

DWS Investment GmbH

# PWM US Dynamic Growth (USD)

Sales Prospectus  
including Terms and Conditions of Investment  
January 1, 2023



Investors for a new now

# DWS Investment GmbH currently manages the following investment undertakings (As of 1/1/2023):

## Investment undertakings compliant with the UCITS Directive

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

## 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 147 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 Key Information Document, the most recently published annual report and any semiannual report published after the annual report, must be provided free of charge to persons interested in purchasing a unit of this investment fund. Such interested persons must additionally be informed about the most recent net asset value of the investment fund.**

**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.**

## Selling 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 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.

DWS Investment GmbH and/or this investment fund are not, and will not be, registered under the United States Investment Company Act of 1940, as amended. The units of this investment fund are not, and will not be, registered under the United States Securities Act of 1933, as amended, or under the securities laws of any state of the United States of America. Accordingly, units will not be offered or sold in the United States or to or for the account of U.S. persons. Subsequent transfers of units in or into the United States or to U.S. persons are prohibited. Prospective investors

may be required to declare that they are not U.S. persons and that they are not acquiring units on behalf of, or for resale to, U.S. persons. U.S. persons are persons who are citizens or permanent residents of the United States and/or subject to taxation in the United States. Partnerships or corporations established under the laws of the United States, or those of any state, territory or possession of the United States, can also be U.S. persons.

In cases when the Company receives knowledge that a unitholder is a U.S. person or holds units for the account of a U.S. person, the Company may demand the immediate return of the units to the Company at the last determined net asset value per unit.

Investors that are considered “restricted persons” as defined in Rule 2790 of the National Association of Securities Dealers in the United States (NASD Rule 2790) must report their holdings in the investment fund to the Company without delay.

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. Declarations or representations by third parties that are not contained in this Sales Prospectus or in the documentation have not been authorized by the Company.

These documents are available to the public at the registered office of the Company.

## Foreign Account Tax Compliance Act – “FATCA”

The provisions of the Foreign Account Tax Compliance Act (generally known as “FATCA”) are part of the Hiring Incentives to Restore Employment Act (the “HIRE Act”), which came into force in the United States in March 2010. These provisions of U.S. law serve to combat tax evasion by U.S. citizens. Accordingly, financial institutions outside of the United States (“foreign financial institutions” or “FFIs”) are obliged to make annual disclosures to the U.S. Internal Revenue Service (“IRS”) on financial accounts held directly or indirectly by “specified” U.S. persons. In general, for FFIs that do not meet this reporting obligation, a withholding tax deduction of 30% is applied to certain income from U.S. sources. The provision was implemented gradually in the period between July 1, 2014, and 2017.

In principle, non-U.S. funds such as this fund have FFI status and must conclude an FFI agreement with the IRS if they are not classified as “FATCA-compliant” or, provided an applicable Model 1 intergovernmental agreement (“IGA”) is in effect, do not meet the requirements of the IGA applicable to their home country either as a “reporting financial institution” or as a “non-reporting financial institution.” IGAs are agreements between the United States of America and other countries regarding the implementation of FATCA requirements. The Federal Republic of Germany

signed a Model 1 agreement with the United States on May 31, 2013. The associated implementing regulation came into force on July 29, 2014. The fund must therefore comply with the provisions of such a German IGA from that date forward.

The Management Company will continuously examine the extent of the requirements imposed on it by FATCA and, in particular, the German IGA. It may, among other things, become necessary in this context for the Management Company to require all investors to submit the necessary documents to prove their tax residency in order to make it possible to determine on that basis whether they must be classified as specified U.S. persons.

Investors and intermediaries acting on behalf of investors should take note that, according to the applicable principles of this fund, units cannot be offered or sold for the account of U.S. persons and that subsequent transfers of units to U.S. persons are prohibited. If units are held by a U.S. person as the beneficial owner, the Management Company may, at its discretion, enforce a compulsory redemption of the units in question. Investors should additionally take note that the definition of “specified” U.S. persons within the meaning of the FATCA provisions encompasses a broader range of investors than the current definition of U.S. persons.

## 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.

The contractual relationship and all precontractual relationships between DWS Investment GmbH and the investor are governed by German law. The location of the registered office of DWS Investment GmbH shall be the place of jurisdiction for any legal claims on the part of the investor against DWS Investment GmbH 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. All publications and advertising documentation must be prepared in German or accompanied by a translation into German. DWS Investment GmbH 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. In addition, DWS Investment GmbH will communicate with its investors entirely in German. 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. DWS Investment GmbH 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

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.

In the case of disputes arising from the application of the provisions of the German Civil Code concerning distance selling contracts involving financial services, this is the arbitration office of the Deutsche Bundesbank.

The office can be contacted at:  
Deutsche Bundesbank  
Arbitration office  
P.O. Box 11 12 32  
60047 Frankfurt/Main, Germany  
E-mail: schlichtung@bundesbank.de  
www.bundesbank.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 DWS Investment GmbH: info@dws.de. 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 (hereinafter "fund") is a collective investment undertaking (hereinafter "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 alternative investment fund (hereinafter "AIF") as defined by the German Investment Code (hereinafter "KAGB"). It is managed by DWS Investment GmbH (hereinafter 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 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, 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"). The fund is not part of the Company's insolvency assets.

### Sales documentation and disclosure of information on risk management and sales information in accordance with MiFID 2

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 from the Company. The text of the Terms and Conditions of Investment is annexed to this Sales Prospectus. They can also be viewed on the Internet at [dws.com](http://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.

Investors may also 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. These are also available in text form from the Company.

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 upon request.

### 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, in addition, in a business publication or daily newspaper with sufficient circulation, or on the Internet at [dws.com](http://dws.com). If the amendments relate to fees and expense reimbursements that may be charged to the fund or if they involve the investment principles of the fund or significant investor rights, investors shall additionally be informed by the institutions maintaining the custody accounts 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 (until September 2018 Deutsche Asset Management 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 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 document.

### 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 is EUR 398.4 million (as of December 31, 2020).

The Company has accounted for the professional liability risks that arise from the management of AIFs 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 disclosed liable equity 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 is a credit institution. It keeps the fund's assets in blocked custody and cash accounts and monitors whether the Company's use of these assets is in compliance with the provisions of the KAGB and the Terms and Conditions of Investment. The investment of assets 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:

- 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;
- Ensuring that, for transactions conducted for the collective account of the investors, custody of the equivalent value is taken within the customary time limits, and that the income of the fund is used in accordance with the provisions of the KAGB and the Terms and Conditions of Investment. The custodian must further review whether the use of blocked cash accounts or blocked custody accounts at another credit institution, a securities firm or another custodian is consistent with the

KAGB and the Terms and Conditions of Investment. If this is the case, it must grant its consent to such investment;

- 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 in cases other than short-term overdrafts that resulted solely from delayed credits of incoming payments;
- Ensuring that collateral for securities loans has been provided in a legally valid manner and is available at all times.

### Sub-custody and conflicts of interest

The Company has received the functions and information outlined in this section "Sub-custody and conflicts of interest" 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 Copley Place 100, Huntington Avenue, Boston, Massachusetts 02116, USA, as its global custodian (hereinafter "Global custodian") to hold foreign assets in custody. The global custodian in turn has delegated the custody 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	Group 1
Raiffeisen Bank sh.a.	Albania	Tirana	Group 1
Citibank N.A.	Argentina	Buenos Aires	Group 1
The Hongkong and Shanghai Banking Corporation Ltd.	Australia	Parramatta	Group 1
First Abu Dhabi Bank P.J.S.C.	Bahrain	Manama	Group 1
Standard Chartered Bank	Bangladesh	Dhaka	Group 1
BNP Paribas Securities Services, S.C.A. (operated by the Paris Branch with support from the Brussels Branch)	Belgium	Pantin	Group 1
via Standard Chartered Bank Côte d'Ivoire S.A.	Benin	Abidjan (Côte d'Ivoire)	Group 1
HSBC Bank Bermuda Ltd.	Bermuda	Hamilton	Group 1
UniCredit Bank d.d.	Bosnia and Herzegovina	Sarajevo	Group 1
Standard Chartered Bank Botswana Ltd.	Botswana	Gaborone	Group 1
Citibank, N.A.	Brazil	São Paulo	Group 1
Citibank Europe plc, Bulgaria Branch	Bulgaria	Sofia	Group 1
UniCredit Bulbank AD	Bulgaria	Sofia	Group 1
via Standard Chartered Bank Côte d'Ivoire S.A.	Burkina Faso	Abidjan (Côte d'Ivoire)	Group 1
Banco de Chile	Chile	Santiago de Chile	Group 1
HSBC Bank (China) Company Ltd.	People's Republic of China	Shanghai	Group 1



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

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



Name of sub-custodian	Country	Registered office	Conflicts of interest*
First Abu Dhabi Bank P.J.S.C.	United Arab Emirates	Dubai Dubai Financial Market	Group 1
First Abu Dhabi Bank P.J.S.C.	United Arab Emirates	Dubai Dubai International Financial Center	Group 1
First Abu Dhabi Bank P.J.S.C.	United Arab Emirates	Dubai Abu Dhabi	Group 1
State Street Bank and Trust Company, United Kingdom Branch	United Kingdom	Edinburgh	Group 1
HSBC Bank (Vietnam) Ltd.	Vietnam	Ho Chi Minh City	Group 1
BNP Paribas Securities Services S.C.A., Greece (operated by the Athens Branch)	Cyprus	Athens	Group 1

**(operated by the Athens Branch)**

\* Group 1: No conflicts of interest are identified. Potential conflicts of interest would be managed by the configuration of the custodial/sub-custodial contract.  
Group 2: The sub-custodian is a company affiliated with the 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 securities 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 body" 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 Conflicts 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.
- Avoidance of harmful influence of an employee 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.

**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 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. Aside from the risks and uncertainties described in what follows, or elsewhere in the Sales Prospectus, the performance of the fund might also be adversely affected by various other risks and uncertainties that are currently unknown. 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 scope or significance of the occurrence of particular risks.

### Risks of investing in the fund

In the following, the risks typically associated with an investment in a AIF 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.

#### 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. A change in the Terms and Conditions of Investment can also change regulations affecting the investor. 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 statutory 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 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 manage and 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 investment undertaking (merger)

The Company can transfer all the assets of the fund to another retail investment fund. In this case, the investor can (i) return their units, (ii) retain their units and consequently become an investor of the receiving investment undertaking or (iii) exchange their units for units of an open-ended domestic 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 to a UCITS. 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 management of 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 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 standalone 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, whereby the deposits earn interest at customary market rates. Depending on the development of the interest rate policy of the respective central banks – in particular of the European Central Bank, the Federal Reserve ("Fed"), the Bank of England and/or the Swiss National Bank – and depending on the respective currency of the fund or of the unit class, short-term, medium-term and even long-term deposits can attract negative interest.

#### Capital-market risk

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

Risks relating to general economic conditions can be posed by uncertainty about economic growth in the most important industrial and emerging market countries and its impact on the global economy as well as by the sovereign debt.

Capital market risks can arise from the interest rate levels prevailing in an investment environment and their potential impact (on bond yields, for example). The capital markets are directly and indirectly influenced by the measures taken by different central banks (e.g., interest rate adjustments, expansionary or restrictive monetary policy, programs for purchases and sales of securities) and their interactions. This can affect the liquidity, return and market risks of the fund.

Risks relating to the political environment include, for example, uncertainties about the development of the European Union, uncertainties concerning upcoming elections and referenda, and uncertainties relating to developments in (potential) crisis regions.

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, the price of commodities such as oil, exchange rates or the creditworthiness of an issuer of financial instruments.

### **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 (the "free float"), even smaller buy and sell orders for that stock 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:

- Price changes in the underlying can cause a decrease in the value of the option or future. If the value decreases to a total loss, 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.
- Using derivatives can result in potential losses that are not foreseeable under certain circumstances and which may even exceed the initial margins paid.

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.

If the Company has transferred securities as a loan for the account of the fund for a specified period, the securities lent will not be returned until the agreed date up to 30 days after transfer. Early termination of the transaction may not be possible or may only be possible at considerable cost. That can increase the 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.

If the repurchase agreement transaction entered into by the Company cannot be terminated at any time, the Company may not be able to limit losses of value. That can increase the risk of loss for the fund.

If the Company buys securities under a repurchase agreement, it must sell them back at the end of an agreement term. The repurchase price is set when the agreement is entered into. Securities bought under a repurchase agreement serve as collateral for providing the liquidity to the counterparty. 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 provided might 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 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. In that case, the Company can be obligated, for the account of the fund, to top up the collateral to the amount granted, thereby compensating for the loss incurred through the investment.

#### **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 loans (loan securitization positions) issued after January 1, 2011, only if the lender retains an interest in the securitization of at least 5% and complies with other requirements. The Company is therefore obligated to initiate corrective measures in the interests of the investors if loan securitizations issued after this date fail to meet these EU standards. As part of these corrective measures, the Company may be forced to sell such loan securitization positions. Given the legal requirements for banks, fund companies and possibly insurance companies in the future as well, there is a risk that the Company will not be able to sell such loan securitization positions held in the fund, or will be able to do so only with deep 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. However, since the managers of the individual target funds operate independently of one another, it is also possible that several target funds will be engaged in similar or mutually opposing investment strategies. This can result in a cumulative effect of existing risks, and any opportunities might be offset. It is generally not possible for the 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.

In addition, the target funds can hold investments in assets that may no longer be acquired under current law, but which may still be held insofar as they were acquired under the Investment Act. This can bring about risks at the level of the target fund that will adversely affect the performance of the target fund units, and hence also the performance of the fund.

Open-ended investment undertakings in which the fund acquires units might additionally 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 of investing in non-securitized loans**

When acquiring non-securitized loans, the Company becomes the creditor for an existing loan for the account of the fund. No assurance can be given that the borrower of the loan is not entitled to termination, avoidance or similar rights that could result in modification of the loan agreement to the detriment of the fund. A potential sale of non-securitized loans held in the fund may be possible only with high price discounts or with delays, or not at all. The income from non-securitized loans depends on the ability and willingness of the debtor to pay. Unforeseen collection costs could reduce the income from the loan, cause the income to fall below the purchase price paid for the loan, or even eliminate the income entirely.

#### **Risks of investing in precious metals**

Precious metal prices may be subject to strong fluctuations. These fluctuations can be influenced by changes in the rate of inflation or inflation expectations in various countries, by the availability of precious metals, or due to mass selling, speculative investments or monetary or economic policy decisions by governments. Official restrictions can make buying or selling precious metals more difficult. In some jurisdictions, the possession, purchase or sale of precious metals may become officially restricted or may be subjected to additional taxes, duties or fees. The physical transfer of precious metals to and from precious-metal vaults may be restricted by the order of local authorities or other institutions. The possibility that the precious metal may be delivered or transferred only at substantially higher prices or with delays, or not at all, cannot be excluded.

#### **Risks associated with real estate funds**

The fund holds units of domestic retail real estate investment funds ("real estate funds"). The Company was permitted to acquire these for the fund under the Investment Act, and it may continue to hold them under current law. However, the Company is no longer permitted to acquire such assets for the fund. As long as the Company continues to hold these assets for the fund, the risks associated with these assets can continue to affect the performance of the fund.

By investing in real estate funds, the fund indirectly invests its assets in real estate. This can also be achieved through an investment in a real-estate company. In such an investment, the fund indirectly bears the risks associated with an investment in real estate. These especially include risks particular to real estate ownership such as vacancies, rent arrears and loss of rent that can result from changes in the quality of locations or the credit quality of tenants, among other things. Changes in the quality of a location may result in the location no longer being suitable for the selected use. The condition of a building may necessitate maintenance expenses that are not always predictable.

A real estate fund may also refuse and suspend the redemption of its units for a limited period if the liquid resources are no longer sufficient or are not immediately available for payment of the redemption price and for securing an orderly operation in the event of extensive redemption requests. Moreover, the acquisition of units of real estate funds is not limited by a maximum investment amount. Extensive redemption requests are therefore likely to adversely affect the liquidity of the fund and require a suspension of the redemption of units. The net asset value per unit can fall when the redemption of units is suspended, as would be the case if the Company were forced to sell real estate and real estate companies below market value during a suspension of the redemption of units. The price per unit after resumption of the redemption of units can be lower than the price per unit before suspension of redemption. Furthermore, a temporary suspension of the redemption of units may lead to a permanent one,



and consequently to a liquidation of the fund, as would be the case if the liquidity required for the resumption of the redemption of units cannot be obtained through the sale of real estate. A liquidation of the investment fund can take a long time to complete, possibly several years. For the fund, this entails the risk that the planned holding period for the real estate fund might not be realized, and that potentially significant portions of the capital invested might not be available for an indefinite period of time or may be lost entirely.

The fund may redeem units of real estate funds worth up to EUR 30,000 every calendar half-year. Above this amount, the fund may redeem units of real estate funds only after a minimum holding period of 24 months and a 12-month notice of redemption. This can have a negative impact in the event of an impending suspension of the redemption of units.

#### **Risks associated with units of investment funds with additional risks**

The fund holds units in funds with additional risks and/or equities in a corresponding investment stock corporation as well as units or shares in EU or foreign investment funds (single hedge funds) comparable to such investment funds. The Company was permitted to acquire these for the fund under the Investment Act, and it may continue to hold them under current law. However, the Company is no longer permitted to acquire such assets for the fund. As long as the Company continues to hold these assets for the fund, the risks associated with these assets can continue to affect the performance of the fund. Single hedge funds are not subject to any statutory restrictions as regards the selection of acquirable assets within the scope of their investment strategies. They may sell assets that do not belong to the funds at the time of concluding the transaction (short sale). They can also use methods to increase the fund's level of investment through borrowing, securities loans, leveraged financing embedded in derivatives or by other means (leverage). This may reduce the value of assets held in the fund. This makes it possible to generate losses in single hedge funds that greatly exceed the performance of the single hedge fund's underlying asset.

#### **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 use one of the following three methods to recover their fully or partially written-down nominal value: conversion into shares, temporary write-down or permanent write-off. In the case of a temporary write-down, the write-down is completely discretionary, taking into account certain regulatory restrictions. Any coupon payments after the trigger event are based on the reduced nominal value. A CoCo investor may therefore, under certain circumstances, incur losses ahead of equity investors and other holders of debt instruments in respect of the same issuer.

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

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

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

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

The mechanical trigger is at least 5.125% of the regulatory capital ratio or higher, as set out in the issue prospectus of the respective CoCo. Especially in the case of a high trigger, CoCo investors may lose the capital invested as, for example, in the case of a write-down of the nominal value or a conversion into equity capital (shares).

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

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

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

- c) Risk of a change to the coupon (coupon resetting risk)

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

- d) Risk due to prudential requirements (risk of a reversal of the capital structure)

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

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

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

- e) Call risk and risk of the competent supervisory authority preventing a call (prolongation risk)

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

The CoCo investor can only resell the CoCo on a secondary market, which entails corresponding market and liquidity risks if the issuer does not effectively call the CoCo on one or more of the defined call dates. If there is no sufficiently liquid secondary market in the event of a lack of demand, a CoCo cannot be sold, or only with substantial losses.



f) **Equity capital and subordination risk**  
(Risk of a reversal of the capital structure)  
In the case of conversion to shares, CoCo investors become shareholders when the trigger occurs. In the event of insolvency, claims of shareholders have subordinate priority and are dependent on the remaining funds available. Therefore, a conversion of the CoCo may lead to a total loss of capital. Under certain circumstances, CoCo investors may even incur the initial losses when the trigger occurs, even before the holders of equity.

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

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

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

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

For further information, please refer to the statement from the European Securities and Markets Authority (ESMA/2014/944) of July 31, 2014, regarding potential risks associated with investing in contingent convertible instruments.

### **Risks of restricted or elevated liquidity of the fund (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 might not be able to realize a potentially planned holding period, and some or all of the capital invested might not be available to the investor for an indefinite period of time. The realization of the liquidity risks could also cause the net asset value of the fund, and thus the net asset value per unit, to decline in cases where, for instance, the Company is forced, with appropriate legal permissibility, 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 suspen-

sion 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 with realization of losses.

### **Risk from funding liquidity**

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 issues**

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.

### **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 contractual relationship with another party (a "counterparty") are presented. Here there is a risk that the counterparty might no longer be able to meet its contractual obligations. These risks can affect the performance of the fund, and can thus also adversely affect the net asset value per unit and the capital invested by the investor.

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

The default of an 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 can 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 hedges its counterparty default risks by means of a series of protective measures, including initial margins (e.g., collateralizations), that enable it to offset losses from transactions entered into at any time. These protective measures notwithstanding, it cannot be ruled out that a CCP might default, which would also affect claims of the Company for the fund. This can result in losses for the fund that are not hedged.

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

In repurchase agreement transactions, the collateral is provided as consideration by the counterparty. In the event of a default of the counterparty during the term of the repurchase agreement transaction, the Company has a right of use with respect to the securities purchased or to the cash received under the agreement. 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 of the temporary deterioration in the creditworthiness of the issuer, or 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 counterparty. Collateral is provided in an amount at least equivalent to the market value of the

securities transferred in the securities loan. The borrower must provide additional collateral if the value of the securities lent increases, if the quality of the collateral provided decreases or if the financial situation of the borrower deteriorates and the collateral already provided is not sufficient. If the borrower is unable to meet this obligation to provide additional collateral, there is a risk that the Company's retransfer claim is not fully hedged in the event of a counterparty default. If the collateral is held in custody at an institution other than the 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 other 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 tax information 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, violation of due diligence or 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 through an electronic system, there is a risk that one of the contracting parties is late or fails to pay, or fails to deliver securities on time.

#### **Information on possible risks associated with commodity derivative position limits / Possible effects on the investment strategy**

As part of the implementation of the MiFID 2 Directive, the competent authorities shall set a quantitative threshold value for each commodity derivative traded on an exchange in a member state of the European Union or a Contracting State to the Agreement on the European Economic Area for the maximum size of a position in that derivative which a person may hold (position limit). The position limits apply to the fund as well. The operator of an exchange in which commodity derivatives are traded must establish procedures to monitor compliance with the established position limits (position management controls). Due to the defined position limits or the rights of the operator of the respective exchange within the framework of position management controls, there is a risk that positions in commodity derivatives may not be entered into at all or only partially, or that positions entered into must be liquidated or reduced. As a result, the Company may not be able to implement and adjust its investment strategy for commodity derivatives as planned. This may have an impact on the risk profile and performance of 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 articles 196, 218 and 220 KAGB;
- Derivatives according to article 197 KAGB;
- “Other” investment instruments” according to article 198 KAGB;
- Precious metals;
- Non-securitized loans.

The Company may acquire these assets within the investment limits presented.

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

The Company may additionally hold the following assets for the account of the fund, provided they were permissible prior to the KAGB taking effect:

- Units of real estate investment funds (even after their conversion to the KAGB), as well as units or shares of comparable EU or foreign investment undertakings;
- Units of single hedge funds.

New acquisitions of these assets are not permitted.

#### **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 requirements 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.
- The 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 or 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 to the market about the security or any associated portfolio.
- 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

<sup>1</sup> The list of stock exchanges is published on the BaFin website at [www.bafin.de](http://www.bafin.de).

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 or is based on market data or on valuation models such as systems that determine 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 (hereinafter "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

Unless otherwise indicated in the Terms and Conditions of Investment, the Company may, for the account of the fund, only 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.

In the section "Special section – Investment objective and strategy – Investment strategy" and in the Terms and Conditions of Investment, the minimum extent to which the fund is required to invest in liquid assets (e.g., bank balances or money market instruments) is presented.



## Other assets and their investment limits

### Other investment instruments

Unless stated otherwise in the section "Special section – Investment objective and strategy – Investment strategy" and in the Terms and Conditions of Investment, the Company may invest no more than 20% of the fund's assets in the following other assets ("Other" investment instruments):

- 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 must exist in the form of regular, accurate information from the fund or, where relevant, the associated portfolio must be available.
- 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.
- 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 under the terms of issue, or
  - their admission for trading on a stock exchange or in 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 under the terms of issue, provided that BaFin has approved of the choice of stock exchange or organized market,

- provided that the admission or inclusion takes place within one year of their issue.
- 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 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.

### Precious metals

The precious metals that may be acquired for the account of the fund and the total share of the fund's assets that may be invested in precious metals are disclosed in the section "Special section – Investment objective and strategy – Investment strategy" and in the Terms and Conditions of Investment.

### Non-securitized loans

Non-securitized loans may also be acquired for the account of the fund. This means that the Company becomes the creditor for an existing loan and can request payment of interest and repayment of the loan principal from the borrower for the account of the fund. Non-securitized loans are loans for which no tradable security was issued. Securitized loans, such as bonds, may only be acquired as securities within the permitted limits (see the section "Investment principles and limits – Assets – Securities"). Loans for which a promissory note was issued may only be acquired as "Other" investment instruments under the prescribed conditions (see the section "Investment principles and limits – Other assets and their investment limits – 'Other' investment instruments").

A description of non-securitized loans and the total share of the fund's assets that may be invested in these loans are disclosed in the section "Special section – Investment objective and strategy – Investment strategy" and in the Terms and Conditions of Investment.

### Investment limits for precious metals, non-securitized loans and certain derivatives

A total of no more than 30% of the fund's assets may be invested in precious metals, non-securitized loans and certain derivatives. Among the derivatives covered by this investment limit are derivatives not derived from assets acquirable for the fund. They also include derivatives not derived from one of 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.

The investment limit also includes promissory note loans acquirable for the fund as "Other" investment instruments (see the section "Investment principles and limits – Other assets and their investment limits – 'Other' investment instruments").

### Investment limits for tax reasons

If the fund has been designed as an equity fund or balanced fund for tax purposes, this is disclosed in the section "Special section – Investment strategy."

## Investment limits for equity interests in corporations in the form of securities, business ownership interests and 'Other' investment instruments

When it acquires certain assets that may be acquired for the account of the fund as securities or "Other" investment instruments, the Company becomes a part owner of a corporation (such as a stock corporation or a limited-liability company). Such an equity interest in a corporation can result, for example, from the acquisition of an exchange-listed stock. In addition, an equity interest of the Company in a corporation can arise on the basis of business ownership interests in the portfolio that may continue to be held by the Company (see the section "Investment principles and limits – Valuation – Special rules for the valuation of individual assets – Business ownership interests"). The total ownership interests held in a corporation for the account of the fund in the form of securities, business ownership interests and other investment instruments must in such cases be less than 10% of the equity of the respective business. The same is true for indirect equity interests via a partnership. This restriction shall not apply to equity interests in companies whose purpose is directed at the generation of energy from renewable sources as defined by the German Renewable Energy Sources Act. Under that law, renewable

energy sources include hydropower, including wave power, tidal power, salt gradient and flow energy, wind energy, solar radiation, geothermal energy, energy from biomass including biogas, biomethane, landfill gas and sewage treatment gas, as well as the biodegradable fraction of municipal waste and industrial waste.

## Derivatives

**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 (hereinafter 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 (hereinafter "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 section "Special section – Derivatives."**

## 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 assets 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 enter into interest rate swaps, currency swaps, equity swaps and credit default swaps for the account of the fund within the scope of the investment principles.

## 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 counterparty.

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 "Special section – Use of total return swaps."

## 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 counterparty is the central clearing house of a stock exchange or another organized market are not included when determining counterparty 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.

## Investment fund units

### Units of UCITS and 'Mixed' investment funds

In the section "Special section – Investment objective and strategy – Investment strategy" 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 UCITS and 'Mixed' investment funds (including those in the legal form of the investment stock corporation with variable capital) and in comparable open-ended foreign investment undertakings ("UCITS target funds" and "'Mixed' target funds," respectively) is presented.

These can in turn acquire or hold securities, money market instruments, bank balances, derivatives and units of other investment undertakings.

The Company predominantly acquires units in investment undertakings with registered offices in all states that are parties to the Agreement on the European Economic Area and the G20 for the fund.

UCITS and 'Mixed' target funds may, according to their terms and conditions of investment, invest no more than 10% of their assets in units of other open-ended investment undertakings.

For units of 'Mixed' target funds, 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 competent supervisory authorities.
- The level of protection for investors must be equivalent to that provided for investors in a domestic UCITS, especially as regards separation of 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 an open-ended retail fund in which the number of units is not limited and where investors have the right to redeem units at any time.

#### Units of 'Other' investment funds

In the section "Special section – Investment objective and strategy – Investment strategy" 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 'Other' investment funds (including those in the legal form of the investment stock corporation with variable capital) and in comparable open-ended foreign investment undertakings ("Other' target funds") is presented. These can in turn acquire securities, money market instruments, bank balances, derivatives, units of other investment undertakings, precious metals and non-securitized loans.

The Company predominantly acquires units in investment undertakings with registered offices in all states that are parties to the Agreement on the European Economic Area and the G20 for the fund.

These can additionally engage in short-term borrowing of up to 20% of the fund's assets if the borrowing conditions are customary in the market, and if the custodian grants its consent. The risks associated with borrowing are presented in the section "Risk warnings – Risk from funding liquidity."

Comparable foreign investment undertakings may be acquired only if their assets are held in custody by a custodian or a prime broker, or if the functions of the custodian are discharged by another comparable institution. The Company may not invest in foreign investment funds from countries that do not cooperate in combating money laundering as defined in international agreements.

In the section "Special section – Investment objective and strategy – Investment strategy," further criteria applied by the Company when selecting target funds are presented.

In the section "Special section – Investment objective and strategy – Investment strategy" 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 foreign investment undertakings that are not subject to supervision but whose investment policies are comparable to those of German 'Other' investment funds is presented. The Company may not invest in more than two 'Other' target funds from the same issuer or fund manager for the fund.

In addition, the Company may invest a total of no more than 30% of the investment fund's assets in units of 'Other' investment funds that may be held by the Company (see section "Investment objectives, strategy, principles and limits - Assets - Real estate fund units and single hedge fund units").

The redemption of units in 'Other' target funds may be possible only on certain dates if the total value of a redemption order by an investor exceeds a certain amount. In this case, the Company must require adherence to a notice period for the redemption order in writing. The Company cannot revoke the redemption order.

#### Real estate fund units and single hedge fund units

Since the KAGB took effect on July 22, 2013, certain types of investment fund units whose acquisition was permitted under the Investment Act can no longer be acquired for the fund. They are:

- Units of real estate investment funds, as well as units or shares of comparable EU or foreign investment undertakings, ("real estate fund units") and
- Units of single hedge funds. However, if the Company acquired real estate fund units or single hedge fund units before July 22, 2013, it may continue to hold them for the fund if their acquisition was permitted under the fund's Terms and Conditions of Investment applicable on the acquisition date.

Under the aforementioned conditions, the Company may continue to hold for the fund the types of real estate fund units and single hedge fund units that are described in more detail in the section "Special section – Investment objective and strategy – Investment strategy" and in the Terms and Conditions of Investment. These are predominantly domiciled in all member states of the European Economic Area and the G20.

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

Target funds can temporarily 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 (see also the section "Risk warnings – 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 Company's website at dws.com.

## 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 for a definite or indefinite period. 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 dws.com. In the case of a transfer of securities for an indefinite period, the Company can terminate the lending transaction at any time. If the securities are transferred for a definite period, the securities must be returned no later than 30 days after transfer. The market value of the securities to be transferred, together with the market value of the securities already transferred for a definite period, may not exceed 15% of the fund's assets. 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 interest 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 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. 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 counterparty to these contracts.

### Types of permissible collateral

In derivative transactions, securities lending and repurchase agreement transactions, the Company will accept the following assets as collateral, or as assets that meet the following prerequisites:

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, reverse repurchase agreement transactions and transactions with OTC derivatives (not including currency futures) 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 top-rated credit institutions not affiliated with the counterparty, or bonds issued 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 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 top-rated issuers with appropriate liquidity; 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 counterparty.

### Diversification of collateral

Collateral that is provided must be adequately diversified in terms of issuers, countries and markets.

The criterion of adequate diversification in terms of issuer concentration is considered to be fulfilled if the fund receives from a counterparty, for efficient portfolio management or for transactions with OTC derivatives, a collateral basket whereby the maximum total value of the open positions with respect to a particular issuer does not exceed 20% of the net asset value. If the fund has various counterparties, the various different collateral baskets should be aggregated to calculate the 20% limit for the total value of the open positions with respect to an individual issuer.

### 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, derivative transactions, securities lending 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 counterparty does not exceed 5% of the fund’s assets. If the counterparty 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 valuation discounts on financial assets that are accepted as collateral (“haircut strategy”). Haircuts on collateral are based on:

- a) the credit quality of the counterparty,
- 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.

For OTC derivative transactions, only government bonds with first-class ratings are accepted besides cash. A discount of 2% on short-term government bonds and of up to 10% on government bonds with longer maturities is applied to the market value of the collateral, which means that only 90% to 98% of the current market value of the collateral is attributed to the amount to be covered. This corresponds to an overcollateralization ratio of 102% to 110%. Cash collateral may be accepted without a discount. Securities lending transactions are overcollateralized. A premium is applied to the market value of the securities lending transaction to be collateralized, i.e., collateral in the amount of the following overcollateralization ratios is provided by the borrower.

Overcollateralization ratio for government bonds with first-class ratings at least 101%

Overcollateralization ratio for government bonds with low investment-grade ratings	at least 102%
Overcollateralization ratio for corporate bonds with first-class ratings	at least 102%
Overcollateralization ratio for corporate bonds with low investment-grade ratings	at least 103%
Overcollateralization ratio for supranational bonds with first-class ratings	at least 102%
Overcollateralization ratio for supranational bonds with low investment-grade ratings	at least 102%
Overcollateralization ratio for blue chips and mid-caps	at least 105%
Overcollateralization ratio for cash collateral	at least 101%

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

#### **Custody and reinvestment of collateral**

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

#### **Borrowing**

Short-term borrowing of up to 20% 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. The risks associated with borrowing are presented in the section "Risk warnings – Risk from funding liquidity."

#### **Leverage**

Leverage indicates the relationship between the risk exposure of the AIF and its net asset value. Every method applied by the Company to increase the investment level of one of the investment undertakings it manages has an effect on leverage. Such methods include entering into securities loans, borrowing, acquiring derivatives with embedded leverage financing or other methods to increase the investment level. The

possibility of using derivatives and entry into securities lending transactions and repurchase agreement transactions is presented in the sections "Investment principles and limits – Assets – Derivatives," "Special section – Derivatives" and "Investment principles and limits – Assets – Securities lending transactions and repurchase agreement transactions." The possibility of borrowing is presented in the section "Investment principles and limits – Borrowing."

The AIF's risk is calculated using both the "gross method" and the "commitment method." In both cases, the risk is the total of the absolute values of all of the AIF's positions, which are valued as provided for by law. The commitment method differs from the gross method in that individual derivative transactions or securities positions are offset against each other in the commitment method (taking netting and hedging agreements into account).

The Company can use leverage for the fund up to the market risk limit (see section "Investment principles and limits – Assets – Derivatives"). The Company expects, unless otherwise provided for in the section "Special section – Derivatives," that the risk of the AIF calculated using the gross method will not exceed its net asset value by more than five times, and that the risk of the AIF calculated using the commitment method will not exceed the risk calculated using the gross method and, accordingly, amount to no more than three times its net asset value.

Depending on market conditions, however, leverage can fluctuate, and the indicated maximum leverage may therefore be exceeded in spite of constant monitoring by the Company.

The Company uses the value-at-risk method to calculate the market risk limit for the use of derivatives. More precise information on this can be found in the section "Special section – Derivatives."

### **Valuation**

#### **General asset valuation rules**

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

Assets that are admitted to 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 "Investment principles and limits – Valuation – 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 "Investment principles and limits – Valuation – 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, commercial 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.

##### **Money market instruments**

Money market instruments are valued at the prevailing market rates.

##### **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 day of trading.

##### **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, investment fund units and loans**

Bank balances and certain other assets (e.g., interest receivables), receivables (e.g., accrued interest receivables) and liabilities are generally measured 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.

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

#### **Business ownership interests**

For assets having the characteristics of a commercial ownership interest, the purchase price including incidental acquisition expenses is recognized as the market value at the time of acquisition. The value of these assets must be remeasured no later than twelve months after acquisition or after the last valuation and recognized as the fair value. Notwithstanding the preceding, the value must be remeasured if the most recently recognized value is no longer appropriate due to changes in key factors affecting valuation.

#### **Repurchase agreement transactions**

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.

## **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. Share certificates are made out to bearer.

Bearer units in the form of definitive securities were issued for the 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 are still not held in collective custody at one of the aforementioned institutions by December 31, 2016, will become 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 will instead be represented in a global certificate. The investors then become 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 subsequently submit their void bearer share certificates to the custodian of the fund and demand that their units in the fund or in the global certificate 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 and from the agents designated in the section "Special section – Units – Issue of units." 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 (through mechanisms such as the introduction of upper limits).

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

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. Where applicable, these prerequisites are described in the section "Special section – Units – Issue of units."

#### **Redemption of units**

Investors can generally request the redemption of units unless the Company has limited or temporarily suspended the redemption of units (see section "Units – Issue and redemption of units – Suspension of the redemption of units"). Redemption orders must be placed with the custodian, the Company itself or with an inter-

mediary (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 takes place regularly at the net asset value per unit determined on the date the order is received (= the settlement date). Orders received by the custodian or the Company after the acceptance deadline are not settled until the 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 Company's website at [dws.com](http://dws.com). It can be changed by the Company at any time.

Third parties like the institution maintaining the custody account, 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 specified 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 each exchange trading day 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. A temporary suspension of redemption is admissible particularly if the payment obligations resulting from the redemption cannot be met out of the liquid assets of the fund. As long as redemption is suspended, no new units may be issued. The Company shall, without delay, notify

BaFin and the competent institutions of those other member states of the EU or those other states that are parties to the Agreement on the EEA in which it sells units of its decision to suspend redemption. 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 and merger of the fund").

The Company shall notify the investors by means of an announcement in the Bundesanzeiger and additionally in business publications and daily newspapers with sufficient circulation, or on the Internet at [dws.com](http://dws.com), about the suspension of the redemption of units and its resumption. Investors shall additionally be informed on paper or in electronic format via their institutions maintaining custody accounts.

If it is not possible to fulfill all investor claims for redemption of units, the claims shall be fulfilled in the chronological order of their assertion. Claims made on the same day shall be fulfilled pro rata.

### 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 liquidity profile of the fund, which takes into account the investment strategy discussed in the section "Special section – Investment objectives and strategy – Investment strategy," is disclosed in the section "Special section – Liquidity profile."

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 extraordinary circumstances as well as the restriction or suspension of redemption are set out in the 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". 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 "Risks of restricted liquidity of the fund (liquidity risk)".

### 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. Where applicable, these prerequisites are described in the section "Special section – Units – Issue of units."

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 – Issue and redemption of 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 Company determines on each valuation date, with the participation of the custodian, 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 value for the fund's units is determined on all exchange trading days. On public holidays within the jurisdiction of the KAGB that are exchange trading days, as well as on December 24 and December 31 of each year, the Company and the custodian may refrain from calculating these prices. No calculation of the net asset value per unit currently takes place on New Year's Day, Good Friday, Easter Monday, May Day, Ascension Day, Whit Monday, Corpus Christi, the Day of German Unity, Christmas Eve, Christmas Day, St. Stephen's Day and New Year's Eve. There are some additional days such as foreign holidays that can also be excluded as valuation days in the "Special section."

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

The Company will not publish issue or redemption prices during any suspension of the redemption of units (which is explained in more detail in the section "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 "Special section – Initial sales charge" and "Special section – Redemption fee."

### 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 by the custodian and the agents designated in the section "Special section – Units – Issue of units" for the issue and redemption of units at the respective issue price (net asset value per unit plus initial sales charge) or redemption price (net asset value per unit).

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 "Special section – Administrative and other costs."

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

If the fund invests in other investment undertakings, a management fee may be incurred for them. A performance-based fee, where applicable, may additionally be charged. Such a performance-based fee can consume a significant portion of the positive performance of a target fund. Such a performance-based fee may apply in individual cases even if the absolute performance of the fund is negative. In addition, the target fund may be charged with costs, commissions and other expenses that reduce the value of the target fund's assets. The costs incurred for the target fund may in individual cases be higher than costs customary in the market. They reduce the net asset value of the fund and are incurred even if the performance of the target fund is negative.

These ongoing charges for the target fund units held in the fund are taken into consideration when calculating the total expense ratio (see section "Costs – Statement of total expense ratio").

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.

Regulations governing the handling of any management fee or all-in fee of the target fund charged on the acquisition of units of target funds that are directly or indirectly managed by the Company itself or by another company with which the Com-



pany is affiliated by virtue of joint management or control, or through a material direct or indirect equity interest amounting to more than 10% of the capital or voting rights, (hereinafter "affiliated target funds") can be found 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. The Company or the other company may not charge initial sales charges or redemption fees when purchasing affiliated target funds. Also disclosed in the annual and semiannual reports will be the fee that was charged to the fund as a management 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. The same shall apply with respect to the all-in fee, if an all-in fee is charged to the fund and/or the affiliated target fund.

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

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

The Company may enter into agreements with selected brokers, traders and other analysis providers in the context of which market information and analysis services (research) are acquired from the respective provider in return for payment; the costs and fees incurred as a result are not additionally charged to the fund. The Company can use these services for the purpose of managing the fund.

When availing of these services, the Company shall comply with all applicable regulatory provisions and industry standards.

### Statement of total expense ratio

In the annual report, the management 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"). Management 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 "Special section – Administrative and other costs" and "Costs – Circumstances particular to the acquisi-

tion of investment fund units"). 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).

If the investor is advised on the acquisition of units by third parties (particularly investment services companies) or if they 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 or the Key Information Document and which may exceed the total expense ratio described here.

This may be due in particular to regulatory requirements for the determination, calculation and disclosure of costs by investment services companies that result from the national transposition of the MiFID 2 Directive. Deviations from the expense statement may arise on the one hand from the fact that these third parties additionally take into account the costs of their own services (e.g., a premium or also ongoing commissions for the brokerage or consulting activities, fees for custody account management, etc.). In addition, these investment services firms are subject to sometimes differing requirements for the calculation of costs incurred at fund level, so that, for example, the transaction costs of the fund are included in the third party's expense statement, although they are not part of the above-mentioned total expense ratio in accordance with the provisions currently applicable to the asset management company.

Deviations in the expense statement may arise not only with regard to the cost information prior to the conclusion of the contract, but also in the event of any regular cost information by a third party regarding the existing fund investment as part of a permanent business relationship with its client.

### Compensation policy

The Company is included in the compensation strategy of the DWS Group. 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 development of the DWS Group. Under the compensation strategy, particularly employees of the first and second management level 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 price 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://www.dws.com/footer/Legal-Resources/dws-remuneration-policy/>. This includes a description of the calculation methods for compensation and bonuses to specific employee groups, as well as the specification of the persons responsible for the allocation, including members of the Compensation Committee. 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 a "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. Investors shall additionally be informed about the termination on paper or in electronic format via their institutions maintaining custody accounts. 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 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 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.

### Transfer of the fund

The Company may transfer the right to manage and dispose of the investment 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.

### 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.

### 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. If that other investment undertaking is a UCITS, it must still fulfill the requirements of a UCITS that was launched in Germany or in another EU or EEA state even after the transfer of assets. The transfer may also be effected by transferring all assets to a currently existing domestic investment stock corporation with variable capital or to a new one established by the merger.

The transfer takes effect at the end of the transferring 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 institutions maintaining the custody accounts of the fund's investors will, no later than 37 days before the proposed key date of transfer, inform investors 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. Investors will further receive the Key Information Document for the investment under-

taking to which the assets of the fund are to be transferred.

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 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 fund that corresponds to the value of the units held in the transferring investment 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 additionally in a business publication and a daily newspaper with sufficient circulation, or on the Internet at [dws.com](http://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 another 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

DWS Investment GmbH has outsourced the following material activities. Some of the activities were in turn delegated to other outsourcing companies:

Seq. no.	Outsourcing company	Outsourcing measure	Conflicts of interest*
1	DWS Group GmbH & Co. KGaA, Frankfurt/Main	Anti-Money Laundering/Anti-Financial Crime: Security measures to prevent money laundering and terrorist financing, as well as all other criminal activity	Group 2
	<b>Sub-outsourced/Delegated to:</b>	<b>Part of outsourcing measure:</b>	<b>Conflicts of interest</b>
1a	Adviser Compliance Associates, LLC d/b/a ACA Group, Silver Spring (USA)	Use of the ComplianceAlpha application	Group 1
2	DWS Group Services UK Ltd., London (UK)	Anti-Money Laundering/Anti-Financial Crime: Definition of the AFC change strategy. Coordination and reporting of global AFC change activities	Group 2
3	Deutsche Bank AG, Frankfurt/Main	Anti-Money Laundering/Anti-Financial Crime: Security measures to prevent money laundering and terrorist financing, as well as all other criminal activity	Group 2
	<b>Sub-outsourced/Delegated to:</b>	<b>Part of outsourcing measure:</b>	<b>Conflicts of interest</b>
3a	DB USA Core Corporation, New York (USA)	Anti-Money Laundering/Anti-Financial Crime: Services in the area of prevention of money laundering and terrorist financing, as well as all other criminal activity	Group 2
4	DWS International GmbH, Frankfurt/Main	Management of access and user profiles for the "Aladdin" IT platform	Group 2
5	BlackRock Financial Management, Inc., New York (USA)	Use of the "Aladdin" IT platform to support portfolio and risk management.	Group 1
	<b>Sub-outsourced/Delegated to:</b>	<b>Part of outsourcing measure:</b>	<b>Conflicts of interest</b>
5a	Oracle Financial Services Software Inc, Bangalore and Mumbai (India)	Delegation of activities in connection with the preparation of the "Green Package" reports (portfolio risk management and compliance reports)	Group 1
5b	BlackRock Capital Management, Inc., Wilmington (USA)		
5c	BlackRock Investment Management, LLC, Wilmington (USA)		
5d	BlackRock Institutional Services, Inc., Wilmington (USA)		
5e	BlackRock Institutional Trust Company, N.A., San Francisco (USA)		
5f	BlackRock Asset Management Investor Services Limited, London (UK)	Delegation of activities in connection with the use of the "Aladdin" IT platform to ensure global, cross-timezone IT and user support	Group 1
5g	BlackRock (Netherlands) B.V - Frankfurt/Main Branch		
5h	BlackRock (Netherlands) B.V.		
5i	BlackRock Services India Pvt. Ltd, Gurgaon (India)		
5j	BlackRock Japan Co., Ltd., Tokyo (Japan)		
5k	BlackRock Advisors Singapore Pte Limited, Singapore (Singapore)		
5l	BlackRock Hungary Kft. (Hungary)		
6	DWS Group GmbH & Co. KGaA, Frankfurt/Main	Internal Audit	Group 2
	<b>Sub-outsourced/Delegated to:</b>	<b>Part of outsourcing measure:</b>	<b>Conflicts of interest</b>
6a	Wolters Kluwer TAA TeamMate GmbH, Hilden	Use of the TeamMate application	Group 1
7	State Street Bank International GmbH, Munich	Collateral services for OTC transactions, securities lending transactions and securities repurchase agreement transactions	Group 1
	<b>Sub-outsourced/Delegated to:</b>	<b>Part of outsourcing measure:</b>	<b>Conflicts of interest</b>
7a	Euroclear Bank SA/NV	Collateral services for securities lending transactions	Group 1
8	Bank of New York Mellon, London (UK)	Management of collateral for securities lending transactions including, where appropriate, derivative transactions	Group 1
9	Bank of New York Mellon SA/NA, Brussels (Belgium)	Management of collateral for securities lending transactions including, where appropriate, derivative transactions	Group 1
	<b>Sub-outsourced/Delegated to:</b>	<b>Part of outsourcing measure:</b>	<b>Conflicts of interest</b>
9a	The Bank of New York Mellon, New York Branch (USA)		
9b	The Bank of New York Mellon, Orlando Branch (USA)	Management of collateral for securities lending transactions including, where appropriate, derivative transactions	Group 1
9c	The Bank of New York Mellon, Singapore Branch		

Seq. no.	Outsourcing company	Outsourcing measure	Conflicts of interest*
9d	The Bank of New York Mellon, London Branch (UK)	Management of collateral for securities lending transactions	Group 1
9e	BNY Mellon International Operations India Private Limited, Pune	including, where appropriate, derivative transactions	
10	DWS Group GmbH & Co. KGaA, Frankfurt/Main	Business Line Compliance, Compliance Testing Service	Group 2
	<b>Sub-outsourced/Delegated to:</b>	<b>Part of outsourcing measure:</b>	<b>Conflicts of interest</b>
10a	StarCompliance Operating LLC, York, North Yorkshire (UK)	Use of the StarCompliance software	Group 1
11	DWS International GmbH, Frankfurt/Main	Compliance: Trade Surveillance	Group 2
12	Deutsche Bank AG, Frankfurt/Main	Compliance Global, Regional & Country Management Services, Compliance Support of Infrastructure Entities, Regulatory Changes Management, Employee Compliance, Control Room, DB Group Guidelines Structure, Position Reporting, Global Regulatory Risk Assessment, Conduct Risk, Compliance Framework, Training Services	Group 2
	<b>Sub-outsourced/Delegated to:</b>	<b>Part of outsourcing measure:</b>	<b>Conflicts of interest</b>
12a	Deutsche Bank Securities Inc., New York (USA)	Compliance Global, Regional & Country Management Services, Regulatory Changes Management, Employee Compliance, Control Room, Position Reporting, Communication Surveillance	Group 2
12b	DB USA Core Corporation, Florida (USA)	Compliance: Employee Compliance, Control Room, Position Reporting, Communication Surveillance, Regulatory Changes Management.	Group 2
12c	DB USA Core Corporation, New Jersey (USA)	Compliance: Training Services	Group 2
12d	DBOI Global Services (UK) Ltd., Birmingham (UK)	Compliance: Employee Compliance, Control Room, Position Reporting, Communication Surveillance, Regulatory Risk Assessment	Group 2
12e	Deutsche India Private Ltd., Bangalore (India)	Compliance: Employee Compliance, Communication Surveillance	Group 2
13	DWS Beteiligungs GmbH, Frankfurt/Main	HR Services	Group 2
14	DWS Group GmbH & Co. KGaA, Frankfurt/Main	HR Services	Group 2
	<b>Sub-outsourced/Delegated to:</b>	<b>Part of outsourcing measure:</b>	<b>Conflicts of interest</b>
14a	Workday Ltd., Ireland	Use of the Workday application	Group 1
14b	beqom S.A., Nyon (Switzerland)	Use of the Beqom application	Group 1
14c	Alight / Northgate Arinso Deutschland GmbH, Mörfelden-Walldorf	Use of the Alight application	Group 1
15	Deutsche Bank AG, London Branch (UK)	HR services	Group 2
16	Deutsche Bank AG, Frankfurt/Main	HR services	Group 2
	<b>Sub-outsourced/Delegated to:</b>	<b>Part of outsourcing measure:</b>	<b>Conflicts of interest</b>
16a	Deutsche India Private Ltd., Mumbai (India)		Group 2
16b	DB USA Core Corp, XXX USA	Support in the area of HR services	Group 2
16c	DB HR Solutions GmbH, XXX		Group 2
17	DWS Investment S.A. Luxembourg	Maintenance of third-party fund data in connection with business activities of the investment account service	Group 1
18	DWS International GmbH, Frankfurt/Main	Support in monitoring of and compliance with investment guidelines	Group 1
	<b>Sub-outsourced/Delegated to:</b>	<b>Part of outsourcing measure:</b>	<b>Conflicts of interest</b>
18a	Averroes Concept Lounge GmbH, XXX	Consulting (process optimization and solutions) in the area of investment guidelines	Group 1
19	DB Print GmbH, Frankfurt/Main	Investment account service: printing services	Group 2
20	DWS India Private Ltd., Mumbai (India)	Investment account service: printing services	Group 2
21	Swiss Post Solutions GmbH, Bamberg	Scanning, data collection and printing services in connection with business activities of the investment account service	Group 1
22	DWS Beteiligungs GmbH, Frankfurt/Main	IT operations development and support for IT applications	Group 2
	<b>Sub-outsourced/Delegated to:</b>	<b>Part of outsourcing measure:</b>	<b>Conflicts of interest</b>
22a	Deutsche Bank AG, Frankfurt/Main (outsourced to IBM Deutschland GmbH, Stuttgart)	Data center, platform and application services	Group 2
22b	Deutsche Bank AG, Frankfurt/Main (outsourced to Hewlett Packard GmbH, XXX)	Outsourcing of IT infrastructure for key accounts and business clients, including the operating platform, data storage and hosting	Group 2

Seq. no.	Outsourcing company	Outsourcing measure	Conflicts of interest*
22c	ServiceNow Nederland B.V., ) Amsterdam (Netherlands)	Use of the ServiceNow application (IT service management and ticketing system for the entire DWS Group)	Group 1
22d	Palo Alto Networks (Netherlands) B.V., Amsterdam (Netherlands)	Use of the Palo Alto Prisma Cloud application	Group 1
23	Deutsche Bank AG, Frankfurt/Main	Activities in connection with "eWorkplace"-based jobs and the associated IT user support	Group 2
	<b>Sub-outsourced/Delegated to:</b>	<b>Part of outsourcing measure:</b>	<b>Conflicts of interest</b>
23a	ATOS IT Solution GmbH, Munich	Activities in connection with "eWorkplace"-based jobs and the associated IT user support	Group 1
24	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	Group 2
25	DWS International GmbH, Frankfurt/Main	Support for product-related activities, legal examinations of investment funds and associated fund documents.	Group 2
26	DWS Group GmbH & Co. KGaA, Frankfurt/Main	Legal advisory services and support in legal matters	Group 2
	<b>Sub-outsourced/Delegated to:</b>	<b>Part of outsourcing measure:</b>	<b>Conflicts of interest</b>
26a	Wolters Kluwer ELM Solutions, Inc., Houston (USA)	Support in the area of legal advisory services	Group 1
27	DWS Beteiligungs GmbH, Frankfurt/Main	Legal advisory services and support in legal matters	Group 2
28	Deutsche Bank AG, Frankfurt/Main	General legal advisory services	Group 2
	<b>Sub-outsourced/Delegated to:</b>	<b>Part of outsourcing measure:</b>	<b>Conflicts of interest</b>
28a	Deutsche India Private Ltd., Bangalore Branch, India	Support in the area of legal advisory services (invoicing and reporting)	Group 2
28b	Deutsche India Private Ltd., Mumbai, India	Support in the area of legal advisory services	Group 2
29	DWS Beteiligungs GmbH, Frankfurt/Main	Trade Processing, Fund Accounting, Reporting & Performance Measurement, Account Reconciliation	Group 2
	<b>Sub-outsourced/Delegated to:</b>	<b>Part of outsourcing measure:</b>	<b>Conflicts of interest</b>
29a	DWS India Private Ltd., Mumbai (India)	Support in the area of trade processing (matching & settlement), Fund Accounting & Corporate Actions, Account Reconciliation, Reporting	Group 2
29b	DWS India Private Ltd., Mumbai (India)	Data Quality Management Processing	Group 2
29c	StatPro (Deutschland) GmbH, Frankfurt/Main	Performance measurement application - StatPro Revolution	Group 1
29d	IDS GmbH, Munich	Preparation of Solvency II reports and analyses for insurance customers	Group 1
29e	DWS India Private Ltd., Mumbai (India)	Support in the area of reporting	Group 2
29f	SimCorp GmbH, Bad Homburg	Use of SimCorp Coric IT software for the purposes of client reporting, performance measurement and customer relationship management	Group 1
30	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	Group 1
31	DWS Beteiligungs GmbH, Frankfurt/Main	Contract management and tendering procedures	Group 2
	<b>Sub-outsourced/Delegated to:</b>	<b>Part of outsourcing measure:</b>	<b>Conflicts of interest</b>
31a	AMBA HOLDINGS INC, XXX	Support for the processing of tenders (RFP support)	Group 1
31b	DWS International GmbH, Frankfurt/Main	Support in contract management as well as tendering procedures	Group 2
32	DWS International GmbH, Frankfurt/Main	Support in the area of risk management	Group 2
33	DWS International GmbH, Frankfurt/Main	Customer care (service center)	Group 2
34	DB Direkt GmbH, Frankfurt/Main	Customer care (B2C)	Group 2
35	DWS India Private Ltd., Mumbai (India)	Investment research and backtesting of model portfolios for the overlay area	Group 2
36	DWS Investment Management Americas Inc., New York (USA)	Execution of trades in securities, derivatives and currencies for all regions, but with a focus on the American region.	Group 2
37	DWS International GmbH, Frankfurt/Main	Execution of trades in securities, derivatives and currencies for all regions, but with a focus on the EMEA region.	Group 2



Seq. no.	Outsourcing company	Outsourcing measure	Conflicts of interest*
38	DWS Investments (Hong Kong) Ltd., XXX	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.	Group 2
39	DWS Beteiligungs GmbH, Frankfurt/Main	Finance: bookkeeping, accounting and reporting	Group 2
40	Deutsche Bank AG, Frankfurt/Main	Accounting and bookkeeping services	Group 2
41	DWS GLOBAL BUSINESS SERVICES, INC., Taguig City (Philippines)	Accounting and bookkeeping services	Group 2
42	Barra, LLC & MSCI Ltd., London (UK)	Use of the BARRAONE and BARRA PORTFOLIO MANGER software to conduct risk and return analyses.	Group 1
43	Feedstock Ltd., London (UK)	Research consumption monitoring	Group 1
44	DWS Group GmbH & Co. KGaA, Frankfurt/Main	Procurement: Asset management company procurement	Group 2
	<b>Sub-outsourced/Delegated to:</b>	<b>Part of outsourcing measure:</b>	<b>Conflicts of interest</b>
44a	SAP Deutschland SE & Co. KG, Walldorf	Use of the SAP Concur application	Group 1
44b	ProcessUnity Ireland Ltd., XXX Ireland	Use of the ProcessUnity application	Group 1
45	DWS Group GmbH & Co. KGaA, Frankfurt/Main	Risk management	Group 2
	<b>Sub-outsourced/Delegated to:</b>	<b>Part of outsourcing measure:</b>	<b>Conflicts of interest</b>
45a	ACL Services Ltd., Vancouver, BC, Canada	Use of the Galvanize application	Group 1
46	DWS Group GmbH & Co. KGaA, Frankfurt/Main	Use of the DUCO software for processing, consolidating and standardizing data (e.g., SWIFT messages, custodian statements and reports, active fund reports)	Group 2
	<b>Sub-outsourced/Delegated to:</b>	<b>Part of outsourcing measure:</b>	<b>Conflicts of interest</b>
46a	Duco Technology Ltd., London (UK)	Use of the DUCO Reconciliation application	Group 1
47	RREEF America LLC., Wilmington (USA)	Support for the management of DWS Investment private debt portfolios	Group 2
	<b>Sub-outsourced/Delegated to:</b>	<b>Part of outsourcing measure:</b>	<b>Conflicts of interest</b>
47a	Mercatus Inc., San Mateo (USA)	Support for the management of DWS Investment private debt portfolio	Group 1
48	DWS India Private Ltd., Mumbai (India)	IT operations development and support for IT applications	Group 2
49	DWS Group GmbH & Co. KGaA, Frankfurt	Support for the CISO function	Group 2
	<b>Sub-outsourced/Delegated to:</b>	<b>Part of outsourcing measure:</b>	<b>Conflicts of interest</b>
49a	Key Factor Inc., OH (USA)	Use of the Key Factor application	Group 1
49b	NCC Services Ltd., Manchester (UK)	Use of the NCC application	Group 1
50	MorgenFund GmbH, Frankfurt/Main	Management of investment accounts (OAP services)	Group 1

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

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

Group 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 investors and between one investor and another. In conflicts of interest between the Company or its employees on the one hand and the investors on the other hand, investor 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 DWS website – <https://www.dws.com/Legal-Recourses/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 undertakings, and investors of the investment undertakings, 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.

#### a) 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.

#### b) 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.

#### c) 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. 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 summarize the findings of the audit in a special report; the auditor's report shall be reproduced in full in the annual report. 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 and sales information in accordance with MiFID 2." The documentation can also be obtained at the custodian.

The Company discloses the following information:

- Information on any changes with respect to the liability of the custodian, without delay, in a business publication and a daily newspaper with sufficient circulation, or on the Internet at [www.dws.com](http://www.dws.com).
- The percentage of the AIF's assets that are difficult to liquidate and are therefore subject to special arrangements, in the annual report.
- Any new rules for the AIF's liquidity management, in the annual report.
- The current risk profile of the AIF and the risk management systems employed to manage those risks, in the annual report.
- All changes to the maximum permitted level of leverage, in the annual report.
- Rights of reuse of collateral and guarantees provided to the AIF as part of leverage transactions, and changes to these rights, in the annual report.
- The total amount of leverage of the AIF in question, in the annual report.

## **Service providers**

Companies that are assuming functions outsourced by the Company are presented under "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

## PWM US Dynamic Growth (USD)

### Fund, sub-funds and unit classes

The fund PWM US Dynamic Growth (USD) was launched on September 8, 2008, for an indefinite period. 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. Share certificates are made out to bearer, are issued for one unit or multiples thereof and embody the bearer's claims against the Company. All units issued have the same configuration characteristics. No unit classes shall be formed. The fund is not a sub-fund of an umbrella structure.

### Investment objective and strategy

#### Investment objective

The objective of the fund is to generate the highest possible appreciation of capital. Income is reinvested in the fund.

The fund is not benchmarked against an index.

**As part of its discretionary management policy for the fund, the Company engages in active selection of the assets permitted under the KAGB and the Terms and Conditions of Investment. Decisions on asset selection are based on well-founded evaluations by the globally networked investment specialists of the fund management.**

The fund management does not use a benchmark to manage the fund because it believes that focusing on a variable portfolio composition is the best way to realize the investment strategy.

#### Investment strategy

The Company acquires and sells the assets permitted under the KAGB and the Terms and Conditions of Investment in accordance with its assessments of economic and capital market conditions. In the selection of units of investment undertakings, the Company focuses on the sales documentation made available, as well as on the past price performance of these investment funds.

1. At least 51% of the fund's assets are invested in equities of U.S. issuers or in companies having their principal business activity in the United States, in investment funds that in turn invest at least 51% of their assets in equities as defined above, or in certificates whose underlyings are equities as defined above or U.S. equity indices or equity baskets of issuers as defined above.

2. Up to 100% of the fund's assets may be invested in securities as defined in article 27, no. 1, of the Special Terms and Conditions of Investment.

Of this amount,

- up to 20% may be invested in fixed rate and floating rate securities, convertible bonds, warrant-linked bonds and dividend-right

certificates, certificates on investments whose underlying instruments are bonds, such as bond indices and bond baskets, as well as asset-backed securities, including mortgage-backed securities;

- up to 15% may be invested in certificates on commodities and commodity indices.

3. Up to 20% of the fund's assets may be invested in money market instruments according to article 27, no. 2, of the Special Terms and Conditions of Investment.

4. Up to 20% of the fund's assets may be held in bank balances according to article 27, no. 3, of the Special Terms and Conditions of Investment.

5. Up to 100% of the fund's assets may be invested in investment fund units and in shares of investment stock corporations whose terms and conditions of investment or Articles of Incorporation correspond to articles 192 through 213 KAGB, in investment units and units in EU UCITS, and in the corresponding foreign open-ended investment fund units according to article 27, no. 4, of the Special Terms and Conditions of Investment in conjunction with article 196 KAGB.

6. Up to 100% of the fund's assets may be invested in units of 'Mixed' investment funds and in shares of investment stock corporations whose terms and conditions of investment or Articles of Incorporation correspond to articles 218 and 219 KAGB, as well as in the corresponding EU investment undertakings and foreign AIFs according to article 27, no. 4, of the Special Terms and Conditions of Investment.

7. A total of up to 30% of the fund's assets may be invested in any and all types of swaps, credit default swaps, forwards, futures, options and swaptions according to article 27, no. 5, of the Special Terms and Conditions of Investment, in the precious metals copper, silver, gold, ruthenium, rhodium, palladium, osmium, iridium, platinum and mercury according to article 27, no. 7, of the Special Terms and Conditions of Investment, as well as in non-securitized loans according to article 27, no. 7, of the Special Terms and Conditions of Investment. Non-securitized loans can be acquired in the form of standardized consumer credit or corporate loans. There are no restrictions concerning the type of collateralization. Loan portfolios as well as individual loans may be acquired. Derivatives as defined by article 197 (1) KAGB are not included in this limit.

8. A total of up to 20% of the fund's assets may be invested in other investment instruments according to article 27, no. 6, of the Special Terms and Conditions of Investment, as well as in shares of businesses according to article 28, no. 10, of the Special Terms and Conditions of Investment that are not admitted for trading on a stock exchange or included in an organized market and were acquired before July 22, 2013.

9. Up to 30% of the fund's assets may be invested in units of 'Other' investment funds.

Also included in this investment limit are investment funds with additional risks (hedge funds), as well as the corresponding investment stock corporations, EU investment undertakings and foreign AIFs that were acquired before July 22, 2013.

As regards the persons in charge of investment decisions at the target funds, the Company determines whether the managing directors and/or fund managers concerned have a general professional ability to conduct transactions with 'Other' investment funds, and whether they have empirical knowledge corresponding to the respective fund profile, as well as practical expertise. This approach was also applied in the selection of the hedge funds already acquired.

a) 'Other' investment funds

'Other' investment funds in this respect are:

- 'Other' investment funds and/or investment stock corporations whose terms and conditions of investment or Articles of Incorporation correspond to articles 220 through 224 KAGB.
- EU investment undertakings whose investment policies make them subject to requirements comparable to those of German 'Other' investment funds.
- Foreign AIFs whose investment policies make them subject to requirements comparable to those of German 'Other' investment funds.

'Other' investment funds must

- have their assets held in custody by a custodian or have the function of the custodian discharged by another comparable institution;
- have regulations governing borrowing.

'Other' investment funds may borrow up to 20% of the value of the investment fund's assets as part of their investment strategy to increase leverage, and may make unrestricted use of derivatives.

Acquirable 'Other' investment funds may pursue all of the investment strategies permissible under article 221 KAGB. There are no restrictions.

b) Investment funds with additional risks (hedge funds):

Notwithstanding article 221 KAGB, and in accordance with article 349, nos. 2 through 4, KAGB and article 8 (5) (b) of the General Terms and Conditions of Investment, the fund may continue to hold units of investment funds with additional risks that were launched pursuant to article 112 of the German Investment Act ("InvG") and shares of investment stock corporations whose Articles of Incorporation provide for an investment form comparable to that of article 112 InvG and were launched accordingly, as well as units or shares of EU invest-

ment undertakings or foreign AIFs comparable to article 349, no. 2 or no. 3, KAGB, provided that these units or shares were acquired before July 22, 2013.

Hedge funds in this respect were:

- Investment funds with additional risks and/or investment stock corporations whose Articles of Incorporation or terms and conditions of investment corresponded to articles 112 et seq. InvG (German single hedge funds).
- EU investment undertakings whose investment policies made them subject to requirements that were comparable to those of German single hedge funds.
- Foreign AIFs whose investment policies made them subject to requirements that were comparable to those of German single hedge funds.

Hedge funds (target funds) had to

- have their assets held in custody by a custodian or have the function of the custodian discharged by another comparable institution.
- have regulations governing separate custody of their assets, borrowing, granting of loans and short sales of securities and money market instruments.

Target funds could take out unlimited loans or make unlimited use of derivatives as part of their investment strategy to increase leverage. There was no limit in principle on the sale for the collective account of assets that did not belong to the investment fund at the time of concluding the transaction (short sale).

Target funds that, as hedge funds, pursued alternative investment strategies employed one or more of the strategies described below. The description of the alternative investment strategies presented here could differ from that in other publications or documents; it was the subject matter of the strategies described here that was of significance:

### Equity long/short strategy

Through the long/short strategy, long positions in equities, equity index derivatives or other derivatives may be combined with short sales of equities, equity index derivatives or other derivatives. The success of the strategy depends primarily on the selection of stocks and on the degree to which the target fund manager is successful in accurately predicting the future development of the equity markets. When equity markets rise, a target fund that makes use of this strategy participates in the positive developments of the stocks in which the fund holds long positions. Conversely, the portion of the target fund that is sold short, meaning the stocks in which the target fund manager has entered into short-sale transactions, tends to minimize losses when the equity markets are falling, and may in certain circumstances even lead to gains.

### Global macro

Global macro target fund managers can employ strategies that are oriented toward significant economic or political events that may, for example, influence developments in the interest rate markets or in other financial markets. They analyze the effects of such events with the objective of generating profits from both rising and falling markets. Portfolios are built up of securities considered to be undervalued and short sales of related instruments that the target fund manager considers to be overvalued with the objective of achieving gains. The target fund manager may make use of directional trading or relative-value approaches to achieve this objective. The directional trading approach also focuses on unhedged long or short positions in different markets. In contrast, the relative-value approach seeks to limit market risk to the greatest possible extent through the use of hedging transactions.

### Managed futures/CTAs

Target fund managers who use Managed futures/CTA (Commodity Trading Advisor) strategies seek to identify and take advantage of developments in the financial and commodities markets – usually with the aid of computers. Their systematic approach focuses on developments in a very large number of markets. Constant research and continuous development of trading systems are particularly important in this strategy.

### Option strategies

In this strategy, the target fund manager works with options and seeks gains primarily through option premiums. For example, they may buy exchange-traded put options on individual European or U.S. blue-chip stocks and collect an option premium for this. The market volatility to which a stock is subject plays a crucial role in the amount of the option premium. In general, the higher the volatility, the higher the option premium. To hedge the target fund's portfolio, exchange-traded put options based on an index that reflects the performance of a number of different stocks – including the stocks that underlie the equity put options (index put options) – may be bought. In addition, capital invested may be leveraged through loans or through the use of derivatives.

### Convertible arbitrage

This strategy seeks to exploit price inefficiencies between convertible securities such as convertible bonds, for example, and their corresponding stocks. The target fund manager acquires the convertible securities and takes a short position in the stocks underlying the convertible bond to reduce the risk associated with the stock. In addition, the target fund manager's market assessment of the stocks may also enter into the transaction through the accumulation of a short position that is proportionally greater or less than the corresponding conversion ratio. This results in additional opportunities and risks.

### Event-driven arbitrage

Event-driven arbitrage is a strategy based on events, an example being the life cycle of a company. The target fund manager invests in individual securities in which they expect corporate events to occur that they believe have not been factored into the current price. Such events may especially include various corporate transactions, such as spin-offs, mergers and acquisitions, financial reorganizations due to imminent bankruptcy or stock buybacks. The manager seeks profits in various ways, including the use of long and short positions in equities and interest-bearing securities and options.

### Merger arbitrage

Merger arbitrage managers seek to take advantage of expected price differences that might arise between the current market price of securities affected by a merger, a takeover, a takeover offer or similar corporate transactions, and the price of the securities after the transaction has been completed. This normally is effected by entering into a long position in the stock of the company being taken over and a short position in the stock of the company carrying out the takeover. The width of the spread normally reflects the evaluation of the market as to the probability of a successful conclusion of the transaction. Transactions considered to be likely to fail offer higher returns than mergers that are held to be certain.

### Fixed-income arbitrage/ Credit arbitrage

Fixed-income arbitrage and credit arbitrage are strategies in which the target fund manager primarily buys fixed-income securities they believe to be undervalued and sells securities they consider overvalued. Most of the time, relative price differences arise temporarily as a consequence of local or global events, due to transitory supply-demand imbalances or because of varying accounting standards or regulatory provisions in a particular region. Relative price differences may also arise because buyers and sellers of securities seek different investments due to risk preferences, hedging needs or investment views. Managers using these strategies are often highly leveraged in order to be able to participate appropriately in these normally very small differences.

### Other relative-value arbitrage

An approach that, depending on market assessment, makes flexible use of the aforementioned arbitrage strategies. It allows for temporary concentration on one or more strategies.

10. Notwithstanding article 221 KAGB, and in accordance with article 349, no. 5, KAGB and article 10 (1) of the General Terms and Conditions of Investment, the fund may continue to hold equity interests in businesses whose market value can be determined, provided these ownership interests were acquired before July 22, 2013.



The Company could specifically acquire ownership interests in the following types of businesses:

- domestic and foreign partnerships,
- domestic and foreign corporations,
- trusts.

The investment limit specified in article 28 (8) of the Special Terms and Conditions of Investment continues to apply and relates correspondingly to other investment instruments according to article 27, no. 6, of the Special Terms and Conditions of Investment and to equity interests in businesses acquired before July 22, 2013, whose market value can be determined.

11. Notwithstanding article 221 KAGB, and in accordance with article 349, no. 1 and no. 4, KAGB and article 8 (5) (a) of the General Terms and Conditions of Investment, the fund may continue to hold units of real estate investment funds that were launched according to articles 66 through 82 InvG, as well as units or shares of EU investment undertakings or foreign AIFs comparable to such investment funds, provided that these units or shares were acquired before July 22, 2013.

Up to 15% of the fund's assets could be invested in such units or shares. The terms and conditions of investment of real estate investment funds and of the corresponding EU investment undertakings and foreign AIFs had to provide for the following real estate investments:

- residential rental properties, commercial properties, mixed-use properties, properties under construction, undeveloped plots, hereditary building rights and interests in real-estate companies, as well as rights in the form of residential property ownership, part-ownership, hereditary building rights for residential properties, partial hereditary building rights and usufruct of properties.

12. The fund may not invest in contingent convertibles.

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

Furthermore, in accordance with article 7 (1) and (2) of Regulation (EU) 2019/2088 on sustainability related disclosures in the financial services sector ("Disclosure Regulation"), the following is disclosed for the fund: Since the fund management does not take principal adverse impacts (PAI) on sustainability factors into account separately at the level of the fund on account of the configuration of the investment strategy, which does not promote environmental and social characteristics, no further information on such impacts is disclosed in the annual report.

14. In addition to the other investment limits defined in the Terms and Conditions of Investment, it applies for the purposes of bringing about a partial exemption as defined in the German Investment Tax Act (InvStG) that at least 51% of the fund's gross assets (determined as being the value of the investment fund's assets without taking into account liabilities) will be invested in such equity capital investments as defined by article 2 (8) InvStG that are equities which are admitted to official trading on a stock exchange or admitted to, or included in, another organized market ("equity funds").

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

## Performance

### PWM US Dynamic Growth (USD)

Performance at a glance

ISIN	1 year	3 years	5 years
DE000DWS0T52	-27.6%	19.9%	53.5%

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

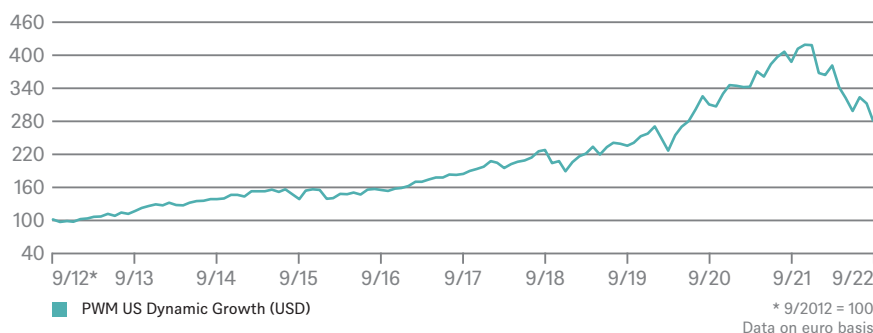
As of: September 30, 2022

Data on euro basis

Updated performance information will be published in the annual and semiannual reports and on the Internet at dws.com.

### PWM US Dynamic Growth (USD)

Ten-year performance



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

As of: September 30, 2022

## Special notes

### Consideration of sustainability risks and principal adverse impacts

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. This consideration applies to the entire investment process, i.e., for both the fundamental analysis of investments and for the decision itself.

In the fundamental analysis, ESG criteria are taken into account in particular in the proprietary market analysis.

In addition, ESG criteria are integrated into the entire investment research process. This includes identifying global sustainability trends, financially relevant ESG topics and challenges.

Furthermore, risks that could arise from the effects of climate change or risks arising from the violation of internationally accepted guidelines are subjected to a special review. 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.

In order to take ESG criteria into consideration, the Company also uses a proprietary ESG database for investment decisions which collates ESG data from other research companies, public sources as well as its own research results. Insofar as ESG criteria are evaluated and taken into account in the investment process and this results in limitation of the investment universe, the Special Terms and Conditions of Investment include detailed information about the ESG database, various assessment categories and investment limits for each assessment category.

If an investment is made in a company following the ESG-integrated fundamental analysis, these investments continue to be monitored taking into account ESG aspects. In addition, dialogue is sought with the companies regarding improving corporate governance and stronger consideration of ESG criteria. This occurs, for example, through involvement as a shareholder in the company, in particular through the exercise of voting rights and other shareholder rights.

### Increased volatility

**Due to its composition and the techniques applied by its fund management, the fund is subject to markedly increased volatility, which means that the price per unit may be subject to substantial 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,
- Currency risk,
- Risks associated with derivative transactions
- Risk from investing in assets
- Elevated risks from the acquisition of investment fund units according to articles 192 through 213 KAGB, units of real estate investment funds according to articles 66 through 82 InvG, units of 'Mixed' investment funds according to articles 218 and 219 KAGB, units of 'Other' investment funds according to articles 220 through 224 KAGB and units of investment funds with additional risks according to article 112 InvG (hedge funds), shares of investment stock corporations according to article 108 KAGB whose Articles of Incorporation/terms and conditions of investment provide for investment forms comparable to articles 192 through 213 KAGB, 218 and 219 KAGB, 220 through 224 KAGB or article 112 (1) InvG, as well as units and shares of the respective comparable EU and foreign investment undertakings. Units of real estate investment funds according to articles 66 through 82 InvG, units or shares of EU or foreign AIFs comparable to this type of investment fund and units of investment funds with additional risks according to article 112 InvG, as well as shares of investment stock corporations whose Articles of Incorporation provide for an investment form comparable to that of article 112 InvG, may no longer be acquired for the fund as of July 22, 2013, but may continue to be held.

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 "qualified approach" as defined by the Derivatives Regulation. To this end, the Company compares the market risk of the fund with the market risk of a virtual reference portfolio containing no derivatives. The reference portfolio with no derivatives is a virtual portfolio that corresponds exactly to the current value of the fund's assets at all times, but which does not include increases or hedges of market risk using derivatives. The composition of the reference portfolio must correspond in all other respects to the investment objectives and investment policy applicable to the fund. The reference portfolio with no derivatives for the fund PWM US Dynamic Growth (USD) consists of the largest U.S. companies.

The precise composition of the reference portfolio is available from the Management Company on request.

**If derivatives are used, the value-at-risk amount for the fund's market risk exposure may at no time exceed twice the value-at-risk amount for the market risk exposure of the associated reference portfolio with no derivatives.**

The market risk of both the fund and the reference portfolio with no derivatives is determined by means of a suitable internal risk model, applying the value-at-risk method. As its modeling method, the Company uses historical simulation with a complete revaluation of the products. The main parameters are: 99% confidence interval, 10-day holding period, 1-year history and no decay factor. Stress tests are additionally performed, and the value-at-risk methodology is confirmed through back-testing. The Company records the market price risks from all transactions. By means of the risk model, it quantifies the change in the value of the assets held in the fund over time. The "value at risk" is thus a limit, expressed as a monetary amount, for potential losses in a portfolio between two given points in time. This change in value is determined by random events, namely the future development of market prices, and can therefore not be predicted with certainty. The market risk to be determined in each case can be estimated only with sufficiently high probability.

The Company may – provided an appropriate risk management system is in place – invest in any and all types of derivatives. 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 risk-tolerant investor who, in seeking investments with strong returns, can tolerate the substantial fluctuations in the values of investments, and the very high risks this entails. Strong price fluctuations and high credit risks result in temporary or permanent reductions of the net asset value per unit. Expectations of high returns and tolerance of risk by the investor are offset by the possibility of incurring significant losses up to and including the total loss of capital invested. The investor is willing and able to bear such a financial loss and is not concerned with capital protection.

The 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.

## Units

### Issue of units

Units can be purchased from the custodian, the Company or through an intermediary.

Orders 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.

### Redemption of units

Orders 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.

### Settlement when issuing and redeeming units

Contrary to the statements in the section “Units – Settlement when issuing and redeeming units,” settlement takes place three bank business days after redemption of the units.

## Liquidity profile

Taking into account the investment strategy, the fund invests in assets of which:

- up to 100% of the net asset value can be liquidated daily,
- up to 0% of the net asset value can be liquidated within periods of one (1) to seven (7) days,
- up to 0% of the net asset value can be liquidated within periods of eight (8) to thirty (30) days,
- up to 0% of the net asset value can be liquidated within periods of thirty-one (31) to ninety (90) days,
- up to 0% of the net asset value can be liquidated within periods of ninety-one (91) to one hundred and eighty (180) days,
- up to 0% of the net asset value can be liquidated within periods of one hundred and eighty-one (181) to three hundred and sixty-five (365) days,

- up to 0% of the net asset value can regularly be liquidated only within a period of over one year.

The liquidity profile can change within the confines of the investment strategy.

## Issue and redemption prices

### Issue and redemption prices

The currency of the fund is the U.S. dollar. The required payments for the issue and redemption of units shall be made in U.S. dollars at the level of the fund, meaning that the custodian settles the payments required for the issue and redemption of units with the fund in U.S. dollars. The investor may generally make payments for the acquisition of units in euro as well.

### Initial sales charge

The initial sales charge for the fund is currently 5% of the net asset value per unit. This initial sales charge may reduce or completely consume performance, 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.

## Administrative and other costs

### All-in fee

The Company shall receive from the assets of the fund an all-in fee of 1.2% p.a. of the annual average net asset value of the fund, calculated based on the net asset value determined each exchange trading day (see article 18 of the General Terms and Conditions of Investment). The Company has the right to collect monthly prorated advances on this fee. The following fees and expenses are included in the all-in fee, and will not be charged separately to the fund:

- fee for managing the fund (collective asset management, which particularly includes fund management, administration, cost of distribution and a service fee for reporting and analysis);
- custodian fees;
- cash and custody account fees in line with normal banking practice (including, where applicable, normal costs for holding foreign assets in custody abroad);
- the costs incurred for printing and mailing the sales documentation intended for investors as required by law (annual and semi-annual reports, Sales Prospectuses, Key Information Document);
- 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;

- the cost of having the fund audited by the external auditor of the fund;
- 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.

The following additional expenses may also be charged to the fund:

- transaction costs incurred in the purchase and sale of assets;
- taxes imposed in connection with the fees payable to the Company, the custodian and third parties, as well as with the expenses mentioned hereinafter, including taxes arising in connection with administration and custody;
- 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;
- the cost of informing investors by durable medium, not including the cost of informing investors by durable medium in cases of
  - fund mergers and
  - measures taken in connection with computation errors in the determination of the net asset value per unit, or in cases of investment limit violations.

The amount of transaction costs borne by the fund depends on the number of transactions actually conducted during the fiscal year. The Company anticipates a maximum of 2% of average assets under management for the period of one fiscal year of the fund. The actual transaction costs can, in fact, be higher or lower during this period. The aforementioned percentage is therefore just an estimate.

Other costs are anticipated to amount to 0.5% of the average net asset value of the fund. This amount is also an estimate and can be exceeded if additional costs are documented. The fund will only bear the actual costs, be they higher or lower than the maximum amount.

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

Additional costs may be incurred in connection with securities lending transactions and repurchase agreement transactions, such as:

- custodian fees;
- account fees in line with normal banking practice (including, where applicable, normal costs for holding foreign securities in custody abroad);
- fees payable to external service providers engaged by the Company to conduct the transactions (see also the section on securities lending transactions and securities

repurchase agreement transactions earlier in this Sales Prospectus).

These additional transaction costs are borne by the Company.

### Performance-based fee

The Company may additionally receive a performance-based fee for its management of the fund.

a) Definition of the performance-based fee: The Company may, for its management of the fund, receive a performance-based fee of up to 20% (maximum amount) of the amount by which the net asset value per unit outperforms the benchmark at the end of a settlement period (benchmark outperformance); such amount shall, however, not exceed 4% of the average net asset value of the fund during the settlement period based on the value determined each exchange trading day.

If the net asset value per unit underperforms the benchmark at the end of a settlement period (benchmark underperformance) the Company shall receive no performance-based fee. In a manner corresponding to the calculation of the performance-based fee for benchmark outperformance, the negative amount for each net asset value per unit is calculated based on the benchmark underperformance and carried forward to the next settlement period (negative carryforward). There is no maximum limit on the negative carryforward. The Company shall receive a performance-based fee for the subsequent settlement period only if the amount calculated from the outperformance of the benchmark at the end of that settlement period exceeds the negative carryforward from the previous settlement period. In this case, the fee entitlement is equal to the difference between the two amounts. If the amount calculated from benchmark outperformance does not exceed the negative carryforward from the previous settlement period, the two amounts are offset. The remaining negative amount for each net asset value per unit is again carried forward to the next settlement period as the new negative carryforward. If the result at the end of the next settlement period is yet another benchmark underperformance, the existing negative carryforward is increased by the amount calculated from this new benchmark underperformance.

When calculating the fee entitlement each year, any negative carryforwards from the previous five settlement periods are taken into account. If there are fewer than five previous settlement periods for the fund, all previous settlement periods are taken into account.

b) Definition of the settlement period: The settlement period commences on October 1 and ends on September 30 of each calendar year. The settlement period may be reduced in cases such as mergers, truncated fiscal years, or the closure of the investment fund.

c) Benchmark: The benchmark is defined as the S&P 500 less 120 basis points. If the benchmark should cease to be applicable, the Company shall specify another comparable index to take the place of the named benchmark.

d) Calculation of performance: The performance-based fee is calculated daily and settled annually at the end of the settlement period. The performance-based fee is determined by comparing the performance of the benchmark with that of the net asset value per unit (see article 18 (1) of the General Terms and Conditions of Investment), calculated according to the BVI method (see [www.bvi.de](http://www.bvi.de)) the settlement period. The costs charged to the fund may not be deducted from the performance of the benchmark prior to comparison.

In accordance with the respective result of the daily comparison, any performance-based fee calculated is deferred in the fund for each unit issued, or an already recognized provision is reversed accordingly. Reversed provisions accrue to the fund. A performance-based fee may be withdrawn only if corresponding provisions have been recognized. The performance-based fee may be withdrawn even if the net asset value per unit at the end of the settlement period is less than the net asset value per unit at the beginning of the settlement period (negative absolute unit performance).

The company forwards the performance-based fee received for its management of the fund [partially/fully] to the investment advisor Deutsche Bank AG.

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

When investing in units of target funds, the costs of the target fund, especially the management fee / all-in fee, performance-based fees, initial sales charges and redemption fees, expense reimbursements, as well as other fees or costs payable for the target funds, are indirectly charged to the fund in full.

For affiliated target funds, the following applies:

No initial sales charges and redemption fees are charged to the fund for the acquisition or redemption of units of affiliated target funds.

When investing in affiliated target funds, the management fee / all-in fee of the target fund is charged to the fund in full (double charging).

### Stock exchanges and markets

The Company has no knowledge of whether the units of the fund are being traded on a stock exchange or organized market.

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

The possibility of the units also being traded on a stock exchange cannot be ruled out.

The market price underlying stock exchange trading or 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. The market price may therefore deviate from the calculated price per unit.

### Fiscal year

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

### Distribution policy

Income will not be distributed for the fund, but reinvested in the fund.

Bearer units in the form of definitive securities were issued for the investment fund in the past. According to the KAGB, these definitive securities must be held in collective custody. Bearer share certificates that are still not held in collective custody by December 31, 2016, will become null and void after this date, as will the coupons not yet due (see section "Units").

Coupons that become due before January 1, 2017, may be presented for payment of the income attributable to them at the respective paying agent. However, the amount may not be paid out in cash and must instead be credited to a domestic account of the investor.

If units are held in a custody account with the custodian, the custodian's branches will credit distributions free of charge. The same applies for custody accounts held at the Company and at Deutsche Bank AG and Deutsche Bank Privat- und Geschäftskunden AG. If the custody account is maintained at banks or savings banks other than the preceding, additional costs may be incurred.

### Consulting firms

The Company has entered into an advisory agreement with Deutsche Bank AG, Taunusanlage 12, 60325 Frankfurt/Main.

Investment advisory comprises analysis and recommendation of suitable investment instruments that take sustainability risks into account.

The investment advisor advises the Company on its investment decisions for the fund, observing the statutory and contractual investment restrictions applicable to the fund. It provides the Company with concrete investment recommendations for day-to-day implementation of the investment policy. For its investment recommendations, the investment advisor must constantly observe and analyze the capital markets and the composition of the securities portfolios and other investments of the fund. The investment advisor must inform the Company immediately about developments that

have a material effect on the fund as a whole or on individual assets contained therein. The investment recommendations are not binding on the Company. The investment advisor does not have the right to place orders with regard to the fund. The investment advisor is liable to the Company for the fulfillment of its obligations. For its services, the investment advisor receives a fee customary in the market, which is included in the all-in fee.



# 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 'Other' 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 investment fund.

### Article 1 General principles

1. The Company is an AIF asset management company and is subject to the provisions of the German Investment Code (Kapitalanlagegesetz-buch, "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 an 'Other' investment 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 'Other' investment fund is limited to the investment of capital according to a defined investment policy 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 'Other' investment fund, and by the KAGB.

### Article 2 Depositary

1. The Company shall appoint a credit institution as Depositary for the 'Other' investment fund. The Depositary shall act independently of the Company and solely in the interests of the investors.

2. The functions and duties of the Depositary are defined by the Depositary agreement concluded with the Company, the KAGB and the Terms and Conditions of Investment.

3. The Depositary can outsource custody duties to another entity ("sub-depositary") as provided for by article 82 KAGB. Additional details are contained in the Sales Prospectus.

4. The Depositary shall be liable to the 'Other' investment fund or to the investors for the loss of a financial instrument held in custody by the Depositary as defined in article 81 (1), no. 1, KAGB, or by a sub investment fund to which the custody of financial instruments was delegated in

accordance with article 82 (1) KAGB. The Depositary 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 Depositary shall also be liable to the 'Other' investment fund or to the investors for all other losses they incur as a consequence of the Depositary's negligent or intentional violation of its obligations under the provisions of the KAGB. The liability of the Depositary 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 Depositary 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 'Other' investment fund at the time of conclusion of the transaction. Article 197 KAGB shall remain unaffected.

### Article 4 Investment principles

The 'Other' investment fund is invested directly or indirectly pursuant to the principle of risk-spreading. The Company shall acquire for the 'Other' investment 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 'Other' investment fund.

### Article 5 Securities

Unless the Special Terms provide for additional restrictions, the Company may purchase securities for the account of the 'Other' investment 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")<sup>1</sup>;

- 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 'Other' investment fund is entitled in the event of a capital increase from the issuing company's own funds;
- f) they were acquired through the exercise of subscription rights belonging to the 'Other' investment 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 'Other' investment fund instruments that are usually traded in the money market, as well as

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

interest-bearing securities that have a residual term not exceeding 397 days at the time of acquisition for the 'Other' investment fund, or whose interest payments are adjusted to market circumstances regularly, although at least 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 'Other' investment 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 'Other' investment 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 'Other' investment 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. Unless the Special Terms provide otherwise, the Company may additionally acquire units of retail investment funds according to articles 218 and 219 KAGB ('Mixed' investment funds), shares of investment stock corporations with variable capital whose Articles of Incorporation provide for an investment form comparable to that of a 'Mixed' investment fund, and units or shares of corresponding EU investment undertakings or foreign AIFs.

3. The Company may acquire units of investment undertakings pursuant to paragraphs 1 and 2 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.

4. Unless the Special Terms provide otherwise, the Company may additionally acquire units of retail investment funds according to articles 220 through 224 KAGB ('Other' investment funds), shares of investment stock corporations with variable capital whose Articles of Incorporation provide for an investment form comparable to that of an 'Other' investment fund, and units or shares of comparable EU or foreign AIFs.

5. Units or shares of investment undertakings according to paragraph 4 may only be acquired if their assets are held in custody by a depositary or if the depositary's functions are exercised by another comparable institution, and only to the

extent these investment undertakings in turn do not invest their resources in units or shares of different 'Other' investment undertakings or of corresponding EU AIFs or foreign AIFs. The Company may not invest in units of foreign open-ended investment undertakings from countries that do not cooperate in combating money laundering as defined in international agreements.

6. In addition, the 'Other' investment fund may hold units or shares of the following investment undertakings, provided that these units or shares were permissibly acquired before July 22, 2013, according to the regulations set forth below:

- a) Real estate investment funds according to article 66 of the amended Investment Act in effect through July 21, 2013 (InvG) (even after their conversion to the KAGB), as well as EU or foreign investment undertakings comparable to such investment undertakings; and
- b) investment funds with additional risks according to article 112 InvG and/or shares of investment stock corporations whose Articles of Incorporation provide for an investment form comparable to that of article 112 InvG (even after their conversion to the KAGB), as well as EU or foreign investment undertakings comparable to such investment undertakings.

## Article 9 Derivatives

1. Unless the Special Terms provide otherwise, the Company can employ derivatives and financial instruments with derivative components as part of the management of the 'Other' investment 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 'Other' investment 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 'Other' investment fund to be determined for the market risk in accordance with article 16 DerivateV may at no time exceed the value of the 'Other' investment fund's assets.

<sup>2</sup> See footnote 1

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.

In these cases, the value-at-risk amount attributable to the 'Other' investment 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 'Other' investment 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.

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

1. The Company may invest in the following for the 'Other' investment fund:

- a) business ownership interests, provided that these interests were permissibly acquired before July 22, 2013, and their market value can be determined; and
- b) 'Other' investment instruments according to article 198 KAGB.

2. The Company may acquire precious metals for the 'Other' investment fund according to article 221 (1), no. 3, KAGB, and non-securitized loans according to article 221 (1), no. 4, KAGB.

## Article 11 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. The Company may invest only up to 30% of the 'Other' investment fund's assets in units or shares of different 'Other' investment funds and of corresponding EU AIFs or foreign AIFs. The units or shares that the 'Other' investment fund holds pursuant to article 8 (6) (b) shall be included in this limit. According to article 8 (4), the Company may invest in no more than two investment undertakings from the same issuer or fund manager for the account of the 'Other' investment fund.

3. The Company must ensure that the proportion of the precious metals, derivatives and non-securitized loans, including those that may be acquired as 'Other' investment instruments as defined by article 198 KAGB, held for the account of the 'Other' investment fund, does not exceed 30% of the investment fund's assets. Derivatives as defined by article 197 (1) KAGB are not included in this limit.

4. Investments according to article 10 (1) may not exceed 20% of the 'Other' investment fund's assets.

## Article 12 Merger

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

- a) transfer all the assets and liabilities of this 'Other' investment fund to another currently existing investment fund or a new one established by such transfer or to an investment stock corporation with variable capital;
- b) transfer all the assets and liabilities of another investment fund or of an investment stock corporation with variable capital into this 'Other' investment fund.

2. The merger requires the approval of BaFin. The detailed procedure is governed by articles 182 through 191 KAGB.

## Article 13 Securities loans

1. The Company may grant to a securities borrower for the account of the 'Other' investment fund a securities loan for an indefinite or definite period 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 'Other' investment 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 'Other' investment fund's assets. If a date has been set for the repayment of the securities loan, the repayment must mature no later than 30 days after the transfer of the securities. The market value for securities that are to be transferred for a definite period, together with the market value of the securities already transferred as a securities loan for a definite period for the account of the 'Other' investment fund, may not exceed 15% of the 'Other' investment fund's assets.

2. If collateral for the securities transferred is provided by the borrower 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 'Other' investment 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 protection of the investors' interests is assured through the facilities provided by the aforementioned system.

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 'Other' investment 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 'Other' investment fund, enter into securities repurchase agreements as defined by article 340b (2) of the German Commercial Code 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 'Other' investment 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 'Other' investment 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 20% of the 'Other' investment fund's assets for the collective account of the investors if the borrowing conditions are customary in the market, and if the Depositary grants its consent.

#### Article 16 Units

1. The share certificates to be securitized in a global certificate 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 Depositary 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 at any time. 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 'Other' investment fund. Units are redeemed by the Depositary.**

**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 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 'Other' investment 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 'Other' investment 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 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 'Other' investment 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 'Other' investment 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 issue and redemption prices are calculated for every issue and redemption of units. Unless the Special Terms provide otherwise, the Company and the Depositary may refrain from calculating these prices on public holidays that are trading days, as well as on December 24 and December 31 of each year; details are set forth in the Sales Prospectus.

#### Article 19 Costs

The fees and other expenses that may be charged to the 'Other' investment 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 Particular obligations to provide information to investors

The Company shall inform investors in accordance with article 300 and article 308 (4) KAGB. Details are set down in the Special Terms.

## Article 21 Reporting duties

1. No later than six months following the close of the 'Other' investment fund's fiscal year, the Company shall publish an annual report, including a statement of income and expenses, according to article 101 (1) through (3) 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 'Other' investment fund is transferred to another asset management company in the course of the fiscal year, or if the 'Other' investment fund is merged into another investment fund or an investment stock corporation with variable capital 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 'Other' investment 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 22 Termination and liquidation of the 'Other' investment fund

1. The Company may terminate its management of the 'Other' investment 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 'Other' investment fund shall cease. In this case, the 'Other' investment fund, or the right to manage and dispose of the 'Other' investment 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 'Other' investment fund to another asset man-

agement 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 21 (1) of the General Terms.

## Article 23 Change of asset management company and Depositary

1. The Company may transfer the right to manage and dispose of the 'Other' investment 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 'Other' investment fund. Such a change requires the approval of BaFin.

## Article 24 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 'Other' investment 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 25 Place of performance

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

## Article 26 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 the "Company") for the 'Other' investment fund

### PWM US Dynamic Growth (USD)

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 27 Assets

The Company may acquire only the following assets for the 'Other' investment 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. units or shares of investment undertakings according to articles 196, 218 and 220 KAGB and of corresponding EU AIFs or foreign AIFs,
5. derivatives according to article 197 KAGB, which shall not be subject to the restrictions on acquisition of article 197 (1) KAGB,
6. 'Other' investment instruments according to article 198 KAGB,
7. precious metals and non-securitized loans.

### Article 28 Investment limits

1. At least 51% of the 'Other' investment fund's assets are invested in equities of U.S. issuers or in companies having their principal business activity in the United States, in investment funds that in turn invest at least 51% of their assets in equities as defined above, or in certificates whose underlying assets are equities as defined above or U.S. equity indices or equity baskets of issuers as defined above.

2. Up to 100% of the 'Other' investment fund's assets may be invested in securities as defined in article 27, no. 1, of the Special Terms and Conditions of Investment.

Of this amount,

- up to 20% may be invested in fixed rate and floating rate securities, convertible bonds, warrant-linked bonds and dividend-right certificates, certificates on investments whose underlying instruments are bonds, such as bond indices and bond baskets, as well as asset-backed securities, including mortgage-backed securities;
- up to 15% may be invested in certificates on commodities and commodity indices.

3. Up to 20% of the 'Other' investment fund's assets may be invested in money market instruments according to article 27, no. 2, of the Special Terms and Conditions of Investment.

4. Up to 20% of the 'Other' investment fund's assets may be held in bank balances according to article 27, no. 3, of the Special Terms and Conditions of Investment.

5. Up to 100% of the 'Other' investment fund's assets may be invested in investment fund units and in shares of investment stock corporations whose terms and conditions of investment or Articles of Incorporation correspond to articles 192 through 213 KAGB, in investment units and units in EU UCITS, and in the corresponding foreign opened investment fund units according to article 27, no. 4, of the Special Terms and Conditions of Investment in conjunction with article 196 KAGB.

6. Up to 100% of the 'Other' investment fund's assets may be invested in units of 'Mixed' investment funds and in shares of investment stock corporations whose terms and conditions of investment or Articles of Incorporation correspond to articles 218 and 219 KAGB, as well as in the corresponding EU investment undertakings and foreign AIFs according to article 27, no. 4, of the Special Terms and Conditions of Investment.

7. A total of up to 30% of the 'Other' investment fund's assets may be invested in any and all types of swaps, credit default swaps, forwards, futures, options and swaptions according to article 27, no. 5, of the Special Terms and Conditions of Investment, in the precious metals copper, silver, gold, ruthenium, rhodium, palladium, osmium, iridium, platinum and mercury according to article 27, no. 7, of the Special Terms and Conditions of Investment, as well as in non-securitized loans according to article 27, no. 7. Non-securitized loans can be acquired in the form of standardized consumer credit or corporate loans. There are no restrictions concerning the type of collateralization. Loan portfolios as well as individual loans may be acquired. Derivatives as defined by article 197 (1) KAGB are not included in this limit.

8. A total of up to 20% of the 'Other' investment fund's assets may be invested in other investment instruments according to article 27, no. 6, of the Special Terms and Conditions of Investment, as well as in shares of businesses according to article 28 (10) of the Special Terms and Conditions of Investment that are not admitted for trading on a stock exchange or included in an organized market and were acquired before July 22, 2013.

9. Up to 30% of the 'Other' investment fund's assets may be invested in units of 'Other' investment funds.

Also included in this investment limit are investment funds with additional risks ("hedge funds"), as well as the corresponding investment stock corporations, EU investment undertakings and foreign AIFs that were acquired before July 22, 2013.

In the selection of units of these investment funds, the Company focuses on the sales documentation made available, as well as on the past price performance of these investment funds.

a) 'Other' investment funds

'Other' investment funds in this respect are:

- 'Other' investment funds and/or investment stock corporations whose terms and conditions of investment or Articles of Incorporation correspond to articles 220 through 224 KAGB.
- EU investment undertakings whose investment policies make them subject to requirements comparable to those of German 'Other' investment funds.
- Foreign AIFs whose investment policies make them subject to requirements comparable to those of German 'Other' investment funds.

'Other' investment funds must

- have their assets held in custody by a custodian or have the function of the custodian discharged by another comparable institution.
- have regulations governing borrowing.

'Other' investment funds may borrow up to 20% of the value of the investment fund's assets as part of their investment strategy to increase leverage, and may make unrestricted use of derivatives.

Acquirable 'Other' investment funds may pursue all of the investment strategies permissible under article 221 KAGB. There are no restrictions.

b) Investment funds with additional risks ("hedge funds"):

Notwithstanding article 221 KAGB, and in accordance with article 349, nos. 2 through 4, KAGB and article 8 (5) (b) of the General Terms and Conditions of Investment, the 'Other' investment fund may continue to hold units of investment funds with additional risks that were launched pursuant to article 112 InvG and shares of investment stock corporations whose Articles of Incorporation provide for an investment form comparable to that of article 112 InvG and were launched accordingly, as well as units or shares of EU AIFs or foreign AIFs comparable to article 349, no. 2 or no. 3, KAGB, provided that these units or shares were acquired before July 22, 2013.

Hedge funds in this respect were:

- Investment funds with additional risks and/or investment stock corporations whose Articles of Incorporation or terms and conditions of investment corresponded to articles 112 et seq. InvG ("German single hedge funds").
- EU investment undertakings whose investment policies made them subject to requirements that were comparable to those of German single hedge funds.

- Foreign AIFs whose investment policies made them subject to requirements that were comparable to those of German single hedge funds.

Hedge funds (“target funds”) had to

- have their assets held in custody by a custodian or have the function of the custodian discharged by another comparable institution.
- have regulations governing separate custody of their assets, borrowing, granting of loans and short sales of securities and money market instruments.

Target funds could take out unlimited loans or make unlimited use of derivatives as part of their investment strategy to increase leverage. There was no limit in principle on the sale for the collective account of assets that do not belong to the investment fund at the time of concluding the transaction (“short sale”).

Target funds that, as hedge funds, pursued alternative investment strategies employed one or more of the strategies described below. The description of the alternative investment strategies presented here could differ from that in other publications or documents; it was the subject matter of the strategies described here that was of significance:

#### **Equity long/short strategy**

Through the long/short strategy, long positions in equities, equity index derivatives or other derivatives may be combined with short sales of equities, equity index derivatives or other derivatives. The success of the strategy depends primarily on the selection of stocks and on the degree to which the target fund manager is successful in accurately predicting the future development of the equity markets. When equity markets rise, a target fund that makes use of this strategy participates in the positive developments of the stocks in which the fund holds long positions. Conversely, the portion of the target fund that is sold short, meaning the stocks in which the target fund manager has entered into short-sale transactions, tends to minimize losses when the equity markets are falling, and may in certain circumstances even lead to gains.

#### **Global macro**

Global macro target fund managers can employ strategies that are oriented toward significant economic or political events that may, for example, influence developments in the interest rate markets or in other financial markets. They analyze the effects of such events with the objective of generating profits from both rising and falling markets. Portfolios are built up of securities considered to be undervalued and short sales of related instruments that the target fund manager considers to be overvalued with the objective of achieving gains. The target fund manager may make use of directional trading or relative-value approaches to achieve this objective. The directional trading approach also focuses on unhedged long or short positions in different markets. In contrast, the

relative-value approach seeks to limit market risk to the greatest possible extent through the use of hedging transactions.

#### **Managed futures/CTAs**

Target fund managers who use managed futures/CTA (“Commodity Trading Advisor”) strategies seek to identify and take advantage of developments in the financial and commodities markets – usually with the aid of computers. Their systematic approach focuses on developments in a very large number of markets. Constant research and continuous development of trading systems are particularly important in this strategy.

#### **Option strategies**

In this strategy, the target fund manager works with options and seeks gains primarily through option premiums. For example, they may buy exchange-traded put options on individual European or U.S. blue-chip stocks and collect an option premium for this. The market volatility to which a stock is subject plays a crucial role in the amount of the option premium. In general, the higher the volatility, the higher the option premium. To hedge the target fund’s portfolio, exchange-traded put options based on an index that reflects the performance of a number of different stocks – including the stocks that underlie the equity put options (“index put options”) – may be bought. In addition, capital invested may be leveraged through loans or through the use of derivatives.

#### **Convertible arbitrage**

This strategy seeks to exploit price inefficiencies between convertible securities such as convertible bonds, for example, and their corresponding stocks. The target fund manager acquires the convertible securities and takes a short position in the stocks underlying the convertible bond to reduce the risk associated with the stock. In addition, the target fund manager’s market assessment of the stocks may also enter into the transaction through the accumulation of a short position that is proportionally greater or less than the corresponding conversion ratio. This results in additional opportunities and risks.

#### **Event-driven arbitrage**

Event-driven arbitrage is a strategy based on events, an example being the life cycle of a company. The target fund manager invests in individual securities in which they expect corporate events to occur that they believe have not been factored into the current price. Such events may especially include various corporate transactions, such as spin-offs, mergers and acquisitions, financial reorganizations due to imminent bankruptcy or stock buybacks. The manager seeks profits in various ways, including the use of long and short positions in equities and interest-bearing securities and options.

#### **Merger arbitrage**

Merger arbitrage managers seek to take advantage of expected price differences that might arise between the current market price of securities affected by a merger, a takeover, a takeover

offer or similar corporate transactions, and the price of the securities after the transaction has been completed. This normally is effected by entering into a long position in the stock of the company being taken over and a short position in the stock of the company carrying out the takeover. The width of the spread normally reflects the evaluation of the market as to the probability of a successful conclusion of the transaction. Transactions considered to be likely to fail offer higher returns than mergers that are held to be certain.

#### **Fixed-income arbitrage/Credit arbitrage**

Fixed-income arbitrage and credit arbitrage are strategies in which the target fund manager primarily buys fixed-income securities they believe to be undervalued and sells securities they consider overvalued. Most of the time, relative price differences arise temporarily as a consequence of local or global events, due to transitory supply-demand imbalances or because of varying accounting standards or regulatory provisions in a particular region. Relative price differences may also arise because buyers and sellers of securities seek different investments due to risk preferences, hedging needs or investment views. Managers using these strategies are often highly leveraged in order to be able to participate appropriately in these normally very small differences.

#### **Other relative-value arbitrage**

An approach that, depending on market assessment, makes flexible use of the aforementioned arbitrage strategies. It allows for temporary concentration on one or more strategies.

10. Notwithstanding article 221 KAGB, and in accordance with article 349, no. 5, KAGB and article 10 (1) of the General Terms and Conditions of Investment, the ‘Other’ investment fund may continue to hold equity interests in businesses whose market value can be determined, provided these ownership interests were acquired before July 22, 2013.

The Company could specifically acquire ownership interests in the following types of businesses:

- domestic and foreign partnerships,
- domestic and foreign corporations,
- trusts.

The investment limit specified in article 28 (8) of the Special Terms and Conditions of Investment continues to apply and relates correspondingly to other investment instruments according to article 27, no. 6, of the Special Terms and Conditions of Investment and to equity interests in businesses acquired before July 22, 2013, whose market value can be determined.

11. Notwithstanding article 221 KAGB, and in accordance with article 349, no. 1 and no. 4, KAGB and article 8 (5) (a) of the General Terms and Conditions of Investment, the ‘Other’ investment fund may continue to hold units of real

estate investment funds that were launched according to articles 66 through 82 InvG, as well as units or shares of EU or foreign investment undertakings comparable to such investment funds, provided that these units or shares were acquired before July 22, 2013.

Up to 15% of the 'Other' investment fund's assets could be invested in such units or shares. The terms and conditions of investment of real estate investment funds and of the corresponding EU investment undertakings and foreign AIFs had to provide for the following real estate investments:

- residential rental properties, commercial properties, mixed-use properties, properties under construction, undeveloped plots, hereditary building rights and interests in real-estate companies, as well as rights in the form of residential property ownership, part-ownership, hereditary building rights for residential properties, partial hereditary building rights and usufruct of properties.

12. In addition to the investment limits defined in paragraphs 1 through 11 above and in the General Terms and Conditions of Investment, it applies for the purposes of bringing about a partial exemption as defined in the German Investment Tax Act (InvStG) that at least 51% of the 'Other' investment fund's gross assets (determined as being the value of the investment fund's assets without taking into account liabilities) will be invested in such equity capital investments as defined by article 2 (8) InvStG that are equities which are admitted to official trading on a stock exchange or admitted to, or included in, another organized market ("equity funds").

## Unit classes

### Article 29 Unit classes

All units have the same configuration characteristics. No unit classes pursuant to article 16 (2) of the General Terms and Conditions of Investment shall be formed.

## Units, issue price, redemption price, redemption of units and costs

### Article 30 Units

1. The investors are joint owners, on a fractional basis, of the assets of the 'Other' investment fund in accordance with the number of units they hold.

2. 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 Issue and redemption price

1. The currency of the 'Other' investment fund is the U.S. dollar.

2. The issue and redemption prices are calculated in accordance with this accounting in U.S. dollars. Assets that are not denominated in U.S. dollars are converted into U.S. dollars at the exchange rate determined on each exchange trading day using the Thomson Reuters trading platform.

3. The required payments for the issue and redemption of units shall be made in U.S. dollars.

4. The maximum initial sales charge is 5% 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.

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

### Article 32 Costs and services received

1. The Company shall receive from the assets of the 'Other' investment fund an all-in fee of 1.2% p.a. of the annual average net asset value of the 'Other' investment fund, calculated based on the net asset value determined each exchange trading day (see article 18 of the General Terms and Conditions of Investment). The Company has the right to collect monthly prorated advances on this fee. The following fees and expenses are included in the all-in fee, and will not be charged separately to the 'Other' investment fund:

- fee for managing the 'Other' investment fund (collective asset management, which particularly includes fund management, administration, cost of distribution and a service fee for reporting and analysis);
- custodian fees;
- cash and custody account fees in line with normal banking practice (including, where applicable, normal costs for holding foreign assets in custody abroad);
- the costs incurred for printing and mailing the sales documentation intended for investors as required by law (annual and semi-annual reports, Sales Prospectuses, Key Information Document);
- 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;
- the cost of having the 'Other' investment fund audited by the external auditor of the 'Other' investment fund;
- 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 from paragraph 1 hereof, the following

additional expenses may also be charged to the 'Other' investment fund:

- the costs incurred by the Company for asserting and enforcing legal claims for the account of the 'Other' investment fund, and for defending any claims asserted against the Company to the detriment of the 'Other' investment fund;
- the costs of creating and using a durable medium, 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;
- 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 may additionally receive a performance-based fee for its management of the 'Other' investment fund.

- Definition of the performance-based fee: The Company may, for its management of the 'Other' investment fund, receive a performance-based fee of up to 20% of the amount by which the net asset value per unit outperforms the benchmark at the end of a settlement period (benchmark outperformance); such amount shall, however, not exceed 4% of the average net asset value of the 'Other' investment fund during the settlement period based on the value determined each exchange trading day.

If the net asset value per unit underperforms the benchmark at the end of a settlement period (benchmark underperformance) the Company shall receive no performance-based fee. In a manner corresponding to the calculation of the performance-based fee for benchmark outperformance, the negative amount for each net asset value per unit is calculated based on the benchmark underperformance and carried forward to the next settlement period (negative carryforward). There is no maximum limit on the negative carryforward. The Company shall receive a performance-based fee for the subsequent settlement period only if the amount calculated from the outperformance of the benchmark at the end of that settlement period exceeds the negative carryforward from the previous settlement period. In this case, the fee entitlement is equal to the difference between the two amounts. If the amount calculated from benchmark outperformance does not exceed the negative carryforward from the previous settlement period, the two amounts are offset. The remaining negative amount for each net asset value per unit is again carried forward to the next settlement period as the new negative carryforward. If the result at the end of the next settlement period is yet another benchmark underperformance, the

existing negative carryforward is increased by the amount calculated from this new benchmark underperformance.

When calculating the fee entitlement each year, any negative carryforwards from the previous five settlement periods are taken into account. If there are fewer than five previous settlement periods for the 'Other' investment fund, all previous settlement periods are taken into account.

b) Definition of the settlement period:

The settlement period commences on October 1 and ends on September 30 of each calendar year. The settlement period may be reduced in cases such as mergers, truncated fiscal years, or the closure of the 'Other' investment fund.

c) Benchmark:

The benchmark is defined as the S&P 500 less 120 basis points. If the benchmark should cease to be applicable, the Company shall specify another comparable index to take the place of the named benchmark.

d) Calculation of performance:

The performance-based fee is calculated daily and settled annually at the end of the settlement period. The performance-based fee is determined by comparing the performance of the benchmark with that of the net asset value per unit (see article 18 (1) of the General Terms and Conditions of Investment), calculated according to the BVI method (see [www.bvi.de](http://www.bvi.de)) in the settlement period. The costs charged to the 'Other' investment fund may not be deducted from the performance of the benchmark prior to comparison.

In accordance with the respective result of the daily comparison, any performance-based fee calculated is deferred in the 'Other' investment fund for each unit issued, or an already recognized provision is reversed accordingly. Reversed provisions accrue to the 'Other' investment fund. A performance-based fee may be withdrawn only if corresponding provisions have been recognized. The performance-based fee may be withdrawn even if the net asset value per unit at the end of the settlement period is less than the net asset value per unit at the beginning of the settlement period (negative absolute unit performance).

4. The Company shall receive for the initiation, preparation and execution of securities lending transactions and securities repurchase agreement transactions for the account of the 'Other' investment 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 execution of such transactions, including any fees payable to third parties.

5. 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 'Other' investment fund.

6. 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 'Other' investment 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 'Other' investment fund as a management fee for the units held in the 'Other' investment 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.

### Particular obligations to provide information to investors

#### Article 33 Particular obligations to provide information to investors

The information pursuant to article 300 (1) and (2) KAGB is contained in the notes to the financial statements in the annual report. The information pursuant to article 300 (4) and article 308 (4) KAGB will be sent to investors by durable medium. The information pursuant to article 300 (4) KAGB shall additionally be published in another information medium to be designated in the Sales Prospectus.

### Distribution policy and fiscal year

#### Article 34 Income reinvestment

Subject to the requisite adjustment of income, the Company reinvests in the 'Other' investment fund the interest, dividends and other income that have accrued for the account of the 'Other' investment fund during the fiscal year and have not been applied to cover costs, as well as the capital gains realized during the fiscal year ("reinvestment").

#### Article 35 Fiscal year

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

#### Article 36 Reporting duties

In the reports to be prepared according to article 21 (1) through (3) of the General Terms and Conditions of Investment, equivalent values in euro, determined based on the Thomson Reuters trading platform, will be provided for information purposes for the main line items of the investment portfolio, the statement of income and expenses, the statement of changes in net assets and the calculation of the distribution. The reports will also contain a

chart showing the movement of the U.S. dollar in relation to the euro.

#### Article 37 Restriction of redemption

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

# Summary of tax regulations of importance to investors (subject, without limitation, to taxation in Germany)<sup>1</sup> (As of: June 11, 2021)

## 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 801 p.a. (for single persons or spouses assessed separately) or EUR 1,602 p.a. (for spouses assessed jointly) when added to any other investment income.

Income from capital assets is generally subject to a 25% 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 801 for separate assessment or EUR 1,602 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 801 for separate assessment or EUR 1,602 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
German investors			
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 1/1/2023)

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>CSR Bond Plus</b>	Fund with no partial tax exemption
<b>DeAM-Fonds BKN-HR</b>	Fund with no partial tax exemption
<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

Fund	Classification for partial tax exemption purposes
<b>DWS ESG Convertibles</b>	Fund with no partial tax exemption
<b>DWS ESG Defensiv</b>	Fund with no partial tax exemption
<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 Europe Dynamic</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 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

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

Fund	Classification for partial tax exemption purposes
<b>FFPB Substanz</b>	Fund with no partial tax exemption
<b>FOS Performance und Sicherheit</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>Weltportfolio Dynamik</b>	Equity fund
<b>Weltportfolio Stabilität</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, 2021: EUR 451.9 million  
Subscribed and paid-in capital as of  
December 31, 2021: EUR 115 million

## Supervisory Board

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

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

Hans-Theo Franken  
Deutsche Vermögensberatung AG,  
Frankfurt/Main

Dr. Alexander Ilgen  
Deutsche Bank AG,  
Frankfurt/Main

Dr. Stefan Marcinowski  
Ludwigshafen

Prof. Christian Strenger  
The Germany Funds  
New York

Elisabeth Weisenhorn  
Portikus Investment GmbH  
Frankfurt/Main

Gerhard Wiesheu  
Partner of Bankhaus  
B. Metzler seel. Sohn & Co. AG,  
Frankfurt/Main

Susanne Zeidler  
Deutsche Beteiligungs AG,  
Frankfurt/Main

## Management

Manfred Bauer  
Speaker of the Management  
DWS Investment GmbH,  
Frankfurt/Main  
Member of the Executive Board of  
DWS Management GmbH,  
(personally liable partner of  
DWS Group GmbH & Co. KGaA),  
Frankfurt/Main  
Member of the Executive Board of  
DWS Beteiligungs GmbH,  
Frankfurt/Main  
Member of the Supervisory Board of  
DWS Alternatives GmbH,  
Frankfurt/Main  
Member of the Supervisory Board of  
DWS Investment S.A.,  
Luxembourg

Dr. Matthias Liermann  
Member of the Executive Board of  
DWS Investment GmbH,  
Frankfurt/Main  
Speaker of the Management  
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 of  
DWS Investment GmbH,  
Frankfurt/Main  
Member of the Executive Board of  
DWS Beteiligungs GmbH,  
Frankfurt/Main

## Depository

State Street Bank International GmbH  
Brienner Straße 59  
80333 Munich, Germany  
Own funds as of  
December 31, 2021: EUR 2,071.9 million  
(As defined by article 72 of Regulation (EU)  
No. 575/2013 (CRR))  
Subscribed and paid-in capital as of  
December 31, 2021: EUR 109.4 million

## Shareholder of DWS Investment GmbH

DWS Beteiligungs GmbH,  
Frankfurt/Main



**DWS Investment GmbH**

60612 Frankfurt/Main, Germany

Tel.: +49 (0) 69-910-12371

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