

DWS Investment S.A.

DWS Strategic

Sales Prospectus

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

January 15, 2019



Information for investors in Switzerland

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

The collective investment schemes approved for distribution to non-qualified investors in or from Switzerland by the Swiss Financial Market Supervisory Authority FINMA are listed on www.finma.ch. The Swiss version of the sales prospectus containing these collective investment schemes are available on www.dws.ch.

1. Representative in Switzerland

DWS CH AG
Hardstrasse 201
8005 Zurich, Switzerland

2. Paying Agent in Switzerland

Deutsche Bank (Suisse) SA
Place des Bergues 3
1201 Geneva, Switzerland

3. Location where the relevant documents may be obtained

The prospectus, key investor information document, investment conditions as well as the annual and semi-annual reports (if applicable) may be obtained free of charge from the representative in Switzerland.

4. Payment of retrocessions and rebates

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

- Distribution activity;
- Customer care.

Retrocessions are not deemed to be rebates even if they are ultimately passed on, in full or in part, to the investors. The recipients of the retrocessions must ensure transparent disclosure and inform investors, unsolicited and free of charge, about the amount of remuneration they may receive for distribution.

On request, the recipients of retrocessions must disclose the amounts they actually receive for distributing the collective investment schemes of the investors concerned.

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

- they are paid from fees received by the Management Company and therefore do not represent an additional charge on the fund assets;
- they are granted on the basis of objective criteria;
- all investors who meet these objective criteria and demand rebates are also granted these within the same time frame and to the same extent.

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

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

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

5. Place of performance and jurisdiction

In respect of the units distributed in or from Switzerland, the place of performance and jurisdiction is the registered office of the Representative.

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Legal structure:

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

General information

The investment company described in this Sales Prospectus ("Investment Company") is an open-ended investment company with variable capital ("Société d'Investissement à Capital Variable" or "SICAV") established in Luxembourg in accordance with Part I of the Luxembourg law on Undertakings for Collective Investment of December 17, 2010 ("Law of 2010"), and in compliance with the provisions of Directive 2014/91/EU (amending Directive, 2009/65/EC („UCITS Directive")), Commission Delegated Regulation (EU) 2016/438 of December 17, 2015 supplementing Directive 2009/65/EC of the European Parliament and of the Council with regard to obligations of depositaries, as well as the provisions of the Grand-Ducal Regulation of February 8, 2008, relating to certain definitions of the Law of December 20, 2002, on Undertakings for Collective Investment, as amended¹ ("Grand-Ducal Regulation of February 8, 2008"), and implementing Directive 2007/16/EC² ("Directive 2007/16/EC") in Luxembourg law.

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

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

produces the sub-fund. Additional share classes may be established and/or one or more existing share classes may be dissolved or merged at any time. Share classes may be consolidated into categories of shares.

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

¹ Replaced by the Law of 2010.

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

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

A. Sales Prospectus – General Section

General

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

Notes

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

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

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

General risk warnings

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

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

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

Market risk

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

Country or transfer risk

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

Settlement risk

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

Legal and tax risk

The legal and tax treatment of the sub-funds may change in ways that cannot be predicted or influenced. In case of a correction with tax consequences that are essentially disadvantageous for the investor, changes to the sub-fund's taxation bases for preceding fiscal years made because these bases are found to be incorrect can result in the investor having to bear the tax burden resulting from the correction of preceding fiscal years, even though he may not have had an investment in the sub-fund at the time. On the other hand, the investor may also not benefit from an essentially advantageous correction for the current or preceding fiscal years during which he had an investment in the sub-fund if the shares are redeemed or sold before the correction takes place.

In addition, a correction of tax data can result in a situation where taxable income or tax benefits are actually assessed for tax in a different assessment period to the applicable one and that this has a negative effect on the individual investor.

Currency risk

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

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

Custody risk

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

Concentration risk

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

Risk of changes in interest rates

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

Legal and political risks

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

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

Operational risk

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

Inflation risk

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

Key individual risk

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

Change in the investment policy

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

Changes to the Sales Prospectus; liquidation or merger

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

Credit risk

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

Risk of default

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

Risks connected to derivative transactions

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

- Price changes in the underlying instrument can cause a decrease in the value of the option or future contract, and even result in a total loss. Changes in the value of the asset underlying a swap or total return swap can also result in losses for the respective sub-fund assets.
- Any necessary back-to-back transactions (closing of position) incur costs which can cause a decrease in the value of the sub-fund's assets.
- The leverage effect of options, swaps, futures or other derivatives may alter the value of the sub-fund's assets more strongly than the direct purchase of the underlying instruments would.
- The purchase of options entails the risk that the options are not exercised because the prices of the underlying instruments do not change as expected, meaning that the sub-fund's assets lose the option premium they paid. If options are sold, there is the risk that the sub-fund may be obliged to buy assets at a price that is higher than the current market price, or obliged to deliver assets at a price which is lower than the current market price. In that case, the sub-fund will suffer from a loss amounting to the price difference minus the option premium which had been received.
- Futures contracts also entail the risk that the sub-fund's assets may make losses due to market prices not having developed as expected at maturity.

Risk connected to the acquisition of shares of investment funds

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

Risks relating to investments in contingent convertibles

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

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

After a trigger event, the recovery of the principal value mainly depends on the structure of the CoCo, according to which nominal losses of the CoCo can be fully or partially absorbed using one

of the three different methodologies: Equity Conversion, Temporary Write-Down or Permanent Write-Down. In case of temporary write-down feature, the write-down is fully discretionary and subject to certain regulatory restrictions. Any distributions of remaining capital payable after the trigger event will be based on the reduced principal. A CoCo investor may suffer losses before equity investors and other debt holders in relation to the same issuer.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

g) Industry concentration risk

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

h) Liquidity risk

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

i) Yield valuation risk

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

j) Unknown risk

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

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

Liquidity risk

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

Assets in the emerging markets

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

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

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

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

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

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

Investments in Russia

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

Custody and registration risk in Russia

- Even though commitments in the Russian equity markets are well covered through the use of GDRs and ADRs, individual sub-funds may, in accordance with their investment policies, invest in securities that might require the use of local depository and/or custodial services. At present, the proof of legal ownership of equities in Russia is delivered in book-entry form.
- The Shareholder Register is of decisive importance in the custody and registration procedure. Registrars are not subject to any real government supervision, and the sub-fund could lose its registration through fraud, negligence or just plain oversight. Moreover, in practice, there was and is no really strict adherence to the regulation in Russia under which companies having more than 1,000 shareholders must employ their own independent registrars who fulfil the legally prescribed criteria. Given this lack of independence, the management of a company may be able to exert potentially considerable influence over the compilation of the shareholders of the Investment Company.
- Any distortion or destruction of the register could have a material adverse effect on the interest held by the sub-fund in the corresponding shares of the Investment Company or, in some cases, even completely eliminate such a holding. Neither the sub-fund nor the fund manager nor the

Depository nor the Management Company nor the Board of Directors of the Investment Company (the "Board of Directors") nor any of the sales agents is in a position to make any representations or warranties or provide any guarantees with respect to the actions or services of the registrar. This risk is borne by the sub-fund.

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

Investments in People's Republic of China (PRC)

a) Political, Economic and Social Risks

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

b) PRC Economic Risks

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

c) Legal System of the PRC

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

d) RQFII systems risk

The current RQFII Regulations include rules on investment restrictions applicable to the sub-fund. Transaction sizes for RQFIIs are relatively large (with the corresponding heightened risk of exposure to decreased market liquidity and significant price volatility leading to possible adverse effects on the timing and pricing of acquisition or disposal of securities). Onshore PRC securities are registered in the name of "the full name of the RQFII sub-fund manager – the name of the Sub-Fund" in accordance with the relevant rules and regulations, and maintained in electronic form via a securities account with the China Securities Depository and Clearing Corporation Limited ("CSDCC"). The Sub-fund manager may select up to three PRC brokers (each a "PRC Broker") to act on its behalf in each of the two onshore PRC securities markets as well as a depository (the "PRC Depository") to maintain its assets in custody in accordance with the terms of the PRC Depository Agreement.

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

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

The regulations which regulate investments by RQFIIs in the PRC and the repatriation of capital from RQFII investments are relatively new. The application and interpretation of such investment regulations are therefore relatively untested and

there is no certainty as to how they will be applied as the PRC authorities and regulators have been given wide discretion in such investment regulations and there is no precedent or certainty as to how such discretion may be exercised now or in the future.

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

On February 24, 2016, the People's Bank of China (PBOC), the central bank, released the Notice on Issues Concerning Investment of Overseas Institutional Investors in the Interbank Bond Market. Under this notice, an eligible foreign investor is permitted to invest in the China Interbank Bond Market (CIBM) without first registering as a qualified foreign institutional investor (QFII) or RQFII. For this purpose the management company or a sub-fund has to make an application to register under this program at PBOC. In this case PRC Bonds are registered in the name of "the management company – the name of the sub-fund" in accordance with the relevant rules and regulations, and maintained in electronic form via a securities account with the China Securities Depository and Clearing Corporation Limited ("CSDCC") for the exchange-traded bond market and with China Central Depository & Clearing Co., Ltd ("CCDC") or the Shanghai Clearing House ("SCH") for the interbank bond market. For the direct CIBM Program the Depository shall within its depository network appoint a PRC Depository, which shall maintain a sub-fund's assets in custody in accordance with the terms of such PRC Depository Agreement. In the event of any default of the PRC Depository (directly or through its delegate) or other agents (for example, brokers and settlement agents) in the execution or settlement of any transaction or in the transfer of any funds or securities in the PRC, a sub-fund may encounter delays in recovering its assets which may in turn adversely impact the net asset value of a sub-fund.

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

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

in such investment regulations and there is no precedent or certainty as to how such discretion may be exercised now or in the future.

e) Risks relating to the PRC Custodian and other Agents

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

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

According to the RQFII regulations and market practice, the securities and cash accounts for the sub-fund in the PRC are to be maintained in the name of "the full name of the RQFII Sub-fund manager – the name of the sub-fund". Although the sub-fund has obtained a satisfactory legal opinion that the assets in such securities account would belong to the sub-fund, such opinion cannot be relied on as being conclusive, as the RQFII Regulations are subject to the interpretation of the relevant authorities in the PRC.

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

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

f) Repatriation risk

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

g) RQFII quota risk

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

h) Shanghai-Hong Kong Stock Connect risks

Quota limitations risk

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

Suspension risk

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

Differences in trading day

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

Restrictions on selling imposed by front-end monitoring

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

Clearing, settlement and custody risks

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

The A-shares traded through Shanghai-Hong Kong Stock Connect are issued in scripless form, so investors such as the sub-fund will not hold any physical A-shares. Hong Kong and overseas investors, such as the sub-fund, who have acquired SSE Securities through Northbound trading should maintain the SSE Securities with their brokers' or depositories' stock accounts with the Central Clearing and Settlement System operated by HKSCC for the clearing securities listed or traded on SEHK. Further information on the custody set-up relating to the Stock Connect is available upon request at the registered office of the Management Company.

Operational risk

The Stock Connect provides a new channel for investors from Hong Kong and overseas, such as the sub-fund, to access the China stock market directly. The Stock Connect is premised on the functioning of the operational systems of the relevant market participants. Market participants are able to participate in this program subject to meeting certain information technology capability, risk management and other requirements as may be specified by the relevant exchange and/or clearing house.

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

Further, the "connectivity" in the Stock Connect program requires routing of orders across the border. This requires the development of new information technology systems on the part of the SEHK and exchange participants (i.e. a new order routing system ("China Stock Connect System")) to be set up by SEHK to which exchange participants need to connect. There is no assurance that the systems of the SEHK and

market participants will function properly or will continue to be adapted to changes and developments in both markets. In the event that the relevant systems failed to function properly, trading in both markets through the program could be disrupted. The sub-fund's ability to access the A-share market (and hence to pursue their investment strategy) will be adversely affected.

Nominee arrangements in holding A-shares
HKSCC is the "nominee holder" of the SSE securities acquired by overseas investors (including the sub-fund) through the Stock Connect. The CSRC Stock Connect rules expressly provide that investors enjoy the rights and benefits of the SSE securities acquired through the Stock Connect in accordance with applicable laws. However, the courts in the PRC may consider that any nominee or depositary as registered holder of SSE securities would have full ownership thereof, and that even if the concept of beneficial owner is recognized under PRC law those SSE securities would form part of the pool of assets of such entity available for distribution to creditors of such entities and/or that a beneficial owner may have no rights whatsoever in respect thereof. Consequently, the sub-fund and the Depositary cannot ensure that the Sub-Fund's ownership of these securities or title thereto is assured in all circumstances.

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

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

Investor compensation
Investments of the sub-fund through Northbound trading under the Stock Connect will not be covered by Hong Kong's Investor Compensation Fund. Hong Kong's Investor Compensation Fund is established to pay compensation to investors of any nationality who suffer pecuniary losses as a result of default of a licensed intermediary or authorised financial institution in relation to exchange-traded products in Hong Kong.

Since default matters in Northbound trading via the Stock Connect do not involve products listed or traded in SEHK or Hong Kong Futures Exchange Limited, they will not be covered by the Investor Compensation Fund. On the other hand, since the sub-fund is carrying out Northbound trading through securities brokers in Hong Kong but not PRC brokers, therefore they are not protected by the China Securities Investor Protection Fund in the PRC.

Trading costs

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

Regulatory risk

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

i) Government Control of Currency Conversion and Future Movements in Exchange Rates

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

j) Onshore versus offshore Renminbi differences risk

While both onshore Renminbi ("CNY") and offshore Renminbi ("CNH") are the same currency, they are traded in different and separated markets. CNY and CNH are traded at different rates and their movement may not be in the same direction. Although there has been a growing amount of Renminbi held offshore (i.e. outside the PRC), CNH cannot be freely remitted into the PRC and is subject to certain restrictions, and vice versa. Investors should note that subscriptions and redemptions will be in USD and will be converted to/from CNH and the investors will bear the forex expenses associated with such conversion and the risk of a potential difference between the CNY and CNH rates. The liquidity and trading price of the sub-fund may also be adversely affected by the rate and liquidity of the Renminbi outside the PRC.

k) Dependence upon Trading Market for A-shares

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

l) Interest Rate Risk

Sub-funds investing in PRC fixed-income securities are subject to interest rate risk.

Sub-funds investing in bonds issued by the government of the PRC (PRC Government Bonds) are additionally subject to policy risk as changes in macro-economic policies in the PRC (including monetary policy and fiscal policy) may have an influence over the PRC's capital markets and affect the pricing of the bonds in the sub-fund's portfolio, which may in turn adversely affect the return of such Sub-Fund.

m) Dependence upon Trading Market for PRC Bonds

The existence of a liquid trading market for PRC Bonds may depend on whether there is supply of, and demand for, PRC Bonds. Investors should note that the Shanghai Stock Exchange, Shenzhen Stock Exchange and PRC inter-bank bond market on which PRC Bonds are traded are undergoing development and the market capitalisation of, and trading volumes on, those markets may be lower than those in more developed financial markets. Market volatility and settlement difficulties in the

PRC Bond markets may result in significant fluctuation in the prices of the securities traded on such markets and thereby changes in the Net Asset Value of the sub-fund.

n) Liquidity Risk

The sub-fund is subject to liquidity risk as continued regular trading activity and active secondary market for PRC securities (including PRC Bonds) is not guaranteed. The sub-fund may suffer losses in trading in such instruments. The bid and offer spread of the price of PRC securities may be large, so that the sub-fund may incur significant trading and realisation costs and may suffer losses accordingly.

o) Issuer Counterparty Risk

Investment in bonds by the sub-fund is exposed to the credit/insolvency risk of the issuers which may be unable or unwilling to make timely payments on principal and/or interest. PRC Bonds held by the sub-fund are issued on an unsecured basis without collateral. An issuer suffering an adverse change in its financial condition could lower the credit quality of a security, leading to greater price volatility of the security. A lowering of the credit rating of a security or its issuer may also affect the security's liquidity, making it more difficult to sell. In the event of a default or credit rating downgrading of the issuers of the bonds, the bonds and the sub-fund's value may be adversely affected and investors may suffer a substantial loss as a result. The sub-fund may also encounter difficulties or delays in enforcing its rights against the issuer of bonds as the issuer is located in the PRC and is subject to PRC laws and regulations.

p) Valuation Risk

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

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

q) Restricted markets risk

The sub-fund may invest in securities in respect of which the PRC imposes limitations or restrictions on foreign ownership or holdings. Such legal and regulatory restrictions or limitations may have adverse effects on the liquidity and performance of the sub-fund holdings as compared to the performance of the Reference Portfolio. This may increase the risk of tracking error and, at the worst, the sub-fund may not be able to achieve its investment objective and/or the sub-fund may have to be closed for further subscriptions.

r) A-share market trading hours difference risk

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

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

s) A-share market suspension risk

A-shares may only be bought from, or sold to, the sub-fund from time to time where the relevant A-shares may be sold or purchased on the Shanghai Stock Exchange or the Shenzhen Stock Exchange, as appropriate. Given that the A-share market is considered volatile and unstable (with the risk of suspension of a particular stock or government intervention), the subscription and redemption of Shares may also be disrupted. An Authorised Participant is unlikely to redeem or subscribe Shares if it considers that A-shares may not be available.

t) Operational and Settlement Risk

Settlement procedures in the PRC are less developed and may differ from those in countries that have more developed financial markets. The sub-fund may be subject to a risk of substantial loss if an appointed agent (such as a broker or a settlement agent) defaults in the performance of its responsibilities. The sub-fund may incur substantial losses if its counterparty fails to pay for securities the sub-fund has delivered, or for any reason fails to complete its contractual obligations owed to the sub-fund. On the other hand, significant delays in settlement may occur in certain markets in registering the transfer of securities. Such delays could result in substantial

losses for the sub-fund if investment opportunities are missed or if the sub-fund is unable to acquire or dispose of a security as a result.

Trading in the PRC inter-bank bond market may expose investors to certain risks associated with settlement procedures and the default of counterparties. Much of the protection afforded to investors in securities listed on more developed exchanges may not be available in connection with transactions on the PRC inter-bank bond market which is an over-the-counter market. All trades settled through CCDC, the central clearing for the PRC inter-bank bond market, are settled on a delivery versus payment basis i.e. if the sub-fund is buying certain securities, the sub-fund will only pay the counterparty upon receipt of such securities. If a counterparty defaults in delivering the securities, the trade may be cancelled and this may adversely affect the value of the sub-fund.

u) Changes in PRC taxation risk

The PRC Government has implemented a number of tax reform policies in recent years. The current tax laws and regulations may be revised or amended in the future. Any revision or amendment in tax laws and regulations may affect the after-taxation profit of PRC companies and foreign investors in such companies.

v) Government intervention and restriction risk

Governments and regulators may intervene in the financial markets, such as by the imposition of trading restrictions, a ban on "naked" short selling or the suspension of short selling for certain stocks. This may affect the operation and market making activities of the sub-fund, and may have an unpredictable impact on the sub-fund.

Furthermore, such market interventions may have a negative impact on the market sentiment which may in turn affect the performance of the Reference Portfolio and/or the sub-fund.

w) PRC taxation risk

Any changes in tax policies may reduce the after-taxation profits of the investments in PRC Bonds to which the performance of the sub-fund is linked. Whilst it is clear that interests on PRC Bonds are specifically exempted from PRC Corporate Income Tax pursuant to the prevailing Corporate Income.

Tax Law, uncertainties remain on PRC indirect tax treatment on interest from PRC Bonds, as well as PRC Corporate Income Tax and Indirect Tax treatments on capital gains derived by the sub-fund from investments in PRC Bonds.

In light of the uncertainties on the PRC tax treatments on PRC Bonds and in order to meet any such potential PRC tax liabilities that may arise from investments in PRC Bonds, the Board

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

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

x) Accounting and Reporting Standards

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

Counterparty risk

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

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

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

supervening illegality or change in the tax or accounting laws relative to those at the time the agreement was originated.

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

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

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

Risks related to securities lending and (reverse) repurchase agreements

If the other party to a (reverse) repurchase agreement or securities lending transaction should default, the sub-fund might suffer a loss to the extent that the proceeds from the sale of the underlying securities and/or other collateral held by the sub-fund in connection with the securities lending transaction or (reverse) repurchase agreement are less than the repurchase price or, as the case may be, the value of the underlying securities. In addition, in the event of bankruptcy or similar proceedings of the party to a (reverse) repurchase agreement or a securities lending transaction or its failure

otherwise to perform its obligations on the repurchase date, the sub-fund could suffer losses, including loss of interest on or principal of the securities and costs associated with delay and enforcement of the (reverse) repurchase agreement or securities lending transaction. Although it is expected that the use of repurchase agreements, reverse repurchase agreements and securities lending transactions will generally not have a material impact on a sub-fund's performance, the use of such techniques may have a significant effect, either negative or positive, on a sub-fund's net asset value (NAV).

Risks associated with the receipt of collateral

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

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

Risks associated with collateral management

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

Investment policy

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

Performance benchmark

A sub-fund may use a financial index as performance benchmark for performance comparison purposes only and will not attempt to replicate the investment positions of such index. If a performance benchmark is used for the respective sub-fund, further information may be found in the special section of the Sales Prospectus. If a financial index is used for investment strategy purposes, the investment policy of the respective sub-fund will reflect such approach (see also section "Use of financial indices" of this Sales Prospectus).

Efficient portfolio management techniques

According to CSSF Circular 14/592, efficient portfolio management techniques can be used for the Investment Company. These include all sorts of derivative transactions as well as securities lending transactions and (reverse) repurchase agreements (securities financing transactions). Other securities financing transactions than the types mentioned here, such as margin-lending transactions, buy-sell-back transactions and sell-buy-back transactions, are currently not used. Should the Management Company make use of these types of securities financing transactions in future, the Sales Prospectus shall be amended accordingly.

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

Use of derivatives

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

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

Swaps

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

- interest-rate swaps,
- currency swaps,
- equity swaps,

- credit default swaps or
- total return swaps.

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

Total Return Swaps

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

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

Total return swaps shall be used in accordance with legal provisions, especially the provisions of the SFTR.

Swaptions

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

Credit default swaps

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

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

Financial instruments certificated in securities

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

OTC derivative transactions

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

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

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

a) Securities Lending and Borrowing

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

Those transactions may be entered into for one or more of the following aims: (i) reduction of risk, (ii) reduction of cost and (iii) generation of additional capital or income with a level of risk which is consistent with the risk profile of the relevant sub-fund and the applicable risk diversification rules. Under normal circumstances, up to 80% of the sub-fund's securities may be transferred to counterparties by means of securities lending transactions. However, depending on market demand, the Investment Company reserves the right to transfer up to 100% of a sub-fund's securities to counterparties as a loan. An overview of the actual current utilization rates is available on the Management Company's website at www.dws.lu. Securities lending and borrowing may be carried out for the assets held by the relevant sub-fund provided (i) that their volume is kept at an appropriate level or that the Investment Company or relevant sub-fund manager is entitled to request the return of the securities lent in a manner that enables the sub-fund at all times to meet its redemption obligations and (ii) that these transactions do not jeopardise the management of the sub-fund's assets in accordance with its investment policy. Their risks shall be captured by the risk management process of the Management Company.

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

- (i) The Investment Company may only lend securities through a standardised system organised by a recognised clearing institution or through a first class financial institution subject to prudential supervision rules which are recognised by the CSSF as equivalent to those laid down in Community law and specializing in this type of transaction.

- (ii) The borrower must be subject to prudential supervision rules considered by the CSSF as equivalent to those prescribed by Community law.
- (iii) The counterparty risk vis-à-vis a single counterparty (which, for the avoidance of doubt, may be reduced by the use of collateral) arising from one or more securities lending transaction(s) may not exceed 10% of the assets of the relevant sub-fund when the counterparty is a financial institution falling within Article 41 (1) (f) of the Law of 2010, or 5% of its assets in all other cases.

The Investment Company shall disclose the global valuation of the securities lent in the annual and semiannual reports.

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

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

b) (Reverse) Repurchase Agreement Transactions

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

the maturity of which the seller (counterparty) has the obligation to repurchase the securities sold and the Investment Company the obligation to return the securities received under the transaction (collectively, the "repo transactions").

Those transactions may be entered into for one or more of the following aims: (i) generating additional revenue; and (ii) collateralized short term investment. Under these transactions, up to 50% of the securities held by a sub-fund may normally be transferred to a transferee (in the case of repurchase agreement transactions); moreover, within the limits of the applicable investment terms, securities may be received in exchange for cash (in the case of reverse repurchase agreement transactions).

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

Information on the expected proportion of AuM that will be subject to those transactions will be provided by the Management Company upon request.

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

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

- short-term bank certificates or money market instruments as defined in Directive 2007/16/EC of March 19, 2007;
- bonds issued or guaranteed by a Member State of the OECD or by their local public authorities or by supranational institutions and undertakings with EU, regional or world-wide scope;
- shares or units issued by money market UCIs calculating a daily net asset value and being assigned a rating of AAA or its equivalent;
- bonds issued by non-governmental issuers offering an adequate liquidity; and
- shares quoted or negotiated on a regulated market of a EU Member State or on a stock exchange of a Member State of the OECD, on the condition that these shares are included in a main index.

The Investment Company shall disclose the total amount of the open repo transactions on the date of reference of its annual and semi-annual reports.

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

Choice of counterparty

The conclusion of OTC derivative transactions, including total return swaps, securities lending transactions and repurchase agreements, is only permitted with credit institutions or financial services institutions on the basis of standardized master agreements. The counterparties, independent of their legal form, must be subject to ongoing supervision by a public body, be financially sound and have an organizational structure and the resources they need to provide the services. In general, all counterparties have their headquarters in member countries of the Organisation for Economic Co-operation and Development (OECD), the G-20 or Singapore. In addition, either the counterparty itself or its parent company must have an investment grade rating by one of the leading rating agencies.

Collateral policy for OTC derivatives transactions and efficient portfolio management techniques

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

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

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

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

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

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

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

IV. When the collateral given in the form of cash exposes the Investment Company to a credit risk vis-à-vis the trustee of this collateral, such exposure shall be subject to the 20% limitation as laid down in Article 43 (1) of the Law of 2010. Moreover such cash collateral shall not be

safekept by the counterparty unless it is legally protected from consequences of default of the latter.

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

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

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

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

The haircuts applied to the collateral refer to:

- a) the creditworthiness of the counterparty;
- b) the liquidity of the collateral;
- c) their price volatility;
- d) the solvency of the issuer; and/or
- e) the country or market where the collateral is traded.

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

OTC derivative transactions	
Overcollateralization ratio	102% to 133%

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

Securities lending transactions	
Overcollateralization ratio required for government bonds with an excellent credit rating	103% to 105%
Overcollateralization ratio required for government bonds with a lower investment grade	103% to 115%
Overcollateralization ratio required for corporate bonds with an excellent credit rating	105%
Overcollateralization ratio required for corporate bonds with a lower investment grade	107% to 115%
Overcollateralization ratio required for Blue Chips and Mid Caps	105%

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

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

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

X. Collateral is held by the Depositary or a sub-depositary of the Depositary. Cash collateral in the form of bank deposits may be held in blocked accounts by the Depositary of the Investment Company or by another credit institution with the Depositary's consent,

provided that this other credit institution is subject to supervision by a regulatory authority and has no link to the provider of the collateral.

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

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

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

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

Use of financial indices

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

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

When an index is replicated, the frequency of the adjustment of the index composition depends on the respective index. Normally, the composition of the index is adjusted semi-annually, quarterly or monthly. Additional costs may arise due to the

replication and adjustment of the composition of the index, which might reduce the value of the sub-fund's net assets.

Risk management

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

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

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

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

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

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

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

Potential conflicts of interest

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

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

Assets of the respective sub-fund in the form of liquid assets or securities may be deposited with an Associated Person in accordance with the legal provisions governing the Depositary. Liquid assets of the respective sub-fund may be invested in certificates of deposit issued by an Associated Person or in bank deposits offered by an Associated Person. Banking or comparable transactions may also be conducted with or through an Associated Person. Companies in the Deutsche Bank Group and/or employees, representatives, affiliated companies or subsidiaries of companies in the Deutsche Bank Group ("DB Group Members") may be counterparties in the Investment Company's derivatives transactions or derivatives contracts ("Counterparty"). Furthermore, in some cases a

Counterparty may be required to evaluate such derivatives transactions or derivatives contracts. Such evaluations may constitute the basis for calculating the value of particular assets of the respective sub-fund. The Board of Directors is aware that DB Group Members may possibly be involved in a conflict of interest if they act as Counterparty and/or perform evaluations of this type. The evaluation will be adjusted and carried out in a manner that is verifiable. However, the Board of Directors believes that such conflicts can be handled appropriately and assumes that the Counterparty possesses the aptitude and competence to perform such evaluations.

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

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

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

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

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

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

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

- (i) will seek to profit from such activities and are entitled to receive and retain any profits or compensation in any form and are not bound to disclose to, the Investment Company, the nature or amount of any such profits or compensation including any fee, charge, commission, revenue share, spread, mark-up, mark-down, interest, rebate, discount, or other benefit received in connection with any such activities;
- (ii) may buy, sell, issue, deal with or hold, securities or other financial products or instruments as principal acting in its own interests, the interests of its affiliates or for its other clients;
- (iii) may trade in the same or opposite direction to the transactions undertaken, including based upon information in its possession that is not available to the Investment Company;
- (iv) may provide the same or similar services to other clients including competitors of the Investment Company;
- (v) may be granted creditors' rights by the Investment Company which it may exercise.

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

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

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

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

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

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

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

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

Combating money laundering

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

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

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

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

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

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

Data protection

The personal data of investors provided in the application forms, as well as the other information collected within the scope of the business relationship with the Investment Company and/or the Transfer Agent are recorded, stored, compared, transmitted and otherwise processed and used ("processed") by the Investment Company, the Transfer Agent, other businesses of DWS, the Depositary and the financial intermediaries of the investors. The data is used for the purposes of account management, examination of money-laundering activities, determination of taxes pursuant to EU Directive 2003/48/EC on the taxation of interest payments and for the development of business relationships.

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

Acceptance of orders

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

Market timing and short term trading

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

Late trading

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

Total expense ratio

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

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

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

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

Repayment to certain investors of management fees collected

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

Buy and sell orders for securities and financial instruments:

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

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

Regular savings or withdrawal plans

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

Remuneration policy

The Management Company is included in the compensation strategy of the Deutsche Bank Group. All matters related to compensation as well as compliance with the regulatory requirements are monitored by the relevant committees of the Deutsche Bank Group. The Deutsche Bank Group employs a total compensation philosophy, which comprises fixed pay and variable compensation as well as deferred

compensation components, which are linked to both individual future performance and the sustainable development of the Deutsche Bank Group. To determine the amount of the deferred compensation and the instruments linked to long-term performance (such as equities or fund units), the Deutsche Bank Group has defined a compensation system that avoids significant dependency on the variable compensation component.

This compensation system is laid down in a policy, which, inter alia, fulfills the following requirements:

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

Further details on the current compensation policy are published on the Internet at <https://www.db.com/cr/en/concrete-compensation-structures.htm> and in the linked Deutsche Bank AG Compensation Report. This includes a description of the calculation methods for remuneration and bonuses to specific employee groups, as well as the specification of the persons responsible for the allocation including members of the remuneration committee. The Management Company shall provide this information free of charge in paper form upon request.

Mandate to the local paying agent

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

Selling restrictions

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

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

Investors that are considered "restricted persons" as defined in Rule 2790 of the National Association of Securities Dealers in the United States (NASD Rule 2790) must report their holdings in the sub-funds to the Management Company without delay.

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

Foreign Account Tax Compliance Act – "FATCA"

The Foreign Account Tax Compliance provisions (commonly known as "FATCA") are contained in the Hiring Incentives to Restore Employment Act (the "Hire Act"), which was signed into U.S. law in March 2010. These provisions are US legislation aimed at reducing tax evasion by US citizens. It requires financial institutions outside the U.S. ("foreign financial institutions" or "FFIs") to pass information about "Financial Accounts" held by "Specified U.S. Persons" directly or indirectly, to the U.S. tax authorities, the Internal Revenue Service ("IRS") on an annual basis.

In general, a 30% withholding tax is imposed on certain U.S. source income of FFIs that fail to comply with this requirement. This regime will become effective in phases between July 1, 2014 and 2017. Generally, non-US funds, such as this Investment Company through its sub-funds, will be FFIs and will need to enter into FFI agreements with the IRS unless they qualify as “deemed-compliant” FFIs, or, if subject to a model 1 intergovernmental agreement (“IGA”), they can qualify as either a “reporting financial institution” or “non-reporting financial institution” under their local country IGA. IGAs are agreements between the US and foreign jurisdictions to implement FATCA compliance. On March 28, 2014, Luxembourg entered into a model 1 IGA with the U.S. and a memorandum of understanding in respect thereof. The Investment Company would hence in due course have to comply with such Luxembourg IGA.

The Investment Company will continually assess the extent of the requirements that FATCA and notably the Luxembourg IGA places upon it. In order to comply, the Investment Company may *inter alia* require all shareholders to provide mandatory documentary evidence of their tax residence in order to verify whether they qualify as Specified U.S. Persons.

Shareholders, and intermediaries acting for shareholders, should note that it is the existing policy of the Investment Company that Shares are not being offered or sold for the account of U.S. Persons and that subsequent transfers of Shares to U.S. Persons are prohibited. If Shares are beneficially owned by any U.S. Person, the Investment Company may in its discretion compulsorily redeem such Shares. Shareholders should moreover note that under the FATCA legislation, the definition of Specified U.S. Persons will include a wider range of investors than the current US Person definition. The Board of Directors may therefore resolve, once further clarity about the implementation of the Luxembourg IGA becomes available, that it is in the interests of the Investment Company to widen the type of investors prohibited from further investing in the sub-funds and to make proposals regarding existing investor holdings in connection therewith.

Common Reporting Standard (“CRS”)

The OECD received a mandate by the G8/G20 countries to develop a global reporting standard to achieve a comprehensive and multilateral automatic exchange of information on a global basis. The CRS has been incorporated in the amended Directive on Administrative Cooperation (now commonly referred to as “DAC 2”), adopted on December 9, 2014, which the EU Member States had to incorporate into their national laws by December 31, 2015. DAC 2 was transposed into Luxembourg law by a law dated December 18, 2015 (“CRS Law”). It was published in the *Mémorial A* – N° 244 on December 24, 2015.

The CRS Law requires certain Luxembourg Financial Institutions (investment funds such as this Fund qualify, in principle, as Luxembourg Financial Institutions) to identify their account holders and establish where they are fiscally resident. In this respect, a Luxembourg Financial Institution which is classified as Luxembourg Reporting Financial Institution is required to obtain a self-certification to establish the CRS status and/or tax residence of its account holders at account opening.

Luxembourg Reporting Financial Institutions will need to perform their first reporting of financial account information for the year 2016 about account holders and (in certain cases) their Controlling Persons that are tax resident in a Reportable Jurisdiction (identified in a Grand Ducal Decree) to the Luxembourg tax authorities (Administration des contributions directes) by June 30, 2017. The Luxembourg tax authorities will automatically exchange this information with the competent foreign tax authorities by the end of September 2017.

Data protection

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

If the Fund qualifies as a Reporting Financial Institution, it informs the natural persons who are Reportable Persons in the aforementioned context, in accordance with the Luxembourg data protection law.

- In this respect, the Reporting Luxembourg Financial Institution is responsible for the personal data processing and will act as data controller for the purpose of the CRS Law. The personal data is intended to be processed for the purpose of the CRS Law.
- The data may be reported to the Luxembourg tax authorities (Administration des contributions directes), which may in turn forward the data to the competent authorities of one or more Reportable Jurisdictions.
- For each information request for the purpose of the CRS Law sent to the natural person concerned, the answer from the natural person will be mandatory. Failure to respond within the prescribed timeframe may result in (incorrect or double) reporting of the account to the Luxembourg tax authorities.
- Each natural person concerned has a right to access any data reported to the Luxembourg tax authorities for the purpose of the CRS Law and, as the case may be, to have these data rectified in case of error.

Language

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

Investor profiles

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

"Risk-averse" investor profile

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

"Income-oriented" investor profile

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

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

"Growth-oriented" investor profile

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

"Risk-tolerant" investor profile

The sub-fund is intended for the risk-tolerant investor who, in seeking investments with strong

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

The Management Company provides additional information to distribution agents and distribution partners concerning the profile of a typical investor or the target client group for this financial product. If the investor is advised on the acquisition of units 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.

Performance

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

the possibility that they will not get back the original amount invested. Data on current performance can be found on the Management Company's website

www.dws.lu, in the KIID and factsheets, or in the semi-annual and annual reports.

1. The Investment Company and the share classes

A. The Investment Company

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

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

c) The articles of incorporation were filed with the Luxembourg Register of Commerce under the number B 180.758 and can be inspected there. Upon request, copies can be obtained for a fee. The registered office of the Investment Company is Luxembourg.

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

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

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

B. Structure of the Investment Company

The Investment Company has an umbrella structure, each compartment corresponding to a distinct part of the assets and liabilities of the Investment Company (a sub-fund) as defined in Article 181 (1) of the Law of 2010, and that is formed for one or more share classes of the type

described in the articles of incorporation. Each sub-fund will be invested in accordance with the investment objective and policy applicable to that sub-fund, the investment objective, policy (including, as the case may be and allowed under applicable laws, acting as a feeder sub-fund or master sub-fund), as well as the risk profile and other specific features of each sub-fund are set forth in this Sales Prospectus. Each sub-fund may have its own funding, share classes, investment policy, capital gains, expenses and losses, distribution policy or other specific features.

C. Share classes

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

All share classes of a sub-fund are invested collectively in line with the investment objectives of the respective sub-fund, but they may vary particularly in terms of their fee structures, their minimum initial or subsequent investment amounts, their currencies, their distribution policies, the requirements to be fulfilled by investors or other special characteristics, such as hedging features, as specified in each case by the Management Company. The net asset value per share is calculated separately for each issued share class of each sub-fund. No separate portfolio is maintained by a sub-fund for its individual share classes. In the case of currency-hedged share classes (either on share class level, marked with the "H" denominator or on portfolio level, marked with the H(P) denominator), the sub-fund may become subject to obligations arising from currency hedging transactions. The assets of the sub-fund are liable for such obligations. The different characteristics of the individual share classes available with respect to a sub-fund are described in detail in the respective special section.

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

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

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

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

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

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

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

Investors in sub-funds offering non-base currency share classes should note that possible currency impacts on the net asset value per share may occur and are not systematically hedged. These impacts are attached to the processing and booking of orders of non-base currency shares and related time lags of the different necessary steps possibly leading to exchange rate fluctuations. In particular, this is true for redemption orders. These possible impacts on the net asset value per share could be of positive or negative nature and are not limited to the affected non-base currency share class, i.e. these influences could be borne by the respective sub-fund and all of its share classes.

	Type of Investor	Allocation of Income	Distribution Frequency	Hedging	Other
Features	Institutional I	Capitalization C	Annual	Non-hedged	Early Bird EB
	Semi-Institutional F		Quarterly Q	Hedged H	Seeding X
	Retail B, L, N	Distribution D			Monthly M
	Master-Feeder J, MF		Placement Fee* PF		
					Restricted R

Country specific share classes:

in Switzerland: S (Switzerland)

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

* tax-transparent

E. Description of denominators

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

a) Type of investor

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

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

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

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

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

A Feeder-UCITS may hold up to 15% of its assets in liquid assets in accordance with Article 41, paragraph (2), second sub-paragraph of the Law of 2010, derivative instruments, which may be used only for hedging purposes, in accordance with Article 41 paragraph (1), point g) and Article 42, paragraphs (2) and (3) of the Law of 2010, and movable and immovable property which is essential for the direct pursuit of its business.

b) Allocation of income

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

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

c) Distribution Frequency

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

d) Hedging

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

(i) Currency Hedging/Share class hedging

If the currency of the sub-fund differs from the currency of the respective hedged share class, the hedging can aim to reduce the risk to the share class that results from fluctuations in the

exchange rate between the currency of the hedged share class and its sub-fund currency (denoted by the letter "H").

(ii) Portfolio hedging

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

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

(iii) Non-hedged share classes

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

e) Other share class characteristics

Early Bird

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

Seeding share classes

Shares of share classes with the "X" denominator offer a rebate on the Management Company fee that is granted to investors that subscribe to shares before a certain volume of investments is reached. Upon reaching the volume of 100,000,000, the share classes with the "X" denominator will be closed.

Zero cost share classes

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

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

Placement fee

Shares of share classes with the "PF" designator are subject to a placement fee ("placement fee share classes"). The placement fee for each subscribed share amounts to up to 3% and is multiplied by the NAV per share on the date of subscription or the immediately following valuation date (depending on the date the orders are processed). The so calculated amount is levied on the relevant placement fee share class. The placement fee for each subscribed share of the relevant placement fee share class is paid out as compensation for the distribution of the share class and at the same time booked as an accounting position (pre-paid expenses), reflected in the NAV per share of the relevant placement fee share class only. The NAV per share of the placement fee share class on the respective valuation date is therefore not affected by the payment of the placement fee. In case prior day data is used for the NAV calculation, results will be monitored against same day data to avoid potential material differences. The overall position of pre-paid expenses is then amortized on a daily basis at a constant amortization rate of 1.00% p.a. applied to the NAV per share of the relevant placement fee share class multiplied by the number of outstanding shares in this share class.

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

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

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

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

Restricted share classes

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

F. Share class currencies and initial NAV

The share classes are offered in the following currencies:

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

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

Currency-specific characteristics:

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

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

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

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

CNH is currently freely tradable without restrictions via Hong Kong. For this reason, the exchange rate used for share classes denominated in RMB is the rate of CNH (offshore renminbi).

G. Country-specific share classes:

Japan

The JQI share class offered hereby has not been, and will not be, registered under the Financial Instruments and Exchange Law of Japan and accordingly may not be offered or sold in Japan or to or for the account of any resident thereof, except either pursuant to registration thereunder or pursuant to an exemption from the registration requirements of the Financial Instruments and

Exchange Law of Japan. No registration has been made in accordance with Article 4, paragraph 1 of the Financial Instruments and Exchange Law of Japan for the reason that the solicitation to subscribe for JQI share class offered hereby in Japan constitutes a private placement of JQI share class to Qualified Institutional Investors only in accordance with Article 2, paragraph 3, item 2(i) of the Financial Instruments and Exchange Law of Japan. For this purposes, a notification under the Law Concerning Investment Trusts and Investment Corporations of Japan will be filed with the Commissioner of the Financial Services Agency of Japan. Accordingly, in Japan the JQI share class will be offered only to Qualified Institutional Investors in accordance with the Financial Instruments and Exchange Law of Japan. In addition, the JQI share classes are subject to the transfer restriction: no transfer of such share classes may be made to persons in Japan other than Qualified Institutional Investors.

Spain and Italy

For the distribution in Spain and Italy the following restriction applies: The subscription of shares of the share classes denoted by the designator "F" will be limited to professional investors according to the MiFID directive. Professional investors subscribing in their own name, but on behalf of a third party, must certify to the Investment Company that such subscription is made on behalf of a professional investor. The Investment Company may require, at its sole discretion, evidence that the former requirements are met.

Switzerland

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

United Kingdom

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

H. Minimum initial investment amounts

Institutional Investors*	10,000,000 in the share class specific currency except for Japan: 3,000,000,000 JPY and except for Sweden: 250,000,000 SEK
Semi-Institutional Investor	2,000,000 for investments (except in money market funds) in the share class specific currency except for Japan: 50,000,000 JPY and except for Sweden: 4,000,000 SEK
Seeding Share Class	2,000,000 for each order in the share class specific currency except for Japan: 250,000,000 JPY

* schemes for collective investments according to U.S. law are treated like institutional investors with regard to the minimum initial investment amount.

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

2. Risk spreading

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

A. Investments

- a) The sub-fund may invest in securities and money market instruments that are listed or traded on a regulated market.
- b) The sub-fund may invest in securities and money market instruments that are traded on another market in a member state of the European Union that operates regularly and is recognized, regulated and open to the public.
- c) The sub-fund may invest in securities and money market instruments that are admitted for official trading on an exchange in a state that is not a member state of the European Union or traded on another regulated market in that state that operates regularly and is recognized and open to the public.
- d) The sub-fund may invest in securities and money market instruments that are new issues, provided that
 - the terms of issue include the obligation to apply for admission for trading on an exchange or on another regulated market that operates regularly and is recognized and open to the public, and
 - such admission is procured no later than one year after the issue.
- e) The sub-fund may invest in shares of Undertakings for Collective Investment in Transferable Securities ("UCITS") and/or other undertakings for collective investments

("UCIs") within the meaning of the UCITS Directive, should they be situated in a member state of the European Union or not, provided that

- such other collective investment undertakings have been authorized under laws that provide that they are subject to supervision considered by the CSSF to be equivalent to that laid down in Community law, and that cooperation between authorities is sufficiently ensured;
- the level of protection for shareholders in the other UCI is equivalent to that provided for shareholders in an UCITS, and in particular that the rules on fund asset segregation, borrowing, lending, and short selling of transferable securities and money market instruments are equivalent to the requirements of the UCITS Directive;
- the business of the other UCI is reported in semi-annual and annual reports to enable an assessment to be made of the assets and liabilities, income and transactions over the reporting period;
- no more than 10% of the assets of the UCITS or of the other UCIs whose acquisition is being contemplated can, according to its contract terms or articles of incorporation, be invested aggregate in shares of other UCITS or other UCIs.

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

- f) A sub-fund may invest in deposits with financial institutions that are repayable on demand or have the right to be withdrawn, and mature within twelve months or less, provided that the financial institution has its registered office in a member state of the

European Union or, if the registered office of the financial institution is situated in a state that is not a member state of the European Union, provided that it is subject to prudential rules considered by the CSSF as equivalent to those laid down in Community law.

- g) A sub-fund may invest in financial derivative instruments ("derivatives"), including equivalent cash-settled instruments, that are traded on a market referred to in (a), (b) and (c) and/or financial derivative instruments that are not traded on an exchange ("OTC derivatives"), provided that
 - the underlying instruments are instruments covered by this paragraph or financial indices, interest rates, foreign exchange rates or currencies, in which the sub-fund may invest according to its investment policy;
 - the counterparties to OTC derivative transactions are institutions subject to prudential supervision, and belonging to the categories approved by the CSSF; and
 - the OTC derivatives are subject to reliable and verifiable valuation on a daily basis and can be sold, liquidated or closed by an offsetting transaction at any time at their fair value at the Investment Company's initiative.
- h) A sub-fund may invest in money market instruments not traded on a regulated market that are usually traded on the money market, are liquid and have a value that can be accurately determined at any time, if the issue or issuer of such instruments is itself regulated for the purpose of protecting investors and savings, and provided that these instruments are

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

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

When a sub-fund invests in the units of UCITS and/or other UCIs that are managed, directly or by delegation, by the same management company or by any other company with which the management company is linked by common management or control, or by a substantial direct or indirect holding, (regarded as more than 10% of the voting rights or share capital), that management company or other company may not charge subscription, conversion or redemption fees on account of the sub-fund's investment in the units of such UCITS and/or other UCIs.

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

In the annual report of the Investment Company it shall be indicated for each sub-fund the maximum proportion of management fees charged both to the sub-fund and to the UCITS and/or other UCIs in which the sub-fund invests.

- j) If admission to one of the markets defined under A. (a), (b) or (c) is not obtained within the one-year deadline, new issues shall be considered unlisted securities and money market instruments and counted towards the investment limit stated there.
- k) The Investment Company or the Management Company may not purchase for any of the sub-funds equities with voting rights that would enable it to exert significant influence on the management policies of the relevant issuer.

The respective sub-fund may acquire no more than

- 10% of the non-voting shares of any one issuer;
- 10% of the bonds of any one issuer;
- 25% of the shares of any fund or respectively any sub-fund of an umbrella fund;
- 10% of the money market instruments of any one issuer.

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

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

- securities and money market instruments issued or guaranteed by a member state of the European Union or its local authorities;
- securities and money market instruments issued or guaranteed by a state that is not a member state of the European Union;
- securities and money market instruments issued by public international bodies of which one or more member states of the European Union are members;
- shares held by the fund in the capital of a company incorporated in a state that is not a member state of the European Union, investing its assets mainly in the securities of issuing bodies having their registered offices in that state, where under the legislation of that state such a holding represents the only way in which the fund can invest in the securities of issuers from that state. This derogation, however, shall apply only if in its investment policy the company from the state that is not a member state of the European Union complies with the limits specified in B. (a), (b), (c), (d), (e), (f) and (g), (i) and (k). Where these limits are exceeded, Article 49 of the Law of 2010, on Undertakings for Collective Investment shall apply;
- shares held by one or more investment companies in the capital of subsidiary companies that only conduct certain management, advisory or marketing activities with regard to the repurchase of shares at the request of shareholders in the country where the subsidiary is located, and do so exclusively on behalf of the investment company or investment companies.

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

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

The maximum limit is 35% where that proves to be justified by exceptional market conditions, in particular in regulated markets where certain transferable securities or

money market instruments are highly dominant. An investment up to this limit is only permitted for one single issuer.

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

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

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

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

o) In addition, the sub-fund may invest up to 49% of its assets in liquid assets. In particular exceptional cases it is permitted to temporarily have more than 49% invested in liquid assets, if and to the extent that this appears to be justified with regard to the interests of shareholders.

C. Exceptions to the investment limits

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

D. Cross-investments between sub-funds

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

- a) the target sub-fund may not invest in the cross-investing sub-fund;

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

E. Credit restrictions

No borrowing may be undertaken by the Investment Company for the account of the sub-fund. A sub-fund may, however, acquire foreign currency by means of a “back-to-back” loan.

By way of derogation from the preceding paragraph, the sub-fund may borrow

- up to 10% of the sub-fund’s net assets, provided that such borrowing is on a temporary basis;
- up to the equivalent of 10% of the sub-fund’s assets, provided that the borrowing is to make possible the acquisition of immovable property essential for the direct pursuit of its business; in this case the borrowing and that referred to in the preceding subparagraph may not in any case in total exceed 15% of the sub-fund’s net assets.

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

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

F. Short selling

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

G. Encumbrance

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

H. Regulations for the Investment Company

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

3. Shares of the Investment Company

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

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

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

(i) Registered shares

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

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

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

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

Management Company for the registration of documents relating to the ownership of shares or having an effect thereon.

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

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

If such a shareholder does not provide an address, the Registrar and Transfer Agent may enter a remark to this effect in the Register of Shares; in this case, the address of the registered office of the Registrar and Transfer Agent or another address entered in each instance by the Registrar and Transfer Agent is deemed to be the address of the shareholder until the shareholder provides the Register and Transfer Agent with another address. The shareholder may at any time change the address recorded in the Register of Shares by way of written notice, which must be sent to the Registrar and Transfer Agent or to another address specified for each instance by the Registrar and Transfer Agent.

(ii) Bearer shares represented by global certificates

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

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

certificate only via a financial intermediary participating in the settlement system of the corresponding clearing agent.

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

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

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

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

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

A. The Management Company may at any time and at its sole and absolute discretion reject any direct or indirect subscription application or temporarily limit, suspend or permanently discontinue the issue of shares towards any subscribing investor, if such action should appear necessary in consideration of the interests of the shareholders or the public, or to protect the Investment Company or the shareholders. The issuance of shares as part of existing regular savings plans is not necessarily affected. In general all existing regular savings plans will be continued even during the suspension of share issuance, except if the issuance of shares is discontinued for savings plans by the Management Company.

B. In this case, the Investment Company will promptly refund payments on subscription applications (without any interest payments) that have not yet been executed.

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

D. "Prohibited Person" means any person, firm or corporate entity, determined in the sole discretion of the Management Company as being not entitled to subscribe for or hold shares in the Investment Company or, as the case may be, in a specific sub-fund or share class, (i) if in the opinion of the Investment Company such holding may be detrimental to the Investment Company, (ii) it may result in a breach of any law or regulation, whether Luxembourg or foreign, (iii) if as a result thereof the Investment Company may become exposed to disadvantages of a tax, legal or financial nature that it would not have otherwise incurred or (iv) if such person, firm or corporate entity would not comply with the eligibility criteria of any existing share class.

E. If at any time it shall come to the Management Company's attention that shares are beneficially owned by a Prohibited Person, either alone or with any other person and the Prohibited Person fails to comply with the instructions of the Management Company to sell its shares and to provide the Management Company with evidence of such sale within 30 calendar days after being so instructed by the Management Company, the Investment Company may in its sole discretion compulsorily redeem such shares at the redemption amount immediately after the close of business specified in the notice given by the Management Company to the Prohibited Person of such compulsory redemption, the shares will be redeemed in accordance with their respective terms and such investor will cease to be the owner of such shares.

5. Issue and redemption of shares of the Investment Company

A. Shares of the respective sub-fund are issued and redeemed on each valuation date. If different share classes are offered for a sub-fund, such issue and redemption shall also take place at the aforementioned times. The Investment Company may issue fractional shares. The respective special section of the Sales Prospectus contains information on the processed number of decimal places.

B. Shares of the Investment Company are issued on the basis of subscription applications received by the Investment Company, a paying agent authorized by the Investment Company to issue and redeem shares of the Investment Company, or by the Transfer Agent.

C. The number of shares to be issued is determined by subtracting the front-end load from the gross investment amount (total amount invested by the investor) and dividing the result

by the applicable net asset value per share (gross-method). For illustrative purposes this is shown by a sample calculation below¹:

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

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

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

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

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

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

Newly subscribed shares are only issued to the investor upon receipt of payment by the Depository or the approved correspondent banks. From a bookkeeping standpoint, however, the corresponding shares are already taken into account in the calculation of the net asset value on the value day following the corresponding securities settlement, and can be cancelled until

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

the receipt of payment. Insofar as an investor's shares must be cancelled due to failure to pay or delayed payment of these shares, it is possible for the respective sub-fund to incur a loss in value.

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

E. Shareholders have the right to request the redemption of their shares through one of the paying agents, the Transfer Agent or the Management Company. Redemption will take place only on a valuation date and at the redemption amount. Insofar as the special section of the Sales Prospectus does not stipulate a redemption fee or a Contingent Deferred Sales Charge ("CDSC"; see below) or a dilution adjustment (see below) for individual sub-funds or for individual share classes within a sub-fund, the redemption amount per share will always correspond to the net asset value per share. Where a redemption fee, CDSC or a dilution adjustment (see below) is applicable, the redemption amount payable will be reduced by the amount of the redemption fee, CDSC or a dilution adjustment (see below) so that a net redemption amount is paid. The main distributor shall receive the redemption fee or CDSC and also be entitled to use it to remunerate third parties for any sales services they provide. The dilution adjustment is levied for the benefit of the sub-fund's assets. The counter value is paid out promptly after the applicable valuation date. Usually this is completed within 3 bank business days and in any case no later than within 5 bank business days. The value dates of each sub-fund are determined in the respective special section of the Sales Prospectus. The value dates refer to the payment between the Depositary and the account maintaining bank of the shareholder. The

final credit to the investors account may in several distribution countries deviate due to different conventions. Any other payments to shareholders are also made through the aforementioned offices. Shares are redeemed at the redemption amount determined on the date on which the redemption orders are received, provided that the specified order acceptance deadlines were adhered to. Orders received after an order acceptance deadline will be treated as having been received before the next order acceptance deadline. The special section of the Sales Prospectus may contain different order acceptance deadlines applicable for individual sub-funds and for individual share classes.

Dilution Adjustment:

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

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

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

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

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

An investor redeeming a placement fee share before the end of the applicable amortization period without paying the dilution adjustment would not compensate the sub-fund for the drop in pre-paid expenses corresponding to the part of the placement fee which has not yet been fully

amortized. Non-payment would therefore negatively affect the NAV for those investors holding the relevant placement fee shares until the applicable amortization period has elapsed.

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

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

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

F. Redemption volume

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

The Management Company is under no obligation to execute redemption requests if any such request pertains to shares valued in excess of 10% of the net asset value of a sub-fund. The Management Company reserves the right, taking into account the principle of equal treatment of all shareholders, to dispense with minimum redemption amounts (if provided for).

Special procedure for redemptions valued in excess of 10% of the net asset value of a sub-fund.

If redemption requests are received on a valuation date (the "First Valuation Date") whose value, individually or together with other requests received, is in excess of 10% of the net asset value of a sub-fund, the Board of Directors reserves the right, at its own discretion (and taking into consideration the interests of the remaining shareholders), to reduce the number of shares of every individual redemption request on a pro-rata basis for this First Valuation Date, so that the value of the shares redeemed or exchanged on this First Valuation Date does not exceed 10% of the net asset value of the respective sub-fund. If as a result of the exercise of the right to effect a pro-rata reduction on this First Valuation Date, a redemption request is not executed in full, such request must be treated with respect of the unexecuted portion as though the shareholder submitted a further redemption request for the next valuation date, and if necessary, for the at most seven

subsequent valuation dates as well. Requests received for the First Valuation Date are processed on a priority basis over any subsequent requests that are received for redemption on the subsequent valuation dates. Subject to this reservation, however, redemption requests received at a later time are processed as specified in the preceding sentence.

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

G. The Management Company has the right to carry out substantial redemptions only once the corresponding assets of the sub-fund have been sold without delay.

H. In exceptional cases, the Management Company may decide to accept applications for redemption in kind at the explicit request of investors. In a redemption in kind, the Board of Directors selects securities and instructs the Depositary to transfer these securities into a securities account for the investor as payment for the return of his shares. The Investment Company must have its auditor prepare a valuation report for these securities, which in particular shall specify the amounts, designations and values arising from these securities, as well as the valuation methods used. Moreover, the total value of the securities must be indicated precisely in the currency of the sub-fund affected by the redemption. As part of the transaction of delivering securities as payment in a redemption, the securities are valued at the price on the valuation date on whose basis the net asset value of the shares to be redeemed is being calculated. The Board of Directors shall make sure that the remaining shareholders are not adversely affected by such a redemption in kind. All costs arising from a redemption in kind (including the cost of the valuation report, brokerage costs, expenses, commissions, etc.) shall be borne by the redeeming investor in their entirety. Where a redemption fee or CDSC is applicable, the redemption in kind will be reduced by the amount of the redemption fee or CDSC.

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

J. The Investment Company may enter into nominee agreements with credit institutions, Professionals of the Financial Sector in Luxembourg (“PSF”) and/or comparable entities under the laws of other countries that are under obligation to identify shareholders. The nominee agreements give the respective institutes the right to sell shares and be entered as nominees in the Investment Company’s Register of Shares. The names of the nominees can be requested from the Investment Company at any time. The nominee shall accept buy, sell and exchange

orders from the investors it works for and arrange for the required changes to be made in the Register of Shares. In this capacity, the nominee is particularly required to take into account the special prerequisites governing the purchase of AUD FCH (P), AUD FDH (P), AUD ICH (P), AUD IDH, AUD IDH (P), CHF FDH, CHF FDH (P), CHF FC, CHF FCH, CHF FCH (P), CHF IC, CHF ICH, CHF ICH (P), CHF IDH (P), GBP FD DS, GBP FDH (P), GBP ID DS, GBP IDH DS, GBP IDH (P), USD FD, USD FDH, USD FDH (P), USD FDQ, USD FC, USD FC (BRIC), USD FC (CC), USD FCH, USD FCH (P), FC, FC EB, FC (CE), FCH, FCH (P), FCR, FD, FD (CE), FDQ, FDH, FDH (P), IC, ICH, ICH (P), ID, IDH, IDH (P), IDQ, USD JC, USD JD, NZD IDH, GBP FC, GBP FCH, GBP FCH (P), GBP ICH, GBP ICH (P), RMB FC, USD ID, USD IDH, USD IDH (P), USD IC, USD ICH, USD ICH (P), JPY FC, JPY IC, JPY IDH, PLN LC, SGD FC, SGD FCH, SGD IC and SGD ICH shares. If there are no conflicting practical or legal considerations, an investor who acquired shares through a nominee can submit a written declaration to the Management Company or the Transfer Agent demanding that he himself be entered into the register as a shareholder once all necessary proofs of identity have been supplied.

6. Calculation of the net asset value per share

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

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

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

issued for a particular sub-fund, the percentage of the sub-fund’s net assets attributable to the individual share class is divided by the number of shares of that share class in circulation on the valuation date.

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

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

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

C. An income equalization account is maintained.

D. For large-scale redemption requests that cannot be met from the liquid assets and allowable credit facilities, the Management Company may determine the NAV per share of the respective sub-fund, or if more than one share class has been issued for a particular

sub-fund, the NAV per share of each share class, based on the price on the valuation date on which it sells the necessary assets; this price then also applies to subscription applications submitted at the same time.

E. The assets are allocated as follows:

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

assets allocated to the share classes that do not receive distributions, is that the net asset values of the non-distributing share classes are not adversely affected by any dividend distribution.

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

A. The Investment Company has the right to suspend temporarily the issue and redemption of shares of one or more sub-funds, or one or more share classes, as well as the calculation of the NAV per share, if and while circumstances exist that make this suspension necessary and if the suspension is justified when taking into consideration the interests of the shareholders, in particular:

- a) while an exchange or other regulated market on which a substantial portion of the securities of the particular sub-fund are traded is closed (excluding normal weekends and holidays) or when trading on that exchange has been suspended or restricted;
 - b) in an emergency, if the Investment Company is unable to gain access to its investments or cannot freely transfer the transaction value of the sub-fund's purchases or sales or calculate the NAV per share in an orderly manner;
 - c) if the assets available for acquisition on the market or the possibilities of disposing of assets of the sub-fund are limited because of the limited investment universe of the sub-fund;
 - d) in the event that a sub-fund is feeder of another undertaking for collective investment (or a sub-fund thereof), if and so long the other undertaking for collective investment (or the relevant sub-fund thereof) has temporarily suspended the issue and redemption of its shares or the calculation of net asset value per share;
 - e) in the event of a merger between a sub-fund and another sub-fund or another Undertaking for Collective Investment (or a sub-fund thereof), if a suspension is considered to be appropriate in order to protect the rights of the investors.
- B. Investors who have applied for redemption of shares will be informed promptly of the suspension and will then be notified immediately once the calculation of the net asset value per share is resumed. After resumption, investors will receive the redemption price that is then current.

C. The suspension of the redemption and the exchange of shares, and of the calculation of the net asset value per share, shall have no effect on any other sub-fund.

D. The beginning and end of a period of suspension is communicated to the Luxembourg supervisory authority and to all foreign supervisory authorities at which the respective sub-fund(s) has been registered in accordance with their respective regulations. Notice of suspension of the calculation of the NAV per share will be published on the website of the Management Company www.dws.lu and, if required, in the official publication media of the respective jurisdictions in which the shares are offered for sale to the public.

8. Exchange of shares

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

A. Within certain limitations shareholders may at any time exchange some or all of their shares for shares of a different sub-fund or shares of a different share class upon payment of an exchange commission plus any applicable issue taxes and levies. The exchange commission is calculated on the amount to be invested in the new sub-fund, it is charged for the benefit of the main distributor, which in turn may pass it on at its discretion. The main distributor may waive the commission. If the investor has his shares in the custody of a financial institution, that institution may charge additional fees and costs in excess of the exchange commission.

B. Shareholders of share classes with the "PF" designator ("placement fee share classes") cannot at any time exchange any or all of their shares for shares of a different sub-fund or shares of a different share class of the same sub-fund. After a pre-defined amortization period of 3 years commencing on the date of subscription or the immediately following valuation date, pre-paid expenses assigned to a subscribed share of a placement fee share class are fully amortized and the relevant number of placement fee shares will be exchanged for a corresponding number of shares of the corresponding share class of the same sub-fund to avoid prolonged amortization. In this case no dilution adjustment is charged.

C. It is possible to make exchanges between share classes that are denominated in different currencies provided that the Depositary of the investor is able to process such an exchange request. The investors should note that not all service providers for custody are able to process the exchanges between share classes that are denominated in different currencies from an operational point of view.

D. It is not possible to make exchanges between registered shares and bearer shares represented by a global certificate.

E. The following applies for exchanges within the EUR/GBP/CHF/AUD/NZD/ CAD/JPY/NOK/ SEK/PLN/CZK/Russian ruble share classes (section 8. B. remains unaffected):

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

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

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

G. In case of an exchange, the characteristics of the chosen sub-fund/share class (e.g. minimum initial investment amount, institutional character of the investor) must be fulfilled. (In terms of the minimum initial investment amount the Management Company reserves the right to deviate from this rule at its own discretion).

H. The number of shares that are issued in an exchange is based on the respective net asset value of the shares of the two relevant sub-funds on the valuation date on which the exchange order was executed in consideration of any applicable exchange fees, and is calculated as follows:

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

where

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

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

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

D = applicable exchange commission in %;

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

9. Allocation of income

For the reinvesting share classes, income is continuously reinvested in the assets of the sub-funds and allocated to the respective share classes. For the distributing share classes, the

general meeting of shareholders upon proposal of the Board of Directors shall decide each year whether a distribution will be made and in what amount. The Board of Directors may elect to pay out special and interim dividends for each share class in accordance with the law. No distribution will reduce the Investment Company's capital to a level below its minimum capital.

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

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

B. The Investment Company has entered into a Management Company agreement with DWS Investment S.A. Performance of collective investment management service is subject to the Law of 2010. DWS Investment S.A. is a public limited company under Luxembourg law. It is established for an indeterminate time. The contract may be terminated by any of the parties on three months' notice. Administration covers all the tasks pertaining to collective investment management as specified in Annex II to the Law of 2010 (investment management, administration, distribution).

C. The Investment Company's Board of Directors remains jointly responsible for investing the Investment Company's assets held in each sub-fund.

D. The Management Company may, in compliance with the regulations of the Law of 2010, delegate one or more tasks to third parties under its supervision and control.

(i) Investment management

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

The respective fund manager designated for each sub-fund is specified in the respective special section of the Sales Prospectus. Subject to applicable legal requirements, regulatory approval and appropriate disclosure in the Sales Prospectus, the fund manager may delegate its

fund management services in whole or in part, under its supervision, control and responsibility, and at its own expense.

(ii) Administration, Transfer agent, Registrar, Paying Agent

The Management Company has entered into a sub-administration agreement with State Street Bank Luxembourg S.C.A. Under this sub-administration agreement, State Street Bank Luxembourg S.C.A. assumes significant central administration functions, namely fund bookkeeping and net asset value calculation. State Street Bank Luxembourg S.C.A. has been doing business as a bank since its establishment in 1990. The contract may be terminated by any of the parties on three months' notice.

DWS Investment S.A. assumes the remaining duties of central administration, including in particular the retrospective monitoring of investment limits and restrictions and the functions of Domiciliary Agent and Registrar and Transfer Agent.

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

(iii) Distribution

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

Special Notice

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

11. The Depositary

A. The Depositary is State Street Bank Luxembourg S.C.A. It is a partnership limited by shares established under Luxembourg law and conducts banking activities. The rights and obligations of the Depositary are governed by the articles of incorporation, this Sales Prospectus and the Depositary agreement. Its particular duty is to hold in safe-keeping the assets of the Investment Company. In addition, the Depositary performs special monitoring tasks. The Depositary acts in the interests of the shareholders.

Depository's functions

The Depository has been entrusted with following main functions:

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

Depository's liability

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

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

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

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

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

Delegation

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

The Depository has delegated those safekeeping duties set out in Article 22(5)(a) of the UCITS Directive to State Street Bank and Trust Company with registered office at Copley Place 100, Huntington Avenue, Boston, Massachusetts 02116, USA, whom it has appointed as its global sub-custodian. State Street Bank and Trust Company as global sub-custodian have appointed local sub-custodians within the State Street Global Custody Network.

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

12. Costs and services received

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

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

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

- all of the taxes charged to the assets of the sub-fund and to the sub-fund itself (especially the *taxe d'abonnement*), as well as any taxes that may arise in connection with administrative and custodial costs;
- any costs that may arise in connection with the acquisition and disposal of assets;
- extraordinary costs (e.g., court costs) that may be incurred in order to protect the interests of shareholders of the sub-fund; the Board of Directors shall decide in each individual case whether or not to assume such costs and will report these separately in the annual report;
- costs for the information of investors via durable medium, with the exception of costs for information about mergers and measures in relation to errors in NAV-calculation or to breaches of investment policy;
- costs for the remuneration of the Board of Directors.

Revenues arising from securities lending transactions or (reverse) repurchase agreement transactions should be returned to the sub-fund, net of direct or indirect operational costs. However, the Management Company reserves the right to charge a fee for initiating, preparing and implementing such transactions. In particular, the Management Company shall receive a flat fee for initiating, preparing and implementing securities lending transactions (including synthetic securities lending transactions) and (reverse) repurchase agreement transactions for the account of the sub-fund amounting to up to one third of the income from these transactions. The Management Company shall bear the costs, which arise in connection with preparing and implementing such transactions, including any fees payable to third parties (i.e. transaction fees paid to the depository bank and fees for the use of specific information systems to ensure "best execution").

In addition, a performance-based fee may be paid whose amount is also specified in each respective special section of the Sales Prospectus.

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

The specified costs are listed in the annual reports.

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

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

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

- the management fee/all-in fee of the target fund;
- the performance fees of the target fund;
- the front-end load and back-end load of the target fund;

- reimbursements of expenses of the target fund;
- other costs.

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

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

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

13. Taxes

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

This rate is 0.01% for:

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

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

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

- b) The sub-fund's income may be subject to withholding tax in the countries where the sub-fund's assets are invested. In such cases, neither the Depositary nor the Management Company is required to obtain tax certificates.

- c) The tax treatment of fund income at investor level is dependent on the individual tax regulations applicable to the investor. For information about individual taxation at investor level (especially non-resident investors), a tax adviser should be consulted.

(i) German Taxation

Taxation bases to be calculated in accordance with Article 5 (1) of the German Investment Tax Act (Investmentsteuergesetz) are not determined for certain share classes which distribute any accrued income during the year. For investors who are without limitation subject to taxation in Germany, the regulations of so-called non-transparent taxation are therefore applicable (see Summary of tax regulations of importance to the investor). Due to potentially undesirable consequences of non-transparent taxation, the affected share classes are in principle neither intended nor suitable for investors who are without limitation subject to taxation in Germany.

Where applicable, affected share classes are named in the special section of the Sales Prospectus.

(ii) UK Taxation

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

The following information is a general guide to the anticipated UK tax treatment of UK-resident investors. Investors should be aware that UK tax law and practice can change. Prospective investors therefore need to consider their specific position at the time they invest, and should seek their own advice where appropriate.

The separate share classes are "offshore funds" for the purposes of the UK offshore funds legislation. Under this legislation, any gain arising on the sale, redemption or other disposal of shares in an offshore fund held by persons who are resident in the UK for tax purposes will be taxed at the time of such sale, disposal or redemption as income and not as a capital gain. This does not apply, however, where a share class is certified by HM Revenue & Customs ("HMRC") as a "reporting fund" (and previously, where relevant, a "distributing fund") throughout the period during which the shares have been held by that investor.

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

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

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

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

The UK tax rules contain a number of anti-avoidance codes that can apply to UK investors in offshore funds in particular circumstances. It is not anticipated that they will normally apply to investors. Any UK taxpaying investor who (together with connected persons) holds over 25% of DWS Strategic should take specific advice.

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

14. Shareholders' Meetings

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

B. The shareholders of a sub-fund can also hold a shareholders' meeting at any time in order to decide on actions pertaining exclusively to that sub-fund. Similarly, the shareholders of a particular share class of a sub-fund can also hold

a shareholders' meeting at any time in order to decide on actions pertaining exclusively to that share class.

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

D. Invitations to general and extraordinary shareholders' meetings are published at least fifteen days before the meeting in the *Recueil Electronique des Sociétés et Associations* ("RESA") of the Trade and Companies Register, in a Luxembourg newspaper and in additional newspapers, if required by law or if considered appropriate by the Board of Directors in each distribution country. Invitations may also be sent by mail to shareholders holding registered shares at least eight days before the meeting.

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

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

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

15.1 Establishment

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

15.2 Closing

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

shareholders upon completion of the liquidation proceedings will at that time be deposited by the Depositary with the Caisse de Consignation in Luxembourg for the account of shareholders entitled to them, where such amounts will be forfeited if not claimed by the statutory deadline.

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

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

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

15.3 Merger

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

Notice of the merger will be given to the shareholders. Shareholders will be given the possibility, during a period of at least thirty days to request either the repurchase or the conversion of shares free of any charges, as further disclosed in the relevant publication.

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

16. Dissolution or merger of the Investment Company

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

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

C. If a situation arises resulting in the dissolution of the Investment Company, the issue of shares will be halted. If not otherwise decided by the Board of Directors, the redemption of shares remains possible provided the equal treatment of shareholders can be ensured. On order of the Investment Company or the liquidators appointed by the shareholders' meeting, the Depositary will divide the proceeds of the liquidation less the costs of liquidation and fees among the shareholders of the respective sub-funds according to their entitlement. The net proceeds of liquidation not collected by shareholders upon completion of the liquidation proceedings will at that time be deposited by the Depositary with the Caisse de Consignation in Luxembourg for the account of shareholders entitled to them, where such amounts will be forfeited if not claimed by the statutory deadline.

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

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

The Shareholders' Meeting, deciding by simple majority of the votes cast by shareholders present or represented at the meeting, shall be competent to decide on the merger and on the effective date of merger, in case the Investment

Company is the merging UCITS and thereby ceases to exist. The effective date of merger shall be recorded by notarial deed.

Notice of the merger will be given to the shareholders. Shareholders will be given the possibility, during a period of at least thirty days to request either the repurchase or the conversion of shares free of any charges, as further disclosed in the relevant publication.

17. Publications

A. The net asset value per share may be obtained from the Management Company and all paying agents and it may be published in each distribution country through appropriate media (such as the Internet, electronic information systems, newspapers, etc.). In order to provide better information for the investors and to satisfy different customary market practices, the Management Company may also publish an issue/redemption price in consideration of a front-end load and redemption fee. Such information may be obtained from the Investment Company, the Management Company, the Transfer Agent or the sales agent on every day such information is published.

B. The Investment Company produces an audited annual report and a semi-annual report according to the laws of the Grand Duchy of Luxembourg which are available for inspection at the registered office of the Investment Company. The Investment Company's financial year ends on December 31. The first accounting year begins on the date of incorporation and is terminated on December 31, 2018. The first annual report will be issued as of December 31, 2018, the first semi-annual report will be issued as of June 30, 2018.

C. The Sales Prospectus, Key Investor Information Document (KIID), the articles of incorporation, and the annual and semi-annual reports are available free of charge to shareholders at the registered office of the Investment Company and at all sales and paying agents. Copies of the following documents may also be inspected free of charge on any bank business day in Luxembourg during customary business hours at the registered office of the company at 2, Boulevard Konrad Adenauer, 1115 Luxembourg, Luxembourg:

- (i) the Management Company agreement,
 - (ii) the Depositary agreement,
 - (iii) the sub-administration agreement,
 - (iv) the registrar and transfer agency agreement,
- and
- (v) the paying agent agreement.

D. Important information will be disclosed to the investors on the website of the Management Company www.dws.lu. If required in certain distribution countries, publications will also be made in a newspaper or in other means of

publication required by law. In cases where it is required by law in Luxembourg, publications will additionally be made in at least one Luxembourg newspaper and, if applicable, in the Trade and Companies Register (RESA).

18. Incorporation, fiscal year, term

The Investment Company was established on December 6, 2017, for an indeterminate period. Its fiscal year ends on December 31 of each year. The first financial year begins on the date of incorporation and is terminated on December 31, 2018.

19. Exchanges and markets

The Management Company may have the sub-funds' shares admitted for listing on an exchange or traded on regulated markets; currently the Management Company is not availing itself of this option.

B. Sales Prospectus – Special Section

DWS Strategic Allocation Balance

Investor profile	Growth-oriented
Currency of sub-fund	EUR
Sub-fund manager	DWS Investment GmbH
Performance benchmark	–
Reference portfolio (risk benchmark)	50% MSCI World net total return, unhedged in EUR (MSDEWIN), 50% iboxx EUR Overall TR Index (QW7A)
Leverage effect	2 times the value of the investment sub-fund's assets
Calculation of the NAV per share	Each bank business day in Luxembourg
Order acceptance	All subscription, redemption and exchange orders are placed on the basis of an unknown net asset value per share. Orders received by the Transfer Agent at or before 4:00 PM Luxembourg time on a valuation date are processed on the basis of the net asset value per share on the subsequent valuation date. Orders received after 4:00 PM Luxembourg time are processed on the basis of the net asset value per share on the valuation date immediately following that next valuation date.
Value date	In a purchase, the equivalent value is debited three bank business days after issue of the shares. The equivalent value is credited three bank business days after redemption of the shares. The value date for purchase and redemption orders of certain currencies may deviate by one day from the value date as specified in the description of share classes in the general section of the Sales Prospectus.
Fractional shares	Up to three places after the decimal point

Share class	Currency of share class	Front-end load (payable by the investor)	All-in Fee p.a. (payable by the sub-fund)*	Taxe d'abonnement (payable by the sub-fund)	Launch date
FC	EUR	0%	up to 0.43%	0.05%	January 29, 2018
ID	EUR	0%	up to 0.30%	0.01%	January 29, 2018
LC**	EUR	3%	up to 0.80%	0.05%	January 29, 2018

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

** 3% based on the gross investment corresponds approx. to 3,09 % based on the net investment.

Due to its composition and the techniques applied by its fund management, the sub-fund is subject to markedly **increased volatility**, which means that the price per share may be subject to **substantial** downward or upward **fluctuation**, even within short periods of time. **The sub-fund is therefore only suitable for experienced investors who are familiar with the opportunities and risks of volatile investments and who are in a position to temporarily bear substantial losses.**

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

Investment policy

The objective of the investment policy of the sub-fund DWS Strategic Allocation Balance is to achieve a positive mid- to long-term investment performance taking in account the opportunities and risks of the international capital markets. The sub-fund combines eligible investment vehicles from different asset classes in order to achieve a balanced risk-reward investment profile and targets an annualized volatility between 5% and 10% over a rolling 5-year period. However, it cannot be guaranteed that the volatility range will be met at any time.

The sub-fund invests predominantly in Exchange Traded Funds (ETFs). The scope of ETF's is not limited to a single investment type. The sub-fund may invest in ETF's of all asset classes which are eligible as per Article 41 (1) e) of the Law of 2010. Moreover, the sub-fund may invest up to 49% in

interest-bearing securities, in equities, in certificates on, for example, equities, bonds, indices, commodities and precious metals, in convertible bonds, in warrant-linked bonds whose underlying warrants relate to securities, in equity warrants, in participation and dividend-right certificates, in derivatives, funds as well as in money market instruments, deposits and cash.

The sub-fund's investments in asset backed securities and mortgage backed securities shall be limited to 20% of the sub-fund's net asset value.

Up to 10% of the sub-fund's assets may be invested in certificates on commodities, commodities indices, precious metals and precious metals indices. According to clause 2 A. (j) of the General Section of the Sales Prospectus, investment in the certificates listed here is only permitted if they are 1:1 certificates qualifying as transferable securities. When using financial indices, legal provisions apply as set out in Article 44 (1) of the Law of 2010, and Article 9 of the Grand-Ducal Regulation of February 8, 2008.

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

At least 25 % of the sub-fund's assets are invested in equity participations. In this respect, equity participations are:

- equities admitted for official trading on an exchange or admitted to or included in another organized market, which are not units of investment undertakings; and/or
- units of other investment undertakings which in accordance with their terms and conditions of investment invest at least 51% of their assets in equities admitted for official trading on an exchange or admitted to or included in another organized market, in the amount of 51% of their assets; and/or
- units of other investment undertakings which in accordance with their terms and conditions of investment invest at least 25% of their assets in equities admitted for official trading

on an exchange or admitted to or included in another organized market, in the amount of 25% of their assets; and/or

- units of other investment undertakings in the amount of the percentage of their assets published on each valuation date that they actually invest in the aforementioned equities, or, if no actual percentage is published, in the amount of the minimum percentage as defined in the terms and conditions of investment of the other investment undertaking.

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

The sub-fund may use financial derivative instruments ("FDIs") which relate to the Reference Portfolio or constituents of the Reference Portfolio, which may include FDIs which are expected to generate a risk and return profile similar to that of the Reference Portfolio, a constituent of the Reference Portfolio or a sub-set of constituents of the Reference Portfolio. The FDIs which the sub-fund may use include futures, contracts for difference ("CFDs"), currency forwards and non-deliverable forwards ("NDFs"). Futures and CFDs may be used in order to equitize cash balances pending investment of subscription proceeds or other cash balances held by the sub-fund to seek to reduce tracking error. Currency forwards and NDFs may be used to hedge currency exposures. The sub-fund may use futures or CFDs as an alternative to direct investment in the constituents of the Reference Portfolio in order to avail of the related cost or liquidity advantages of FDIs which may, in certain circumstances, be available over the direct investment in the constituents of the Reference Portfolio. The sub-fund may also use American depository receipts ("ADRs") and global depository receipts ("GDRs") to gain exposure to equity securities instead of using physical securities in circumstances where, due to local restrictions or quota limitations, it is not possible to hold these directly or where it is otherwise advantageous to the sub-fund to do so. The Management Company employs a risk management process which enables it to accurately measure, monitor and manage at any time the risks attached to the Fund's FDI positions and their contribution to the overall risk profile of the portfolio of assets of a Fund. The Management Company will, on request, provide supplementary information to Shareholders relating to the risk management methods employed, including the quantitative limits that are applied and any recent developments in the risk and yield characteristics of the main categories of investments in respect of the relevant Fund.

The sub-fund will not invest in contingent convertibles.

In addition the sub-fund's assets may be invested in all other permissible assets as specified in clause 2 of the general section of the Sales Prospectus.

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

Risk Management

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

In addition to the provisions of the general section of the Sales Prospectus, the potential market risk of the sub-fund is measured using a reference portfolio that does not contain derivatives ("risk benchmark").

Leverage is not expected to exceed twice the value of the investment sub-fund's assets. The leverage effect is calculated using the sum of notional approach (absolute (notional) amount of each derivative position divided by the net present value of the portfolio). However, the disclosed expected level of leverage is not intended to be an additional exposure limit for the sub-fund.

Investment in shares of target funds

In addition to the information in the general section of the Sales Prospectus the following is applicable to this sub-fund:

When investing in target funds associated to the sub-fund, the part of the all-in fee attributable to shares of these target funds is reduced by the management fee/all-in fee, up to 0,05% of the acquired target funds (modified difference method).

DWS Strategic Allocation Defensive

Investor profile	Income-oriented
Currency of sub-fund	EUR
Sub-fund manager	DWS Investment GmbH
Performance benchmark	–
Reference portfolio (risk benchmark)	30% MSCI World net total return, unhedged in EUR (MSDEWIN), 70% iBoxx EUR Overall TR Index (QW7A)
Leverage effect	2 times the value of the investment sub-fund's assets
Calculation of the NAV per share	Each bank business day in Luxembourg
Order acceptance	All subscription, redemption and exchange orders are placed on the basis of an unknown net asset value per share. Orders received by the Transfer Agent at or before 4:00 PM Luxembourg time on a valuation date are processed on the basis of the net asset value per share on the subsequent valuation date. Orders received after 4:00 PM Luxembourg time are processed on the basis of the net asset value per share on the valuation date immediately following that next valuation date.
Value date	In a purchase, the equivalent value is debited three bank business days after issue of the shares. The equivalent value is credited three bank business days after redemption of the shares. The value date for purchase and redemption orders of certain currencies may deviate by one day from the value date as specified in the description of share classes in the general section of the Sales Prospectus.
Fractional shares	Up to three places after the decimal point

Share class	Currency of share class	Front-end load (payable by the investor)	All-In Fee p.a. (payable by the sub-fund)**	Taxe d'abonnement (payable by the sub-fund)	Launch date
FC	EUR	0%	up to 0.40%	0.05%	January 29, 2018
ID	EUR	0%	up to 0.27%	0.01%	January 29, 2018
LC***	EUR	3%	up to 0.75%	0.05%	January 29, 2018
XD*	EUR	0%	up to 0.15%	0.05%	January 29, 2018

* The share class is excluded from the option "exchanges of shares" stated in paragraph 8 of the general part of the Sales Prospectus. Redemption of the share class is still possible as stated in paragraph 5 of the general part of the Sales Prospectus.

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

*** 3% based on the gross investment corresponds approx. to 3,09 % based on the net investment.

Due to its composition and the techniques applied by its fund management, the sub-fund is subject to markedly **increased volatility**, which means that the price per share may be subject to **substantial** downward or upward **fluctuation**, even within short periods of time. **The sub-fund is therefore only suitable for experienced investors who are familiar with the opportunities and risks of volatile investments and who are in a position to temporarily bear substantial losses.**

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

Investment policy

The objective of the investment policy of the sub-fund DWS Strategic Allocation Defensive is to achieve a positive mid- to long-term investment performance taking in account the opportunities and risks of the international capital markets.

The sub-fund combines eligible investment vehicles from different asset classes in order to achieve a defensive risk-reward investment profile and targets an annualized volatility between 2% and 5% over a rolling 5-year period. However, it cannot be guaranteed that the volatility range will be met at any time.

The sub-fund invests predominantly in Exchange Traded Funds (ETFs). The scope of ETFs is not limited to a single investment type. The sub-fund may invest in ETFs of all asset classes which are eligible as per Article 41 (1) e) of the Law of 2010.

Moreover, the sub-fund may invest up to 49% in interest-bearing securities, in equities, in certificates on, for example, equities, bonds, indices, commodities and precious metals, in convertible bonds, in warrant-linked bonds whose underlying warrants relate to securities, in equity warrants, in participation and dividend-right certificates, in derivatives, funds as well as in money market instruments, deposits and cash.

The sub-fund's investments in asset-backed securities and mortgage backed securities shall be limited to 20% of the sub-fund's net asset value.

Up to 10% of the sub-fund's assets may be invested in certificates on commodities, commodities indices, precious metals and precious metals indices. According to clause 2 A. (j), in the general section of the Sales Prospectus, investment in the certificates listed here is only permitted if they are 1:1 certificates qualifying as transferable securities. When using financial indices, legal provisions apply as set out in Article 44 (1) of the Law of 2010, and Article 9 of the Grand-Ducal Regulation of February 8, 2008.

Notwithstanding clause 2 B. (i) in the general section of the Sales Prospectus, the following applies:

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

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

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

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

The sub-fund may use financial derivative instruments ("FDIs") which relate to the Reference Portfolio or constituents of the Reference Portfolio, which may include FDIs which are expected to generate a risk and return profile similar to that of the Reference Portfolio, a constituent of the Reference Portfolio or a sub-set of constituents of the Reference Portfolio. The FDIs which the sub-fund may use include futures, contracts for difference ("CFDs"), currency forwards and non-deliverable forwards ("NDFs"). Futures and CFDs may be used in order to equitize cash balances pending investment of subscription proceeds or other cash balances held by the sub-fund to seek to reduce tracking error. Currency forwards and NDFs may be used to hedge currency exposures. The sub-fund may use futures or CFDs as an alternative to direct investment in the constituents of the Reference Portfolio in order to avail of the related cost or liquidity advantages of FDIs which may, in certain circumstances, be available over the direct investment in the constituents of the Reference Portfolio. The sub-fund may also use American depository receipts ("ADRs") and global depository receipts ("GDRs") to gain exposure to equity securities instead of using physical securities in circumstances where, due to local restrictions or quota limitations, it is not possible to hold these directly or where it is otherwise advantageous to the sub-fund to do so.

The Management Company employs a risk management process which enables it to accurately measure, monitor and manage at any time the risks attached to the Fund's FDI positions and their contribution to the overall risk profile of the portfolio of assets of a Fund. The Management Company will, on request, provide supplementary information to Shareholders relating to the risk management methods employed, including the quantitative limits that are applied and any recent developments in the risk and yield characteristics of the main categories of investments in respect of the relevant sub-fund.

The sub-fund will not invest in contingent convertibles.

In addition the sub-fund's assets may be invested in all other permissible assets as specified in clause 2 of the general section of the Sales Prospectus.

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

Risk Management

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

In addition to the provisions of the general section of the Sales Prospectus, the potential market risk of the sub-fund is measured using a reference portfolio that does not contain derivatives ("risk benchmark").

Leverage is not expected to exceed twice the value of the investment sub-fund's assets. The leverage effect is calculated using the sum of notional approach (absolute (notional) amount of each derivative position divided by the net present value of the portfolio). However, the disclosed expected level of leverage is not intended to be an additional exposure limit for the sub-fund.

Investment in shares of target funds

In addition to the information in the general section of the Sales Prospectus the following is applicable to this sub-fund:

When investing in target funds associated to the sub-fund, the part of the all-in fee attributable to shares of these target funds is reduced by the management fee/all-in fee up to 0,05% of the acquired target funds (modified difference method).

DWS Strategic Allocation Dynamic

Investor profile	Growth-oriented
Currency of sub-fund	EUR
Sub-fund manager	DWS Investment GmbH
Performance benchmark	–
Reference portfolio (risk benchmark)	75% MSCI World net total return, unhedged in EUR (MSDEWIN), 25% iBoxx EUR Overall TR Index (QW7A)
Leverage effect	2 times the value of the investment sub-fund's assets
Calculation of the NAV per share	Each bank business day in Luxembourg
Order acceptance	All subscription, redemption and exchange orders are placed on the basis of an unknown net asset value per share. Orders received by the Transfer Agent at or before 4:00 PM Luxembourg time on a valuation date are processed on the basis of the net asset value per share on the subsequent valuation date. Orders received after 4:00 PM Luxembourg time are processed on the basis of the net asset value per share on the valuation date immediately following that next valuation date.
Value date	In a purchase, the equivalent value is debited three bank business days after issue of the shares. The equivalent value is credited three bank business days after redemption of the shares. The value date for purchase and redemption orders of certain currencies may deviate by one day from the value date as specified in the description of share classes in the general section of the Sales Prospectus.
Fractional shares	Up to three places after the decimal point

Share class	Currency of share class	Front-end load (payable by the investor)	All-in Fee p.a. (payable by the sub-fund)*	Taxe d'abonnement (payable by the sub-fund)	Launch date
FC	EUR	0%	up to 0.45%	0.05%	January 29, 2018
IC	EUR	0%	up to 0.32%	0.01%	November 15, 2018
ID	EUR	0%	up to 0.32%	0.01%	January 29, 2018
LC**	EUR	3%	up to 0.85%	0.05%	January 29, 2018
LD**	EUR	3%	up to 0.85%	0.05%	January 29, 2018

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

** 3% based on the gross investment corresponds approx. to 3,09 % based on the net investment.

Due to its composition and the techniques applied by its fund management, the sub-fund is subject to markedly **increased volatility**, which means that the price per share may be subject to **substantial** downward or upward **fluctuation**, even within short periods of time. **The sub-fund is therefore only suitable for experienced investors who are familiar with the opportunities and risks of volatile investments and who are in a position to temporarily bear substantial losses.**

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

Investment policy

The objective of the investment policy of the sub-fund DWS Strategic Allocation Dynamic is to achieve a positive mid- to long-term investment performance taking into account the opportunities and risks of the international capital markets. The sub-fund combines eligible investment vehicles from different asset classes in order to achieve a dynamic risk-reward investment profile and targets an annualized volatility between 10% and 15% over a rolling 5-year period. However, it cannot be guaranteed that the volatility range will be met at any time.

The sub-fund invests predominantly in Exchange Traded Funds (ETFs). The scope of ETFs is not limited to a single investment type. The sub-fund may invest in ETFs of all asset classes which are eligible as per Article 41 (1) e) of the Law of 2010.

Moreover, the sub-fund may invest up to 49% in interest-bearing securities, in equities, in certificates on, for example, equities, bonds, indices, commodities and precious metals, in convertible bonds, in warrant-linked bonds whose underlying warrants relate to securities, in equity warrants, in participation and dividend-right certificates, in derivatives, funds as well as in money market instruments, deposits and cash.

The sub-fund's investments in asset backed securities and mortgage backed securities shall be limited to 20% of the sub-fund's net asset value.

Up to 10% of the sub-fund's assets may be invested in certificates on commodities, commodities indices, precious metals and precious metals indices. According clause 2 A. (j) in the general section of the Sales Prospectus, investment in the certificates listed here is only permitted if they are 1:1 certificates qualifying as transferable securities. When using financial indices, legal provisions apply as set out in Article 44 (1) of the Law of 2010, and Article 9 of the Grand-Ducal Regulation of February 8, 2008.

At least 51 % of the sub-fund's assets are invested in equity participations. In this respect, equity participations are:

- equities admitted for official trading on an exchange or admitted to or included in another organized market, which are not units of investment undertakings; and/or
- units of other investment undertakings which in accordance with their terms and conditions of investment invest at least 51% of their assets in equities admitted for official trading on an exchange or admitted to or included in another organized market, in the amount of 51% of their assets; and/or
- units of other investment undertakings which in accordance with their terms and conditions of investment invest at least 25% of their assets in equities admitted for official trading on an exchange or admitted to or included in another organized market, in the amount of 25% of their assets; and/or
- units of other investment undertakings in the amount of the percentage of their assets published on each valuation date that they actually invest in the aforementioned equities,

or, if no actual percentage is published, in the amount of the minimum percentage as defined in the terms and conditions of investment of the other investment undertaking.

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

Notwithstanding clause 2 B. (i) in the general section of the Sales Prospectus, the following applies:

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

Every sub-fund of an umbrella fund is to be regarded as an independent issuer, provided that the principle of individual liability per sub-fund is applicable in terms of liability to third parties. Investments in shares of other UCIs other than UCITS must not exceed 30% of the sub-fund's net assets in total.

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

The sub-fund may use financial derivative instruments ("FDIs") which relate to the Reference Portfolio or constituents of the Reference Portfolio, which may include FDIs which are expected to generate a risk and return profile similar to that of the Reference Portfolio, a constituent of the Reference Portfolio or a sub-set of constituents of the Reference Portfolio. The FDIs which the sub-fund may use include futures, contracts for difference ("CFDs"), currency forwards and non-deliverable forwards ("NDFs"). Futures and CFDs may be used in order to equitize cash balances pending investment of subscription proceeds or other cash balances held by the sub-fund to seek to reduce tracking error. Currency forwards and NDFs may be used to hedge currency exposures. The sub-fund may use futures or CFDs as an alternative to direct investment in the constituents of the Reference Portfolio in order to avail of the related cost or liquidity advantages of FDIs which may, in certain circumstances, be available over the direct investment in the constituents of the Reference Portfolio. The sub-fund may also use American depository receipts ("ADRs") and global depository receipts ("GDRs") to gain exposure to equity securities instead of using physical securities in circumstances where, due to local restrictions or quota

limitations, it is not possible to hold these directly or where it is otherwise advantageous to the sub-fund to do so.

The Management Company employs a risk management process which enables it to accurately measure, monitor and manage at any time the risks attached to the Fund's FDI positions and their contribution to the overall risk profile of the portfolio of assets of a Fund. The Management Company will, on request, provide supplementary information to Shareholders relating to the risk management methods employed, including the quantitative limits that are applied and any recent developments in the risk and yield characteristics of the main categories of investments in respect of the relevant Fund.

The sub-fund will not invest in contingent convertibles.

In addition the sub-fund's assets may be invested in all other permissible assets as specified in clause 2 of the general section of the Sales Prospectus.

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

Risk Management

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

In addition to the provisions of the general section of the Sales Prospectus, the potential market risk of the sub-fund is measured using a reference portfolio that does not contain derivatives ("risk benchmark").

Leverage is not expected to exceed twice the value of the investment sub-fund's assets. The leverage effect is calculated using the sum of notional approach (absolute (notional) amount of each derivative position divided by the net present value of the portfolio). However, the disclosed expected level of leverage is not intended to be an additional exposure limit for the sub-fund.

Investment in shares of target funds

In addition to the information in the general section of the Sales Prospectus the following is applicable to this sub-fund:

When investing in target funds associated to the sub-fund, the part of the all-in fee attributable to shares of these target funds is reduced by the management fee/all-in fee up to 0,05% of the acquired target funds (modified difference method).

Management and Administration

Investment Company

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Board of Directors of the Investment Company

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Chairman
DWS Investment S.A., Luxembourg

Thilo Hubertus Wendenburg
Medius Capital,
Frankfurt/Main, Germany

Sven Sendmeyer
DWS Investment GmbH,
Frankfurt/Main, Germany

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Management Company, Administration Agent, Registrar and Transfer Agent, Main Distributor

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Frank Krings
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Dr. Matthias Liermann
DWS Investment GmbH, Frankfurt/Main

Claire Peel
DWS Management GmbH,
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DWS Management GmbH,
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Management Board of the Management Company

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Chairman
DWS Investment S.A., Luxembourg

Nathalie Bausch
DWS Investment S.A., Luxembourg

Barbara Schots
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Depositary and Sub-Administrator

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