"), which collects capital from a number of investors in order to invest it according to a defined investment policy for the benefit of those investors. The fund is an investment undertaking pursuant to European Directive 2009/65/EC as amended ("UCITS"), as defined by the German Investment Code ("KAGB"). It is managed by the Company. The Company invests the capital deposited with it in its own name for the collective account of the investors in the form of investment funds pursuant to the principle of risk spreading in assets permitted under the KAGB, but separate from its own assets. The fund is not part of the Company's insolvency assets.

The business objective of the fund is limited to the investment of capital according to a defined investment strategy in a collective asset management structure using the funds deposited with it; all operating activities and active commercial usage of the assets held are excluded.

The assets in which the Company may invest investor monies, and the provisions to be complied with when so doing, are stated in the KAGB and associated regulations, as well as in the German Investment Tax Act ("InvStG") and in the Terms and Conditions of Investment, which govern the legal relationship between the investors and the Company. The Terms and Conditions of Investment contain a general section and a special section ("General Terms and Conditions of Investment" and "Special Terms and Conditions of Investment").

### Sales documents and disclosure of information on risk management

The Sales Prospectus, the Key Information Document and the Terms and Conditions of Investment, as well as the most recent annual and semiannual reports, are available free of charge on the Company's website [www.dws.com](http://www.dws.com).

Additional information on risk management investment limitation for the fund, risk management methods and the latest developments concerning risks and returns of the most important categories of assets, as well as on the composition of the portfolio structure, are available from the Company in electronic or written form.

If the Company provides additional information on the composition of the fund portfolio or its performance to individual investors, it will simultaneously make this information available to all investors in the fund free of charge.

### Disclosure of sales information in accordance with MiFID 2

Investors may obtain additional information on the target market and on product costs resulting from the implementation of the provisions of Directive 2014/65/EU of the European Parliament and of the Council on markets and financial instruments and the amendment of Directives 2002/92/EC and 2011/61/EU (hereinafter referred to as "MiFID 2 Directive" or "MiFID 2"), which the Company makes available to distributors.

The 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 by distribution agents or distribution partners, or if such agents or partners act as intermediaries for the purchase of units, they may therefore present additional information to the investor that also relates to the profile of a typical investor.

### Terms and Conditions of Investment and amendments thereto

The text of the Terms and Conditions of Investment is annexed to this Sales Prospectus in this document. The Terms and Conditions of Investment may be amended by the Company. Amendments to the Terms and Conditions of Investment require the approval of BaFin. Amendments to the fund's investment principles are only permitted on the condition that the Company makes an offer to investors either to redeem their units at no additional cost prior to the amendments taking effect or to exchange their units, free of charge, for units of investment undertakings having comparable investment principles, provided such investment undertakings are managed by the Company or by another entity belonging to its group of companies.

Any proposed amendments shall be announced in the Bundesanzeiger (Federal Gazette) and on the Internet at [www.dws.com](http://www.dws.com). If the amendments relate to fees and expense reimbursements that may be charged to the fund, or if they involve a change of the master fund, or any other investment principles of the fund, or significant investor rights, investors shall additionally be informed of this through the institutions maintaining their custody accounts. This shall be done by means of a medium on which information for one of the information purposes can, for an adequate period of time, be stored, viewed and reproduced without modification, such as on paper or in electronic format ("durable medium"). This information shall include the material content of the proposed amendments and their background, the rights of investors in connection with the amendments, as well as a notice indicating where and how more information can be obtained.

The earliest date on which amendments shall come into force is on the day following their publication. Amendments to the provisions concerning fees and reimbursement of expenses shall come into force no earlier than four weeks after their publication unless an earlier date has been specified with the consent of BaFin. Amendments to the fund's current investment principles shall likewise take effect no earlier than four weeks after their announcement.

## Management Company

### Company name, legal form and registered office

The Company is an asset management company as defined by the KAGB founded on May 22, 1956, in the legal form of a company with limited liability (Gesellschaft mit beschränkter Haftung; GmbH). The name of the Company is DWS Investment GmbH. The Company has its registered office at Mainzer Landstraße 11-17, 60329 Frankfurt/Main, Germany, and is registered in Part B of the Commercial Register of the Frankfurt/Main Local Court under the number HRB 9135.

The Company has an authorization as a UCITS asset management company and as an AIF asset management company under the KAGB. The Company is authorized to manage UCITS according to article 1 (2) in conjunction with articles 192 et seq. KAGB, 'Mixed' investment undertakings according to articles 218 et seq. KAGB, 'Other' investment undertakings according to articles 220 et seq. KAGB and retirement investment funds according to article 347 KAGB in conjunction with article 87 of the Investment Act in the version applicable until July 21, 2013, as well as open-ended domestic institutional AIFs with fixed terms and conditions of investment according to article 284 KAGB that invest in the assets named in article 284 (1) and (2) KAGB with the exception of the assets named in article 284 (2) (e) and (f) KAGB. In addition, the Company is authorized to manage EU investment undertakings or foreign AIFs whose permissible assets correspond to those for domestic investment undertakings.

### Management and supervisory board

For further information on the management of the Company and the composition of its supervisory board, please consult the final section of this Sales Prospectus.

### Equity capital and additional own funds

The Company has capital stock in the amount of EUR 115 million (as of: December 31, 2020). The liable equity capital of the Company amounts to EUR 398.4 million (as of December 31, 2020).

The Company has accounted for the professional liability risks that arise from the management of investment undertakings that do not comply with the UCITS Directive, Alternative Investment Funds ("AIF"), and which are due to professional negligence by its governing bodies or employees, with own funds in the amount of at least 0.01% of the

value of all AIF portfolios under management; this amount shall be reviewed and adjusted annually. These own funds are included in the paid in capital.

## Custodian

### Identity of the custodian

The credit institution State Street Bank International GmbH, whose registered office is located at Brienner Straße 59, 80333 Munich, Germany, has assumed the function of custodian for the fund. The custodian is a credit institution under German law.

### Functions of the custodian

The KAGB provides for a separation of the duties of management and custody for investment funds. The custodian keeps the fund's assets in blocked custody and cash accounts. For assets that cannot be held in custody, the custodian checks whether the Company has acquired ownership of these assets. The custodian monitors whether the Company's use of the assets is in compliance with the provisions of the KAGB and the Terms and Conditions of Investment. The investment in bank balances at another credit institution, as well as the

use of such bank balances, are permissible only with the consent of the custodian. The custodian must grant its consent if such investment or use of assets is consistent with the Terms and Conditions of Investment and the provisions of the KAGB. The custodian additionally has the following duties, in particular:

- Issuing and redeeming units of the fund;
- Ensuring that the issue and redemption of units, as well as the determination of the net asset value per unit, comply with the provisions of the KAGB and the Terms and Conditions of Investment of the fund;
- Ensuring that, for transactions conducted for the collective account of the investors, custody of the equivalent value is taken within the customary time limits;
- Ensuring that the income of the fund is used as provided for by the KAGB and Terms and Conditions of Investment;
- Monitoring borrowing by the Company for the account of the fund and, where required, consenting to such borrowing;
- Ensuring that collateral for securities loans has been provided in a legally valid manner and is available at all times.

### Sub-custody

The Company has received the functions and information outlined in this section "Sub-custody" from the custodian and thus relies on the timely provision of complete and correct data and information by the custodian.

The custodian has appointed State Street Bank & Trust Company, with its registered office at One Congress Street, Suite 1, Boston, Massachusetts 02114-2016, USA, as its global custodian ("Global custodian") to hold foreign assets in custody. The Global custodian in turn has delegated the custodial duties to various sub-custodians domiciled in the countries listed below so that the foreign assets may be held in custody in the respective countries.

In the countries below, the Global custodian has delegated the custody of the assets to the sub-custodians listed:

Name of sub-custodian	Country	Registered office	Conflicts of interest*
Citibank, N.A.	Egypt	Cairo	Variant 1
Raiffeisen Bank sh.a.	Albania	Tirana	Variant 1
Citibank N.A.	Argentina	Buenos Aires	Variant 1
The Hongkong and Shanghai Banking Corporation Ltd.	Australia	Parramatta	Variant 1
First Abu Dhabi Bank P.J.S.C.	Bahrain	Manama	Variant 1
Standard Chartered Bank	Bangladesh	Dhaka	Variant 1
BNP Paribas S.A., France (operated by the Paris Branch with support from the Brussels Branch)	Belgium	Pantin (France)	Variant 1
via Standard Chartered Bank Côte d'Ivoire S.A.	Benin	Abidjan (Côte d'Ivoire)	Variant 1
HSBC Bank Bermuda Ltd.	Bermuda	Hamilton	Variant 1
UniCredit Bank d.d.	Bosnia and Herzegovina	Sarajevo	Variant 1
Standard Chartered Bank Botswana Ltd.	Botswana	Gaborone	Variant 1
Citibank, N.A.	Brazil	São Paulo	Variant 1
Citibank Europe plc, Bulgaria Branch	Bulgaria	Sofia	Variant 1
UniCredit Bulbank AD	Bulgaria	Sofia	Variant 1
via Standard Chartered Bank Côte d'Ivoire S.A.	Burkina Faso	Abidjan (Côte d'Ivoire)	Variant 1
Banco de Chile	Chile	Santiago de Chile	Variant 1
HSBC Bank (China) Company Ltd.	People's Republic of China	Shanghai	Variant 1
China Construction Bank Corporation	People's Republic of China	Beijing	Variant 1
Standard Chartered Bank (Hong Kong) Ltd.	China Connect	Hong Kong	Variant 1
Banco BCT S.A.	Costa Rica	San José	Variant 1
Skandinaviska Enskilda Banken AB (publ), Sweden (operated by the Copenhagen Branch)	Denmark	Copenhagen	Variant 1



Name of sub-custodian	Country	Registered office	Conflicts of interest*
Deutsche Bank AG	Germany	Eschborn	Variant 2
State Street Bank International GmbH	Germany	Munich	Variant 1
Standard Chartered Bank Côte d'Ivoire S.A.	Côte d'Ivoire	Abidjan (Côte d'Ivoire)	Variant 1
AS SEB Pank	Estonia	Tallinn	Variant 1
Skandinaviska Enskilda Banken AB (publ), Sweden (operated by the Helsinki Branch)	Finland	Helsinki	Variant 1
BNP Paribas S.A.	France	Pantin (France)	Variant 1
JSC Bank of Georgia	Republic of Georgia	Tbilisi	Variant 1
Standard Chartered Bank Ghana Plc	Ghana	Accra	Variant 1
BNP Paribas S.A.	Greece	Athens	Variant 1
via Standard Chartered Bank Côte d'Ivoire S.A.	Guinea-Bissau	Abidjan (Côte d'Ivoire)	Variant 1
The Hongkong and Shanghai Banking Corporation Ltd.	Hong Kong	Hong Kong	Variant 1
Deutsche Bank AG	India	Mumbai	Variant 2
Citibank, N.A.	India	Mumbai	Variant 1
The Hongkong and Shanghai Banking Corporation Ltd.	India	Mumbai	Variant 1
Deutsche Bank AG	Indonesia	Jakarta	Variant 2
Standard Chartered Bank	Indonesia	Jakarta	Variant 1
Landsbankinn hf.	Iceland	Reykjavik	Variant 1
Bank Hapoalim B.M.	Israel	Tel Aviv	Variant 1
Intesa Sanpaolo S.p.A.	Italy	Milan	Variant 1
Mizuho Bank, Ltd.	Japan	Tokyo	Variant 1
The Hongkong and Shanghai Banking Corporation Ltd.	Japan	Tokyo	Variant 1
Standard Chartered Bank	Jordan	Amman	Variant 1
State Street Trust Company Canada	Canada	Toronto	Variant 1
HSBC Bank Middle East Ltd.	Qatar	Doha	Variant 1
JSC Citibank Kazakhstan	Kazakhstan	Almaty	Variant 1
Standard Chartered Bank Kenya Ltd.	Kenya	Nairobi	Variant 1
Cititrust Colombia S.A. Sociedad Fiduciaria	Colombia	Bogotá, D.C.	Variant 1
Deutsche Bank AG	Republic of Korea	Seoul	Variant 2
The Hongkong and Shanghai Banking Corporation Ltd.	Republic of Korea	Seoul	Variant 1
Privredna banka Zagreb d.d.	Croatia	Zagreb	Variant 1
Zagrebacka Banka d.d.	Croatia	Zagreb	Variant 1
First Abu Dhabi Bank P.J.S.C.	Kuwait	Kuwait City	Variant 1
AS SEB banka	Latvia	Riga	Variant 1
AB SEB bankas	Lithuania	Vilnius	Variant 1
Standard Bank PLC	Malawi	Blantyre	Variant 1
Standard Chartered Bank Malaysia Berhad	Malaysia	Kuala Lumpur	Variant 1
via Standard Chartered Bank Côte d'Ivoire S.A.	Mali	Abidjan (Côte d'Ivoire)	Variant 1
Citibank Maghreb S.A.	Morocco	Casablanca	Variant 1
The Hongkong and Shanghai Banking Corporation Ltd.	Mauritius	Ebène (CyberCity)	Variant 1
Banco Nacional de México S.A.	Mexico	Santa Fe	Variant 1
Standard Bank Namibia Ltd.	Namibia	Windhoek	Variant 1
The Hongkong and Shanghai Banking Corporation Ltd.	New Zealand	Auckland	Variant 1
BNP Paribas S.A., France (operated by the Paris Branch with support from the Amsterdam Branch)	Netherlands	Pantin (France)	Variant 1
via Standard Chartered Bank Côte d'Ivoire S.A.	Niger	Abidjan (Côte d'Ivoire)	Variant 1
Stanbic IBTC Bank Plc.	Nigeria	Lagos	Variant 1

Name of sub-custodian	Country	Registered office	Conflicts of interest*
Skandinaviska Enskilda Banken AB (publ) Sweden (operated by the Oslo Branch)	Norway	Oslo	Variant 1
First Abu Dhabi Bank P.J.S.C.	Oman	Muscat	Variant 1
UniCredit Bank Austria AG	Austria	Vienna	Variant 1
Citibank N.A.	Panama	Panama City	Variant 1
Deutsche Bank AG	Pakistan	Karachi	Variant 2
Citibank, N.A.	Pakistan	Karachi	Variant 1
Citibank del Perú S.A.	Peru	Lima	Variant 1
Standard Chartered Bank	Philippines	Makati City	Variant 1
Bank Handlowy w Warszawie S.A.	Poland	Warsaw	Variant 1
Citibank Europe plc, Dublin, Ireland	Portugal	Dublin	Variant 2
Citibank Europe plc, Dublin – Romania Branch	Romania	Bucharest	Variant 1
AO Citibank	Russia	Moscow	Variant 1
Standard Chartered Bank Zambia Plc	Zambia	Lusaka	Variant 1
FAB Capital J.S.C.	Saudi Arabia	Riyadh	Variant 1
Skandinaviska Enskilda Banken AB (publ)	Sweden	Stockholm	Variant 1
UBS Switzerland AG	Switzerland	Zurich	Variant 1
Credit Suisse (Switzerland) Ltd.	Switzerland	Zurich	Variant 1
via Standard Chartered Bank Côte d'Ivoire S.A.	Senegal	Abidjan (Côte d'Ivoire)	Variant 1
UniCredit Bank Serbia JSC	Serbia	Belgrade	Variant 1
Stanbic Bank Zimbabwe Ltd.	Zimbabwe	Harare	Variant 1
Citibank N.A.	Singapore	Singapore	Variant 1
UniCredit Bank Czech Republic and Slovakia, a.s.	Slovak Republic	Bratislava	Variant 1
UniCredit Banka Slovenija d.d.	Slovenia	Ljubljana	Variant 1
Citibank Europe plc, Dublin, Ireland	Spain	Madrid	Variant 2
The Hongkong and Shanghai Banking Corporation Ltd.	Sri Lanka	Colombo	Variant 1
UniCredit Bank d.d.	Republika Srpska	Sarajevo	Variant 1
FirstRand Bank Ltd.	South Africa	Johannesburg	Variant 1
Standard Chartered Bank	South Africa	Johannesburg	Variant 1
Standard Chartered Bank (Taiwan) Ltd.	Taiwan – R.O.C.	Taipei	Variant 1
Standard Chartered Bank (Tanzania) Ltd.	Tanzania	Dar es Salaam	Variant 1
Standard Chartered Bank (Thai) Public Company Ltd.	Thailand	Bangkok	Variant 1
via Standard Chartered Bank Côte d'Ivoire S.A.	Togo	Abidjan (Côte d'Ivoire)	Variant 1
Československá obchodní banka, a.s.	Czech Republic	Prague	Variant 1
UniCredit Bank Czech Republic and Slovakia, a.s.	Czech Republic	Prague	Variant 1
Union Internationale de Banques	Tunisia	Tunis	Variant 1
Citibank A.Ş.	Türkiye	Istanbul	Variant 1
Standard Chartered Bank Uganda Ltd.	Uganda	Kampala	Variant 1
JSC Citibank	Ukraine	Kiev	Variant 1
UniCredit Bank Hungary Zrt.	Hungary	Budapest	Variant 1
Citibank Europe plc Magyarországi Fióktelepe	Hungary	Budapest	Variant 1
Banco Itaú Uruguay S.A.	Uruguay	Montevideo	Variant 1
State Street Bank and Trust Company	USA	Boston	Variant 1
First Abu Dhabi Bank P.J.S.C.	United Arab Emirates	Abu Dhabi Dubai Financial Market	Variant 1
First Abu Dhabi Bank P.J.S.C.	United Arab Emirates	Abu Dhabi Dubai International Financial Center	Variant 1
First Abu Dhabi Bank P.J.S.C.	United Arab Emirates	Abu Dhabi	Variant 1



Name of sub-custodian	Country	Registered office	Conflicts of interest*
State Street Bank and Trust Company, United Kingdom Branch	United Kingdom	Edinburgh	Variant 1
HSBC Bank (Vietnam) Ltd.	Vietnam	Ho Chi Minh City	Variant 1
BNP Paribas S.A., Greece (operated by the Athens Branch)	Cyprus	Athens	Variant 1

\* Variant 1: No conflicts of interest are identified. Potential conflicts of interest would be mitigated by the configuration of the custodian/sub-custodian contract.  
Variant 2: The sub-custodian is a company affiliated with the Management Company.

#### Additional information

The list of sub-custodians is current as of the date indicated on the title page of this Sales Prospectus. Upon request, the Company will provide investors with the most up-to-date information on the custodian and its obligations, as well as on the sub-custodians and on any possible and actual conflicts of interest in connection with the activity of the custodian or the sub-custodians. An updated list of sub-custodians can also be found on the Internet at <https://www.dws.com/en-lu/footer/Legal-Resources>.

In addition to keeping actual custody of foreign assets at the foreign sub-custodian according to the laws and customs of the respective country of custody, the foreign sub-custodian additionally provides for the redemption of interest, dividend and income coupons, and for the redemption of securities repayable at maturity. Furthermore, the sub-custodian forwards information on corporate actions relating to the foreign securities held in custody.

According to the custodian, actual and potential conflicts of interest arising in relation to the Global custodian at the first sub-custodian level are handled in conformity with the law. For more information, refer to the explanations below.

The custodian has informed the Company that it handles conflicts of interest as summarized below:

The custodian's Compliance department is tasked with the function of the "independent bodies" required in accordance with article 70 (2), sentence 4, KAGB or article 85 (2), sentence 4, KAGB.

The schedule of responsibilities and the organizational structure of the custodian comply with the statutory and regulatory requirements according to information provided to the Company and, in particular, satisfy the requirement for preventing conflicts of interest. The division that initiates lending transactions and has a vote in lending decisions ("Front Office") and the "Trading" division up to and including the management level are therefore kept separate from the division that has an additional vote in lending decisions ("Back Office"). This separation also applies to the functions that monitor and communicate risks ("Risk Controlling") and the functions responsible for settlement and control of lending transactions and settlement and control of trading transactions. According to information disclosed to the Company, custodial operations are also completely separate from the business units that provide

services associated with collateral management, for example for securities lending transactions ("Collateral Management Services"), and carrying out fund administration insourcing activities ("KVG Backoffice Insourcing"). In cases where the duties of the asset management company are insourced, the "division solution" as defined in BaFin Circular 05/2020 (WA) on the Tasks and Duties of the Custodian or BaFin Circular 01/2017 (WA) on the Minimum Requirements on Risk Management for Investment Companies (KAMaRisk) has been implemented with regard to spatial and personnel as well as functional and hierarchical separation, according to the custodian.

As per information provided to the Company, the custodian's Conflict of Interest Policy covers the full range of conflict of interest issues from both the WPHG perspective and the custodian perspective, and prescribes the use of various methods to prevent conflicts of interest. A short summary of these is provided below:

- Control of information flow:
  - Guidelines for Chinese Walls and their management.
  - Transfer of information within the company on a strict "need to know" basis.
  - Access rights to information and physical access rights to company departments. For instance, the technical systems in place currently ensure that the provision of fund administration insourcing services is completely separate from custodial services.
  - Guidelines on wall crossing
- Separate monitoring of relevant persons.
- No harmful dependencies in the compensation system.
- No detrimental influence by employees on other employees.
- Avoidance of giving an employee responsibility for various activities which, if carried out simultaneously, may give rise to conflicts of interest.

- As a last resort, notification of the affected clients of conflicts of interest not sufficiently avoidable or controllable.

#### Liability of the custodian

The custodian is generally responsible for all assets held in custody by it, or by another institution with its consent. In the case of a loss of such an asset, the custodian is liable to the fund and its investors, unless such loss is attributable to events beyond the influence of the custodian. For losses that are not losses of assets, the custodian is generally only liable if it has failed to meet its obligations pursuant to the provisions of the KAGB and if such failure was at least negligent.

#### Additional information

Upon request, the Company will provide investors with the most up-to-date information on the custodian and its obligations, on the sub-custodians, as well as on possible conflicts of interest in connection with the activities of the custodian or of the sub-custodians.

#### Risk warnings

**Before making any decision to purchase units of the fund, investors should read carefully the following risk warnings together with the other information contained in this Sales Prospectus, and give due consideration to them when making their investment decision. The occurrence of one or more of these risks by itself or in combination with other circumstances can adversely affect the performance of the fund, or of the assets held in the fund, and may consequently have an adverse effect on the net asset value per unit. If the investor sells units of the fund on a date at which the prices of the assets contained in the fund have fallen in relation to the date at which the units were purchased, the investor will get back none or less than the full amount of the capital invested in the fund.**

**The investor could lose part or, in some cases, even all of the capital invested in the fund.**

**Appreciation of capital cannot be guaranteed. The investor's risk is limited to the sum invested. There is no obligation to make subsequent payments in addition to the capital invested by the investor. The order in which the following risks are listed shall not be construed as an indication either of the probability of their occurrence or of the amount of loss in the event of these risks materializing. Aside from the risks described in what follows, or elsewhere in the Sales Prospectus, the performance of the fund might also be adversely affected by various other risks that are currently unknown or do not yet exist.**

### Risks of investing in the fund

In the following, the risks typically associated with an investment in a UCITS are presented. These risks can have an adverse effect on the net asset value per unit, on the capital invested by the investor and on the investor's planned holding period for the fund investment.

#### Fluctuation of the fund's net asset value per unit

The net asset value per unit is calculated as the value of the fund divided by the number of units in circulation. The value of the fund is equal to the sum of the market values of all assets held in the fund, less the market values of all liabilities of the fund. The fund's net asset value per unit is thus dependent on the assets held in the fund and on the amount of the fund's liabilities. If the value of these assets declines, or if the value of the liabilities rises, the fund's net asset value per unit falls. The net asset value per unit at the time of the sale of the unit may therefore be lower than that at the time of the purchase of the unit. The investor may therefore possibly get back an amount that is lower than the amount originally invested.

#### Impact of tax aspects on individual results

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

#### Amendment of the investment policy and of the Terms and Conditions of Investment

The Company can change the Terms and Conditions of Investment with the approval of BaFin. This may have an effect on the investor's rights. For instance, by changing the Terms and Conditions of Investment, the Company can change the fund's investment policy or increase the costs to be charged to the fund. The Company can additionally change the investment policy within the statutorily and contractually permissible investment spectrum, and thus without changing the Terms and Conditions of Investment and without BaFin approval. This can result in a change to the risk associated with the fund.

#### Restriction of the redemption of units

Unless stated otherwise in the special section and in the Terms and Conditions of Investment, the Company may restrict the redemption of units for a total of up to 15 consecutive working days. For the Company to be able to do this, the investors' redemption requests on a settlement date must exceed a previously defined threshold as of which the redemption requests can no longer be executed in the interests of all investors due to the liquidity situation of the fund. If the threshold is reached or exceeded, the Company decides according to its best judgment whether it will restrict the redemption on this settlement date. If it decides to restrict redemption, it may continue this for up to 14 consecutive working days on the basis of a daily discretionary judgment. If the Company decides to restrict the redemption, it shall only redeem the units on a pro rata basis at the redemption price applicable on the settlement date; the redemption obligation lapses other than that. This means that each redemption request is executed only on a pro rata basis according to a ratio determined by the Company. The part of the order that is not executed will not be executed at a later date but instead expires. For the investor, there is therefore a risk that only a portion of their redemption order will be executed and that they will have to once again place the outstanding remaining order.

#### Suspension of the redemption of units

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

A suspension without subsequent resumption of the redemption of units can lead directly to a liquidation of the investment fund, as is the case, for example, when the Company terminates its management of the fund for the purpose of liquidating the fund. For the investor, this entails the risk that the planned holding period might not be realized, and that significant portions of the capital invested might not be available for an indefinite period of time or may be lost entirely.

#### Liquidation of the fund

The Company has the right to terminate its management of the fund. After termination of management, the Company can completely liquidate the fund. After a six-month period of notice, the right to dispose of the fund passes to the custodian. For the investor, this entails the risk that the holding period planned by the investor will not be realized. When the fund passes to the custodian, taxes other than German income taxes may be imposed on the fund. Income taxes may be imposed on the investor when the fund units are removed from the investor's custody account after completion of the liquidation proceedings.

#### Transfer of all the assets of the fund to another open-ended retail investment undertaking (merger)

The Company can transfer all the assets of the fund to another UCITS. In this case, the investor can (i) return their units, (ii) retain their units and consequently become an investor of the receiving UCITS or (iii) exchange their units for units of an open-ended retail investment undertaking having comparable investment principles, provided the Company or an entity affiliated with it manages such an investment undertaking having comparable investment principles. The same applies if the Company transfers all the assets of another open-ended retail investment undertaking into the fund. The investor must therefore, in the context of the transfer, make a new investment decision prematurely. Income taxes may be incurred when returning the units. In an exchange of units for units of an investment undertaking having comparable investment principles, the investor may be charged income taxes if, for instance, the value of the units received is higher than the value of the old units at the time of purchase.

#### Transfer of the fund to another asset management company

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

#### Profitability and fulfillment of the investor's investment objectives

No assurance can be given that the investor will achieve the desired investment performance. The net asset value per unit of the fund can fall and lead to investor losses. There are no guarantees from the Company or from third parties concerning a particular minimum payment commitment upon redemption or a particular investment performance of the fund. An initial sales charge paid in a purchase of units, or a redemption fee paid in a sale of units, can additionally reduce or even completely consume the performance of an investment, particularly in the case of a short investment

period. Investors could receive back an amount that is lower than the amount originally invested.

### Risk of negative performance of the fund (market risk)

The risks described below can affect the performance of the fund or of the assets held in the fund, and can thus also adversely affect the net asset value per unit and the capital invested by the investor.

#### Sustainability risk – Environmental, Social and Governance (ESG)

Sustainability risk is an event or a condition relating to environmental, social or governance factors whose occurrence can have actual or potential material negative effects on the value of an investment. A sustainability risk can either be a stand-alone risk or influence other risks and materially contribute to risk, e.g., price risks, liquidity risks, counterparty risks or operational risks.

These events or conditions are broken down into the categories of Environmental, Social and Governance (ESG) and relate to the following topics, among others:

##### Environment

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

##### Social

- Compliance with recognized labor standards (no child labor or forced labor, no discrimination)
- Compliance with occupational safety and health protection
- Appropriate remuneration, fair conditions in the workplace, diversity as well as opportunities for training and development
- Freedom to belong to a trade union and freedom of assembly
- Assurance of sufficient product safety, including health protection
- The same requirements of companies in the supply chain
- Inclusive projects and consideration of the concerns of communities and social minorities

##### Governance

- Honesty in tax matters
- Measures to prevent corruption
- Sustainability management by the management board

- Management board compensation dependent on sustainability
- Facilitation of whistle-blowing
- Assurance of workers' rights
- Assurance of data protection
- Disclosure of information

In the context of environmental issues, the Company considers the following aspects in particular in connection with climate change:

##### Physical climatic events or conditions

- Isolated extreme weather events
  - Heat waves
  - Droughts
  - Storms
  - Hailstorms
  - Forest fires
  - Avalanches
- Long-term climate changes
  - Decreasing snow volumes
  - Changes in the frequency and volume of precipitation
  - Volatile 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 with regional extremes

##### Transitional events or conditions

- Prohibitions and restrictions
- Withdrawal from fossil fuels
- Other political measures associated with the transition to a low-carbon economy
- Technological change associated with the transition to a low-carbon economy
- Changes in customer preferences and behavior

Sustainability risks may lead to a material deterioration in the financial profile, liquidity, profitability or reputation of the underlying investment.

If the sustainability risks have not been anticipated and taken into account in the valuation of the investment, this may have a significant negative effect on the expected/estimated market price and/or the liquidity of the investment and therefore the fund's returns.

#### Market risk associated with sustainability risks

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

physical damage caused by climate change or measures to switch over to a low-carbon economy may have negative effects on the market price.

#### Risks of changes in value

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

#### Risk of negative interest on deposits

The Company invests liquid assets of the fund with the custodian or other banks for the account of the fund. For some of these bank balances, an interest rate is agreed that corresponds to the European Interbank Offered Rate ("Euribor") less a specific margin. If the Euribor falls below the agreed margin, this leads to negative interest rates on the relevant account. Depending on the development of the interest rate policy of the European Central Bank, short-term, medium-term and even long-term deposits can attract negative interest.

#### Capital market risk

The price or market performance of financial instruments depends, in particular, on the performance of the capital markets, which in turn are affected by the overall economic situation worldwide and by the general economic and political environment in individual countries.

Irrational factors such as sentiment, opinions and rumors can also have an effect on general price performance, particularly on a stock exchange. Fluctuations of market prices and values can also be attributable to changes in interest rates, exchange rates or the credit-worthiness of an issuer.

#### Risk of price changes in equities

Equities are known to be subject to strong price fluctuations and thus also to the risk of price declines. These price fluctuations are particularly influenced by the issuing company's earnings performance and by developments in the industry and in the overall economy. The confidence of market participants in the particular company can affect price performance as well. This is especially true for companies whose shares have only been admitted to a stock exchange or other organized market for a shorter period of time; even slight changes in estimates can trigger strong price movements in the shares of such companies. If a particular stock has a low proportion of shares that trade freely and are owned by many shareholders ("free float"), even smaller buy and sell orders can have a strong impact on the market price, thus leading to higher price fluctuations.

#### Risk of changes in interest rates

Investing in fixed rate securities is associated with the possibility that the level of market interest rates existing at the time a security is issued will change. If market interest rates rise in comparison with the interest rates at the time of

the issue, the prices for fixed rate securities will fall as a rule. If, on the other hand, the market interest rate falls, the price of fixed rate securities will rise. This price trend means that the current return on a fixed rate security is roughly equivalent to the current market interest rate. However, these price fluctuations vary according to the (residual) term to maturity of the fixed rate securities. Fixed rate securities with shorter maturities are generally associated with lower price risks than fixed rate securities with longer maturities. Conversely, fixed rate securities with shorter maturities generally have lower returns than longer-term fixed rate securities. Due to their short terms not exceeding 397 days, money market instruments tend to be associated with lower price risks. In addition, the interest rates of different interest-related financial instruments denominated in the same currency and with similar residual terms to maturity can perform differently.

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

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

#### **Risks associated with derivative transactions**

The Company may enter into derivative transactions for the fund. Buying and selling options, as well as the conclusion of futures contracts or swaps, involves the following risks:

- Using derivatives can result in potential losses that are not foreseeable and which may even exceed the amounts invested for the derivative transaction.
- Price changes in the underlying can cause a decrease in the value of the option or future. If the value decreases and the derivative thus becomes worthless, the Company may be forced to allow the rights acquired to expire. Changes in the value of the asset underlying a swap can also result in losses for the fund.
- The leverage effect of options may alter the value of the fund's assets more strongly than the direct purchase of underlyings would. The risk of loss may not be determinable when entering into the transaction.
- There may be no liquid secondary market for a specific instrument at a particular point in time. In that case, it may not be possible to close a derivative position under certain circumstances.
- The purchase of options entails the risk that the call options are not exercised because the

prices of the underlyings do not change as expected, meaning that the fund loses the option premium it paid. If options are sold, there is the risk that the fund may be obligated to buy assets at a price that is higher than the current market price, or obliged to deliver assets at a price that is lower than the current market price. In that case, the fund suffers a loss amounting to the price difference less the option premium received.

- In futures contracts, there is a risk that the Company will be obligated, for the account of the fund, to bear the difference between the price underlying the contract when it was entered into and the market price when the transaction is closed or matures. That would result in losses for the fund. The risk of loss is not determinable when entering into the futures contract.
- Any necessary back-to-back transactions ("closing of position") incur costs.
- Forecasts made by the Company about the future development of underlying assets, interest rates, prices and currency markets may turn out to be incorrect in retrospect.
- It may not be possible to buy or sell the assets underlying the derivatives at a favorable time; conversely, it may be necessary to buy or sell them at an unfavorable time.

The following risks can occur in over-the-counter ("OTC") transactions:

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

#### **Risks in securities lending transactions**

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

#### **Risks in repurchase agreement transactions**

If the Company sells securities under a repurchase agreement, it undertakes to buy them back at the end of the agreement term in return for a premium. The repurchase price and the premium to be paid by the seller at the end of the term is set when the agreement is entered into. If the securities sold under a repurchase agreement should lose value during the term of the agreement, and if the Company wanted to sell them to limit the losses of value, it can do so only by

exercising the right of early termination. Early termination of the agreement can entail financial losses for the fund. It is also possible that the premium payable at the end of the term will turn out to be higher than the income the Company generated through reinvestment of the cash received as the purchase price.

If the Company buys securities under a repurchase agreement, it must sell them back at the end of an agreement term. The repurchase price along with a premium is set when the agreement is entered into. Securities bought under a repurchase agreement serve as collateral for providing the liquidity to the contracting party. The fund does not benefit from any increases in the value of the securities.

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

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

The Company can invest cash collateral in blocked cash accounts, in high-quality government bonds or in money market funds with short-term maturity structures. However, it is possible for the credit institution holding the bank balances to default. Government bonds and money market funds can perform negatively. When the transaction is ended, the collateral thus invested might no longer be fully available, even though collateral must be returned by the Company for the fund in the amount originally granted. The fund would then have to bear the losses suffered on the collateral.

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

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

#### **Risk in securitization positions with no retention**

The fund may acquire securities backed by receivables ("securitization positions") issued after January 1, 2011, only if the debtor retains an interest in the securitization of at least 5% as a retention and complies with other requirements. The Company is therefore obligated to initiate corrective measures in the interests of the investors if there are securitizations in the fund's



assets that do not meet these EU standards. As part of these corrective measures, the Company may be forced to sell such securitization positions. Given the legal requirements for banks, fund companies and insurance companies, there is a risk that the Company will not be able to sell such securitization positions, or will be able to do so only with deep price discounts or after very long delays.

#### **Inflation risk**

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

#### **Currency risk**

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

#### **Concentration risk**

If investment is concentrated on particular assets or markets, the fund becomes particularly heavily dependent on the performance of these assets or markets.

#### **Risks associated with investment in investment fund units**

The risks entailed in units of other investment undertakings that are acquired for the fund ("target funds") are closely linked to the risks inherent in the individual assets contained in these target funds, and in the investment strategies pursued by these target funds and the investment decisions they take. The managers of the individual target funds generally operate independently of one another. In the event of a review of all assets of the acquired investment undertaking, any potential diversification effect that reduces risk across the units held by the target fund may turn out to be lower than expected. It is generally not possible for the Company to control the management of the target funds. Their investment decisions do not necessarily have to concur with the Company's assumptions or expectations. The Company often will not have timely knowledge of the current composition of target funds. If the composition does not match the Management Company's assumptions or expectations, it may not be able to react without a considerable delay by returning target fund units.

Open-ended investment undertakings in which the fund acquires units might additionally restrict or suspend the redemption of units from time to time. In that case, the Company is prevented from disposing of the units of the target fund by returning them to the management company or custodian of the target fund against payment of the redemption price.

#### **Risks arising from the investment spectrum**

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

#### **Risks of investing in contingent convertibles**

Contingent convertibles ("CoCos") are a form of hybrid financial instrument. From the perspective of the issuer, they act as a capital buffer and contribute to the fulfillment of certain regulatory capital requirements. Under their terms and conditions of issue, CoCos are either converted into shares or their principal amount is written down upon the occurrence of certain trigger events linked to regulatory capital thresholds. The conversion event can also be triggered by the supervisory authorities, independently of the trigger events and outside of the control of the issuer, if the supervisory authorities call into question the long-term viability of the issuer, or of companies related to the issuer, as a going concern (conversion/write-down risk).

Following a trigger event, the recovery of the capital invested depends essentially on the configuration of the CoCo. CoCos can only recover their fully or partially written-down nominal value in the case of a temporary write-down. In the event of a conversion to shares or in case of a permanent write-down, the capital invested is, however, lost. In the case of a temporary write-down, the write-down is completely discretionary, taking into account certain regulatory restrictions. Any coupon payments after the trigger event are based on the reduced nominal value. In the case of a full write-down, the entitlement to coupons is also lost. A CoCo investor may therefore, under certain circumstances, incur losses ahead of equity investors and other holders of debt instruments in respect of the same issuer.

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

Compared to other bonds and debt securities, CoCos are therefore associated with an increased risk of loss, such as the risk of the suspension of the coupon payment or of a change to the amount of the coupon, risks due to prudential requirements, the risk of the loss of capital in the event of the occurrence of the trigger event, and liquidity risks.

#### **Risks of restricted or elevated liquidity of the fund and risks associated with increased subscription or increased redemption (liquidity risk)**

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

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

It is also permitted to acquire assets for the fund that are neither admitted to a stock exchange nor admitted to or included in an organized market. A potential sale of these assets may be possible only with high price discounts or with delays, or not at all. Even for assets admitted to a stock exchange, a potential sale might not be possible or might only be possible with high price discounts, depending on the market situation, the volume, the time frame and planned costs. Although only assets that can generally be liquidated at any time may be acquired for the fund, it cannot be ruled out that it might temporarily or permanently be possible to dispose of these assets only at a loss.

#### **Risk from borrowing**

The Company may borrow for the account of the fund. There is a risk that the Company might not be able to get a corresponding loan, or be able to get one only at significantly more unfavorable terms. Variable rate loans can additionally have a negative impact when interest rates rise. Insufficient funding liquidity can affect the liquidity of the fund, with the result that the Company may be forced to sell assets prematurely or at terms inferior than planned.

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

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

adversely affect the fund's performance. In the case of inflows, an increased fund liquidity can diminish the performance of the fund if the Company cannot invest the funds under adequate conditions, or cannot do so in a timely manner.

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

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

#### **Counterparty risk including credit and receivable risk**

In the following, the risks that can arise for the fund in the context of a business relationship with another party ("counterparty") are presented. Here there is a risk that the contracting party might no longer be able to meet its agreed obligations. This can affect the performance of the fund, and can thus also adversely affect the net asset value per unit and the capital invested by the investor.

The counterparty may even partially or fully default on a transaction concluded for the account of the fund. All swaps are traded under an ISDA agreement or German framework contract with an appendix relating to collateral. This stipulates that the market value of the transactions that exceed an operational minimum transfer amount of generally EUR 250,000 must always be collateralized. In the event of a default by the contracting party, this collateral can be used and thus reduces the amount of loss on account of the default. In addition, a reset is usually agreed between the fund and the counterparty and this is executed as soon as the market value of the transaction exceeds a maximum amount and thus also reduces the amount of loss in the event of default.

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

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

#### **Risk from central counterparties**

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

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

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

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

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

#### **Operational and other risks of the fund**

In the following, the risks that can arise, for example, from inadequate internal processes and from human error or system failures at the Company or at external third parties are presented. These risks can affect the performance of the fund, and can thus also adversely affect the net asset value per unit and the capital invested by the investor.

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

The fund may become a victim of fraud or other criminal acts. It may suffer losses due to errors by employees of the Company or of external third parties, or be damaged by outside events such as natural disasters or pandemics. These events may be caused or exacerbated by failure to take sustainability into account.

#### **Country or transfer risk**

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

#### **Legal and political risks**

Investments for the fund may be undertaken in jurisdictions in which German law does not apply, or where, in the case of disputes, the place of jurisdiction is outside Germany. Any resulting rights and obligations of the Company for the account of the fund may differ from those in Germany to the detriment of the fund or the investor. Political or legal developments, including changes to the legal framework in these jurisdictions, may not be detected by the Company, or may be detected too late, or they may lead to restrictions in terms of acquirable assets or assets that have already been acquired. These consequences can also arise when the legal framework for the Company and/or the administration of the fund in Germany changes.

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

The information provided in this Sales Prospectus is based on our understanding of current tax laws. However, no responsibility can be assumed for potential changes in the tax structure through legislation, court decisions or the orders of the tax authorities. The summary of tax regulations is addressed to persons subject, without limitation, to individual or corporate income tax in Germany.

#### **Tax risks from equities trading around the dividend date and hedging transactions**

- **Tax risks from equities trading around the dividend date and hedging transactions for unit classes as defined by article 10 (1) of the German Investment Tax Act (InvStG) (unit classes for tax-privileged investors)**

The possibility cannot be ruled out that the unit price of a fund may turn out to be relatively lower if provisions are recognized for a possible tax liability for payment of investment income tax of the fund, or similar actions are taken. If certain conditions are met, investment

funds and unit classes for tax-privileged investors as defined by article 10 (1) InvStG are charged a definitive German investment income tax of 15% on the gross dividend to be collected. The investment income tax is refunded in full to the investment fund or in favor of the unit class, if (i) the fund 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 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. The hedging transactions may also be detrimental if related parties are invested in the fund. Even if the tax liability does not arise and therefore provisions initially recognized are reversed, or similar actions are taken, a relatively higher unit price may not benefit investors who participated in the fund at the time the provision was created.

#### – Tax risks from hedging transactions for major investors

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 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.

#### Key individual risk

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

#### Custody risk

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

#### Default risk of the custodian or another credit institution

In the event of the default of the custodian, investors of the fund may suffer financial losses insofar as the deposits they have made are not covered by the deposit insurance fund of the Bundesverband deutscher Banken e.V. [Federal Association of German Banks]. If deposits for the fund are made with other credit institutions, investors may suffer financial losses insofar as these deposits are not covered by any existing deposit insurance systems.

The protection of deposits in the investment fund may also be limited despite the existence of deposit insurance systems as they regularly have restrictions regarding the coverage of deposits as per their rules and regulations.

#### Risks from trading and clearing mechanisms (settlement risk)

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

### Investment principles and limits

#### Assets

The Company can acquire the following assets for the account of the fund:

- Securities according to article 193 KAGB
- Money market instruments according to article 194 KAGB
- Bank balances according to article 195 KAGB
- Investment fund units according to article 196 KAGB
- Derivatives according to article 197 KAGB
- Other investment instruments according to article 198 KAGB

The Company may acquire these assets within the investment limits presented in the sections "Investment principles and limits – Assets – Investment limits for securities and money market instruments, including when derivatives are used, and bank balances" and "Investment principles and limits – Assets – Other assets and their investment limits," in particular.

Details of these assets, and of the investment limits applicable to them, are presented below.

#### Securities

The Company may acquire the securities of domestic and foreign issuers for the account of the fund if

1. they are admitted for trading on a stock exchange in a member state of the European Union ("EU") or in another state that is a party to the Agreement on the European Economic Area ("EEA") or are admitted for trading or included in another organized market in one of these states;
2. they are exclusively admitted for trading on a stock exchange outside the member states of the EU or outside the other states that are parties to the Agreement on the EEA or are admitted for trading or included in another organized market in one of these states, insofar as BaFin has approved the choice of this stock exchange or organized market.<sup>1</sup>

Securities from new issues may be acquired if the terms of issue contain the requirement that an application be filed for admission for official listing on one of the stock exchanges or inclusion in one of the organized markets mentioned under (1) or (2) above, and if such admission or inclusion takes place no later than one year after the issue.

Securities by this definition also include:

- Units of closed-ended investment undertakings in contract or corporate form that are subject to control by unitholders ("corporate governance mechanisms"), i.e., the unitholders must have voting rights with respect to key decisions, and the right to control the investment policy through appropriate mechanisms. The investment undertaking must additionally be managed by an entity that is subject to the regulations for investor protection unless the investment undertaking is launched in corporate form and asset management activity is not performed by another entity.
- Financial instruments that are backed by, or linked to the performance of, other assets. If components of derivatives are embedded in such financial instruments, additional require-

<sup>1</sup> The list of authorized stock exchanges and of other organized markets according to article 193 (1), sentence 1, nos. 2 and 4, KAGB is published on the BaFin website (<http://www.bafin.de>).



ments must be fulfilled before the Company may acquire them as securities.

The securities may only be acquired under the following conditions:

- The potential loss that might arise for the fund may not exceed the purchase price of the security. There must be no obligation to make subsequent payments.
- Lack of liquidity of the security acquired by the fund must not result in the fund no longer being able to meet the legal requirements on the redemption of units. This applies taking into account the possibility provided for by law of restricting or suspending the redemption of units in special cases (see sections “Units – Issue and redemption of units – Issue of units,” “Units – Issue and redemption of units – Redemption of units,” and “Units – Issue and redemption of units – Restriction of the redemption of units – Suspension of the redemption of units”).
- A reliable valuation of the security by means of accurate, reliable and regular prices must be available; these must be either market prices or prices made available by valuation systems independent from the issuer of the security.
- Appropriate information about the security must be available in the form of regular, accurate and comprehensive information on the security to the market or, where relevant, in the form of an associated portfolio, i.e., a portfolio that is evidenced in the security.
- The security is negotiable.
- The acquisition of the security is consistent with the investment objectives or the investment strategy or both, of the fund.
- The risks of the security are adequately captured by the risk management process of the fund.

Securities may additionally be acquired in the following form:

- Equities to which the fund is entitled in the event of a capital increase from the issuing company’s own funds.
- Securities acquired when exercising subscription rights belonging to the fund.

Subscription rights may also be acquired for the fund as securities by this definition, provided that the securities from which the subscription rights originate may be included in the fund.

### Money market instruments

The Company may, for the account of the fund, invest in money market instruments that are usually traded in the money market, as well as in interest-bearing securities that, alternatively,

- have a (residual) term to maturity not exceeding 397 days at the time of their acquisition for the fund;
- have a (residual) term to maturity of more than 397 days at the time of their acquisition

for the fund, but whose interest payments are adjusted to market rates regularly, at least once every 397 days, pursuant to the terms and conditions of issue;

- have a risk profile corresponding to the risk profile of securities that meet the criterion for residual term to maturity or interest payment adjustment.

Money market instruments may be acquired for the fund if

1. they are admitted for trading on a stock exchange in a member state of the EU or in another state that is a party to the Agreement on the EEA or are admitted for trading or included in another organized market in one of these states;
2. they are exclusively admitted for trading on a stock exchange outside the member states of the EU or in another state that is a party to the Agreement on the EEA or are admitted for trading or included in an organized market in one of these states, insofar as BaFin has approved the choice of this stock exchange or market;
3. they are issued or guaranteed by the EU, the German federal government, a special-purpose vehicle of the German federal government, a German federal state, another member state or another central, regional or local authority or the central bank of a member state of the EU, the European Central Bank or the European Investment Bank, a third country or, in the case of a federal state, by one of the members making up the federation, or by a public international body of which one or more member states of the EU are members;
4. they are issued by a company whose securities are traded in the markets specified in nos. 1 and 2 above;
5. they are issued or guaranteed by a credit institution that is subject to supervision according to the criteria stipulated in EU legislation, or by a credit institution that is subject to and complies with prudential rules considered by BaFin to be equivalent to those of Community legislation;
6. they are issued by other issuers and the respective issuer is
  - a) a company with capital and reserves of at least EUR 10 million that prepares and publishes its annual financial statements in accordance with the European directive governing the annual financial statements of corporations; or
  - b) an entity that, within a group of companies that includes one or more stock exchange-listed companies, is dedicated to the financing of the group; or
  - c) an entity that issues money market instruments backed by liabilities through use of a credit line from a bank. These are products in which loan receivables of banks are packaged into securities (“asset-backed securities”).

All of the money market instruments mentioned may be acquired only if they are liquid and their value can be accurately determined at any time. Money market instruments are liquid if they can be sold at limited cost within an adequately short time frame. Here the obligation of the Company to redeem units of the fund at the request of investors and, to that end, to be able to sell such money market instruments correspondingly quickly, must be taken into account. In addition, an accurate and reliable valuation system must exist for money market instruments that enables the determination of the net asset value of the money market instrument and is based on market data or valuation models (including systems based on amortized costs). The liquidity requirement for money market instruments is deemed met if they are admitted for trading or included in an organized market within the EEA, or if they are admitted for trading or included in an organized market outside the EEA, provided that BaFin has approved the choice of this market. This shall not apply if the Company has contradictory evidence concerning the adequate liquidity of the money market instruments.

For money market instruments that are not listed on a stock exchange or admitted for trading in a regulated market (see nos. 3 through 6 above), the issue or the issuer of these instruments must additionally be subject to regulations for the protection of savings and investors. Accordingly, appropriate information must be available for these money market instruments that enables an appropriate assessment of the credit risks associated with the instruments, and the money market instruments must be freely transferable. Credit risks can be evaluated, for instance, by way of a credit assessment performed by a rating agency.

For these money market instruments, the following requirements additionally apply unless they were issued or guaranteed by the European Central Bank or the central bank of a member state of the EU:

- If issued or guaranteed by the following institutions (mentioned under no. 3 above):
  - the EU,
  - the German federal government,
  - a special-purpose vehicle of the German federal government,
  - a German federal state,
  - another member state,
  - another central government authority,
  - the European Investment Bank,
  - a third country or, in the case of a federal state, one of the members making up the federation,
  - a public international body of which one or more member states of the EU are members,appropriate information on the issue or the issuance program, or on the legal and financial situation of the issuer prior to the issue of the money market instrument, must be available.
- If issued or guaranteed by a credit institution supervised within the EEA (see no. 5 above),

appropriate information on the issue or the issuance program, or on the legal and financial situation of the issuer prior to the issue of the money market instrument, must be available and updated on a regular basis and whenever a significant event occurs. In addition, data (e.g., statistics) enabling an appropriate assessment of the credit risks associated with an investment must be available on the issue or the issuance program.

- If issued by a credit institution subject to supervision outside of the EEA that is considered by BaFin to be equivalent to the requirements on a credit institution within the EEA, one of the following conditions must be met:
  - The credit institution has its registered office in one of the “Group of Ten” (“G10”) grouping of leading member countries of the Organisation for Economic Co-operation and Development (“OECD”).
  - The credit institution has at least an investment-grade rating. An investment-grade rating is a rating of “BBB-” or “Baa” or better assigned by a rating agency as part of credit assessment.
  - It can be demonstrated on the basis of an in-depth analysis of the issuer that the prudential rules applicable to that issuer are at least as stringent as those laid down by EU law.
- For the remaining money market instruments that are not listed on a stock exchange or admitted for trading in a regulated market (see above under nos. 4 and 6, as well as those remaining under no. 3), appropriate information on the issue or the issuance program, and on the legal and financial situation of the issuer prior to the issue of the money market instrument, must be available and updated on a regular basis and whenever a significant event occurs, and reviewed by third parties not subject to instructions from the issuer. In addition, data (e.g., statistics) enabling an appropriate assessment of the credit risks associated with an investment must be available on the issue or the issuance program.

### Bank balances

The Company may, for the account of the fund, hold bank balances having a term not exceeding twelve months. Such balances shall be kept in blocked cash accounts at credit institutions having their registered offices in a member state of the EU or in another state that is a party to the Agreement on the EEA. They may also be held at credit institutions having their registered offices in a third country having prudential rules considered by BaFin to be equivalent to those of EU legislation.

## Investment limits for securities and money market instruments, including when derivatives are used, and bank balances

### General investment limits

The Company may invest no more than 10% of the fund’s assets in securities and money market instruments of the same issuer (borrower). In so doing, the total value of securities and money market instruments from such issuers (borrowers) may not exceed 40% of the fund’s assets. Furthermore, the Company may invest no more than 5% each of the fund’s assets in securities and money market instruments of the same issuer. Securities purchased under repurchase agreements shall be attributed to this investment limit.

Issuers of securities and money market instruments must then also be taken into consideration within the scope of the specified limits if the securities and money market instruments issued by these issuers are acquired indirectly via other securities included in the fund that are linked to their performance.

The Company may invest no more than 20% of the fund’s assets in bank balances at any one credit institution.

### Investment limit for bonds backed by special asset pools

The Company may invest up to 25% of the fund’s assets respectively in mortgage bonds and municipal bonds, as well as in bonds issued by credit institutions having their registered offices in a member state of the EU or in another state that is a party to the Agreement on the EEA. This shall be subject to the condition that the sums deriving from the issue of such bonds are invested in such a way that, during the whole period of validity of the bonds, they are capable of covering the liabilities of the bonds and, in the event of default of the bond issuer, would be used on a priority basis for the repayment of the principal and payment of the accrued interest. When more than 5% of the fund’s assets are invested in such bonds issued by one issuer, the total value of such bonds may not exceed 80% of the fund’s assets. Securities purchased under repurchase agreements shall be attributed to this investment limit.

### Investment limits for public sector issuers

The Company may invest up to 35% of the fund’s assets respectively in bonds, promissory note loans and money market instruments of special national and supranational public sector issuers. These public sector issuers include the German federal government, the German federal states, member states of the EU or their local authorities, third countries and public supranational bodies of which one or more member states of the EU are members.

This limit can be exceeded for bonds, promissory note loans and money market instruments if that is provided for in the Terms and Conditions of

Investment and the issuers are specified there. If this option is availed of, the securities and money market instruments of these issuers in the fund must originate from at least six different issues; no more than 30% of the fund’s assets may be invested in one issue.

Securities purchased under repurchase agreements shall be attributed to this investment limit.

### Combination of investment limits

The Company may invest no more than 20% of the fund’s assets in a combination of the following assets:

- securities or money market instruments issued by one and the same institution;
- deposits at this institution, i.e., bank balances;
- attributable amounts for the counterparty risk of transactions in derivatives, securities loans and repurchase agreement transactions conducted with this institution.

For special public sector issuers, (see section “Investment principles and limits – Assets – Investment limits for securities and money market instruments, including when derivatives are used, and bank balances – Investment limits for public sector issuers”), a combination of the aforementioned assets may not exceed 35% of the fund’s assets.

The respective individual upper limits shall remain unaffected.

### Investment limits when derivatives are used

The amounts of securities and money market instruments of an issuer attributed to the aforementioned limits may be reduced through the use of offsetting derivatives whose underlyings are securities and money market instruments of the same issuer. Securities or money market instruments of an issuer may therefore be acquired for the account of the fund in excess of the aforementioned limits as long as the ensuing elevated issuer risk is lowered again by means of hedging transactions.

### Other assets and their investment limits

The Company may invest a total of no more than 10% of the fund’s assets in the following other assets:

1. Securities that are not admitted for trading on a stock exchange or admitted for trading or included in another organized market, but which generally fulfill the criteria for securities.
 

In contrast to traded and admitted securities, reliable valuation for these securities must be available in the form of a valuation conducted on a periodic basis that is derived from information from the issuer or from competent investment research. Appropriate information about the non-admitted or non-included security or, where relevant, the associated portfolio, i.e., the portfolio evidenced in the

- security, must be available in the form of regular, accurate information for the fund.
2. Money market instruments of issuers that do not meet the requirements mentioned above, provided they are liquid and their value can be accurately determined at any time. Money market instruments are liquid if they can be sold at limited cost within an adequately short time frame. Here the obligation of the Company to redeem units of the fund at the request of investors and, to that end, to be able to sell such money market instruments correspondingly quickly, must be taken into account. In addition, an accurate and reliable valuation system must exist for money market instruments that enables the determination of the net asset value of the money market instrument and is based on market data or on valuation models (including systems based on amortized costs). The liquidity requirement for money market instruments is deemed met if they are admitted for trading or included in an organized market within the EEA, or if they are admitted for trading or included in an organized market outside the EEA, provided that BaFin has approved the choice of this market.
  3. Newly issued equities if, according to their terms of issue, their admission for trading on a stock exchange in a member state of the EU or in another state that is a party to the Agreement on the EEA or their admission to an organized market or their inclusion in such a market in a member state of the EU or in another state that is a party to the Agreement on the EEA must be applied for, or
    - the respective terms of issue require that their admission for trading on a stock exchange or on an organized market, or their inclusion in such a market outside the member states of the EU or outside the other states that are parties to the Agreement on the EEA must be applied for, provided BaFin has approved the choice of this stock exchange or this organized market, and provided the admission or inclusion of these equities takes place within one year of their issue.
  4. Promissory note loans that can be assigned at least twice following acquisition for the fund and which were granted to one of the following institutions:
    - a) the German federal government or a special-purpose vehicle thereof, an EU country or an OECD member country,
    - b) another domestic authority, regional government or local authority of another member state of the EU or another state that is a party to the Agreement on the EEA, provided that the receivable can be treated, according to the regulation on prudential requirements for credit institutions and investment firms, in the same manner as a receivable from the central government on whose sovereign territory the regional government or local authority is located,

- c) other corporate bodies or institutions under public law domiciled in Germany or in another member state of the EU, or in another state that is a party to the Agreement on the EEA,
- d) companies that have issued securities that have been admitted for trading in an organized market within the EEA or which have been admitted for trading in another regulated market that meets the essential requirements of regulated markets as defined by the directive on markets for financial instruments, as amended, or
- e) other borrowers, provided that one of the bodies designated in (a) through (c) above has undertaken to guarantee the payment of interest and repayment of principal.

### Investment fund units and their investment limits

In the section "Investment objective and strategy – Investment strategy" in the special section and in the Terms and Conditions of Investment, the extent to which the Company can invest for the account of the fund in units of target funds that are open-ended domestic and foreign investment undertakings is presented.

The target funds may, according to their terms and conditions of investment or Articles of Incorporation, invest no more than 10% of their assets in units of other open-ended investment undertakings. For units of AIFs, the following requirements additionally apply:

The target fund shall have been authorized under legal provisions that make it subject to effective public supervision for the protection of investors, and there must be sufficient assurance of satisfactory cooperation between BaFin and the target fund's supervisory authority.

The level of protection for investors must be equivalent to that provided for investors in a domestic UCITS, especially as regards separation of management and custody of assets, borrowing, lending and short sales of securities and money market instruments.

The business activity of the target fund must be reported in annual and semiannual reports and allow investors to make their own assessment of the assets and liabilities, income and operations over the reporting period.

The target fund must be a retail fund in which the number of units is not limited and where investors have the right to redeem units at any time.

### Informing investors in the event of restriction or suspension of the redemption of target fund units

Target funds can temporarily restrict or suspend the redemption of units to the extent permitted by law. In that case, the Company will not be able to return the target fund units to the management company or custodian of the target fund against payment of the redemption price, or will only be

able to do so to a limited extent, (see also the section "Risk warnings – Risk of negative performance of the fund (market risk) – Risks associated with investment in investment fund units"). The extent to which the fund holds units of target funds that have currently suspended redemptions, if any, is posted on the Internet at [www.dws.com](http://www.dws.com).

### Derivatives

**Unless otherwise provided for in the special section of the Sales Prospectus, the Company may conduct transactions with derivatives for the fund as part of the investment strategy. This includes derivative transactions for efficient portfolio management and for achieving additional income, i.e., also for speculative purposes. That can increase the risk of loss in the fund at least temporarily.**

A derivative is an instrument whose price depends on the price fluctuations or expected prices of other ("underlying") assets. The following discussion concerns both derivatives and financial instruments with derivative components (collectively "derivatives").

The market risk of the fund may not be more than doubled through the use of derivatives ("market risk limit"). Market risk is the risk of loss arising from fluctuations in the market values of assets held in the fund that are attributable to changes in variable market prices and rates such as interest rates, exchange rates and the prices of equities and commodities, or to changes in the creditworthiness of an issuer. The Company must comply with the market risk limit on an ongoing basis. It must determine on a daily basis the extent to which the market risk limit has been reached as provided for by law, specifically the Regulation on Risk management and risk measurement when using Derivatives, securities loans and repurchase agreement transactions in investment undertakings according to the German Investment Code ("Derivatives Regulation").

**Precise details on which derivatives the Company may acquire for the account of the fund, and on the method being used for determining the extent to which the market risk limit has been reached, are presented in the "Derivatives" section in the special section.**

### Futures contracts

Futures contracts are agreements that unconditionally bind both parties to buy or sell a particular amount of a certain underlying at a predetermined price at a certain point in time, at maturity or within a certain period. The Company may, within the scope of the investment principles, enter into futures contracts for the account of the fund on securities and money market instruments acquirable for the fund, as well as on interest rates, exchange rates, currencies and qualified financial indices.

### Options

In options transactions, a third party is granted, in exchange for a consideration ("option premium"), the right to demand delivery or acceptance of assets during a specific period of time or at the end of a specific period at a predetermined price ("strike price"), or to demand payment of a cash settlement, or to acquire corresponding options. The Company may take part in options transactions for the account of the fund within the scope of the investment principles.

### Swaps

Swaps are exchange contracts in which the parties swap the cash flows or risks underlying the respective transaction. The Company may, within the scope of the investment principles, conduct swap transactions such as interest rate swaps, currency swaps, interest rate/currency swaps and variance swaps.

### 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. In all other aspects, the principles established for options apply. The Company may only conclude swaptions for the account of the fund that consist of the options and swaps described above.

### 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 pays a premium to its contracting party. In all other aspects, the information for swaps applies accordingly.

### Total return swaps

Total return swaps are derivatives in which all income and price changes of an underlying are exchanged for an agreed fixed interest payment. A contracting party, the protection buyer, transfers the entire credit and market risk of the underlying to the other contracting party, the protection seller. In return, the protection buyer pays a premium to the protection seller.

If total return swaps are used for the fund, the details are outlined in the "Use of total return swaps" section of the special section.

### Securitized financial instruments

The Company may also acquire for the account of the fund the financial instruments described in the preceding if they are securitized. It is also possible for the transactions involving financial instruments to be only partly securitized (as in the case of warrant-linked bonds). The statements on opportunities and risks apply accordingly to such securitized financial instruments, but with the condition that the risk of loss in the case of securitized financial instruments is limited to the value of the security.

### OTC derivative transactions

The Company may conduct for the account of the fund both those derivative transactions admitted for trading on a stock exchange or admitted to or included in another organized market and over-the-counter ("OTC") transactions.

The Company may conduct derivative transactions that are neither admitted for trading on a stock exchange nor admitted to or included in another organized market only with suitable credit institutions or financial services institutions on the basis of standardized master agreements. For derivatives traded other than on a stock exchange, the counterparty risk of a contracting party is limited to 5% of the fund's assets. If the counterparty is a credit institution having its registered office in a member state of the EU, in another state that is a party to the Agreement on the EEA or in a third country with a comparable level of supervision, the counterparty risk may amount to 10% of the fund's assets. Derivative transactions conducted other than on a stock exchange where the contracting party is the central clearing house of a stock exchange or another organized market are not included when determining these limits if the derivatives are marked to market daily, with a daily margin settlement. However, amounts due to the fund from an intermediary trader are attributed to these limits, even if the derivative is traded on a stock exchange or in another organized market.

### Securities lending transactions

The securities, money market instruments and investment fund units held in the fund can, for the purpose of achieving additional income, be transferred as a loan to third parties in exchange for appropriate market consideration. In so doing, all of the fund's holdings in securities, money market instruments and investment fund units can be transferred as a loan to third parties only for a period that is indefinite. The Company reserves the right, depending on the respective market conditions and with the objective of fully exploiting the income potential in the interests of the investors, to actually transfer all of the securities, money market instruments and investment fund units held in the fund by way of a loan. An overview of the current actual utilization rates to which the securities have been transferred by way of a loan can be found on the Internet at [www.dws.com](http://www.dws.com). The Company has the option to terminate the lending transaction at any time. It must be contractually agreed that securities, money market instruments or investment fund units of the same kind, quality and quantity will be returned to the fund within the customary settlement period following the ending of the lending transaction. A requirement for the transfer of securities, money market instruments and investment fund units as a loan is that the fund must be provided with sufficient collateral. For this purpose, balances may be assigned or pledged, and securities or money market instruments may be transferred or pledged. The fund is entitled to the income from the investment of the collateral.

The borrower must additionally pay to the custodian, for the account of the fund, any income received from securities lent, money market instruments or investment fund units at maturity. The value of all securities, money market instruments or investment fund units transferred to any one borrower may not exceed 10% of the fund's assets.

The Company may make use of an organized system for the brokerage and settlement of securities loans provided by a central custodian for securities. Whenever organized systems are used for settlement of securities loans, the value of the securities transferred to any one borrower may not exceed 10% of the fund's assets. In the event that settlement takes place over an organized system, the Company must have the right to terminate the securities loan at any time.

The Company may not grant money loans to third parties for the account of the fund.

### Repurchase agreement transactions

The Company may, for the purpose of achieving additional income and for short-term secured investment for the account of the fund, enter into repurchase agreement transactions having a maximum maturity of twelve months with credit institutions and financial services institutions. In so doing, it can both transfer all of the securities, money market instruments or investment fund units of the fund to a transferee in exchange for a consideration ("simple repurchase agreement transaction") and accept securities, money market instruments or investment fund units within the scope of the respectively applicable investment limits against cash ("reverse repurchase agreement transaction"). The Company reserves the right, depending on the respective market conditions and with the objective of fully exploiting the income potential and of making a secured investment in the interests of the investors, to actually transfer all of the securities or cash held in the fund by way of a repurchase agreement transaction. The Company has the option to terminate the repurchase agreement transaction at any time, except in the case of repurchase agreement transactions having a term of less than one week. If a simple repurchase agreement transaction is terminated, the Company has the right to demand the return of the securities, money market instruments or investment fund units transferred under the agreement. The termination of a reverse repurchase agreement transaction can result in the refund of either the entire sum of money or the accrued sum of money in the amount of the current market value. Repurchase transactions are only permitted in the form of "genuine" repurchase agreement transactions. In these transactions, the transferee assumes the obligation to retransfer the securities, money market instruments or investment fund units on a fixed date or on a date to be determined by the transferor, or to pay back the sum of money with interest.

## Choice of counterparty

The conclusion of OTC derivative transactions, including total return swaps, securities lending transactions and repurchase agreement transactions, is only permitted with credit institutions or financial services institutions on the basis of standardized master agreements. The counterparties 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 strategy

As part of derivative transactions, securities lending and repurchase agreement transactions, the Company accepts collateral for the account of the fund. The purpose of the collateral is to fully or partially reduce the risk of default of the contracting party to these contracts. For forward currency transactions and currency swaps that are settled physically, collateral may be waived, taking into account the maturity as well as the creditworthiness of the contracting party.

### Types of permissible collateral

The Company accepts the following assets as collateral for derivatives transactions / securities lending transactions / repurchase agreement transactions:

1. This collateral shall have been received before or at the time of the transfer of the securities lent in the case of a securities lending transaction. If the securities are lent via intermediaries, the transfer of the securities can take place before receipt of the collateral as long as the respective intermediary ensures the orderly completion of the transaction. Such intermediary can provide collateral in place of the borrower.
2. In general, collateral for securities lending transactions, repurchase agreement transactions and transactions with OTC derivatives must be provided in one of the following forms:
  - liquid assets such as cash, short-term bank deposits, money market instruments according to the definition in Directive 2007/16/EC of March 19, 2007, letters of credit and first-demand guarantees that are issued by credit institutions with good credit ratings that are not affiliated with the contracting party, or bonds issued by a member state of the European Union or its local authorities or by an OECD member country or its local authorities or by supranational institutions and authorities at local, regional or international level, irrespective of their residual term to maturity;

- units of a collective investment undertaking (“UCI”) investing in money market instruments that calculates a net asset value daily and has a rating of AAA or an equivalent rating;
  - units of a UCITS that invests primarily in the bonds and equities listed under the next two indents;
  - bonds, irrespective of their residual term to maturity, issued or guaranteed by issuers with high credit quality; or
  - equities admitted to or trading in a regulated market in a member state of the European Union or on a stock exchange in an OECD member country, as long as these equities are contained in a major index.
3. Collateral that is not provided in the form of cash or units of UCIs/UCITS must have been issued by a legal entity that is not affiliated with the contracting party.

The collateral provided by a contracting party must, among other things, have adequate risk diversification in relation to issuers. If several contracting parties provide collateral of the same issuer, this collateral must be aggregated. If the value of the collateral of the same issuer provided by one or more contracting parties does not exceed 20% of the fund’s assets, diversification is deemed to be adequate.

Adequate diversification also exists even when this limit is exceeded if, in this respect, exclusively securities or money market instruments of the following issuers or guarantors are provided as collateral to the fund: of the German federal government, of a German federal state, of another member state of the European Union or of its local authorities, of another state that is a party to the Agreement on the European Economic Area or of the local authorities of this signatory state, of a third country or of an international organization that belongs to the German federal government, another member state of the European Union, or another state that is a party to the Agreement on the European Economic Area.

If all of the collateral provided comprises securities or money market instruments of such an issuer or guarantor, this collateral must have been issued within the framework of at least six different issues. The value of the securities or money market instruments issued as part of the same issue may in this regard not exceed 30% of the fund’s assets.

### Scope of collateralization

Securities lending transactions are fully collateralized. The price of the securities transferred in the securities loan, along with the associated income, constitutes the secured value. The value of the collateral provided by the borrower may not be less than the secured value plus a market premium.

Furthermore, OTC derivative transactions, securities lending transactions and repurchase agreement transactions must be collateralized to an extent that will ensure that the amount attributable for the risk of default of the respective contracting party does not exceed 5% of the fund’s assets. If the contracting party is a credit institution having its registered office in a member state of the EU or in another state that is a party to the Agreement on the EEA or in a third country where equivalent prudential rules apply, the amount attributable for the risk of default may constitute 10% of the fund’s assets.

### General collateral valuation rules

The Company (or its representatives) perform a daily valuation of the collateral received. Should the value of collateral previously provided appear to be insufficient in view of the amount to be covered, the counterparty must provide additional collateral at very short notice. If appropriate, safety margins shall apply to take into account the exchange rate or market risks associated with the assets accepted as collateral.

Collateral that is admitted for trading on a stock exchange or admitted to or included in another organized market is valued at the previous day’s closing price or, if it is already available at the time the valuation takes place, at the closing price of the same day. The valuation is performed in such a way as to obtain a value for the collateral that is as close as possible to the market value.

### Strategy for discounting valuations (haircut strategy)

The Company has a strategy for applying discounts or premiums on financial assets that are accepted as collateral (“haircut strategy”). The discounts or premiums on the collateral are determined by:

- a) the credit quality of the contracting party,
- b) the liquidity of the collateral,
- c) the price volatility of the collateral,
- d) the credit quality of the issuer and/or
- e) the country or market in which the collateral is traded.

Through the use of the haircut strategy the Company requires contracting parties to furnish collateral for OTC derivative transactions, securities lending transactions and reverse repurchase agreement transactions, applying the following collateralization rates:

Collateralization rate for	at least
Cash	100%
Fixed rate securities (depending on rating and type of instrument)	102%
Shares (depending on liquidity)	104%
ETFs	102%
Convertible bonds	104%

The collateralization rates are reviewed for appropriateness on a regular basis, at least once each year, and are adjusted accordingly if necessary.



### Investment of cash collateral

Cash collateral in the form of bank balances may be held in blocked cash accounts at the fund's custodian or, with the custodian's consent, at another credit institution. Reinvestment 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 transaction with a credit institution if the recovery of the accrued balance is assured at all times.

### Custody of securities as collateral

The Company may, for the account of the fund, accept securities as collateral within the framework of derivatives transactions, securities lending transactions and repurchase agreement transactions. If these securities are transferred as collateral, they must be held in custody at the custodian. If the Company received the securities pledged as collateral within the framework of derivatives transactions or securities lending transactions, they may also be held in custody at another institution that is subject to effective public supervision and is independent of the protection seller. Reuse of the securities is not permitted.

## Borrowing

Short-term borrowing of up to 10% of the fund's assets for the collective account of the investors is permissible if the borrowing conditions are customary in the market, and if the custodian grants its consent.

## Leverage

Leverage designates any method by which the Company can increase the investment level of the fund. The level of investment represents the percentage of positions with a market risk exposure in the fund and can rise to over 100% of the net asset value due to the leverage effect of derivatives. Leverage is mainly generated through the use of derivatives, through borrowing and through reinvestment of collateral from securities lending and repurchase agreement transactions. Derivatives also include structured products with a derivative component such as bonus and discount certificates, credit-linked notes and convertible bonds.

The Company may use such methods for the fund to the extent described in this Sales Prospectus. The possibility of using derivatives and entry into securities lending transactions and repurchase agreement transactions is presented in the section "Investment principles and limits – Assets – Derivatives," and/or "Securities lending transactions and repurchase agreement transactions." The possibility of borrowing is explained in the section "Investment principles and limits – Borrowing."

Leverage is calculated in accordance with the gross method. All derivatives are included in the calculation, regardless of whether the derivatives are used for hedging risk or for optimizing returns. The gross leverage of the fund is determined from the ratio of the total of the absolute values of all positions of the fund with a market risk exposure and the net asset value of the fund. Cash and other assets in the fund currency that are free of market risk are not taken into account.

Individual derivative transactions or securities positions are not offset against each other in the calculation, i.e., netting and hedging agreements are not taken into account. Any effects from the reinvestment of collateral in securities lending transactions and repurchase agreement transactions are taken into account.

The calculation of the net asset value is explained in the section "Units – Issue and redemption price."

The Company anticipates that the leverage for the fund calculated according to the gross method shall not exceed more than five times its net asset value. Depending on market conditions, however, leverage can fluctuate, and the intended threshold may therefore be exceeded in spite of constant monitoring by the Company.

## Valuation

### General asset valuation rules

#### Assets admitted for trading on a stock exchange / traded in an organized market

Assets that are admitted for trading on a stock exchange or admitted to or included in another organized market, as well as subscription rights for the fund, are valued at the most recent available trading price permitting reliable valuation, unless otherwise provided for in the following section "Special rules for the valuation of individual assets."

#### Assets not listed on stock exchanges nor traded in organized markets, or assets having no trading price

Assets that are neither admitted for trading on stock exchanges nor admitted to or included in another organized market, or for which there is no trading price, are valued at the current market value deemed appropriate on the basis of a careful assessment using suitable valuation models and taking into consideration current market conditions, unless otherwise provided for in the following section "Special rules for the valuation of individual assets."

### Special rules for the valuation of individual assets

#### Unlisted bonds and promissory note loans

For the purposes of valuing bonds that are neither admitted for trading on a stock exchange nor admitted to or included in another organized market (e.g., unlisted debt instruments, commer-

cial papers and certificates of deposit) and for the valuation of promissory note loans, the market prices agreed for comparable bonds and note loans and, if applicable, the market prices of bonds of comparable issuers and with equivalent maturities and interest rates are used, less a discount to compensate for limited marketability, if necessary.

#### Options and futures contracts

Options belonging to the fund and liabilities from options granted to third parties that are admitted for trading on a stock exchange or admitted to or included in another organized market are valued at the most recent available trading price permitting reliable valuation.

The same applies with respect to amounts receivable and payable under futures contracts sold for the account of the fund. The initial margins charged to the fund are included in the value of the fund, taking into account the gains and losses in valuation established on the valuation date.

#### Swaps

Swaps are valued at the market value deemed appropriate on the basis of a careful assessment using suitable valuation models and taking into consideration overall circumstances.

#### Bank balances, other assets, liabilities, time deposits and units of investment undertakings

Bank balances are generally valued at their nominal value plus accrued interest.

Time deposits are valued at their market value, provided that the time deposit may be canceled at any time and repayment is not at nominal value plus interest.

Units of investment undertakings are generally recognized at the most recently determined redemption price or at the most recent available trading price permitting reliable valuation. If these values are not available, units of investment funds are valued at the current market value deemed appropriate on the basis of a careful assessment using suitable valuation models and taking into consideration current market conditions.

#### Securities lending transactions and repurchase agreement transactions

Repayment claims arising from securities lending transactions are governed by the applicable market value of the assets transferred as loans.

Assets sold under repurchase agreements for the account of the fund shall continue to be taken into account in the valuation. In addition, the amounts received for the account of the fund under repurchase agreement transactions shall be reported as bank balances.

Assets purchased under repurchase agreements for the account of the fund shall not be taken into account in the valuation. Because of the payments made by the fund, a claim against the

transferor in the amount of the discounted repayment claims must be taken into account in the valuation.

#### **Assets denominated in foreign currency**

Assets denominated in foreign currency shall be converted on the same day into the currency of the fund using the exchange rate quoted for the respective currency pair on the Thomson Reuters trading platform.

#### **Sub-funds**

The fund is not a sub-fund of an umbrella structure.

#### **Units**

The rights of investors are represented by share certificates or are issued as electronic share certificates. Securitised share certificates are securitized exclusively in global certificates. These global certificates are kept at a central depository for securities. Investors are not entitled to receive physical delivery of individual share certificates. Units may only be acquired for holding in custody accounts. Units are made out to bearer.

#### **Obligation to deposit actual securities**

Bearer units in the form of definitive securities were issued for the investment fund in the past. According to the KAGB, these definitive securities may no longer remain in the possession of investors and must, along with the coupons not yet due, instead be held in collective custody by a central custodian for securities, an authorized or recognized domestic or foreign central custodian or another suitable foreign custodian. Investors cannot demand that these definitive securities be re-issued to them. The Company may replace the deposited definitive securities with securitization of the corresponding units in a global certificate.

Bearer share certificates that were still not held in collective custody at one of the aforementioned institutions by December 31, 2016, became null and void after this date. This also applies to the coupons that are not yet due. As of January 1, 2017, the rights of the investors in question were instead represented in a global certificate. The investors then became co-owners, in proportion to their share of the fund's assets, of this global certificate and of the collective holdings to which the certificate pertains. They can still submit their void bearer share certificates to the custodian of the fund and demand that their units in the fund instead be credited to a custody account.

#### **Issue and redemption of units**

The Company prohibits all activities connected with market timing and similar practices, and it reserves the right to refuse buy, sell and exchange orders if it suspects that such practices are being applied. In such cases, the Company will take all measures necessary to protect the other investors in the fund.

#### **Issue of units**

The number of units issued is generally unlimited. Units can be purchased from the custodian. They are issued by the custodian at the issue price, which is equal to the net asset value per unit plus an initial sales charge. Acquisition through an intermediary is also generally possible; additional costs may be incurred. The Company reserves the right to suspend or definitively discontinue the issue of units. The issue of units may be suspended in whole or in part.

If a minimum investment is required for an investment, this fact is disclosed in the "Minimum investment" section of the special section.

It may be stipulated that units in certain unit classes of the fund may only be acquired and held by investors if these investors meet certain additional requirements. If applicable, these requirements are described in the "Units – Issue of units" section of the special section.

#### **Redemption of units**

Investors can request the redemption of units on each valuation date unless the Company has limited or temporarily suspended the redemption of units (see section "Units – Suspension of the redemption of units"). Redemption orders must be placed with the custodian, the Company itself or with an intermediary (such as the institution maintaining the custody account). The Company is obligated to redeem units at the redemption price applicable on the settlement date, which corresponds to the net asset value per unit determined on that date less any applicable redemption fee. Redemption can also take place through an intermediary (such as the institution maintaining the custody account), which may give rise to additional costs.

#### **Settlement when issuing and redeeming units**

The Company complies with the principle of equal treatment of investors by ensuring that no investor can gain an advantage by buying or selling units at known net asset values per unit. It therefore imposes a daily order acceptance deadline. The settlement of issue and redemption orders received at the offices of the custodian or the Company by the order acceptance deadline shall take place no later than the valuation date following the date on which the order was received (= the settlement date) at the net asset value per unit determined on that date. Orders received by the custodian or the Company after the acceptance deadline are not settled until the valuation date immediately following that next valuation date (= the settlement date) at the net asset value per unit determined on that date. The special section and the Special Terms and Conditions of Investment can provide otherwise in particular individual cases. The order acceptance deadline for this fund is published on the Internet at [www.dws.com](http://www.dws.com). It can be changed by the Company at any time.

Third parties like the institution maintaining the custody account for the investor, for example, can

additionally act as intermediaries in the issue and redemption of units. This can result in longer settlement periods. The Company has no influence on the different settlement arrangements of institutions maintaining custody accounts.

Unless otherwise provided for in the special section, the posting of the respective units or the transfer of the amount to be received takes place two bank business days after the settlement date. This period refers to the processing activity between the institution maintaining the custody account and the custodian. Posting or transfer from the institution maintaining the custody account to the desired recipient account must follow afterward, and may lead to additional delays. Investors should therefore allow sufficient time when planning for specific payment dates.

#### **Restriction of the redemption of units**

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

If the Company decides to restrict the redemption, it shall only redeem the units on a pro rata basis at the redemption price applicable on the settlement date. Other than that, the redemption obligation shall not apply. This means that each redemption order is executed only on a pro rata basis according to a ratio determined by the Company. In the interests of the investors, the Company determines the ratio on the basis of the available liquidity and the total number of orders for the applicable settlement date. The extent of the available liquidity is heavily dependent on the current market environment. The ratio stipulates at what percentage the redemption requests are to be paid out on the settlement date. The part of the order that is not executed (remaining order) will not be executed by the Company at a later date, but instead expires (pro-rata approach with forfeiture of the remaining order).

The Company decides on each valuation date whether and on the basis of which ratio it will restrict redemption. The Company can restrict



the redemption for a maximum of 15 consecutive working days. The possibility of suspending the redemption remains unaffected.

The Company immediately publishes information on the restriction of the redemption of units as well as the lifting of such restriction on its website.

The redemption price corresponds to the net asset value per unit determined on that day less a redemption fee, where applicable. Redemption through an intermediary (e.g., the institution maintaining the custody account) is also possible; additional costs may be incurred for the investor when so doing.

### Suspension of the redemption of units

The Company may suspend the redemption of units under exceptional circumstances that make a suspension appear necessary when taking into consideration the interests of investors. Such exceptional circumstances include, for example, the unscheduled closing of a stock exchange on which a significant portion of the securities of the fund is traded or that the assets of the fund cannot be valued. In addition, BaFin may order that the Company suspend the redemption of units if that is necessary in the interests of the investors or the public.

The Company reserves the right not to redeem or exchange units until it has disposed of assets of the fund without delay, but serving the interests of all investors, at the redemption price then applicable. A suspension without subsequent resumption of the redemption of units can lead directly to a liquidation of the investment fund (see section "Liquidation, transfer and merger of the fund").

The Company shall notify the investors, by means of an announcement in the Bundesanzeiger and on the Internet at [www.dws.com](http://www.dws.com), about the suspension of the redemption of units and its resumption. The institutions maintaining the custody accounts shall also inform investors by means of a durable medium, such as on paper or in electronic format.

### Liquidity management

The Company has specified written principles and procedures that enable it to monitor the fund's liquidity risks and to ensure that the liquidity profile of the investments of the fund matches the underlying liabilities of the fund. The principles and procedures include:

- The Company monitors the liquidity risks that may arise at the level of the fund or of the assets. It makes an assessment of the liquidity of the assets held in the fund in relation to the fund's assets and stipulates a liquidity ratio. The evaluation of liquidity includes, for example, an analysis of the trading volume, the complexity of the asset and the number of trading days that are required to dispose of

the respective asset without influencing the market price. The Company also monitors the investments in target funds and their redemption policies, and any resulting impact on the liquidity of the fund.

- The Company monitors the liquidity risks that can result from elevated demand by investors for the redemption of units. Here it forms expectations about net changes in capital, taking into account available information on the investor structure and experience from historical net changes in capital. It takes into account the effects of large-scale call risks and other risks (such as reputational risks).
- The Company has established adequate liquidity risk limits for the fund. It monitors compliance with these limits and has specified procedures to follow if the limits are or might be exceeded.
- The procedures instituted by the Company ensure consistency between liquidity ratio, the liquidity risk limits and the net changes in capital to be expected.

The Company reviews these principles regularly and updates them accordingly.

The Company conducts stress tests on a regular basis, at least once each year, with which it can evaluate the liquidity risks of the fund. The Company conducts the stress tests on the basis of reliable and current quantitative or, where that is not appropriate, qualitative information. This information includes investment strategy, redemption periods, payment obligations and periods within which the assets can be sold, as well as information relating to general investor behavior and market developments. The stress tests simulate any potential lack of liquidity of the assets in the fund, as well as requests for redemptions that are unusual in terms of number and scope. They cover market risks and their effects, including margin calls, collateral requirements or lines of credit. They take into account valuation sensitivities under stress conditions. They are performed at frequencies appropriate for the type of fund, taking into account the investment strategy, the liquidity profile, the type of investor and the redemption principles of the fund.

The redemption rights under normal and exceptional circumstances, as well as the restriction or suspension of the redemption of units, are presented in the sections "Units – Issue of units," "Units – Redemption of units," "Units – Restriction of the redemption of units" and "Units – Suspension of the redemption of units." The associated risks are explained under "Risk warnings – Risks of investing in the fund – Restriction of the redemption of units – Suspension of the redemption of units" and "Risk warnings – Risks of restricted or elevated liquidity of the fund and risks associated with increased redemptions (liquidity risk)."

### Stock exchanges and markets

The Company may have the units of the fund admitted to trading on a stock exchange or in organized markets; currently the Company is not availing itself of this option.

The possibility of the units also being traded in other markets without the Company's consent cannot be ruled out. A third party can, without the consent of the Company, arrange for the units to be included in the open market or in other over-the-counter trading.

The market price underlying trading in other markets is not determined exclusively by the value of the assets held in the fund. Supply and demand are also contributing factors. Therefore, this market price may vary from the net asset value per unit determined by the Company or the custodian.

### Fair treatment of investors and unit classes

Unless the special section provides otherwise, all units issued have the same configuration characteristics and no unit classes shall be formed. If the special section does provide for the formation of unit classes, all issued units of a specific unit class shall have the same configuration characteristics. Additional unit classes may be formed. The unit classes may especially differ with respect to the distribution policy, the initial sales charge, the redemption fee, the currency of the net asset value per unit, the management fee / all-in fee, the minimum investment or a combination of these features.

It may be stipulated that units in certain unit classes of the fund may only be acquired and held by investors if these investors meet certain additional requirements. If applicable, these requirements are described in the "Units – Issue of units" section of the special section.

The Company shall treat the fund's investors fairly. When managing liquidity risk and redeeming units, it may not place the interests of one investor or group of investors ahead of the interests of another investor or group of investors.

Regarding the procedures used by the Company to ensure the fair treatment of investors, see the sections "Units – Settlement when issuing and redeeming units," "Units – Liquidity management" and "Fair treatment of investors/Handling of conflicts of interest."

### Issue and redemption price

In calculating the issue price and the redemption price for the units, the custodian determines on each valuation date, with the participation of the Company, the value of the assets owned by the fund less any liabilities of the fund (the "net asset value").

Dividing the net asset value thus determined by the number of units issued gives the net asset value per unit.

In calculating the issue price and the redemption price for the units, the custodian, with the participation of the Company, determines a net asset value on each valuation date. If stipulated in the Terms and Conditions of Investment, the Company shall apply partial swing pricing for all issues and redemptions of units on the valuation date.

Swing pricing is a method of calculating the net asset value per unit whereby the transaction costs arising from redemptions or issues of units are apportioned to the unitholders whose orders caused the trades. For this, the net asset value is first determined by the value of the assets belonging to the fund less the liabilities. Dividing the net asset value thus determined by the number of units issued gives the net asset value per unit, which is additionally modified up or down ("swing factor"). In the case of partial swing pricing, this mechanism is then only applied if the imbalance of unit redemptions and unit issues on the respective valuation date exceeds a threshold value defined by the Company. The Company determines the threshold value as a percentage amount using several criteria such as market conditions, market liquidity, risk analyses.

The swing factor takes into account transaction costs caused by an excess of redemption or issue requests. The Company determines the swing factor depending on various parameters (e.g., taking into account transaction costs, bid/ask spreads, effects on the market price). The swing factor shall not exceed 2% of the net asset value.

A higher swing factor can be set in an extraordinary market environment (this may be the case, for example, if the fund's assets cannot be valued or trading of financial instruments in the markets is considerably affected due to political, economic or other events). In such a case, the Company shall publish a corresponding notification about such an increase on its website [www.dws.com](http://www.dws.com).

If there is an excess of redemptions on a settlement date on which the threshold is exceeded, the net asset value per unit or share is reduced by the swing factor. If there is an excess of issues on a settlement date on which the threshold is exceeded, the net asset value per unit or share is increased by the swing factor.

The net asset value, the net asset value per unit and the issue and redemption prices will be determined Monday through Friday, except on public holidays in Frankfurt/Main, Hesse and not on December 24 or December 31 ("valuation dates"). Other days may also be excluded as valuation dates in the Special Terms and Conditions of Investment.

### **Suspension of the calculation of the issue and redemption prices**

The Company may suspend the calculation of the issue and redemption prices under the same conditions as the redemption of units. These

circumstances are explained in more detail in the section entitled "Units – Suspension of the redemption of units."

### **Initial sales charge and redemption fee**

Precise details on the initial sales charge and on the redemption fee are presented in the sections "Issue and redemption prices – Initial sales charge" and "Issue and redemption prices – Redemption fee" in the special section.

### **Publication of the issue and redemption prices**

For each issue and redemption of units, the issue and redemption prices and, if applicable, the net asset value per unit shall be published in a business publication and a daily newspaper with sufficient circulation and/or on the Internet at [dws.com](http://dws.com).

If units are redeemed through third parties, costs could be incurred for the redemption of the units. Costs higher than the issue price may be charged if the units are sold through third parties.

### **Costs**

#### **Costs related to the issue and redemption of units**

No additional costs are charged by the Company or the custodian for the issue and redemption of units at the respective issue price (net asset value per unit plus any applicable initial sales charge) or redemption price (net asset value per unit less any applicable redemption fee).

If the investor acquires units through third parties, these third parties can assess costs that are higher than the initial sales charge. If the investor redeems units through third parties, these third parties can assess their own costs when redeeming the units.

#### **Administrative and other costs**

Details on administrative and other costs are presented in the section "Administrative and other costs" in the special section.

#### **Circumstances particular to the acquisition of investment fund units**

In addition to the fees for the management of the fund, a management fee is also assessed for the units of target funds held in the fund.

In connection with the acquisition of target fund units, the following types of fees, costs, taxes, commissions and other expenses are borne directly or indirectly by the investors of the fund:

- the management fee / all-in fee of the target fund;
- the performance-based fee of the target fund;
- the initial sales charges and redemption fees of the target fund;
- reimbursements of expenses by the target fund;
- other costs.

When acquiring units of affiliated funds, i.e., target funds, that are managed directly or indirectly by the Company itself or by another company with which the Company is affiliated by virtue of joint management or control, or through a material direct or indirect equity interest of more than 10% of the capital or voting rights (hereinafter "affiliated fund"), the Company itself or the other company may not charge initial sales charges and redemption fees for acquisitions and redemptions.

Regulations governing the handling of any management fee or all-in fee charged on the acquisition of units of target funds can be found in the section "Circumstances particular to the acquisition of investment fund units" in the special section.

The annual and semiannual reports will contain a disclosure of the initial sales charges and redemption fees that have been charged to the fund during the reporting period for the acquisition and redemption of units of target funds. Also disclosed in the annual and semiannual reports will be the fee that was charged to the fund as a management fee or all-in fee for the target fund units held in the fund by a domestic or foreign company, or by a company with which the Company is affiliated through a material direct or indirect equity interest.

#### **Statement of total expense ratio**

In the annual report, the costs accrued and charged to the fund during the fiscal year are disclosed and reported as a ratio of the fund's average net assets ("total expense ratio"). Costs consist of fees for the management of the fund (including any applicable performance-based fee), the remuneration of the custodian and the additional expenses that can be charged to the fund (see sections "Administrative and other costs" and "Administrative and other costs – Circumstances particular to the acquisition of investment fund units" in the special section). If the fund invests a substantial portion of its assets in other open-ended investment undertakings, the total expense ratio of these target funds is additionally taken into account. The total expense ratio includes neither incidental costs nor costs incurred in the purchase and sale of assets ("transaction costs").

#### **Different expense statement from distributors**

If the investor is advised on the acquisition of units by third parties or if these act as intermediaries for the purchase, they may charge the investor expenses or shares of expenses which are not identical to the expense information in this Sales Prospectus and in the Key Information Document and which may exceed the total expense ratio described here. The reason for this may especially be that the third party additionally takes the costs of its activities into account (such as brokerage, advisory or custody services). In addition, it may also take into account any one-time costs such as initial sales charges and generally uses other calculation methods, or also estimates, for costs incurred at fund level, which include, in particular, transactions costs for the fund.

Deviations in the expense statement may arise with regard to the information prior to the conclusion of the contract but also in the event of the provision of any regular cost information regarding the existing fund investment as part of a permanent business relationship with the client.

### Compensation policy

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

In addition, the compensation policy applies the following guidelines:

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

Further details on the current compensation policy are published on the Internet at <https://download.dws.com/download?elib-assetguid=5136bc939981429b9ae6f2d98ed706a7>. This includes the description of the compensation system for employees, including the principles related to granting the variable compensation, to taking into account sustainability and sustainability risks, and the description of the Compensation Committee that has been set up below Management level. The Company shall provide this information free of charge in paper form upon request. Moreover, the Company provides additional information on employee compensation in the annual report.

## Determination of income

### Determination of income, income adjustment procedure

The fund generates income in the form of the interest, dividends and income from investment fund units that have accrued during the fiscal year and have not been applied to cover costs. The fund additionally receives considerations from lending transactions and repurchase agreement transactions. Further income can result from the disposal of assets held for the account of the fund.

The Company uses an "income adjustment procedure" for the fund. This prevents the share of distributable income in the unit price from fluctuating as a result of capital inflows and outflows. Otherwise, any inflows of capital into the fund during the fiscal year would lead to less income being available for distribution per unit at the distribution dates than would be the case with a constant number of units in circulation. In contrast, any outflows of capital would lead to more income being available for distribution than would be the case with a constant number of units in circulation. In order to prevent this, the distributable income over the fiscal year that the purchaser of units must pay as part of the issue price, and that the seller of units receives as part of the redemption price, is continually calculated and entered as a distributable item in the income statement.

In doing so, it is accepted that investors acquiring units shortly before a distribution date, for instance, will receive back the portion of the issue price attributable to income in the form of a dividend, even though their paid-in capital did not contribute to the generation of that income.

## Liquidation, transfer and merger of the fund

### Conditions for the liquidation of the fund

The investors are not entitled to demand the liquidation of the fund. The Company may, however, terminate its right to manage the fund by giving a minimum of six months' notice by way of an announcement in the Bundesanzeiger and additionally in the annual report or semiannual report. The institutions maintaining the custody accounts shall also inform investors about the termination by means of a durable medium, such as on paper or in electronic format. Upon the effective termination of its management, the Company's right to manage the fund shall cease.

The Company's right to manage shall also cease upon the institution of bankruptcy proceedings concerning its assets or when a judicial order by which the application for the institution of such proceedings is rejected for lack of assets becomes final and binding. When the Company's right to manage expires, the right to manage and dispose of the fund passes to the custodian, which shall wind up the fund and distribute the proceeds to

the investors or, with the approval of BaFin, transfer management to another asset management company.

### Procedure for the liquidation of the fund

Once the right to manage and dispose of the fund passes to the custodian, the issue and redemption of units ceases and the fund is wound up.

The proceeds from the sale of the fund's assets, less any remaining costs still payable by the fund and the costs associated with the liquidation, are distributed to the investors. The investors shall be entitled to a share of the liquidation proceeds that is proportional to the number of units they hold in the fund.

The Company will prepare a liquidation report, dated to the day on which its right to manage expires, that meets the requirements of an annual report. No later than three months after the date of liquidation of the fund, the liquidation report is published in the Bundesanzeiger. While the custodian liquidates the fund, it prepares liquidation reports that meet the requirements of an annual report annually and on the date that the liquidation is completed. These reports must also be published in the Bundesanzeiger no later than three months after the date of liquidation.

### Settlement of the distribution of the liquidation proceeds

Settlement takes place three bank business days after the liquidation date. This period refers to the processing activity between the institution maintaining the custody account and the custodian. Posting or transfer from the institution maintaining the custody account to the desired recipient account must follow afterward, and may lead to additional delays. Investors should therefore allow sufficient time when planning for specific payment dates.

### Transfer of the fund

The Company may transfer the right to manage and dispose of the fund to another asset management company. The transfer requires the prior written approval of BaFin. The approved transfer shall be announced in the Bundesanzeiger (Federal Gazette) and, in addition, in the annual report or semiannual report for the fund, as well as in the electronic information media designated in the Sales Prospectus. The time at which the transfer becomes effective is determined by the contractual arrangements between the Company and the receiving asset management company. However, the transfer shall take place no sooner than three months after its announcement in the Bundesanzeiger. All rights and obligations of the Company in relation to the fund are then transferred to the receiving asset management company.

### Conditions for the merger of the fund

All the assets of this fund may, with the approval of BaFin, be transferred to another currently existing investment undertaking or to a new investment undertaking established by the merger that must fulfill the requirements of a UCITS and which was launched in Germany or in another EU or EEA state. The transfer takes effect at the end of the fund's fiscal year (the "key date of transfer"), unless another key date of transfer is specified.

### Rights of investors in the merger of the fund

The Company must, in advance of the proposed key date of transfer, inform investors by means of a durable medium, such as on paper or in electronic format, about the reasons for the merger, the potential effects for investors and the rights of investors in connection with the merger, as well as about material procedural aspects. The Key Information Document for the investment undertaking to which the fund's assets are to be transferred must also be sent to investors. The investor must receive the aforementioned information at least 30 days in advance of the deadline for the redemption or exchange of the investor's units.

Investors have five working days before the proposed key date of transfer to either return their units at no additional cost other than the costs incurred for the liquidation of the fund or to exchange their units for units of another open-ended retail investment undertaking that is also managed by the Company or another entity belonging to the same group of companies and whose investment principles are comparable to those of the fund.

On the key date of transfer, the net asset values of the fund and of the receiving investment undertaking are calculated, the conversion ratio is determined, and the entire exchange procedure is examined by the auditor. The conversion ratio is calculated on the basis of the ratio of the net asset values per unit of the fund and of the receiving investment undertaking at the time of the transfer. The investor receives the number of units of the receiving investment undertaking that corresponds to the value of the units held in the fund.

If investors do not avail of their redemption or exchange right, they become investors in the receiving investment undertaking on the key date of transfer. The Company also has the option to arrange with the management company of the receiving investment undertaking that investors in the fund shall receive a disbursement in cash of up to 10% of the value of their units. Once all the assets of the fund are transferred, the fund ceases to exist. If the transfer takes place during the current fiscal year of the fund, the Company must prepare a report, dated to the key date of transfer, that meets the requirements of an annual report.

The Company will announce in the Bundesanzeiger and on the Internet at [www.dws.com](http://www.dws.com) when the fund was merged into another investment undertaking managed by the Company and when the merger took effect. If the fund is merged into an investment undertaking that is not managed by the Company, the management company that administers the receiving or newly established investment undertaking makes the announcement of the merger taking effect.

### Outsourcing

The Company has outsourced the following activities. Some of the activities were in turn delegated to other outsourcing companies:

Seq. no.	Outsourcing company	Outsourcing measure	Conflicts of interest*
1	BlackRock Financial Management Inc., New York (USA)	Use of the "Aladdin" IT platform to support portfolio and risk management	Variant 1
2	DWS Group GmbH & Co. KGaA, Frankfurt/Main	Use of different IT applications in risk management	Variant 2
3	Deutsche Bank AG, Frankfurt/Main	People services (security measures to prevent money laundering and terrorist financing, as well as all other criminal activity)	Variant 2
4	DWS Group GmbH & Co. KGaA, Frankfurt/Main	Use of different IT applications in Compliance & AML (security measures to prevent money laundering and terrorist financing, as well as all other criminal activity, AFC change strategy)	Variant 2
5	DWS International GmbH, Frankfurt/Main	Security measures to prevent money laundering and terrorist financing, as well as all other criminal activity	Variant 2
6	DWS Investment Management Americas Inc., Wilmington (USA)	Security measures to prevent money laundering and terrorist financing, as well as all other criminal activity	Variant 2
7	DWS Investments Singapore Ltd., Singapore (Singapore)	Security measures to prevent money laundering and terrorist financing, as well as all other criminal activity	Variant 2
8	DWS Group Services UK Ltd., London (UK)	Security measures to prevent money laundering and terrorist financing, as well as all other criminal activity	Variant 2
9	Deutsche Bank AG, Frankfurt/Main	Supply of TDI (technology, data and innovation) technology services plus provision and management of a resilient infrastructure	Variant 2
10	Deutsche Bank Aktiengesellschaft, Branch in London (UK)	Supply of TDI (technology, data and innovation) technology services plus provision and management of a resilient infrastructure	Variant 2
11	Deutsche Bank Core Corporation, New York (USA)	Supply of TDI (technology, data and innovation) technology services plus provision and management of a resilient infrastructure	Variant 2
12	DWS Group GmbH & Co. KGaA, Frankfurt/Main	Supply of technology services plus provision and management of a resilient infrastructure	Variant 2
13	DWS Beteiligungs GmbH, Frankfurt/Main	Supply of technology services plus provision and management of a resilient infrastructure	Variant 2
14	DWS Investment S.A. Luxembourg	Supply of technology services plus provision and management of a resilient infrastructure	Variant 2
15	DWS Investment Management Americas Inc., Wilmington (USA)	Supply of technology services plus provision and management of a resilient infrastructure	Variant 2
16	DWS Distributors Inc., Chicago (USA)	Supply of technology services plus provision and management of a resilient infrastructure	Variant 2
17	DWS Group Services UK Ltd., London (UK)	Supply of technology services plus provision and management of a resilient infrastructure	Variant 2
18	DWS Group GmbH & Co. KGaA, Frankfurt/Main	Use of different applications in procurement	Variant 2
19	DWS India Pvt Ltd., Mumbai (India)	Procurement Services	Variant 2
20	DWS Group Services UK Ltd., London (UK)	Procurement Services	Variant 2
21	DWS Beteiligungs GmbH, Frankfurt/Main	Procurement Services	Variant 2
22	DWS International GmbH, Frankfurt/Main	Procurement Services	Variant 2
23	DWS Investment Management Americas Inc., Wilmington (USA)	Procurement Services	Variant 2
24	Deutsche Bank AG	Support for information & cybersecurity services	Variant 2
25	DWS Group GmbH & Co. KGaA, Frankfurt/Main	Support for information & cybersecurity services	Variant 2
26	DWS Beteiligungs GmbH, Frankfurt/Main	Support for information & cybersecurity services	Variant 2
27	DWS International GmbH, Frankfurt/Main	Support for information & cybersecurity services	Variant 2
28	DWS India Private Ltd., Mumbai (India)	Support for information & cybersecurity services	Variant 2
29	DWS Investments Singapore Ltd., Singapore (Singapore)	Support for information & cybersecurity services	Variant 2
30	DWS Group Services UK Ltd., London (UK)	Support for information & cybersecurity services	Variant 2
31	DWS Group GmbH & Co. KGaA, Frankfurt/Main	Internal auditing	Variant 2
32	DWS Beteiligungs GmbH, Frankfurt/Main	HR services	Variant 2
33	Deutsche Bank AG, Frankfurt/Main	HR services	Variant 2
34	Deutsche Bank Aktiengesellschaft, London Branch (UK)	HR services	Variant 2
35	DWS Beteiligungs GmbH Frankfurt/Main	Contract management and tendering procedures	Variant 2
36	DWS Group GmbH & Co. KGaA, Frankfurt/Main	Legal advisory services and support in legal matters	Variant 2

Seq. no.	Outsourcing company	Outsourcing measure	Conflicts of interest*
37	DWS Beteiligungs GmbH, Frankfurt/Main	Legal advisory services and support in legal matters	Variant 2
38	DWS Group GmbH & Co. KGaA, Frankfurt/Main	Use of different applications in operations, fund accounting and reporting	Variant 2
39	DWS Beteiligungs GmbH, Frankfurt/Main	Operations, fund accounting and reporting	Variant 2
40	DWS Investment S.A., Luxemburg	NAV Fund price calculation for all self-administered funds	Variant 2
41	DWS International GmbH, Frankfurt/Main	Support in the area of investment guideline monitoring	Variant 2
42	DWS India Pvt Ltd., Mumbai (India)	Scrum (ICS data collection)	Variant 2
43	DWS International GmbH, Frankfurt/Main	Acceptance of clients and verification of semiprofessional and professional investors of specialized funds of DWS Investment GmbH (KYC) as well as acceptance of clients and verification of distributors for mutual funds of DWS Investment GmbH (KYI) for compliance with anti-money laundering legislation	Variant 2
44	DWS International GmbH, Frankfurt/Main	Use of different IT applications in risk management	Variant 2
45	DWS International GmbH, Frankfurt/Main	Customer care (service center)	Variant 2
46	DB Direkt GmbH, Frankfurt/Main	Customer care (B2C)	Variant 2
47	DWS India Pvt Ltd., Mumbai (India)	Investment research and back-testing of model portfolios for the overlay area	Variant 2
48	DWS Investment Management Americas Inc., Wilmington (USA)	Execution of trades in securities, derivatives and currencies for all regions, but with a focus on the American region.	Variant 2
49	DWS International GmbH, Frankfurt/Main	Execution of trades in securities, derivatives and currencies with a focus on platform management.	Variant 2
50	DWS International GmbH, Frankfurt/Main	Execution of trades in securities, derivatives and currencies	Variant 2
51	DWS Investments (HK) Ltd., Hong Kong (Kowloon) (HK)	Execution of trades in securities, derivatives and currencies from the Asia-Pacific region. In exceptional situations, securities, derivatives and currencies from other regions may also be traded.	Variant 2
52	DWS Group GmbH & Co. KGaA, Frankfurt/Main	Use of different applications in accounting	Variant 2
53	Deutsche Bank AG, Frankfurt/Main	Finance: bookkeeping, accounting and reporting	Variant 2
54	DWS Beteiligungs GmbH, Frankfurt/Main	Finance: bookkeeping, accounting and reporting	Variant 2
55	DWS Global Business Services Inc, Taguig City (Philippines)	Finance: bookkeeping, accounting and reporting	Variant 2
56	Barra, LLC & MSCI Limited, California (USA)	Use of the application to perform risk and return analyses	Variant 2
57	Feedstock Ltd., London (UK)	Research into consumption monitoring	Variant 2
58	REEFF Americas LLC, Wilmington (USA)	Support for the management of DWS investment private debt portfolios	Variant 2
59	MorgenFund GmbH, Frankfurt/Main	Management of investment accounts (OAP services)	Variant 2
60	State Street Bank International GmbH, Frankfurt/Main	Collateral services for derivatives, securities lending and securities repurchase agreement transactions	Variant 2
61	Bank of New York Mellon, SA/NV, Brussels (Belgium)	Management of collateral for securities lending transactions including, where appropriate, derivative transactions	Variant 1
62	Dräger+Wullenwever print+media Lübeck GmbH & Co. KG, Lübeck	Outsourcing of printing and logistics services for prospectuses, reports and sales documents as well as typesetting services with the help of a content management system for prospectuses and reports	Variant 1
63	Deutsche India Private Limited, Pune (India)	FATCA/CRS reporting services	Variant 2

**\* Conflicts of interest in relation to outsourcing:**

Variant 1: No conflicts of interest are identified. Potential conflicts of interest would be managed by the configuration of the outsourcing contract.

Variant 2: The outsourcing company is a company affiliated with the Company. It cannot be ruled out that the contract might have been concluded in another form if a management company were involved that is not linked under corporate law or personally.

**Additional information**

The list of outsourcing companies is current as of the date indicated on the title page of this Sales Prospectus. Upon request, the Company will provide investors with the most up-to-date information on the list of outsourcing and sub-outsourcing companies as well as on conflicts of interest that could arise from the outsourcing. The most up-to-date list of outsourcing and sub-outsourcing companies as well as conflicts of interest that could arise from the outsourcing can also be found on the Internet at <https://www.dws.com/en-lu/footer/Legal-Resources>.



## Fair treatment of investors / Handling of conflicts of interest

### Guiding principle

The Company conducts its operations in such a way that conflicts of interest are handled in a fair manner, both between the Company, its employees and its clients and between one client and another. In conflicts of interest between the Company or its employees on the one hand and the client on the other hand, client interests shall always take priority.

### Introduction

As a globally active financial services provider, the Company and its affiliated companies within the Deutsche Bank Group (including Deutsche Bank AG) are constantly confronted with actual or potential conflicts of interest. It is a principle of the Company to take all reasonable steps to establish organizational structures and to apply effective administrative measures to enable the identification, handling and monitoring of the conflicts in question.

The Company's management is responsible for ensuring that the systems, controls and procedures of the Company for the identification, monitoring and resolution of conflicts of interest are appropriate. The Compliance and Legal departments of the Company provide support in the identification and monitoring of actual and potential conflicts of interest.

The Company has appropriate procedures in place to identify, handle and monitor actual or potential conflicts of interest on a division-specific basis. The Company has established principles for handling conflicts of interest; they are available on the Internet at <https://www.dws.com/Legal-Resources/#conflicts-of-interest-policy.htm> in their respective current version.

### Objective

The Company will take reasonable steps to identify and appropriately handle conflicts of interest that have a material adverse effect on client interests. Corresponding guidelines specify the requirements for appropriate procedures and measures at Group and divisional level to identify, prevent and, where prevention is not possible, handle all such material conflicts of interest in the best interests of the affected clients.

### Fair treatment of investors

The Company is obligated to treat the fund's investors fairly. It manages the fund according to the principle of fair treatment of investors by not giving preferential treatment to some investment funds, and investors of the investment funds, at the expense of others. The decision-making processes and organizational structures of the Company are aligned accordingly.

The Company is aware that conflicts of interest may arise based on the functions that employees of the Company and companies affiliated with the

Company perform as members of the Deutsche Bank Group. In respect of such eventualities, each Deutsche Bank 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 investors are not adversely affected. The Company is of the view that Deutsche Bank Group members possess the required aptitude and competence to perform such duties.

### (Potential) Material conflicts of interest

The following material conflicts of interest can have a negative impact on the economic result achievable by the investor and in particular lead to lower payouts to investors (see also the risk warnings).

In addition, other conflicts of interest can exist or occur in the future that might also have a negative impact particularly on the economic result achievable by the investor, and lead to lower payouts to investors.

#### 1. Conflicts of interest at the level of the Company

Deutsche Bank AG and the Company, as well as the persons taking actions at these companies, are all members of the Deutsche Bank Group (collectively "Affiliated Entities"). Some of them are also involved or active in the same or similar functions at other funds as at this fund, or will be in the future. This can give rise to conflicts of interest.

The Affiliated Entities are directly or indirectly connected to each other under corporate law or personally. The partial identities of the companies involved, and the corporate or personal links between them, can lead to conflicts of interest. It cannot be ruled out that contracts material for the fund might have been concluded in another form if only such companies were involved that do not perform multiple functions and are not linked under corporate law or personally.

The interests of the Affiliated Entities and related parties can conflict with each other. In the event of conflicts of interest affecting the Company, the Company will endeavor to resolve such conflicts in favor of the fund's investors. Insofar as the interests of the investors are also affected, the Company will endeavor to avoid any conflicts of interest and, if it is impossible to avoid such conflicts, to ensure that unavoidable conflicts of interests are resolved while suitably protecting the interests of the investors.

The fund can invest in financial instruments (e.g., money market funds) whose underlyings are the companies of the Deutsche Bank Group and their subsidiaries, or Affiliated Entities. In some cases, such transactions, derivative transactions, derivatives contracts or similar items may have to be evaluated on the basis of information provided by the counterparties. Such information may constitute in these cases the basis for calculation of the value of particular assets of the respective fund

by the custodian. This can give rise to conflicts of interest.

Assets of the fund in the form of bank balances, units of investment undertakings or securities (to the extent permissible according to the terms and conditions of investment of the respective fund) may be deposited with Affiliated Entities in accordance with the legal provisions at the custodian. Bank balances of the fund may be invested in securities or certificates of deposit issued by Affiliated Entities or in bank deposits offered by Affiliated Entities. This can have the consequence that, in addition to the interest rate (e.g., for bank balances), other factors concerning the investment become relevant as well (e.g., flow of information, but also and especially the interest of the Affiliated Entities in investments in their own products or those of Affiliated Entities). Banking or comparable transactions can also be conducted with or through the Affiliated Entities. Affiliated Entities can further be counterparties in derivative transactions or derivatives contracts. This can give rise to conflicts of interest in the valuation of such derivative transactions or derivatives contracts.

Notwithstanding provisions to the contrary in this document, the Company may actively conduct transactions for the account of other funds that involve the same units, real estate, securities, assets and instruments in which the Company will invest. The Company may provide for other funds and accounts investment management and advisory services and administrative services that have similar or different investment objectives to those of the fund and/or which can execute investment programs similar to those of the fund and in which they have no involvement. The portfolio strategies that are used for these or other investment funds could conflict with the transactions and strategies that are recommended by the Affiliated Entities in the management of the fund, and adversely affect the prices and availability of the units, securities and instruments in which the fund invests.

The Company devotes to the activities of the fund as much time as it deems necessary and appropriate. There are no restrictions on the Company when it comes to launching additional investment funds, especially with regard to entering into further investment advisory relationships or pursuing additional business activities, even if those activities are in competition with the activities of the fund.

#### Non-exercise of voting rights

In order to avoid any potential conflicts of interest, the Company will not exercise voting rights arising from shares of Deutsche Bank AG and DWS Group GmbH & Co KGaA.

#### 2. Conflicts of interest at the level of the distributors

The payment of commissions, initial sales charges and bonuses to distributors may thus result in conflicts of interest at the expense of the investor in that an incentive could be created for distributors to preferably sell units of funds with a



higher commission to their clients. Such commissions are included in the fees or may, if applicable, be borne by the investors of the fund in the form of initial sales charges.

Distributors and investment advisors may possibly pursue their own interests in respect of the sale or brokerage of units of the fund and in respect of the associated advisory or brokerage activity. Such a conflict of interest may result in distributors and investment advisors making an investment recommendation based not on the interest of the investors, but rather on self-interest.

### 3. Repayment and forwarding of management fees collected

The Company does not receive any reimbursement of the fees and expense reimbursements paid out of the fund to the custodian and third parties.

With the exception of the TF unit classes, the Company grants brokerage fees, "trail commissions," to intermediaries such as credit institutions on a recurring basis, usually annually. These may be significant portions of the management fee of the Company. This is remuneration for sales services. At the request of an investor in the fund, the Company shall disclose further details to the investor. The Company shall not pay remuneration to distributors for TF unit classes, with the result that the investor's costs associated with investing in the TF unit class may be lower than those associated with an investment in other unit classes of the same investment fund.

The 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.

## Auditor

The audit firm KPMG AG, THE SQUAIRE, Am Flughafen, 60549 Frankfurt/Main, Germany, has been appointed auditor of the fund and of the annual report.

The auditor audits the annual report of the fund. The auditor shall summarize the findings of the audit in a special report; the auditor's report shall be reproduced in full in the annual report. When performing the audit, the auditor shall also determine whether the fund has been managed in compliance with the provisions of the KAGB and those of the Terms and Conditions of Investment. The auditor shall submit the auditor's report for the fund to BaFin on request.

## Payments to investors / Distribution of reports and other information

The appointment of the custodian ensures that investors will receive dividend distributions and that units will be redeemed. The investor information mentioned in this Sales Prospectus can be obtained in the manner indicated in the section "General principles – Sales documentation and disclosure of information on risk management." The documentation can also be obtained at the custodian.

## Service providers

Companies that are assuming functions outsourced by the Company are presented in the section "Outsourcing." Beyond this, the Company has not commissioned any further relevant service providers for the administration of the fund.

If an investment advisor is being used, this fact is disclosed in the special section.

# Sales Prospectus – Special Section

## DWS ESG Convertibles

### Fund, sub-funds and unit classes

The fund DWS ESG Convertibles was launched on April 23, 1991, for an indefinite period. The investors are joint owners, on a fractional basis, of the assets of the fund in proportion to the number of units they hold. Units are made out to bearer and embody the bearer's claims against the Company. The fund is not a sub-fund of an umbrella structure.

Unit classes in accordance with the table below will be formed for the fund.

### Investment objective and strategy

Through the fund, the Company promotes environmental and social characteristics or a combination of these characteristics as defined by article 8 of Regulation (EU) 2019/2088 on sustainability-related disclosures in the financial services sector ("Disclosure Regulation").

When selecting assets, the Company focuses on the assessment of the performance of an issuer in the areas of environmental, social and governance criteria (ESG standards).

#### Investment objective

The fund's investment objective is to achieve the highest possible return. Income is reinvested in the fund or distributed in accordance with the table below.

#### Investment strategy

The Company acquires and sells the assets permitted under the KAGB and the Terms and Conditions of Investment in accordance with its assessment of economic and capital market conditions and of future prospects on the stock exchanges.

At least 51% of the fund's assets are used to acquire convertible debentures, warrant-linked bonds, warrants and convertible preference shares (convertibles) of reputable domestic and foreign issuers that are denominated in euro or hedged against the euro.

Up to 20% of the fund's assets may be invested in equities (through direct acquisition or by exercising conversion rights), including convertible preference shares.

Up to 49% of the assets may be invested in all other securities according to article 26, no. 1, of the Special Terms and Conditions of Investment.

In accordance with the Special Terms and Conditions of Investment, at least 75% of the fund's assets are invested in assets that meet the ESG standards in relation to environmental, social and governance characteristics.

In order to determine whether and to what extent assets meet the defined ESG standards as well as the requirements of article 2, no. 17, of the Dis-

sure Regulation, a proprietary ESG database assesses the assets according to ESG criteria independently of economic prospects.

The various assessment categories and investment limits for each assessment category are set out in the Special Terms and Conditions of Investment.

This fund has not designated a reference benchmark for the attainment of the promoted environmental and / or social characteristics.

**More information about the environmental and social characteristics promoted by this fund and information on taking into account principal adverse impacts (PAI) on sustainability factors at the level of the fund is annexed to this Sales Prospectus.**

Up to 49% of the fund's assets may be invested in money market instruments.

Up to 25% of the fund's assets may be invested in bank balances.

The Company may invest up to 10% of the fund's assets in units of other funds (investment fund units).

The fund may invest up to 10% in contingent convertibles.

### Consideration of EU criteria for environmentally sustainable economic activities as defined by Regulation (EU) 2020/852 on the establishment of a framework to facilitate sustainable investment (Taxonomy Regulation)

Disclosure according to article 6 of the Taxonomy Regulation:

The principle of "avoiding principal adverse impacts" only applies to those investments underlying the fund that take EU criteria for environmentally sustainable economic activities into account.

The investments underlying the remainder of the fund do not take into account the EU criteria for environmentally sustainable economic activities.

The promoted proportion of environmentally sustainable investments according to the Taxonomy Regulation is currently 0% of the fund's assets. It may, however, be the case that some sustainable investments are nevertheless aligned with an environmental objective of the Taxonomy Regulation.

**No assurance can be given that the objectives of the investment strategy will actually be achieved.**

## Performance

### DWS ESG Convertibles

#### Performance of unit classes (in euro)

Unit class	ISIN	1 year	3 years	5 years
Class LD	DE0008474263	-18.8%	0.5%	-2.8%
Class FC	DE000DWS1U74	-18.6%	1.2%	-1.5%
Class TFC	DE000DWS2SB3	-18.6%	1.3%	-1.5% <sup>1</sup>
Class TFD	DE000DWS2SC1	-18.6%	1.2%	-1.6% <sup>1</sup>

<sup>1</sup> Classes TFC and TFD launched on January 2, 2018

"BVI method" performance, i.e., excluding the initial sales charge. Past performance is no guide to future results.

As of: September 30, 2022

Updated performance information will be published in the annual and semiannual reports and on the Internet at [www.dws.com](http://www.dws.com).

## Special notes

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

When making investment decisions, the Company takes into account not only the usual financial data but also sustainability risks and principal adverse impacts (PAI) on sustainability factors.

The Company bases its considerations on an ESG-integrated fundamental analysis that includes identifying global sustainability trends and financially relevant ESG topics and challenges and is used, in particular, in the proprietary issuer analysis.

The Company also uses an internal ESG database comprising data from multiple ESG data providers, public sources and internal assessments. Internal assessments take into account factors such as an issuer's future expected ESG development, the plausibility of the data with regard to past or future events, an issuer's willingness to engage in dialogue on ESG matters and a company's ESG-specific decisions.

The consideration of sustainability risks and PAI takes place within the framework of the corresponding investment process. Investments are continuously monitored with respect to the development of the sustainability risks and the PAI to the extent intended for the fund.

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

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

### Increased volatility

**The fund may exhibit increased volatility on account of its composition and its investment strategy. The price per unit may thus be subject to considerable downward or upward fluctuation, even within short periods of time.**

### Explanation of the fund's risk profile

The performance of the fund is influenced in particular by the following factors, which give rise to both opportunities and risks:

- Risk of price changes in equities
- Risk of changes in interest rates

- Risk of price changes in convertible and warrant-linked bonds
- Currency risk

In addition, the fund may temporarily concentrate more or less intensively on particular sectors, countries or market segments. This, too, may give rise to opportunities and risks.

### Derivatives

The Company can detect and measure sufficiently accurately all market risks in the fund arising from the use of derivatives.

To determine the extent to which the market risk limit has been reached, the Company applies the absolute value-at-risk ("VaR") method of the qualified approach as defined by the Derivatives Regulation.

**In this regard, the Company uses the absolute VaR method to measure and limit the market risk exposure.**

**In the case of the absolute VaR method, the market risk is limited by an upper limit for the fund's VaR.**

As the VaR method, the Company uses historical simulation with the following parameters: a confidence interval of 99% and an effective historical observation period of at least one year. A holding period of ten days is taken as a basis. The VaR is the highest possible loss that, with 99% probability, will not be exceeded within the specified holding period. The VaR therefore does not indicate the maximum possible loss. When applying the absolute VaR method, an upper limit is defined for the VaR and this may not exceed the legally stipulated possible maximum value of 14.14% in respect of a holding period of ten days.

The VaR method is continuously tested using backtesting. In addition, stress tests are conducted on a regular basis.

The Company may – provided an appropriate risk management system is in place – invest in any and all types of derivatives for the account of the fund, provided that this investment is consistent with the investment objectives and the investment strategy of the fund. This requires that the derivatives be based on assets that may be acquired for the fund, or on the following underlyings:

- Interest rates
- Exchange rates
- Currencies
- Financial indices that are sufficiently diversified, represent an adequate benchmark for the market to which they refer, and are published in an appropriate manner. In particular, this includes options, financial futures and swaps, as well as combinations thereof.

## Profile of a typical investor

The 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.

## Units

### Issue of units

1. Units can be purchased from the custodian, the Company or through an intermediary. They are issued by the custodian at the issue price, which is equal to the net asset value per unit plus an initial sales charge.

The calculation of the net asset value is explained in the "Issue and redemption price" subsection in the "Units" section. Acquisition through an intermediary is also possible; additional costs may be incurred when so doing. The Company reserves the right to partially or fully discontinue the issue of units on a temporary or permanent basis.

2. Units of the TF unit class (Trailer Free) are available exclusively

- (i) through distributors and intermediaries that
  - due to prudential requirements (e.g., in relation to independent investment advisory services, discretionary portfolio management or specific local regulations) may not receive or collect trailer fees or any other fees, rebates or payments from the fund; or
  - have entered into separate fee arrangements with their clients and do not receive and / or collect trailer fees or any other fees, rebates or payments from the fund;
- (ii) for other UCIs and
- (iii) for insurance-based investment products as defined by article 4 (2) of Regulation (EU) No. 1286/2014.

For the TF unit class, the Company does not pay any trailer fees.

3. Units of the F unit class are available to investors who:

- (i) acquire the units through distributors not established in Spain,
- (ii) who acquire the units through distributors established in Spain and are professional investors as defined by article 1 (19), no. 32, KAGB.

Professional investors as defined by article 1 (19), no. 32, KAGB, who acquire the units of the F unit class in their own name for a third party must confirm to the Company that the units are being acquired for a professional investor as defined by article 1 (19), no. 32, KAGB. The Company may, at its discretion, request documentation proving compliance with these requirements.

### Redemption of units

Irrespective of the minimum investment, investors may demand the redemption of units each exchange trading day, unless the Company has restricted the redemption of units (see "Restriction of redemption" section) or temporarily suspended redemption (see "Suspension of redemption" section). Redemption orders must be placed with the custodian, the Company itself or with an intermediary (such as the institution maintaining the custody account).

The Company is obligated to redeem units at the redemption price applicable on the settlement date, which corresponds to the net asset value per unit determined on that date less any applicable redemption fee. Redemption can also take place through an intermediary (such as the institution maintaining the custody account), which may give rise to additional costs.

Orders for the issue and redemption of units received by the Company or the custodian at or before 1:30 PM CET (the "order acceptance deadline") on a valuation date are processed on the basis of the net asset value per unit on the next valuation date. Orders received by the Company or the custodian after 1:30 PM CET are processed on the basis of the net asset value per unit on the valuation date immediately following that next valuation date.

### Minimum investment

Insofar as minimum investment amounts exist for unit classes, these can be found in the table below.

### Issue and redemption prices

#### Initial sales charge

When determining the issue price, an initial sales charge is added to the net asset value per unit. Information on the amount of the initial sales charge that is levied can be found in the table below.

The initial sales charge may reduce or even completely consume the performance of the fund, particularly in the case of a short investment period. The initial sales charge is basically a fee for the distribution of the units of the fund. The Company may pass on the initial sales charge to intermediaries as remuneration for sales services.

#### Redemption fee

A redemption fee is not charged. Redemption takes place at the net asset value per unit.

## Fees and expenses

### All-in fee

The Company shall be paid a fee from the fund for each day of the fiscal year in the amount of 1/365 (1/366 in a leap year) of the all-in fee stated in the following table for each individual unit class of the respective net asset value (cf. article 18 (1) of the General Terms and Conditions of Investment).

On each day that is a valuation date, the all-in fee will be calculated based on the net asset value determined on the last valuation date and taken into account as a liability in the net asset value of the current valuation date.

On each day that is not a valuation date, the all-in fee will be calculated based on the net asset value determined on the last valuation date and taken into account as a liability in the net asset value of the next valuation date.

The all-in fee for all calendar days in a month shall be paid by the tenth calendar day of the next month.

This all-in fee covers the following services provided by and expenses incurred by the Company which shall therefore not be additionally charged to the fund:

- a) the Company's activities related to the management of the fund (collective asset management, which particularly includes fund management, administration, cost of distribution and a service fee for reporting and analysis);
- b) custodian fees;
- c) cash and custody account fees in line with normal banking practice (including, where applicable, normal costs for holding foreign assets in custody abroad);
- d) the costs incurred for printing and mailing the sales documentation intended for investors as required by law (annual and semiannual reports, Sales Prospectuses, Key Information Document);
- e) the costs of announcing the annual and semi-annual reports, the issue and redemption prices and (where applicable) distributions or reinvestments and the liquidation report;
- f) the cost of having the fund audited by the external auditor of the fund;
- g) the cost of publishing the information required for taxation and the certificate confirming that the tax information was prepared in compliance with German tax law.

In addition to the all-in fee payable to the Company, the following additional expenses incurred by the Company may also be charged to the fund:

- a) the costs incurred by the Company for asserting and enforcing legal claims for the account of the fund, and for defending any claims asserted against the Company to the detriment of the fund;

- b) the costs of creating and using a durable medium (statutory, required in particular by the KAGB), except in the case of providing information on mergers of investment undertakings and except in the case of providing information about measures in connection with investment limit violations or computational errors in the determination of the net asset value per unit;
- c) taxes imposed in connection with the fees payable to the Company, the custodian and third parties, as well as with the aforementioned expenses, including taxes arising in connection with administration and custody.

### Transaction costs

In addition to the aforementioned fees and expenses, the costs incurred in connection with the purchase and sale of fund assets will also be charged to the fund.

### Special arrangements for securities lending transactions and securities repurchase agreement transactions

The Company shall receive a fee customary in the market for the initiation, preparation and execution of securities lending transactions and securities repurchase agreement transactions. This fee is up to one-third of the gross income from these transactions.

The Company shall bear the costs incurred in connection with the preparation and execution of such transactions, including any fees payable to third parties.

### Circumstances particular to the acquisition of investment fund units

The portion of the management fee / all-in fee attributable to units of affiliated target funds is reduced by the management fee / all-in fee charged by the acquired target fund, if necessary up to the full amount (difference method).

### Fiscal year

The fiscal year of the fund commences on October 1 and ends on September 30.

### Distribution policy

#### Reinvesting unit classes

The income from the reinvesting unit classes will not be distributed, but reinvested in the fund.

If units are held in a custody account with the custodian, the custodian's branches will credit distributions free of charge. If the custody account is maintained at banks or savings banks other than the preceding, additional costs may be incurred.

#### Distributing unit classes

In the case of distributing unit classes, the Company generally distributes – subject to the requisite adjustment of income – the prorated interest, dividends and income that have accrued for the

account of the fund during the fiscal year and have not been applied to cover costs. Realized capital gains may also be included in the distribution – subject to the requisite adjustment of income. The Company may elect to pay out interim distributions for the fund in accordance with the law.

Distributable prorated income may be carried forward for distribution in future fiscal years, provided that the aggregate amount of the income carried forward does not exceed 15% of the fund's assets as of the end of the fiscal year. Income from shortened fiscal years can be transferred in full. If units are held in a custody account with the custodian, the custodian's branches will credit the distributions free of charge. If the custody account is maintained at banks or savings banks other than the preceding, additional costs may be incurred.

## Overview of the unit classes

<b>ISIN</b>	LD	DE0008474263
	LC	DE000DWS1U66
	FC	DE000DWS1U74
	FD	DE000DWS1U82
	TFC	DE000DWS2SB3
	TFD	DE000DWS2SC1
<b>Security code (WKN)</b>	LD	847426
	LC	DWS1U6
	FC	DWS1U7
	FD	DWS1U8
	TFC	DWS2SB
	TFD	DWS2SC
<b>Fund currency</b>		EUR
<b>Unit class currency</b>	LD	EUR
	LC	EUR
	FC	EUR
	FD	EUR
	TFC	EUR
	TFD	EUR
<b>Date of inception and initial subscription</b>	LD	April 23, 1991 (since March 15, 2013, as LD unit class)
	LC	Not yet launched. The Sales Prospectus will be updated immediately after inception of the unit class.
	FC	April 8, 2013
	FD	Not yet launched. The Sales Prospectus will be updated immediately after inception of the unit class.
	TFC	January 2, 2018
	TFD	January 2, 2018
<b>Initial sales charge</b>	LD	3%
	LC	3%
	FC	None
	FD	None
	TFC	None
	TFD	None
<b>Distribution policy</b>	LD	Distribution
	LC	Reinvestment
	FC	Reinvestment
	FD	Distribution
	TFC	Reinvestment
	TFD	Distribution
<b>All-in fee</b>	LD	0.85%
	LC	0.85%
	FC	0.6%
	FD	0.6%
	TFC	0.6%
	TFD	0.6%
<b>Minimum investment</b>	LD	None
	LC	None
	FC	EUR 2,000,000
	FD	EUR 2,000,000
	TFC	None
	TFD	None



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**Overview of the unit classes (continued)**

<b>Initial issue price</b>	LD	DEM 80 (incl. initial sales charge)
	LC	Net asset value per unit of the DWS ESG Convertibles LD unit class on the inception date of the LC unit class (plus initial sales charge)
	FC	Net asset value per unit of the DWS ESG Convertibles LD unit class on the inception date of the FC unit class
	FD	Net asset value per unit of the DWS ESG Convertibles LD unit class on the inception date of the FD unit class
	TFC	EUR 100
	TFD	EUR 100

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# Terms and Conditions of Investment

## General Terms and Conditions of Investment

governing the legal relationship between the investors and DWS Investment GmbH, Frankfurt/Main, Germany, (hereinafter referred to as the "Company") for the UCITS-compliant investment funds managed by the Company. These General Terms and Conditions of Investment are only valid in conjunction with the Special Terms and Conditions of Investment set forth for the specific UCITS fund.

### Article 1 General principles

1. The Company is a UCITS asset management company subject to the provisions of the German Investment Code (Kapitalanlagegesetzbuch, "KAGB").
2. The Company invests the money deposited with it in its own name for the collective account of the investors in the form of a UCITS fund pursuant to the principle of risk-spreading in assets permitted under the KAGB, but separate from its own assets. Global certificates are issued concerning the rights of the investors.

The business objective of the UCITS fund is limited to the investment of capital according to a defined investment strategy in a collective asset management structure using the funds deposited with it; all operating activities and active commercial usage of the assets held are excluded.

3. The legal relationship between the Company and the investor is defined by the General Terms and Conditions of Investment ("General Terms") and the Special Terms and Conditions of Investment ("Special Terms") (collectively the "Terms and Conditions of Investment") of the UCITS fund, and by the KAGB.

### Article 2 Depository

1. The Company shall appoint a credit institution as Depository for the UCITS fund. The Depository shall act independently of the Company and solely in the interests of the investors.
2. The functions and duties of the Depository are defined by the Depository agreement concluded with the Company, the KAGB and the Terms and Conditions of Investment.
3. The Depository can outsource custody duties to another entity ("sub-depository") as provided for by article 73 KAGB. Additional details are contained in the Sales Prospectus.
4. The Depository shall be liable to the UCITS fund or to the investors for the loss of a financial instrument held in custody by the Depository as defined in article 72 (1), no. 1, KAGB, or by a sub-depository to which the custody of financial instruments was delegated in accordance with article 73 (1) KAGB. The Depository shall not be liable if it can prove that the loss is attributable to

external events the consequences of which would have been unavoidable despite all reasonable efforts to the contrary. Additional rights arising from the provisions of civil law on the basis of contracts, or from prohibited actions, are unaffected. The Depository shall also be liable to the UCITS fund or to the investors for all other losses they incur as a consequence of the Depository's negligent or intentional violation of its obligations under the provisions of the KAGB. The liability of the Depository shall not be affected by any delegation of custody duties according to paragraph 3, sentence 1.

### Article 3 Fund management

1. The Company purchases and manages the assets in its own name for the collective account of the investors with due skill, honesty, care and diligence. In performing its functions, the Company shall act independently of the Depository and solely in the interests of the investors.
2. The Company has the right to use the money deposited with it by the investors to purchase assets, resell them and invest the proceeds in other assets; the Company is furthermore authorized to carry out all other legal transactions arising out of the management of the assets.
3. The Company may neither extend money loans nor enter into any obligations in connection with a contract of surety or guarantee for the collective account of the investors. It may not sell assets as defined by articles 193, 194 and 196 KAGB that are not held by the UCITS fund at the time of conclusion of the transaction. Article 197 KAGB shall remain unaffected.

### Article 4 Investment principles

The UCITS fund is invested directly or indirectly pursuant to the principle of risk-spreading. The Company shall acquire for the UCITS fund only such assets as can be expected to generate income and/or growth. It determines in the Special Terms which assets may be acquired for the UCITS fund.

### Article 5 Securities

Unless the Special Terms provide for additional restrictions, the Company may purchase securities for the account of the UCITS fund – subject to article 198 KAGB – only if

- a) they are admitted for trading on a stock exchange in a member state of the European Union or in another state that is a party to the Agreement on the European Economic Area or are admitted for trading or included in another organized market in one of these states;
- b) they are exclusively admitted for trading on a stock exchange outside the member states of the European Union or outside the other states that are parties to the Agreement on the European Economic Area or are admitted for

- trading or included in another organized market in one of these states, provided that the choice of this stock exchange or organized market is approved by the German Federal Financial Supervisory Authority (Bundesanstalt für Finanzdienstleistungsaufsicht, "BaFin");
- c) their admission for trading on a stock exchange in a member state of the European Union or in another state that is a party to the Agreement on the European Economic Area or their admission to an organized market or their inclusion in such a market in a member state of the European Union or in another state that is a party to the Agreement on the European Economic Area is to be applied for under the terms and conditions of issue, insofar as the admission or inclusion of these securities takes place within one year of issue;
- d) the respective terms of issue require that their admission for trading on a stock exchange or on an organized market, or their inclusion in such a market, outside the member states of the European Union or outside the other states that are parties to the Agreement on the European Economic Area must be applied for, BaFin has approved of the choice of stock exchange or organized market and the admission or inclusion of such securities takes place within one year of their issue;
- e) they are equities to which the UCITS fund is entitled in the event of a capital increase from the issuing company's own funds;
- f) they are acquired through the exercise of subscription rights belonging to the UCITS fund;
- g) they are units of closed-end funds that meet the criteria specified in article 193 (1), sentence 1, no. 7, KAGB;
- h) they are financial instruments that meet the criteria specified in article 193 (1), sentence 1, no. 8, KAGB.

The acquisition of securities according to sentence 1 (a) through (d) may take place only if the prerequisites stipulated in article 193 (1), sentence 2, KAGB are also fulfilled. Subscription rights may also be acquired if they originate from securities that may themselves be acquired under this article 5.

### Article 6 Money market instruments

1. Unless the Special Terms provide for additional restrictions, the Company may, subject to article 198 KAGB, acquire for the account of the UCITS fund instruments that are usually traded in the money market, as well as interest-bearing securities that have a residual term not exceeding 397 days at the time of acquisition for the UCITS fund, or whose interest payments are adjusted to market circumstances regularly, although at least

- 1 The list of authorized stock exchanges and of other organized markets according to article 193 (1), sentence 1, nos. 2 and 4, KAGB, is published on the BaFin website (<http://www.bafin.de>).

once every 397 days, throughout their entire term, pursuant to the terms and conditions of issue or whose risk profile corresponds to the risk profile of such securities (“money market instruments”).

Money market instruments may be acquired for the UCITS fund only if

- a) they are admitted for trading on a stock exchange in a member state of the European Union or in another state that is a party to the Agreement on the European Economic Area or are admitted for trading or included in another organized market in such a member state;
- b) they are exclusively admitted for trading on a stock exchange outside the member states of the European Union or outside the other states that are parties to the Agreement on the European Economic Area or are admitted for trading or included in another organized market in such a country, insofar as the choice of this stock exchange or organized market is approved by BaFin<sup>2</sup>;
- c) they are issued or guaranteed by the European Union, the German federal government, a special-purpose vehicle of the German federal government, a German federal state, another member state or another central, regional or local authority or the central bank of a member state of the European Union, the European Central Bank or the European Investment Bank, a third country or, in the case of a federal state, by one of the members making up the federation, or by a public international body of which one or more member states of the European Union are members;
- d) they are issued by a company whose securities are traded in the markets specified in (a) and (b) above;
- e) they are issued or guaranteed by a credit institution that is subject to supervision according to criteria defined in European Union legislation, or by a credit institution that is subject to and complies with prudential rules considered by BaFin to be equivalent to those of European Union legislation; or
- f) they are issued by other issuers and those issuers meet the requirements under article 194 (1), sentence 1, no. 6, KAGB.

2. Money market instruments as defined in paragraph 1 may be acquired only if they fulfill the respective prerequisites of article 194 (2) and (3) KAGB.

## Article 7 Bank balances

The Company may, for the account of the UCITS fund, hold bank balances having a term not exceeding twelve months. Such balances shall be kept in blocked accounts at a credit institution having its registered office in a member state

of the European Union or in another state that is a party to the Agreement on the European Economic Area, or else in a third country whose prudential rules are considered by BaFin as equivalent to those stipulated in European Union legislation. Unless the Special Terms provide otherwise, the bank balances may also be denominated in foreign currencies.

## Article 8 Investment fund units

1. Unless the Special Terms provide otherwise, the Company may acquire units of investment undertakings according to Directive 2009/65/EC (“UCITS”) for the account of the UCITS fund. Units of other domestic investment funds and investment stock corporations with variable capital, as well as units of open-ended EU AIFs and foreign open-ended AIFs may be acquired if they fulfill the requirements of article 196 (1), sentence 2, KAGB.

2. The Company may acquire units of domestic investment funds and investment stock corporations with variable capital, as well as units of EU UCITS, open-ended EU AIFs and foreign open-ended AIFs only if the terms and conditions of investment or the Articles of Incorporation of the asset management company, the investment stock corporation with variable capital, the EU investment undertaking, the EU management company, the foreign AIF or the foreign AIF management company stipulate that no more than 10% of their net assets in total may be invested in units of other domestic investment funds, investment stock corporations with variable capital, open-ended EU investment undertakings or foreign open-ended AIFs.

## Article 9 Derivatives

1. Unless the Special Terms provide otherwise, the Company may employ derivatives according to article 197 (1), sentence 1, KAGB and financial instruments with derivative components according to article 197 (1), sentence 2, KAGB as part of the management of the UCITS fund. Depending on the type and volume of the derivatives and financial instruments with derivative components employed, the Company may use either the simple or the qualified approach as defined by the Regulation on Risk Management and Risk Measurement when using Derivatives, Securities Loans and Repurchase Agreements in Investment Undertakings according to the German Investment Code (“Derivatives Regulation” or “DerivateV”) issued pursuant to article 197 (3) KAGB to determine the extent to which the market risk limit for the use of derivatives and financial instruments with derivative components set in accordance with article 197 (2) KAGB has been reached; details are specified in the Sales Prospectus.

2. If the Company uses the simple approach, it may employ regularly only standard forms of derivatives and financial instruments with derivative components or combinations of these derivatives, financial instruments with derivative

components and underlyings permissible under article 197 (1), sentence 1, KAGB in the UCITS fund. Complex derivatives based on underlyings permissible under article 197 (1), sentence 1, KAGB may only be employed to a negligible extent. The attributable amount of the UCITS fund to be determined for the market risk in accordance with article 16 DerivateV may at no time exceed the value of the UCITS fund’s assets.

The standard derivatives are:

- a) Futures contracts on the underlyings according to article 197 (1) KAGB, with the exception of investment fund units according to article 196 KAGB;
- b) Options or warrants on the underlyings according to article 197 (1) KAGB, with the exception of investment fund units according to article 196 KAGB, and on futures contracts according to (a) hereof, if they have the following characteristics:
  - aa) the option may be exercised either during the entire term or at the end of the term, and
  - bb) at the time the option is exercised, its value depends directly on the positive or negative difference between the strike price and the market price of the underlying, and becomes zero if the difference has the opposite sign;
- c) Interest rate swaps, currency swaps or interest rate/currency swaps;
- d) Options on swaps according to (c) hereof, provided they have the characteristics defined in (aa) and (bb) of (b) above (“swaptions”);
- e) Single-name credit default swaps.

3. If the Company uses the qualified approach, it may – provided an appropriate risk management system is in place – invest in any and all types of financial instruments with derivative components or in derivatives that are based on underlyings permissible in accordance with article 197 (1), sentence 1, KAGB.

In these cases, the value-at-risk amount attributable to the UCITS fund for the market risk exposure (“VaR amount”) may at no time exceed twice the value-at-risk amount for the market risk exposure of the associated reference portfolio according to article 9 DerivateV. Alternatively, the VaR amount may at no time exceed 20% of the UCITS fund’s assets.

4. In these transactions, the Company may not deviate under any circumstances from the investment principles and investment limits specified in the Terms and Conditions of Investment or from those specified in the Sales Prospectus.

5. The Company will employ derivatives and financial instruments with derivative components for hedging purposes, for efficient portfolio management, and for achieving additional income, if and to the extent that it considers this advisable in the interests of the investors.

<sup>2</sup> See footnote 1.

6. In determining the market risk limit for the use of derivatives and financial instruments with derivative components, the Company may at any time switch between the simple and qualified approach in accordance with article 6, sentence 3, DerivateV. The switch does not require approval by BaFin; however, the Company must inform BaFin immediately of the change and publish it in the next semiannual or annual report.

7. The Company will comply with the DerivateV whenever it uses derivatives and financial instruments with derivative components.

## Article 10 Other investment instruments

Unless the Special Terms provide otherwise, the Company may acquire 'Other' investment instruments in accordance with article 198 KAGB for the account of the UCITS fund up to a value of 10% of the UCITS fund's assets.

## Article 11 Issuer limits and investment limits

1. In its management, the Company must comply with the limitations and restrictions specified in the KAGB, the DerivateV and in the Terms and Conditions of Investment.

2. Up to 5% of the UCITS fund's assets may be invested in securities and money market instruments, including securities and money market instruments purchased under repurchase agreements, of the same issuer; however, up to 10% of the UCITS fund's assets may be invested in such assets if that is provided for in the Special Terms and the total value of the securities and money market instruments of such single issuers does not exceed 40% of the UCITS fund's assets.

Issuers of securities and money market instruments must then also be taken into consideration within the scope of the limits set out in sentence 1 if the securities and money market instruments issued by these issuers are acquired indirectly via other securities included in the UCITS that are linked to their performance.

3. The Company may invest up to 35% of the UCITS fund's assets respectively in bonds, promissory note loans and money market instruments that have been issued or guaranteed by any one of the German federal government, a German federal state, the European Union, a member state of the European Union or its local authorities, another state that is a party to the Agreement on the European Economic Area, a third country or by an international organization of which one or more member states of the European Union are members.

4. The Company may invest up to 25% each of the UCITS fund's assets in mortgage bonds and municipal bonds, as well as in bonds and note loans issued by credit institutions having their registered offices in a member state of the European Union or in another state that is a party to the Agreement on the European Economic

Area, if these credit institutions are legally subject to special public supervision intended to protect the holders of such bonds, and if the sums deriving from the issue of such bonds 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 that, 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 Company invests more than 5% of the UCITS fund's assets in bonds of the same issuer according to sentence 1, the total value of these bonds may not exceed 80% of the value of the assets of the UCITS fund.

5. The limit in paragraph 3 may be exceeded in the case of securities and money market instruments of the same issuer pursuant to article 206 (2) KAGB if that is provided for in the Special Terms, which must state the names of the issuers involved. In these cases, the securities and money market instruments held for the account of the UCITS fund must originate from at least six different issues; no more than 30% of the UCITS fund's assets may be invested in one issue.

6. The Company may invest no more than 20% of the UCITS fund's assets in bank balances in accordance with article 195 KAGB at the same credit institution.

7. The Company shall ensure that a combination of

- a) securities or money market instruments issued by one and the same institution,
- b) deposits at this institution, and
- c) attributable amounts for the counterparty risk of transactions conducted with this institution

do not exceed 20% of the UCITS fund's assets. Sentence 1 shall apply to the issuers and guarantors stated in paragraphs 3 and 4 subject to the condition that the Company shall ensure that a combination of the assets and attributable amounts stated in sentence 1 does not exceed 35% of the UCITS fund's assets. The respective individual upper limits shall remain unaffected in both cases.

8. The bonds, promissory note loans and money market instruments referred to in paragraphs 3 and 4 shall not be taken into consideration when applying the 40% limits referred to in paragraph 2. Notwithstanding the provision in paragraph 7, the limits referred to in paragraphs 2 through 4 and in paragraphs 6 and 7 shall not be combined.

9. The Company may invest no more than 20% of the UCITS fund's assets in units of a single investment undertaking according to article 196 (1) KAGB. The Company may invest a total of no more than 30% of the UCITS fund's assets in units of investment undertakings according to article 196 (1), sentence 2, KAGB. The Company may acquire for the account of the UCITS fund no more than 25% of

the issued units of another open-ended domestic, EU or foreign investment undertaking that is invested according to the principle of risk-spreading in assets as defined by articles 192 through 198 KAGB.

## Article 12 Merger

1. The Company may, in accordance with articles 181 through 191 KAGB,

- a) transfer all the assets and liabilities of this UCITS fund to another currently existing UCITS fund or a new one established by such transfer, or to an EU UCITS, or to a UCITS investment stock corporation with variable capital;
- b) transfer all the assets and liabilities of another open-ended retail investment undertaking into this UCITS fund.

2. The merger requires the approval of the respective competent supervisory authority. The detailed procedure is governed by articles 182 through 191 KAGB.

3. The UCITS fund may be merged with a retail investment fund that is not a UCITS only if the receiving or newly established investment undertaking remains a UCITS. EU UCITS may additionally be merged into the UCITS fund as provided for by article 2 (1), point (p) (iii), of Directive 2009/65/EC.

## Article 13 Securities loans

1. The Company may grant to a securities borrower for the account of the UCITS fund a securities loan that can be terminated at any time in exchange for appropriate market consideration and after provision of sufficient collateral in accordance with article 200 (2) KAGB. The market value of the securities to be transferred, together with the market value of the securities already transferred as a securities loan for the account of the UCITS fund to the same securities borrower, including affiliated companies as defined by article 290 of the German Commercial Code, may not exceed 10% of the UCITS fund's assets.

2. If collateral for the securities transferred is provided by the borrower is in the form of bank balances, such bank balances must be held in blocked custody accounts according to article 200 (2), sentence 3, no. 1, KAGB. Alternatively, the Company may avail itself of the option to invest such bank balances in the following assets in the currency of these balances:

- a) in high-quality bonds that have been issued or guaranteed by the German federal government, a German federal state, the European Union, a member state of the European Union or its local authorities, another state that is a party to the Agreement on the European Economic Area or a third country;

- b) in money market funds with short-term maturity structures corresponding to guidelines issued by BaFin on the basis of article 4 (2) KAGB; or
- c) by way of a reverse repurchase agreement with a credit institution that guarantees recovery of the accrued balance at all times.

The UCITS fund is entitled to the income from the investment of the collateral.

3. The Company may also make use of an organized system for the brokerage and settlement of securities loans provided by a central depository for securities that does not meet the requirements of article 200 (1), sentence 3, KAGB, if there is no departure from the right to termination at any time according to paragraph 1.

4. Unless the Special Terms provide otherwise, the Company may also grant securities loans in relation to money market instruments and investment fund units, insofar as the UCITS fund is permitted to acquire these assets. The provisions of paragraphs 1 through 3 shall apply accordingly in this case.

#### Article 14 Repurchase agreements

1. The Company may, for the account of the UCITS fund, enter into securities repurchase agreements as defined by article 340b (2) of the German Commercial Code that can be terminated at any time with credit institutions or financial services institutions in exchange for a consideration on the basis of standardized master agreements.

2. The repurchase agreements must involve securities that may be purchased for the UCITS fund in accordance with the Terms and Conditions of Investment.

3. The repurchase agreements may have a maximum term of twelve months.

4. Unless the Special Terms provide otherwise, the Company may also conclude repurchase agreements in relation to money market instruments and investment fund units, insofar as the UCITS fund is permitted to acquire these assets. The provisions of paragraphs 1 through 3 shall apply accordingly in this case.

#### Article 15 Borrowing

The Company may take out short-term loans of up to 10% of the UCITS fund's assets for the collective account of the investors if the borrowing conditions are customary in the market, and if the Depository grants its consent.

#### Article 16 Units

1. The units in the investment fund are made out to bearer and are represented by share certificates or are issued as electronic share certificates.

2. Securitized share certificates are securitized in a global certificate; the issue of individual certificates is excluded. By acquiring a unit of the investment fund, the investor acquires a co-ownership share of the global certificate. This is transferable unless the Special Terms provide otherwise.

3. The units may have different configuration characteristics, especially with respect to the distribution policy, the initial sales charge, the redemption fee, the currency of the net asset value per unit, the management fee, the minimum investment or a combination of these features ("unit classes"). Details are set down in the Special Terms.

#### Article 17 Issue and redemption of units, restriction and suspension of redemption

1. The number of units issued is generally unlimited. The Company reserves the right to suspend or definitively discontinue the issue of units. The issue of units may be suspended in whole or in part (through mechanisms such as the introduction of upper limits). The Company shall inform investors of a suspension or definitive discontinuation of the issue of units in the electronic information media designated in the Sales Prospectus.

2. Units can be purchased from the Company, the Depository or through an intermediary. The Special Terms can provide that units may only be acquired and held by certain investors.

3. Investors may request the redemption of units by the Company. The Special Terms may stipulate notice periods for redemption. The Company is obligated to redeem units at the applicable redemption price for the account of the UCITS fund. Units are redeemed by the Depository.

4. Unless the Special Terms provide otherwise, the Company, however, reserves the right to restrict the redemption of units for 15 working days if investors' redemption requests reach a threshold beyond which the redemption requests can no longer be executed in the interests of all investors due to the liquidity situation of the investment fund's assets. The threshold is defined in the Special Terms. It describes the redemption requests as a percentage of the net asset value of the investment fund.

In this case, the Company shall only meet the redemption request per investor on a pro rata basis and, other than that, the redemption obligation shall not apply. This means that each redemption order is only executed on a pro rata basis. The part of the order that is not executed (remaining order) will not be executed by the Company at a later date, but instead expires (pro-rata approach with forfeiture of the remaining order).

Further details on the redemption restriction procedure can be found in the Sales Prospectus. The Company must immediately publish the restriction of the redemption of units as well as the lifting of such restriction on its website.

5. The Company also reserves the right to suspend the redemption of units in accordance with article 98 (2) KAGB under exceptional circumstances that make a suspension appear necessary in the interests of the investors.

6. The Company shall notify investors about the suspension of the redemption of the units according to paragraph 4 and its resumption by publishing notices in the Bundesanzeiger (Federal Gazette) and in the electronic information media designated in the Sales Prospectus. Investors shall be informed of the suspension and resumption of the redemption of units by durable medium immediately after their respective publication in the Bundesanzeiger.

#### Article 18 Net asset value, net asset value per unit, issue and redemption prices

1. Unless the Special Terms provide otherwise, the issue and redemption prices of the units are based on the net asset value per unit, which is calculated from the sum of the market values of the assets owned by the UCITS fund less its borrowings and other liabilities ("the net asset value"), divided by the number of units outstanding. If different unit classes are introduced for the UCITS fund pursuant to article 16 (3), the net asset value per unit and the issue and redemption prices shall be calculated separately for each unit class. Assets and liabilities are valued in accordance with articles 168 and 169 KAGB and with the Accounting and Valuation Regulation issued under the KAGB ("KARBV").

2. The issue price corresponds to the net asset value per unit of the UCITS fund plus any initial sales charge specified in the Special Terms in accordance with article 165 (2), no. 8, KAGB.

The redemption price corresponds to the net asset value per unit of the UCITS fund less any redemption fee specified in the Special Terms in accordance with article 165 (2), no. 8, KAGB.

3. The settlement date for purchases of units and redemption orders shall be no later than the valuation date following the date on which the buy order or the redemption order was received, unless the Special Terms provide otherwise.

4. The net asset value, the net asset value per unit and the issue and redemption prices will be determined Monday through Friday, except on public holidays in Frankfurt/Main, Hesse and not on December 24 or December 31 ("valuation dates"). Other days may also be excluded as valuation dates in the Special Terms and Conditions of Investment.



## Article 19 Costs

The fees and other expenses that may be charged to the UCITS fund and to which the Company, the Depositary and third parties are entitled are set forth in the Special Terms. In the case of fees as defined in sentence 1 hereof, the method of payment, their amount and the calculation that forms their basis are also specified in the Special Terms.

## Article 20 Reporting duties

1. No later than four months following the close of the UCITS fund's fiscal year, the Company shall publish an annual report, including a statement of income and expenses, according to article 101 (1), (2) and (4) KAGB.
2. No later than two months after the first half of the fiscal year, the Company shall publish a semiannual report according to article 103 KAGB.
3. If the right to manage the UCITS fund is transferred to another asset management company in the course of the fiscal year, or if the UCITS fund is merged into another UCITS fund, a UCITS investment stock corporation with variable capital, or an EU UCITS in the course of the fiscal year, the Company must draw up an interim report dated to the key date of transfer. This report must comply with the requirements of an annual report according to paragraph 1.
4. If the UCITS fund is liquidated, the Depositary shall prepare liquidation reports that meet the requirements of an annual report according to paragraph 1 annually and as of the date the liquidation is completed.
5. The reports are available from the Company and the Depositary and at other offices that must be specified in the Sales Prospectus and in the key information document; they are also announced in the Bundesanzeiger.

## Article 21 Termination and liquidation of the UCITS fund

1. The Company may terminate its management of the UCITS fund by giving at least six months' notice through an announcement in the Bundesanzeiger and in the annual or semiannual report. Investors shall be informed immediately by durable medium of a termination announced according to sentence 1.
2. Upon the effective termination of its management, the Company's right to manage the UCITS fund shall cease. In this case, the UCITS fund, or the right to manage and dispose of the UCITS fund, shall pass to the Depositary, which shall liquidate it and distribute the proceeds to the investors. During the liquidation period, the Depositary is entitled to compensation for its liquidation activity and to reimbursement of expenses necessary for the liquidation. The Depositary may, with the approval of BaFin,

refrain from such liquidation and distribution, and instead transfer the management of the UCITS fund to another asset management company in accordance with the existing Terms and Conditions of Investment.

3. The Company must draw up a liquidation report to the day on which its right of management ceases in accordance with article 99 KAGB; this report must comply with the requirements of an annual report according to article 20 (1).

## Article 22 Change of asset management company and Depositary

1. The Company may transfer the right to manage and dispose of the UCITS fund to another asset management company. The transfer requires prior approval by BaFin.
2. The approved transfer shall be announced in the Bundesanzeiger (Federal Gazette) and, in addition, in the annual report or semiannual report as well as in the electronic information media designated in the Sales Prospectus. The transfer shall take effect no earlier than three months after its announcement in the Bundesanzeiger.
3. The Company may change the Depositary for the UCITS fund. Such a change requires the approval of BaFin.

## Article 23 Amendments to the Terms and Conditions of Investment

1. The Company may amend the Terms and Conditions of Investment.
2. Amendments to the Terms and Conditions of Investment require prior approval by BaFin.
3. All proposed amendments shall be announced in the Bundesanzeiger (Federal Gazette) and in the electronic information media designated in the Sales Prospectus. Reference to the proposed amendments and their coming into force must be made in a publication as defined in sentence 1. In the case of cost changes as defined by article 162 (2), no. 11, KAGB that are disadvantageous to investors, or of changes that are disadvantageous to investors in relation to significant investor rights, as well as in the case of changes to the investment principles of the UCITS fund as defined by article 163 (3) KAGB, investors shall, at the same time the announcement according to sentence 1 is published, be informed in an understandable way by durable medium about the material contents of the proposed amendments to the Terms and Conditions of Investment and the background thereto. In the case of amendments to current investment principles, investors must also be informed about their rights in accordance with section 163 (3) KAGB.

4. Amendments take effect no earlier than on the day after their publication in the Bundesanzeiger, with amendments to provisions concerning costs and investment principles taking effect no earlier than four weeks after their respective publication.

## Article 24 Place of performance

The place of performance shall be the location of the registered office of the Company.

## Article 25 Dispute resolution proceedings

The Company has undertaken to participate in dispute resolution proceedings of a consumer arbitration office.

In the case of disputes consumers may contact the investment funds ombudsman's office ("Ombudsstelle für Investmentfonds") at BVI Bundesverband Investment und Asset Management e.V. as the competent consumer arbitration office. The Company participates in dispute resolution proceedings before this arbitration office.

The office can be contacted at:  
Büro der Ombudsstelle  
(Office of the Ombudsman) of BVI  
Bundesverband Investment und  
Asset Management e.V.,  
Unter den Linden 42,  
10117 Berlin, Germany  
[www.ombudsstelle-investmentfonds.de](http://www.ombudsstelle-investmentfonds.de)

The European Commission has set up a European online dispute resolution platform at [www.ec.europa.eu/consumers/odr](http://www.ec.europa.eu/consumers/odr). Consumers may use this for the extra-judicial settlement of disputes arising from online sales contracts or online service contracts. The Company's e-mail address is: [info@dws.com](mailto:info@dws.com).

## Special Terms and Conditions of Investment

governing the legal relationship between the investors and DWS Investment GmbH, Frankfurt/Main, Germany, (hereinafter referred to as the "Company") for the UCITS-compliant investment fund

### DWS ESG Convertibles

managed by the Company. These Special Terms and Conditions of Investment are only valid in conjunction with the General Terms and Conditions of Investment laid down by the Company.

## Investment principles and investment limits

### Article 26 Assets

The Company may acquire the following assets for the UCITS fund:

1. securities according to article 193 KAGB,
2. money market instruments according to article 194 KAGB,
3. bank balances according to article 195 KAGB,
4. investment fund units according to article 196 KAGB,
5. derivatives according to article 197 KAGB,
6. other investment instruments according to article 198 KAGB.

Through the UCITS fund, the Company promotes environmental and social characteristics or a combination of these characteristics and discloses information in accordance with article 8 (1) of Regulation (EU) 2019/2088 on sustainability-related disclosures in the financial services sector ("Disclosure Regulation").

### Article 27 Investment limits

1. At least 51% of the UCITS fund's assets must be invested in convertible debentures, warrant-linked bonds, warrants and convertible preference shares of domestic and foreign issuers that are denominated in euro or hedged against the euro.
2. Up to 20% of the UCITS fund's assets may be invested in equities (through direct acquisition or by exercising conversion rights), including convertible preference shares. Securities purchased under repurchase agreements shall be attributed to the investment limits of article 206 (1) through (3) KAGB.
3. Up to 49% of the assets may be invested in all other securities according to article 26, no. 1, of the Special Terms and Conditions of Investment.
4. Up to 49% of the UCITS fund's assets may be invested in money market instruments. There are no restrictions regarding the money market instruments that may be purchased in accordance with article 6 of the General Terms and Conditions of

Investment. Money market instruments purchased under repurchase agreements shall be attributed to the investment limits of article 206 (1) through (3) KAGB.

5. Between 5% and 10% of the UCITS fund's assets may be invested in securities and money market instruments of the same issuer if the total value of the securities and money market instruments of this issuer does not exceed 40% of the UCITS fund's assets.
6. Up to 25% of the UCITS fund's assets may be invested in bank balances in accordance with article 7, sentence 1, of the General Terms and Conditions of Investment.
7. Up to 10% of the UCITS fund's assets may be invested in all permissible investment fund units in accordance with article 8 (1) of the General Terms and Conditions of Investment. Investment fund units purchased under repurchase agreements shall be attributed to the investment limits of articles 207 and 210 (3) KAGB.
8. At least 75% of the UCITS fund's assets must be invested in assets that meet defined ESG standards in relation to environmental, social and governance characteristics.

In order to determine whether and to what extent assets meet the defined ESG standards, a proprietary ESG database assesses assets according to ESG criteria independently of economic prospects.

The ESG database uses data from multiple ESG data providers, public sources and internal assessments. Internal assessments take into account factors such as an issuer's future expected ESG development, the plausibility of the data with regard to past or future events, an issuer's willingness to engage in dialogue on ESG matters and a company's ESG-specific decisions.

The ESG database derives "A" to "F" letter coded scores within different assessment categories. Issuers each receive one of six possible scores (A to F), with "A" being the highest score and "F" being the lowest score on the scale. On the basis of other categories, the ESG database also provides exclusion criteria (complete exclusions or exclusions based on turnover thresholds).

The respective scores for the assets are considered individually. If an issuer in an assessment category has a score that is considered to be unsuitable in that assessment category, assets from this issuer cannot be acquired even if it has a score in another assessment category that would be suitable.

8.a. ESG assessment categories  
The ESG database uses a variety of assessment categories to assess whether assets meet ESG standards and whether the investee companies follow good governance practices, including:

### Climate and Transition Risk Assessment

The ESG database evaluates issuers in relation to climate change and environmental changes, e.g., with respect to greenhouse gas reduction and water conservation. Issuers that contribute less to climate change and other negative environmental changes or that are less exposed to such risks receive a better score.

Issuers that receive a letter score of F in the Climate and Transition Risk Assessment category are excluded.

### Norm Assessment

The ESG database assesses companies, for example, within the framework of the principles of the United Nations Global Compact, the standards of the International Labour Organization and generally accepted international standards and principles. The Norm Assessment examines, for example, human rights violations, violations of workers' rights, child or forced labor, adverse environmental impacts and business ethics.

Companies that receive a letter score of F in the Norm Assessment category are excluded.

### United Nations Global Compact Assessment

In addition to the Norm Assessment, companies that are directly involved in one or more very serious, unresolved controversies related to the principles of the United Nations Global Compact are excluded.

### ESG Quality Assessment

The ESG database distinguishes between corporate and sovereign issuers.

For companies, the ESG database compares issuers based on their ESG quality. When assessing issuers, the ESG Quality Assessment takes into account different ESG factors such as the handling of environmental changes, product safety, employee management or corporate ethics.

The ESG Quality Assessment adopts what is known as the "best-in-class" approach. In this, issuers receive an assessment relative to their peer group. The peer group is composed of issuers from the same sector of industry. Issuers rated better in the peer group comparison receive a better score, while issuers rated worse in the comparison receive a worse score.

For sovereign issuers, the ESG database assesses a state based on numerous ESG criteria, including consideration of environmental and social aspects, good governance and political and civil liberties.

Companies and sovereign issuers that receive a letter score of F in the ESG Quality Assessment category are excluded.

### Freedom House status

Freedom House is an international non-governmental organization that classifies countries by their degree of political freedoms and civil liberties. On the basis of the Freedom House status, countries rated as “not free” by Freedom House are excluded.

### Exclusion Assessment for controversial sectors

Companies that are involved in particular business areas and business activities in controversial areas (“controversial sectors”) are excluded. Companies are excluded as an investment based on the share of total revenues they generate in controversial sectors.

The UCITS fund expressly excludes companies that generate revenues as follows:

- more than 5% from production of products and/or services provided in the armaments industry;
- more than 5% from production and/or sale of civil handguns or munition;
- more than 5% from production of tobacco products;
- more than 5% from production of products and/or services provided in the gambling industry;
- more than 5% from production of adult entertainment;
- more than 5% from production of palm oil;
- more than 5% from power generation through nuclear energy and/or uranium mining and/or uranium enrichment;
- more than 10% from crude oil;
- from unconventional extraction of oil and/or natural gas (including oil sand, oil shale/shale gas, Arctic drilling);
- more than 1% from coal mining;
- more than 10% from power generation from coal;
- more than 10% from power generation or other use of fossil fuels (excluding natural gas);
- more than 10% from coal and crude oil;
- more than 10% from mining, exploration and services for oil sand and oil shale.

Companies with coal expansion plans, such as additional coal mining, production or usage, are excluded, based on an internal identification methodology.

The aforementioned coal-related exclusions apply only to thermal coal, i.e., coal that is used in power stations to generate power.

### Exclusion Assessment for controversial weapons

Companies that are identified as manufacturers – or manufacturers of key components – of anti-personnel mines, cluster munitions, chemical weapons, biological weapons, nuclear weapons, depleted uranium weapons or uranium munitions are excluded. In addition, the relative exposures within a Group structure may also be taken into consideration for the exclusions. Companies that are identified as manufacturers – or manufactur-

ers of key components – of incendiary bombs containing white phosphorus are also excluded.

### Assessment of use-of-proceeds bonds

In a departure from the above assessment categories, investment in bonds of excluded issuers is nevertheless permitted if the particular requirements for use-of-proceeds bonds are met. To begin with, the bonds are checked for compliance with the ICMA Green Bond Principles, Social Bond Principles or Sustainability Bond Guidelines. In addition, a defined minimum of ESG criteria is checked in relation to the issuer of the bond, and issuers and their bonds that do not meet these criteria are excluded.

### Assessment of investment fund units

The ESG database assesses investment fund units, taking into account the investments within the target fund, in accordance with the ESG Quality Assessment, Climate and Transition Risk Assessment, Norm Assessment, UN Global Compact Assessment and Freedom House status, as well as in accordance with the Exclusion Assessment for the controversial weapons sector (excluding incendiary bombs containing white phosphorus). Target funds may invest in investments that are not compliant with the defined ESG standards for issuers.

8.b. Assets not assessed in terms of ESG bank balances according to article 26, no. 3, of the Special Terms and Conditions of Investment are not assessed.

Derivatives according to article 26, no. 5, of the Special Terms and Conditions of Investment are not used to attain the environmental and social characteristics promoted by the UCITS fund, which is why they are not taken into account in the calculation of the minimum proportion of assets that fulfill these characteristics. However, derivatives on individual issuers may be acquired for the UCITS fund if, and only if, the issuers of the underlyings meet ESG standards and are not excluded in accordance with article 27, no. 8.a., of the Special Terms and Conditions of Investment.

Up to 25% of the assets of the UCITS fund may be invested in assets that have not been assessed by the ESG database or for which ESG data coverage is not complete. Within this quota, investments of up to 20% of the UCITS fund’s assets in assets for which there is not complete data coverage with respect to the ESG assessment categories and exclusions are tolerated.

This tolerance does not apply to the Norm Assessment, i.e., companies must follow good governance practices.

9. At least 15% of the UCITS fund’s assets are invested in sustainable investments as defined in article 2, no. 17, of the Disclosure Regulation that contribute to achieving an environmental or social objective, whereby the sustainable investments meet the aforementioned ESG standards.

10. For assets that meet the ESG standards, the Company takes the following principal adverse impacts on sustainability factors into consideration based on the configuration of the investment limits:

- greenhouse gas (GHG) emissions;
- carbon footprint;
- GHG intensity of investee companies;
- exposure to companies active in the fossil fuel sector;
- violation of the UNGC principles and the Organisation for Economic Co-operation and Development (OECD) Guidelines for multinational enterprises; and
- exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical and biological weapons).

## Unit classes

### Article 28 Unit classes

1. Unit classes as defined by article 16 (3) of the General Terms and Conditions of Investment that differ with respect to the investors that are permitted to acquire and hold units, the distribution policy, the initial sales charge, the redemption fee, the currency of the net asset value per unit including the use of currency hedging transactions, the all-in fee, the minimum investment or a combination of these features may be formed for the UCITS fund. Unit classes may be formed at any time at the discretion of the Company.

2. The conclusion of currency hedging transactions exclusively in favor of each currency unit class is permitted. For currency unit classes hedged in favor of the currency of that unit class (the reference currency), the Company may also, irrespective of article 9 of the General Terms, employ derivatives as defined by article 197 (1) KAGB on exchange rates or currencies in order to prevent losses of net asset value through exchange rate losses on assets held by the UCITS fund that are not denominated in the reference currency of the unit class.

3. The net asset value per unit is calculated separately for each unit class by fully allocating to each specific unit class the launch costs for new unit classes, the distributions (including any taxes payable out of the assets), the all-in fee and the results of currency hedging transactions, including any income adjustments, that are attributable to that unit class.

4. The existing unit classes are enumerated individually in the Sales Prospectus, as well as in the annual and semiannual reports. The configuration characteristics of the unit classes (distribution policy, initial sales charge, currency of the net asset value per unit, all-in fee, minimum investment or a combination of these features) are described in detail in the Sales Prospectus and in the annual and semiannual reports.

## Units, issue and redemption prices, fees and expenses

### Article 29 Units

1. The investors are joint owners, on a fractional basis, of each of the assets of the UCITS fund in proportion to the number of units they hold.
2. Units of the TF unit class (Trailer Free) are available exclusively
  - (i) through distributors and intermediaries that
    - due to prudential requirements (e.g., in relation to independent investment advisory services, discretionary portfolio management or specific local regulations) may not receive or collect trailer fees or any other fees, rebates or payments from the UCITS fund; or
    - have entered into separate fee arrangements with their clients and do not receive and/or collect trailer fees or any other fees, rebates or payments from the UCITS fund;
  - (ii) for other UCIs and
  - (iii) for insurance-based investment products as defined by article 4 (2) of Regulation (EU) No. 1286/2014.

For the TF unit class, the Company does not pay any trailer fees.

3. Units of the F unit class are available to investors who:
  - (i) acquire the units through distributors not established in Spain,
  - (ii) who acquire the units through distributors established in Spain and are professional investors as defined by article 1 (19), no. 32, KAGB.

Professional investors as defined by article 1 (19), no. 32, KAGB, who acquire the units of the F unit class in their own name for a third party must confirm to the Company that the units are being acquired for a professional investor as defined by article 1 (19), no. 32, KAGB. The Company may, at its discretion, request documentation proving compliance with these requirements.

4. When determining the net asset value, the Company applies swing pricing to some extent to calculate the issue and redemption prices. This means that notwithstanding article 18 (1), sentence 1, of the General Terms and Conditions of Investment, the modified net asset value per unit must be calculated in addition to the net asset value. For this, during the issue and redemption of units the transaction costs attributable to the net surplus of redemption or issue requests for units are included, provided that the net surplus exceeds a threshold (modified net asset value). The modified net asset value instead of the net asset value is used as a basis for the issue and redemption prices. The specifications in article 18 (1), sentence 3, of the General Terms

and Conditions of Investment apply for the modified net asset value. The Company explains the method used for calculating the modified net asset value in the Sales Prospectus.

### Article 30 Issue and redemption prices, order acceptance deadline

1. The net asset value, the net asset value per unit and the issue and redemption prices are determined for each valuation date in accordance with article 18 of the General Terms and Conditions of Investment.

2. When determining the net asset value, the Company applies swing pricing to some extent to calculate the issue and redemption prices. This means that notwithstanding article 18 (1), sentence 1, of the General Terms and Conditions of Investment, the modified net asset value per unit must be calculated in addition to the net asset value. For this, during the issue and redemption of units the transaction costs attributable to the net surplus of redemption or issue requests for units are included, provided that the net surplus exceeds a threshold (modified net asset value). The modified net asset value instead of the net asset value is used as a basis for the issue and redemption prices. The specifications in article 18 (1), sentence 3, of the General Terms and Conditions of Investment apply for the modified net asset value. The Company explains the method used for calculating the modified net asset value in the Sales Prospectus.

3. The initial sales charge for the LD and LC unit classes is 3% of the net asset value per unit. For the FC, FD, TFC and TFD unit classes, the initial sales charge is 0% of the net asset value per unit. The Company is free to charge a lower initial sales charge, or no initial sales charge at all.

4. A redemption fee is not charged. Redemption takes place at the net asset value per unit.

5. Orders for the issue and redemption of units received by the Company or the custodian at or before 1:30 PM CET ("the order acceptance deadline") on a valuation date are processed on the basis of the net asset value per unit on the next valuation date. Orders received by the Company or the custodian after 1:30 PM CET are processed on the basis of the net asset value per unit on the valuation date immediately following that next valuation date.

### Article 31 Fees and expenses

1. The Company shall be paid a fee from the UCITS fund for each day of the fiscal year in the amount of 1/365 (1/366 in a leap year) of:
  - 0.85% for the LD unit class,
  - 0.85% for the LC unit class,
  - 0.6% for the FC unit class,
  - 0.85% for the FD unit class,
  - 0.6% for the TFC unit class and
  - 0.6% for the TFD unit class

of the respective net asset value (cf. article 18 (1) of the General Terms and Conditions of Investment) as the all-in fee.

On each day that is a valuation date, the all-in fee will be calculated based on the net asset value determined on the last valuation date and taken into account as a liability in the net asset value of the current valuation date.

On each day that is not a valuation date, the all-in fee will be calculated based on the net asset value determined on the last valuation date and taken into account as a liability in the net asset value of the next valuation date.

The all-in fee for all calendar days in a month shall be paid by the tenth calendar day of the next month.

This all-in fee covers the following services provided by and expenses incurred by the Company which shall therefore not be additionally charged to the UCITS fund:

- a) the Company's activities related to the management of the UCITS fund (collective asset management, which particularly includes fund management, administration, cost of distribution and a service fee for reporting and analysis);
- b) custodian fees;
- c) cash and custody account fees in line with normal banking practice (including, where applicable, normal costs for holding foreign assets in custody abroad);
- d) the costs incurred for printing and mailing the sales documentation intended for investors as required by law (annual and semiannual reports, Sales Prospectuses, Key Information Document);
- e) the cost of announcing the annual and semi-annual reports, the issue and redemption prices and (where applicable) distributions or reinvestments and the liquidation report;
- f) the cost of having the UCITS fund audited by the external auditor of the UCITS fund;
- g) the cost of publishing the information required for taxation and the certificate confirming that the tax information was prepared in compliance with German tax law.

2. In addition to the all-in fee payable to the Company in accordance with paragraph 1 hereof, the following additional expenses incurred by the Company may also be charged to the UCITS fund:

- a) the costs incurred by the Company for asserting and enforcing legal claims for the account of the UCITS fund, and for defending any claims asserted against the Company to the detriment of the UCITS fund;
- b) the costs of creating and using a durable medium (statutory, required in particular by the KAGB), except in the case of providing information on mergers of investment undertakings and except in the case of providing information about measures in connection with

investment limit violations or computational errors in the determination of the net asset value per unit;

- c) taxes imposed in connection with the fees payable to the Company, the custodian and third parties, as well as with the aforementioned expenses, including taxes arising in connection with administration and custody.

3. The Company shall receive for the initiation, preparation and execution of securities lending transactions and securities repurchase agreement transactions for the account of the UCITS fund a fee customary in the market of up to one-third of the gross income from these transactions. The Company shall bear the costs incurred in connection with the preparation and the execution of such transactions, including any fees payable to third parties.

#### 4. Transaction costs

In addition to the aforementioned fees and expenses, the costs incurred in connection with the purchase and sale of fund assets will also be charged to the UCITS fund.

5. The Company shall disclose in the annual report and in the semiannual report the amount of the initial sales charges and redemption fees that have been charged to the UCITS fund, over the period covered by the report, for the acquisition and redemption of units as defined by article 196 KAGB. When acquiring units that are managed directly or indirectly by the Company itself or by another company with which the Company is affiliated through a material direct or indirect equity interest, the Company itself or the other company may not charge initial sales charges and redemption fees for acquisitions and redemptions. The Company shall disclose in the annual report and in the semiannual report the fee charged to the UCITS fund as a management fee for the units held in the UCITS fund by the Company itself, by another (asset) management company, or by another company with which the Company is affiliated through a material direct or indirect equity interest.

## Distribution policy and fiscal year

### Article 32 Reinvesting unit classes

For the reinvesting unit classes, the Company reinvests in the UCITS fund – subject to the requisite adjustment of income – the prorated interest, dividends and other income that have accrued for the account of the UCITS fund during the fiscal year and have not been applied to cover costs, as well as the capital gains realized during the fiscal year.

### Article 33 Distributing unit classes

1. In distributing unit classes, the Company generally distributes – subject to the requisite adjustment of income – the prorated interest, dividends and other income that have accrued for the account of the UCITS fund during the fiscal year and have not been applied to cover costs. Realized capital gains may also be included in the distribution – subject to the requisite adjustment of income.

2. Distributable prorated income pursuant to paragraph 1 hereof may be carried forward for distribution in future fiscal years, provided that the aggregate amount of the income carried forward does not exceed 15% of the UCITS fund's assets as of the end of the fiscal year. Income from shortened fiscal years can be fully carried forward.

3. In the interest of preserving the capital of the UCITS fund, income may be partially, and in exceptional cases fully, retained in the UCITS fund for reinvestment.

4. Distributions shall be made on an annual basis within three months of the close of the fiscal year.

### Article 34 Fiscal year

The fiscal year of the UCITS fund commences on October 1 and ends on September 30.

### Article 35 Restriction of redemption

The Company may restrict redemption if the investors' redemption requests reach at least 10% of the net asset value of the UCITS fund ("threshold").



# Summary of tax regulations of importance to investors (subject, without limitation, to taxation in Germany)<sup>1</sup> (As of: April 28, 2023)

## Funds organized under German 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 a special-purpose asset, this fund is generally exempt from corporate income tax and trade tax. 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 ownership interests in corporations. The tax rate is 15%. To the extent that tax is imposed on the taxable income through withholding of investment income tax, the tax rate of 15% already includes the solidarity surcharge.

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 1,000 p.a. (for single persons or spouses assessed separately) or EUR 2,000 p.a. (for spouses assessed jointly) when added to any other investment income.

Income from capital assets is generally subject to a 25% withholding tax (plus solidarity surcharge and, where applicable, church tax). Income from capital assets also includes the income from investment funds (investment fund 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 (so-called “partial exemption”).

In general, for the individual investor, the withholding of tax acts as a final payment (so-called “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.

The withholding tax does not act as a final payment, however, if the investor’s personal tax rate is lower than the final withholding rate of 25%. 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 (so-called “reduced rate test”).

If income from capital assets was not subject to any withholding (because, for example, 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%, or else to 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% 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% 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% 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% 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 partial exemption purposes of the fund or funds or 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 taxable distributions are generally subject to the 25% 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 1,000 for separate assessment or EUR 2,000 for joint assessment of spouses.

A corresponding exemption applies if a certificate for persons who are not expected to be assessed for income tax (the so-called “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% 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.

<sup>1</sup> Article 165 (2), no. 15, of the German Investment Code: Summary of tax regulations of importance to investors and statement of whether income distributed by the investment undertaking is subject to withholding tax.

Advance income estimates are generally taxable.

If the fund meets the tax prerequisites for partial exemption of an equity fund, 30% 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% 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% 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% 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 partial exemption purposes of the fund or funds or 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 taxable advance income estimates are generally subject to the 25% 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 1,000 for separate assessment or EUR 2,000 for joint assessment of spouses.

A corresponding exemption applies if a certificate for persons who are not expected to be assessed for income tax (the so-called "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%.

If the fund meets the tax prerequisites for partial exemption of an equity fund, 30% 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% 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% 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% 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 partial exemption purposes of the fund or funds or 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% 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-advantaged" 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; no such refunding shall take place, 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 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% 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 any, is provided in the special section of this Sales Prospectus and in the Special Terms and Conditions of Investment.

## 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; no such refunding shall take place, 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 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% throughout that entire 45-day period (so-called "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 be 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% of the distributions are tax exempt for income tax purposes, and 30% for trade tax purposes, if the units are held by natural persons as business assets. For taxable corporate entities, 80% of the distributions are generally tax exempt for corporate income tax purposes, and 40% for trade tax purposes. For corporate entities that are life or health insurers or pension funds and in which the units are attributable to investments, and for those that are credit institutions and in which the units are allocable to the trading book 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% of the distributions are tax exempt for corporate income tax purposes, and 15% for trade tax purposes. Equity funds are investment funds that, according to their terms and conditions of investment, continuously invest more than 50% 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% of the distributions are tax exempt for income tax purposes, and 15% for trade tax purposes, if the units are held by natural persons as business assets. For taxable corporate entities, 40% of the distributions are generally tax exempt for corporate income tax purposes, and 20% for trade tax purposes. For corporate entities that are life or health insurers or pension funds and in which the units are attributable to investments, and for those that are credit institutions and in which the units are allocable to the trading book 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% of the distributions are tax exempt for corporate

income tax purposes, and 7.5% for trade tax purposes. Balanced funds are investment funds that, according to their terms and conditions of investment, continuously invest at least 25% 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 partial exemption purposes of the fund or funds or 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 distributions are generally subject to the 25% 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% in the case of an equity fund and 15% 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% 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% of the advance income estimates are tax exempt for income tax purposes, and 30% for trade tax purposes, if the units are held by natural persons as business assets. For taxable corporate entities, 80% of the advance income estimates are generally tax exempt for corporate income tax purposes, and 40% for trade tax purposes. For corporate entities that are life or health insurers or pension funds and in which the units are attributable to invest-

ments, and for those that are credit institutions and in which the units are allocable to the trading book 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% of the advance income estimates are tax exempt for corporate income tax purposes, and 15% for trade tax purposes. Equity funds are investment funds that, according to their terms and conditions of investment, continuously invest more than 50% 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% of the advance income estimates are tax exempt for income tax purposes, and 15% for trade tax purposes, if the units are held by natural persons as business assets. For taxable corporate entities, 40% of the advance income estimates are generally tax exempt for corporate income tax purposes, and 20% for trade tax purposes. For corporate entities that are life or health insurers or pension funds and in which the units are attributable to investments, and for those that are credit institutions and in which the units are allocable to the trading book 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% of the advance income estimates are tax exempt for corporate income tax purposes, and 7.5% for trade tax purposes. Balanced funds are investment funds that, according to their terms and conditions of investment, continuously invest at least 25% 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 partial exemption purposes of the fund or funds or 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 advance income estimates are generally subject to the 25% 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% in the case of an equity fund and 15% 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% of the capital gains are tax exempt for income tax purposes, and 30% for trade tax purposes, if the units are held by natural persons as business assets. For taxable corporate entities, 80% of the capital gains are generally tax exempt for corporate income tax purposes, and 40% for trade tax purposes. For corporate entities that are life or health insurers or pension funds and in which the units are attributable to investments, and for those that are credit institutions and in which the units are allocable to the trading book 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% of the capital gains are tax exempt for corporate income tax purposes, and 15% for trade tax purposes. Equity funds are investment funds that, according to their terms and conditions of investment, continuously invest more than 50% 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% of the capital gains are tax exempt for income tax purposes, and 15% for trade tax purposes, if the units are held by natural persons as business assets. For taxable corporate entities, 40% of the capital gains are generally tax exempt for corporate income tax purposes, and 20% for trade tax purposes. For corporate entities that are life or health insurers or pension funds and in which the units are attributable to investments, and for those that are credit institutions and in which the units are allocable to the trading book 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% of the capital gains are tax exempt for corporate income tax purposes, and 7.5% for trade tax purposes. Balanced funds are investment funds that, according to their terms and conditions of investment, continuously invest at least 25% 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 partial exemption purposes of the fund or funds or 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 generally 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 in 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 charitable, benevolent or religious investors (in particular, churches and charitable 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 circumstances.</p>		
Other tax-exempt investors (in particular, pension funds, burial funds and provident funds, provided that the requirements provided for in the 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<sup>3</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% 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.

<sup>2</sup> Article 37 (2) of the German Fiscal Code



## VII Consequences of merging investment funds

In cases where a domestic investment fund is merged into another domestic investment fund to which the same partial-exemption rate is applicable, unrealized gains will not be disclosed either at the level of the investors or at the level of investment funds involved, i.e., such a transaction is tax neutral. If the investors in the transferring investment fund receive a cash payment<sup>3</sup> as provided for in the merger plan, such payment shall be treated like a distribution.

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.

## 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 distribu-

tions 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 Automatic exchange of information in tax matters

The importance of automatic exchange of information as a means to combat cross-border tax fraud and tax evasion has greatly increased in recent years at international level. In response, the OECD published its Common Reporting Standard (hereinafter "CRS"), a global standard for automatic exchange of financial account information in tax matters. The CRS was integrated into EU law at the end of 2014 by way of Council Directive 2014/107/EU of December 9, 2014, amending Directive 2011/16/EU as regards mandatory automatic exchange of information in the field of taxation. The participating jurisdictions (all EU member states and a number of third countries) are now applying the CRS. Germany has transposed the CRS into German law with the Financial Account Information Exchange Act of December 21, 2015.

Under the CRS, reporting financial institutions (primarily credit institutions) are required to collect specific information about their clients. If these clients (natural persons or legal entities) are

reportable persons (not including, for example, corporations or financial institutions listed on an exchange) resident in other participating jurisdictions, their cash and custody accounts are classified as reportable accounts. Reporting financial institutions will then communicate certain information to their home tax authorities for each reportable account. These then communicate the information to the home tax authority of the client.

The information to be communicated is essentially the personal data of the reportable client (name; address; tax identification number; date and place of birth (for natural persons); jurisdiction of residence), as well as information about the cash and custody accounts (e.g., account number; account balance or value; total gross amount of interest, dividend or investment fund distribution income); total gross proceeds from the sale or redemption of financial assets (including fund units).

Specifically affected, therefore, are reportable investors holding a cash and/or custody account with a credit institution established in a participating jurisdiction. German credit institutions will therefore report information about investors resident in other participating jurisdictions to the Federal Tax Office, which in turn will forward the information to the respective tax authorities of the investors' jurisdictions of residence. Conversely, credit institutions in other participating jurisdictions will report information about investors resident in Germany to their respective home tax authority, which in turn will forward the information to the Federal Tax Office. It is ultimately conceivable that credit institutions established in other participating jurisdictions will report information about investors that are resident in still other participating jurisdictions to their respective home tax authority, which in turn will forward the information to the respective tax authorities of the investors' jurisdictions of residence.

<sup>3</sup> Article 190 (2), no. 2, KAGB

## General note

The information provided here is based on our understanding of current tax laws. It is addressed to persons subject, without limita-

tion, to individual or corporate income tax in Germany. However, no responsibility can be assumed for potential changes in the tax struc-

ture through legislation, court decisions or the orders of the tax authorities.

# ANNEX – Tax classification overview of all German funds for partial tax exemption purposes (As of 25/1/2024)

Fund	Classification for partial tax exemption purposes
<b>AL GlobalDynamik</b>	Mixed fund
<b>Albatros Fonds</b>	Mixed fund
<b>Baloise-Aktiefonds DWS</b>	Equity fund
<b>Baloise-International DWS</b>	Mixed fund
<b>Baloise-Rentenfonds DWS</b>	Fund with no partial tax exemption
<b>Barmenia Renditefonds DWS</b>	Fund with no partial tax exemption
<b>Best Managers Concept I</b>	Fund with no partial tax exemption
<b>Capital Growth Fund</b>	Equity fund
<b>Champions Select Balance</b>	Mixed fund
<b>Champions Select Dynamic</b>	Mixed fund
<b>DeAM-Fonds WOP 2</b>	Fund with no partial tax exemption
<b>DEGEF-Bayer-Mitarbeiter-Fonds</b>	Mixed fund
<b>DWS Aktien Schweiz</b>	Equity fund
<b>DWS Aktien Strategie Deutschland</b>	Equity fund
<b>DWS Artificial Intelligence</b>	Equity fund
<b>DWS Concept DJE Globale Aktien</b>	Equity fund
<b>DWS Concept GS&amp;P Food</b>	Equity fund
<b>DWS Covered Bond Fund</b>	Fund with no partial tax exemption
<b>DWS Deutschland</b>	Equity fund
<b>DWS ESG Akkumula</b>	Equity fund
<b>DWS ESG Balance</b>	Mixed fund
<b>DWS ESG Balance Portfolio E</b>	Fund with no partial tax exemption
<b>DWS ESG Biotech</b>	Equity fund
<b>DWS ESG Convertibles</b>	Fund with no partial tax exemption
<b>DWS ESG Defensiv</b>	Fund with no partial tax exemption

Fund	Classification for partial tax exemption purposes
<b>DWS ESG Dynamic Opportunities</b>	Equity fund
<b>DWS ESG Dynamik</b>	Equity fund
<b>DWS ESG Investa</b>	Equity fund
<b>DWS ESG Qi LowVol Europe</b>	Equity fund
<b>DWS ESG Stiftungsfonds</b>	Fund with no partial tax exemption
<b>DWS ESG Top Asien</b>	Equity fund
<b>DWS ESG Top World</b>	Equity fund
<b>DWS Euro Bond Fund</b>	Fund with no partial tax exemption
<b>DWS Euro Flexizins</b>	Fund with no partial tax exemption
<b>DWS European Net Zero Transition</b>	Equity fund
<b>DWS European Opportunities</b>	Equity fund
<b>DWS Eurovesta</b>	Equity fund
<b>DWS Eurozone Bonds Flexible</b>	Fund with no partial tax exemption
<b>DWS Fintech</b>	Equity fund
<b>DWS-Fonds ESG BKN-HR</b>	Fund with no partial tax exemption
<b>DWS Future Trends</b>	Equity fund
<b>DWS German Equities Typ O</b>	Equity fund
<b>DWS German Small/Mid Cap</b>	Equity fund
<b>DWS Global Communications</b>	Equity fund
<b>DWS Global Emerging Markets Equities</b>	Equity fund
<b>DWS Global Growth</b>	Equity fund
<b>DWS Global Hybrid Bond Fund</b>	Fund with no partial tax exemption
<b>DWS Global Natural Resources Equity Typ O</b>	Equity fund
<b>DWS Global Water</b>	Equity fund
<b>DWS Health Care Typ O</b>	Equity fund

Fund	Classification for partial tax exemption purposes
<b>DWS Internationale Renten Typ O</b>	Fund with no partial tax exemption
<b>DWS-Merkur-Fonds 1</b>	Equity fund
<b>DWS Nomura Japan Growth</b>	Equity fund
<b>DWS Qi European Equity</b>	Equity fund
<b>DWS Qi Eurozone Equity</b>	Equity fund
<b>DWS Qi Extra Bond Total Return</b>	Fund with no partial tax exemption
<b>DWS Sachwerte</b>	Mixed fund
<b>DWS SDG Global Equities</b>	Equity fund
<b>DWS SDG Multi Asset Dynamic</b>	Equity fund
<b>DWS Smart Industrial Technologies</b>	Equity fund
<b>DWS Together For Tomorrow</b>	Equity fund
<b>DWS Top Dividende</b>	Equity fund
<b>DWS Top Europe</b>	Equity fund
<b>DWS TRC Deutschland</b>	Mixed fund
<b>DWS TRC Global Growth</b>	Mixed fund
<b>DWS TRC Top Asien</b>	Equity fund
<b>DWS TRC Top Dividende</b>	Equity fund
<b>DWS US Growth</b>	Equity fund
<b>DWS Vermögensbildungsfonds I</b>	Equity fund
<b>DWS Vorsorge AS (Dynamik)</b>	Equity fund
<b>DWS Vorsorge AS (Flex)</b>	Equity fund
<b>Dynamic Global Balance</b>	Fund with no partial tax exemption
<b>E.ON Aktienfonds DWS</b>	Equity fund
<b>E.ON Rentenfonds DWS</b>	Fund with no partial tax exemption
<b>FFPB Substanz</b>	Fund with no partial tax exemption

Fund	Classification for partial tax exemption purposes
<b>FOS Focus Green Bonds</b>	Fund with no partial tax exemption
<b>FOS Rendite und Nachhaltigkeit</b>	Fund with no partial tax exemption
<b>FOS Strategie-Fonds Nr. 1</b>	Mixed fund
<b>Gottlieb Daimler Aktienfonds DWS</b>	Equity fund
<b>LEA-Fonds DWS</b>	Equity fund
<b>Löwen-Aktienfonds</b>	Equity fund
<b>Multi-Index Equity Fund</b>	Equity fund
<b>Noris-Fonds</b>	Equity fund
<b>PWM US Dynamic Growth (USD)</b>	Equity fund
<b>Renten Strategie K</b>	Fund with no partial tax exemption
<b>Strategiekonzept I</b>	Fund with no partial tax exemption
<b>Vermögensmanagement Chance</b>	Equity fund
<b>Vermögensmanagement Rendite</b>	Fund with no partial tax exemption
<b>ZinsPlus</b>	Fund with no partial tax exemption



# Management and Administration

## Asset Management Company

DWS Investment GmbH  
60612 Frankfurt/Main, Germany  
Own funds as of  
December 31, 2022: EUR 452.6 million  
Subscribed and paid-in capital as of  
December 31, 2022: EUR 115 million

## Supervisory Board

Dr. Stefan Hoops  
Chairman  
Chairman of the Executive Board of  
DWS Management GmbH,  
(personally liable partner of  
DWS Group GmbH & Co. KGaA),  
Frankfurt/Main

Christof von Dryander  
Vice-Chairman  
Senior Counsel of  
Cleary Gottlieb Steen & Hamilton LLP,  
Frankfurt/Main

Hans-Theo Franken  
Chairman of the Supervisory Board of  
Deutsche Vermögensberatung  
Aktiengesellschaft DVAG,  
Frankfurt/Main

Dr. Alexander Ilgen  
COO, DCO und CFO of  
Deutsche Bank Private Bank,  
Frankfurt/Main

Dr. Stefan Marcinowski  
Former member of the Management Board of  
BASF SE,  
Oy-Mittelberg

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

Elisabeth Weisenhorn  
Shareholder and Member  
of the Executive Board of  
Portikus Investment GmbH,  
Frankfurt/Main

Gerhard Wiesheu  
Speaker of the Management Board of  
Bankhaus B. Metzler seel. Sohn & Co. AG,  
Frankfurt/Main

## Management

Dr. Matthias Liermann  
Speaker of the Executive Board  
Speaker of the Management of  
DWS International GmbH, Frankfurt/Main  
Member of the Executive Board of  
DWS Beteiligungs GmbH, Frankfurt/Main  
Member of the Executive Board of  
DIP Management GmbH, Frankfurt/Main  
(personally liable partner of  
DIP Service center GmbH & Co. KG)  
Member of the Supervisory Board of  
DWS Investment S.A., Luxembourg

Petra Pflaum  
Member of the Executive Board  
Member of the Executive Board of  
DWS Beteiligungs GmbH, Frankfurt/Main

Gero Schomann  
Member of the Executive Board  
Member of the Executive Board of  
DWS International GmbH, Frankfurt/Main  
Member of the Executive Board of  
DWS Beteiligungs GmbH, Frankfurt/Main  
Member of the Supervisory Board of  
Deutsche Treuinvest Stiftung, Frankfurt/Main  
Member of the Supervisory Board of  
Deutsche Pensionsfonds, Cologne

Vincenzo Vedda  
Member of the Executive Board  
Member of the Executive Board of  
DWS Beteiligungs GmbH, Frankfurt/Main  
Member of the Supervisory Board of  
MorgenFund GmbH, Frankfurt/Main  
Member of the Board of Directors of  
DWS CH AG, Zurich

## Depository

State Street Bank International GmbH  
Briener Straße 59  
80333 Munich, Germany  
Own funds as of  
December 31, 2022: EUR 2,929 million  
(As defined by article 72 of Regulation (EU)  
No. 575/2013 (CRR))  
Subscribed and paid-in capital as of  
December 31, 2022: EUR 109.4 million

## Shareholder of DWS Investment GmbH

DWS Beteiligungs GmbH,  
Frankfurt/Main

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 ESG Convertibles  
**Legal entity identifier:** 5493004U37NZ5AULWW41  
**ISIN:** DE0008474263

**Environmental and/or social characteristics**

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

**Yes**

   **No**

<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 checked="" type="checkbox"/> <b>It 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 15% of sustainable investments  <input type="checkbox"/> with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy  <input checked="" type="checkbox"/> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy  <input checked="" type="checkbox"/> with a social objective  <input type="checkbox"/> It promotes E/S characteristics, but <b>will not make any sustainable investments</b>
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## What environmental and/or social characteristics are promoted by this financial product?

Through this fund, the Company promotes environmental and social characteristics in the areas of climate action, social norms and governance, as well as the general ESG quality, by taking into account the following exclusion criteria:

- (1) Climate and transition risks;
- (2) Norm issues with respect to compliance with international norms for governance, human rights, labor rights, customer safety, environmental safety and business ethics;
- (3) Companies with very serious, unresolved controversies related to the principles of the United Nations Global Compact (UN Global Compact) are excluded;
- (4) In the area of ESG quality, issuers with the worst ratings of their peer group in terms of environmental, social and governance factors are excluded;
- (5) Countries rated as “not free” by Freedom House;
- (6) Controversial sectors for companies that exceed a predefined revenue limit;
- (7) Controversial weapons.

Through this fund, the Company also promotes a minimum proportion of sustainable investments that make a positive contribution to one or more United Nations Sustainable Development Goals (UN SDGs).

For this fund the Company has not designated a reference benchmark for the attainment of the promoted environmental and/or social characteristics.

**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?

A proprietary ESG assessment methodology is used to measure the attainment of the promoted environmental and social characteristics as well as the proportion of sustainable investments. The following sustainability indicators are used:

- **The Climate and Transition Risk Assessment** serves as an indicator for the extent to which an issuer is exposed to climate and transition risks.
- **The Norm Assessment** serves as an indicator for the extent to which norm issues constituting breaches of international standards arise at a company.
- **The UN Global Compact assessment** serves as an indicator for whether a company is directly involved in one or more very serious, unresolved controversies related to the United Nations Global Compact.
- **The ESG Quality Assessment** serves as an indicator for comparing the environmental, social and governance factors of an issuer with its peer group.
- **Freedom House status** serves as an indicator of a country’s political freedoms and civil liberties.
- **The Exclusion Assessment for controversial sectors** serves as an indicator for determining the extent of a company’s exposure to controversial sectors.
- **The Exclusion Assessment for controversial weapons** serves as an indicator for determining the extent of a company’s exposure to controversial weapons.
- **The methodology for determining sustainable investments as defined in article 2 (17) of Regulation (EU) 2019/2088 on sustainability-related disclosures in the financial services sector (SFDR)** is used as an indicator for measuring the proportion of sustainable investments (**Sustainability Investment Assessment**).

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?

For the fund, the Company invests a portion of the assets in sustainable investments as defined in article 2 (17) of the SFDR. These sustainable investments contribute to at least one of the United Nations Sustainable Development Goals (UN SDGs), which have 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 8: Decent work and economic growth
- Goal 10: Reduced inequalities
- Goal 11: Sustainable cities and communities
- Goal 12: Responsible consumption and production
- Goal 13: Climate action
- Goal 14: Life below water
- Goal 15: Life on land

The extent of the contribution to the individual UN SDGs varies depending on the actual investments in the portfolio. The Company will determine the contribution to the UN SDGs on the basis of its Sustainability Investment Assessment, in which various criteria are used to assess the potential investments with regard to whether they can be classified as sustainable. As part of this assessment methodology, it is determined whether (1) an investment makes a positive contribution to one or more UN SDGs, (2) the issuer significantly harms these goals ("Do No Significant Harm" – DNSH assessment) and (3) the enterprise applies good governance practices.

The Sustainability Investment Assessment uses data from several data providers, public sources and/or internal assessments (based on a defined assessment and classification methodology) to determine whether an investment is sustainable. Activities that make a positive contribution to the UN SDGs are assessed based on turnover, capital expenditure (CapEx) and/or operational expenditure (OpEx), depending on the investment. Where a contribution is determined to be positive, the investment is deemed sustainable if the issuer passes the DNSH assessment and the enterprise applies good governance practices.

The share of sustainable investments as defined by article 2 (17) SFDR in the portfolio is calculated in proportion to the economic activities of the issuers that qualify as sustainable. Notwithstanding the preceding, use-of-proceeds bonds that qualify as sustainable are counted towards the value of the entire bond.

With the fund the Company does not currently pursue 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 Do No Significant Harm (DNSH) assessment is an integral part of the DWS Sustainability Investment Assessment and assesses whether an issuer that contributes to a UN SDG significantly harms one or more of these goals. Where significant harm is identified, the issuer does not pass the DNSH assessment and the investment can therefore not be deemed sustainable.

How have the indicators for adverse impacts on sustainability factors been taken into account?

As part of the Sustainability Investment Assessment, a DNSH assessment shall systematically integrate the mandatory indicators for the principal adverse impacts on sustainability factors from Table 1 (by relevance) and relevant indicators from Tables 2 and 3 in Annex I of the Commission Delegated Regulation (EU) 2022/1288 supplementing the Disclosure Regulation. Taking these adverse impacts into account, the Company has set quantitative thresholds and/or defined qualitative values to determine whether an issuer significantly harms the environmental or social objectives. These values are defined based on various external and internal factors, such as data availability, policy objectives or market trends, and may be adjusted over time.

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 the Sustainability Investment Assessment, the Company also assesses on the basis of the Norm Assessment the extent to which an enterprise meets international standards. This entails tests of compliance with international standards such as the OECD Guidelines for multinational enterprises, the UN Guiding Principles on Business and Human Rights, the principles of the UN Global Compact and the standards of the International Labour Organisation. Companies with the lowest Norm Assessment (i.e., a letter score of “F”) do not qualify as sustainable and are excluded as an investment.

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

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

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



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

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

Yes, for the fund the Company considers the following principal adverse impacts on sustainability factors from Annex I of the Commission Delegated Regulation (EU) 2022/1288 supplementing the Disclosure Regulation:

- Greenhouse gas (GHG) emissions (no. 1);
- Carbon footprint (no. 2);
- GHG intensity of investee companies (no. 3);
- Exposure to companies active in the fossil fuel sector (no. 4);
- Violation of the UNGC principles and the Organisation for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises (no. 10); and
- Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical and biological weapons) (no. 14).

The principal adverse impacts listed above are considered at product level through the application of the ESG assessment methodology or the exclusion of investments of fund that meet the environmental and social characteristics promoted, as described in more detail in the section entitled “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?”.

Further information on the principal adverse impacts on sustainability factors will be disclosed in an annex to the annual report of the fund.

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 fund follows a multi-asset strategy. The fund’s assets are primarily invested in assets that fulfill the defined standards for the promoted environmental or social characteristics, as set out in the following sections. The strategy of the fund in relation to the promoted environmental or social characteristics is an integral part of the ESG assessment methodology and is continuously monitored through the investment guidelines of the fund. Please refer to the special section of the Sales Prospectus and the Special Terms and Conditions of Investment for further details of the investment strategy.

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 Company 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 and by applying exclusion criteria based on this.

The ESG assessment methodology is based on the ESG database, which uses data from multiple ESG data providers, public sources and internal assessments. Internal assessments take into account factors 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 dialogue on ESG matters and an enterprise's ESG-specific decisions.

The ESG database derives "A" to "F" letter coded scores within different categories. Issuers each receive one of six possible scores (A to F), with "A" being the highest score and "F" being the lowest score on the scale. On the basis of other categories, the ESG database also provides exclusion criteria (complete exclusions or exclusions based on turnover thresholds).

The respective scores for the assets are considered individually. If an issuer in an assessment category has a score that is considered to be unsuitable in that assessment category, assets from this issuer cannot be acquired even if it has a score in another assessment category that would be suitable.

The ESG database uses, for example, the following categories to assess whether issuers/investments comply with ESG standards relating to the promoted environmental and social characteristics and whether companies that are invested in apply good governance practices:

- **Climate and Transition Risk Assessment**

The Climate and Transition Risk Assessment evaluates the behavior of issuers in relation to climate change and environmental changes, e.g., with respect to greenhouse gas reduction and water conservation.

Issuers that contribute less to climate change and other negative environmental changes or that are less exposed to such risks receive a better score.

Issuers that receive a letter score of F in the Climate and Transition Risk Assessment category are excluded.

- **The Norm Assessment**

The Norm Assessment evaluates the behavior of companies, for example, within the framework of the principles of the UN Global Compact, the standards of the International Labour Organization, and behavior within generally accepted international standards and principles. The Norm Assessment examines, for example, human rights violations, violations of workers' rights, child or forced labor, adverse environmental impacts and business ethics. The assessment takes into account violations of the aforementioned international standards. These violations are assessed using data from ESG data providers and/or other available information, such as the expected future development of these violations as well as the willingness of the company to begin dialogue concerning relevant business decisions.

Companies that receive a letter score of F in the Norm Assessment category are excluded.

- **The UN Global Compact assessment**

In addition to the Norm Assessment, companies that are directly involved in one or more very serious, unresolved controversies related to the principles of the United Nations Global Compact are excluded.

- **The ESG Quality Assessment**

The ESG Quality Assessment distinguishes between corporate and sovereign issuers.

Issuers that are enterprises are compared on the basis of their ESG quality. When assessing issuers, the ESG Quality Assessment takes into account different ESG factors such as the handling of environmental changes, product safety, employee management or corporate ethics.

The ESG Quality Assessment adopts what is known as the "best-in-class" approach. In this, issuers receive an assessment relative to their peer group. The peer group is composed of issuers from the same sector of industry. Issuers rated better in the peer group comparison receive a better score, while issuers rated worse in the comparison receive a worse score.

For sovereign issuers, the ESG Quality Assessment assesses a state based on numerous ESG criteria. Indicators for environmental considerations are, for example, handling of climate change, natural resources and vulnerability to disasters; indicators for social factors include the attitude to child labor, equality and prevailing social conditions; and indicators for good governance are, for example, the political system, the existence of institutions and the rule of law. The ESG Quality Assessment also expressly considers the civil and democratic liberties of a country.

Companies and sovereign issuers that receive a letter score of F in the ESG Quality Assessment category are excluded.

- **Freedom House status**

Freedom House is an international non-governmental organization that classifies countries by their degree of political freedoms and civil liberties. On the basis of the Freedom House status, countries



rated as “not free” by Freedom House are excluded.

• **The Exclusion Assessment for controversial sectors**

Companies that are involved in particular business areas and business activities in controversial areas (“controversial sectors”) are excluded.

Companies are excluded as an investment based on the share of total revenues they generate in controversial sectors. The fund expressly excludes companies which generate revenues as follows:

- more than 5% from production of products and/or services provided in the armaments industry;
- more than 5% from production and/or sale of civil handguns or munition;
- more than 5% from production of tobacco products;
- more than 5% from production of products and/or services provided in the gambling industry;
- more than 5% from production of adult entertainment;
- more than 5% from production of palm oil;
- more than 5% from power generation through nuclear energy and/or uranium mining and/or uranium enrichment;
- more than 10% from crude oil;
- from unconventional extraction of oil and/or natural gas (including oil sand, oil shale/shale gas, Arctic drilling);
- more than 1% from coal mining;
- more than 10% from power generation from coal;
- more than 10% from power generation or other use of fossil fuels (excluding natural gas);
- more than 10% from coal and crude oil;
- more than 10% from mining, exploration and services for oil sand and oil shale.

Companies with coal expansion plans, such as additional coal mining, production or usage, are excluded based on an internal identification methodology.

The aforementioned coal-related exclusions only apply to thermal coal, i.e., coal that is used in power stations to generate power.

**Issuers that generate their revenues from activities related to power generation or other use of nuclear energy and natural gas as well as from the extraction of uranium or natural gas may be acquired for the investment fund as long as the aforementioned turnover thresholds are not exceeded.**

• **The Exclusion Assessment for controversial weapons**

Companies that are identified as manufacturers – or manufacturers of key components – of anti-personnel mines, cluster munitions, chemical weapons, biological weapons, nuclear weapons, depleted uranium weapons or uranium munitions are excluded. In addition, the relative exposures within a Group structure can also be taken into consideration for the exclusions. Companies that are identified as manufacturers – or manufacturers of key components – of incendiary bombs containing white phosphorus are also excluded.

• **Assessment of use-of-proceeds bonds**

In a departure from the above assessment categories, investment in bonds of excluded issuers is nevertheless permitted if the particular requirements for use-of-proceeds bonds are met. To begin with, the bonds are checked for compliance with the ICMA Green Bond Principles, Social Bond Principles or Sustainability Bond Guidelines. In addition, a defined minimum of ESG criteria is checked in relation to the issuer of the bond, and issuers and their bonds that do not meet these criteria are excluded.

Issuers are excluded based on the following criteria:

Companies and sovereign issuers with the lowest ESG Quality Assessment in the peer group comparison (i.e., a letter score of “F”);

- Sovereign issuers rated as “not free” by Freedom House;
- Companies with the lowest Norm Assessment (i.e., a letter score of “F”);
- Companies that are directly involved in one or more very serious, unresolved controversies related to the UN Global Compact;
- Companies with involvement in controversial weapons production; or
- Companies with identified coal expansion plans.

• **Assessment of investment fund units**

Investment fund units are assessed taking into account the investments within the target funds in accordance with the ESG Quality Assessment, Climate and Transition Risk Assessment, Norm Assessment, UN Global Compact assessment, and the Freedom House status and with respect to the investments in companies that are identified as manufacturers – or manufacturers of key components – of anti-personnel mines, cluster munitions, chemical weapons and biological weapons (here, the relative exposures within a Group structure are taken into consideration).

The assessment methods for investment fund units are based on examining the entire portfolio of the target fund, taking into account the investments within the target fund portfolio. Depending on the respective assessment category, exclusion criteria (such as tolerance thresholds) that result in exclusion of the target fund are defined. Thus, target funds may invest in investments that are not compliant with the defined ESG standards for issuers.

### **Sustainability Investment Assessment in accordance with article 2 (17) SFDR**

In addition, the Company measures the contribution to one or more UN SDGs to determine the proportion of sustainable investments. This is carried out via the Sustainability Investment Assessment, with which potential investments are assessed on the basis of various criteria regarding whether an investment can be classed as sustainable, as described in more detail in the section entitled "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?".

### **Assets not assessed in terms of ESG**

Not all of the fund's investments are assessed using the ESG assessment methodology. This applies to the following assets in particular:

Bank balances are not assessed.

Derivatives are not used to attain the environmental and social characteristics promoted by the fund, which is why they are not taken into account in the calculation of the minimum proportion of assets that fulfill these characteristics. However, derivatives on individual issuers may be acquired for the fund if, and only if, the issuers of the underlyings meet the ESG standards and are not excluded in accordance with the ESG assessment categories described above.

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

The ESG investment strategy used does not provide for a mandatory minimum reduction.

**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?

Good governance is assessed with the Norm Assessment, as described in more detail in the section entitled "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 assessed investee companies implement good governance practices accordingly.

What is the asset allocation planned for this financial product?

This fund invests at least 75% of its assets in assets that meet ESG standards defined by the Company (#1 Aligned with E/S characteristics). At least 15% of the fund's assets are invested in sustainable investments (#1A Sustainable).

Up to 25% of the fund's assets can be invested in assets for which the ESG assessment methodology is not applied or for which ESG data coverage is not complete (#2 Other). Within this quota, investments of up to 20% of the fund's assets in investments for which there is not complete data coverage with respect to the ESG assessment categories and exclusions are tolerated. This tolerance does not apply to the Norm Assessment, so companies are required to apply good governance practices.



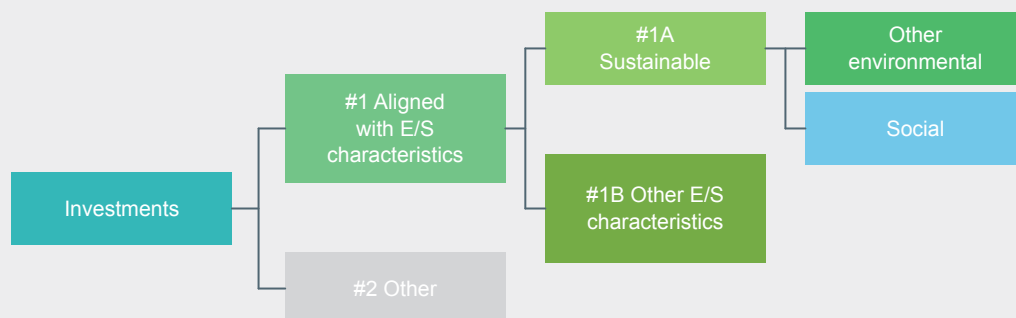
**Asset allocation** describes the share of investments in specific assets.

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 not used to attain the environmental or social characteristics promoted by the fund.



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

The promoted proportion of environmentally sustainable investments in accordance with Regulation (EU) 2020/852 (Taxonomy Regulation) is 0% of the fund's assets. It may, however, be the case that some sustainable investments are nevertheless aligned with an environmental objective of the Taxonomy Regulation.

Does the financial product invest in fossil gas and/or nuclear energy<sup>1</sup> related activities that comply with the EU Taxonomy?

Yes:

In fossil gas

In nuclear energy

No

The Company does not pursue Taxonomy-aligned investments in the areas of fossil gas and/or nuclear energy. However, it is possible that, as part of the investment strategy, investments will also be made in companies that are also active in these sectors. Further information on such investments, where relevant, will be disclosed in the annual report.

<sup>1</sup> Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective - see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

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.

**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\*



<span style="color: green;">■</span> Taxonomy-aligned: Fossil gas	0.00%
<span style="color: green;">■</span> Taxonomy-aligned: Nuclear	0.00%
<span style="color: green;">■</span> Taxonomy-aligned (no fossil gas and nuclear)	0.00%
<span style="color: teal;">■</span> Taxonomy-aligned	0.00%
<span style="color: gray;">■</span> Non Taxonomy-aligned	100.00%

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



<span style="color: green;">■</span> Taxonomy-aligned: Fossil gas	0.00%
<span style="color: green;">■</span> Taxonomy-aligned: Nuclear	0.00%
<span style="color: green;">■</span> Taxonomy-aligned (no fossil gas and nuclear)	0.00%
<span style="color: teal;">■</span> Taxonomy-aligned	0.00%
<span style="color: gray;">■</span> Non Taxonomy-aligned	100.00%

This graph represents 100% of the total investments.

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

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

There is no minimum share of investments in transitional or enabling activities.



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



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

There is no separate minimum proportion for sustainable investments with an environmental objective that are not consistent with the EU Taxonomy. It is not possible to make a separation when assessing whether sustainable investments are environmental or social investments. The total share of sustainable investments is at least 15% of the assets of the fund.



What is the minimum share of socially sustainable investments?

The Company has defined a minimum percentage for environmentally or socially sustainable investments in accordance with article 2 (17) of the Disclosure Regulation. As a separation in the assessment of sustainable investments is not possible, the total share of environmentally and socially sustainable investments shall therefore amount to at least 15% of the fund's assets.



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

Assets up to 25% of the fund's assets for which the DWS ESG assessment methodology is not applied or for which ESG data coverage is not complete come under #2 Other. Within this quota, investments of up to 20% of the fund's assets in investments for which there is not complete data coverage with respect to the ESG assessment categories and exclusions are tolerated. This tolerance does not apply to the Norm Assessment, so companies are required to apply good governance practices.

These other investments may include all assets provided for in the investment policy, including bank balances and derivatives.

“Other investments” may be used to optimize the investment performance, as well as for diversification, liquidity and hedging purposes.

Minimum environmental or social safeguards are not considered or only partially considered with respect to this fund's other 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?

An index has not been defined as a benchmark.



Where can I find more product specific information online?

**More product-specific information can be found on the website:** <https://www.dws.de/gemischte-fonds/DE0008474263/> as well as on your local country website [www.dws.com/fundinformation](http://www.dws.com/fundinformation).

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