

# Factsheet: Deutsche Invest II European Equity Focused Alpha

## Equity Funds - Europe



August 2018

As at 31/08/2018

### Fund Data

#### Investment Policy

Deutsche Invest II European Equity Focused Alpha mainly invests in equities of European companies. Fund management constructs a concentrated portfolio of equity ideas generated by fundamental bottom up research of the Deutsche AM European Large and Small & Mid Cap team. Furthermore exposure levels are actively managed to potentially improve the risk/return profile.

### Fund Management's Comment

One step ahead, one step back. The global trade conflict broadened again this month, pushing corporate news into the background. While the US stock exchanges reached new highs again, Europe is decoupling in a negative way. Above all, the budget negotiations in the new coalition government in Italy resulted in risk premiums on their government bonds. These spreads are also considered a barometer in the Eurozone. In addition, the strong US Dollar fueled currency crises in some emerging markets. Above all, the Turkish Lira depreciated so much that a recession seems inevitable there. The Q2 corporate earnings season ended quietly in August, with profit warnings from the automotive sector, but it was many industrial companies surprised on the positive side. Overall, the earnings growth path in 2018 of up to +10% still seems possible. Due to the uncertainties over the summer months, the Fund management has reduced the level of investment in order to opportunistically exploit future outliers.

### Morningstar Style-Box™



### Morningstar Category™

Europe Large-Cap Blend Equity

### Ratings

(As at: 31/07/2018)

Morningstar Overall Rating™:

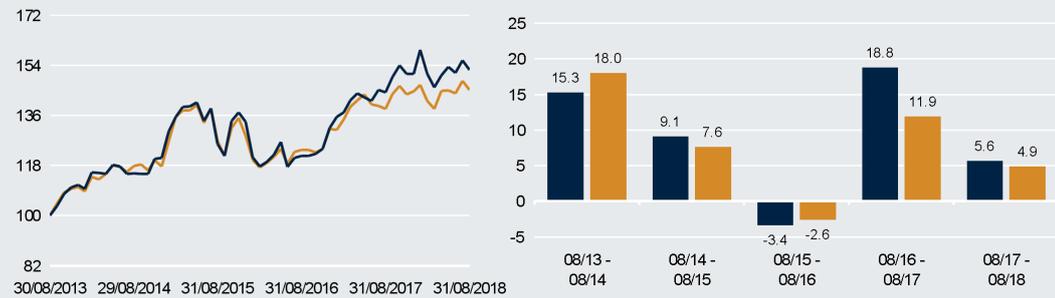
FERI Fund Rating: (B)

Lipper Leaders:

### Performance

#### Performance - Share Class LC(EUR)

(in %)



■ Fund ■ Benchmark: MSCI Europe (NR)

Calculation of performance is based on the time-weighted return and excludes front-end fees. Individual costs such as fees, commissions and other charges have not been included in this presentation and would have an adverse impact on returns if they were included. Past performance is not a reliable indicator of future returns.

#### Cumulative Performance (in %) - Share Class LC(EUR)

	1 m	1 y	3 y	5 y	s. Launch	Ytd.	3 y Ø	5 y Ø	2014	2015	2016	2017
EUR	-2.2	5.6	21.3	52.4	73.2	1.0	6.6	8.8	8.8	10.7	-1.6	14.7
BM IN EUR	-2.2	4.9	14.3	45.1	73.5	0.3	4.6	7.7	6.8	9.3	2.0	10.2

#### Further Characteristics (3 years) / VAR (1 year) - Share Class LC(EUR)

Volatility	13.07%	Maximum Drawdown	-14.32%	VAR (99%/10 days)	7.64%
Sharpe Ratio	0.53	Information Ratio	0.35	Correlation Coefficient	0.90
Alpha	1.62%	Beta	1.08	Tracking Error	5.66%

### Portfolio Analysis

Breakdown by Sector (Equities) (in % of fundvolume)	Principal Holdings (Equities) (in % of fundvolume)
<b>Portfolio Breakdown according to MSCI</b>	
Industrials 20.8	Oersted A/S (Utilities) 4.3
Consumer Discretionary 20.6	Deutsche Telekom AG (Telecommunication Serv.) 4.1
Information Technology 12.0	Alfa Laval AB (Industrials) 4.1
Health Care 9.4	Allianz SE (Financials) 3.9
Materials 9.3	Siemens AG (Industrials) 3.8
Financials 9.2	Compass Group PLC (Consumer Discretionary) 3.8
Utilities 4.3	Prudential PLC (Financials) 3.5
Telecommunication Serv. 4.1	Swatch Group AG/The (Consumer Discretionary) 3.4
Energy 3.8	Pirelli & C. SpA (Consumer Discretionary) 3.3
Consumer Staples 2.2	Lonza Group AG (Health Care) 3.0
	Total 37.2
Gross weighting, not adjusted for any positions in derivatives.	Gross weighting, not adjusted for any positions in derivatives.
<b>Breakdown by Country (Equities) (in % of fundvolume)</b>	<b>Investment Ratio (in % of fundvolume)</b>
Germany 30.5	Equities 95.7
Switzerland 15.1	Cash and other assets 4.3
Sweden 12.9	Future Long 30.7
Great Britain 11.0	Future Short -16.5
Denmark 6.3	
Netherlands 5.8	
France 5.4	
Italy 5.1	
Ireland 1.9	
Bermuda 1.7	
Gross weighting, not adjusted for any positions in derivatives.	

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## Portfolio Analysis

Breakdown by Currency	(in % of fundvolume)	Market Capitalization	(in % of fundvolume)
Euro	43.7	> 10 Bn.	49.3
Pound sterling	22.9	> 5 Bn. < 10 Bn.	22.5
Swedish krona	12.9	> 1 Bn. < 5 Bn.	15.3
Swiss franc	12.3	< 1 Bn.	8.5
Danish krone	6.6		
Norwegian krone	1.7		

Incl. forward exchange transactions, negative and positive figures reflect expected currency developments.

Gross weighting, not adjusted for any positions in derivatives. The calculation is based on Euro.

## Key Figures regarding the Fund's Assets

Number of Shares	43	Dividend Yield (in %)	1.8	Ø Market Cap	22,095.0 Mio. EUR
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## Cumulative Performance (in %)

	1 m	1 y	3 y	5 y	s. Launch	Ytd.	3 y Ø	5 y Ø	2014	2015	2016	2017
FC(EUR)	-2.2	6.5	24.2	58.9	82.4	1.5	7.5	9.7	9.8	11.7	-0.9	15.7
FD(EUR)	-2.2	6.5	--	--	28.8	1.5	--	--	--	--	--	15.7
LC(EUR)	-2.2	5.6	21.3	52.4	73.2	1.0	6.6	8.8	8.8	10.7	-1.6	14.7
LD(EUR)	-2.2	5.6	21.3	52.5	73.3	1.0	6.6	8.8	8.8	10.7	-1.6	14.7
XC(EUR)***	--	--	--	--	--	--	--	--	--	--	--	--

\*\*\*The presentation of performance occurs after a period of at least one year following launch of the Fund / unit class.

# Factsheet: Deutsche Invest II European Equity Focussed Alpha

## Equity Funds - Europe



August 2018

As at 31/08/2018

### Fund Data

Portfolio Manager	Gerd Kirsten	Assets	75.5 Mio. EUR
Portfolio Manager since	02/07/2012	Fund Currency	EUR
Portfolio Management Company	Deutsche Asset Management Investment GmbH	Launch Date	02/07/2012
Portfolio Management Location	Germany	Fiscal Year End	31/12/2018
Management Company	Deutsche Asset Management S.A.	Investor profile	Growth-oriented
Legal Structure	SICAV		
Custodian	State Street Bank, Lux.		

### Share Classes

Share Class	Cur.	ISIN Code	German Sec. Code	Earnings	Front-end Load <sup>1</sup> up to	Issue Price	Redemption Price	Interim Gains	Management Fee	Running costs / TER	plus performance-related fee	Minimum Investment Amount
FC	EUR	LU0781237028	DWS 1D3	Accumulation	0.00%	182.44	182.44		0.750%	0.94% (1)	--	2,000,000
FD	EUR	LU0781237291	DWS 1D4	Distribution	0.00%	127.42	127.42		0.750%	0.91% (1)	--	2,000,000
LC	EUR	LU0781236566	DWS 1DZ	Accumulation	5.00%	182.35	173.23		1.500%	1.78% (1)	--	--
LD	EUR	LU0781236640	DWS 1D0	Distribution	5.00%	177.94	169.04		1.500%	1.78% (1)	--	--
XC	EUR	LU1697911474	DWS 2TL	Accumulation	0.00%	100.10	100.10		0.250%	0.34% (2)	--	1,000,000

(1) The Total Expense Ratio (TER) generally includes all expense items charged to the Fund apart from transaction costs and performance fees. If the Fund invests a substantial part of its assets in target funds, the costs of the respective funds and payments received by them will also be taken into account. The Fund incurred the total expenses listed here in its last financial year which ended on 31/12/2017. They are subject to change from year to year.

(2) The Total Expense Ratio (TER) generally includes all expense items charged to the Fund apart from transaction costs and performance fees. The total expenses listed here represent an estimate since the Fund was launched on (XC:31/10/2017). Actual expenses will be calculated and published once the first financial year has ended. The annual report for each financial year will contain the expense details with their precise calculation.

Important notice: Distribution agents such as banks or other investment service providers may report costs or expense ratios to interested investors that may differ from and exceed the costs described here. This may be due to new regulatory requirements for the calculation and reporting of costs by these distribution agents, in particular as a result of the implementation of Directive 2014/65/EU (Markets in Financial Instruments Directive - "MiFID2 Directive") from January 3, 2018.

### Address

#### Deutsche Asset Management Investment GmbH

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### Note

<sup>1</sup> Based on the gross investment.

Because of its composition or the techniques used by its managers, the fund is subject to heightened volatility. Consequently, unit prices may fluctuate sharply in either direction within short periods of time.

Please note that not all share classes and subfunds respectively are registered in every country. Units issued by Deutsche Invest SICAV may only be sold or offered for sale in jurisdictions in which such offer or sale is permitted.

Figures subject to audit. The current sales prospectus which is legally binding for the purchase of fund units is available from your financial consultant or Deutsche Asset Management Investment GmbH. The sales prospectus contains detailed information about risk. Evaluations made in this report may change at any time without prior announcement. These statements are based on our assessment of the current legal and tax information.

## Opportunities

In accordance with the investment policy.

## Risks

- The fund invests its assets in selected regions or sectors. This increases the risk that the fund may be negatively influenced by the economic and political conditions in the respective regions or sectors.
- The fund invests in equities. Equities are subject to strong price fluctuations and thus also to the risk of price decreases.
- Due to its composition/the techniques used by the Fund management, the investment fund has elevated volatility, i.e. the share price may be subject to significant fluctuations up or down within short periods of time. The share value may fall below the purchase price at which the customer acquired the share at any time.

Important note on the investor profile:

Investor profile: Growth-oriented

The sub-fund is designed for growth-oriented investors who wish to achieve capital appreciation primarily through equity gains and exchange rate movements. Expected earnings are offset by high equity, interest rate and currency risks as well as creditworthiness risks and the possibility of heavy losses of the invested capital, up to the total amount invested. The investor is willing and able to bear such a financial loss, and does not prioritize capital preservation.

The Company provides additional information relating to the profile of the typical investor or target customer group for this financial product to distribution agents and distribution partners. If the investor is advised on the acquisition of units by the Company's distribution agents or distribution partners, or if they act as brokers in the purchase of units, they may also provide the investor additional information that also relates to the profile of the typical investor.

Supplementary information on the target market and product costs resulting from the implementation of the MiFID2 Directive and made available to distribution agents by the capital management company can be obtained in electronic form from the Company's website at [www.dws.com](http://www.dws.com).

Please note that the information from Morningstar, FERI and Lipper Leaders relates to the previous month.

Morningstar Overall Rating™

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Lipper Leaders

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Lipper Leaders Rating System - Ratings from 1 (lowest) to 5 (highest)

First digit = Total Return; second digit = Consistent Return; third digit = Preservation; fourth digit = Expense

Important Notice

When the custodian sets the price on the last trading day of the month there can be a difference of up to ten hours between the times at which the fund price and the benchmark are calculated. In the event of strong market movements during this period, this may result in the over- or understatement of the Fund's performance relative to the benchmark at the end of the month (this is referred to as the "pricing effect").

The information in this document does not constitute investment advice and is only a brief summary of key aspects of the Fund. Full details of the Fund can be found in the Key Investor Information Document and the Prospectus, as supplemented by the latest audited annual report and the latest semi-annual report, if this report is more recent than the last annual report. These documents constitute the sole binding basis for the purchase. They are available free of charge in electronic or printed format from Deutsche Asset Management Investment GmbH, Mainzer Landstraße 11-17, D 60329 Frankfurt/Main and, for Luxembourg funds, from Deutsche Asset Management S.A., 2, Boulevard Konrad Adenauer, L-1115 Luxembourg.

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The gross performance (BVI method) includes all costs incurred at the fund level (e.g. management fee), the net performance also includes the sales charge; additional costs may be incurred at the investor level (e.g. custody costs), which are not included in the presentation. Past performance is not a reliable indicator of future performance.

Further information on taxation can be found in the Prospectus.

The units issued under this Fund may only be offered for sale or sold in jurisdictions in which such offer or sales is permitted. The units of this Fund may not be offered for sale or sold in the US nor for account of US citizens nor to US citizens resident in the US.

This document and the information contained therein may not be distributed in the US. The distribution and publication of this document and the offer or sale of units may also be subject to restrictions in other jurisdictions.

## Alpha

A measure of the difference between the risk-adjusted return on an investment and a benchmark. The alpha measures the part of the performance that cannot be explained by market movements or market risk, but rather is derived from the selection of securities within the market. Alpha is a way of measuring the active contribution to performance made by the portfolio manager. It is also a good yardstick to use when comparing several funds. The figure is calculated on a 3-yearly basis.

## Average dividend yield

Measures the average dividend amount, based on the current share price. This figure is calculated based on the shares (including ADRs/GDRs - > Depositary receipts) and REITs contained in a fund.

## Average market capitalization

Measures the average market capitalization of the shares, REITs and ADRs/GDRs (depositary receipts) contained in a fund. The market capitalization represents the total market value of a company as determined by multiplying the number of shares issued by the current share price.

## Beta factor

A measure of sensitivity - given as the average percentage change in the price of a fund when the market (benchmark) rises or falls by 1%. A value over (under) 1 means that on average the fund exhibits more (less) volatility than the benchmark. The figure is calculated on a 3-yearly basis.

## Correlation coefficient

Describes the degree to which two values (fund versus benchmark) move in the same direction. The value of the correlation coefficient is between -1 and +1. A correlation of +1 means that the fund generally moves in the same direction as the benchmark, while -1 indicates that the fund generally moves in the opposite direction. A correlation of 0 means that there is no relation between the price movements of the fund and the benchmark. The figure is calculated on a 3-yearly basis.

## Current interest yield

The current interest yield differs from the nominal interest rate because securities are bought at a price that can be higher or lower than their nominal value. Since interest is always paid on the nominal value, the following calculation is used:  $(\text{interest rate} \times 100) / \text{price} = \text{effective yield}$ .

## Duration (in years/in months)

A measure of the sensitivity of an investment to changes in interest rates. Duration, which was developed by Frederick Macaulay, is the average period for which invested capital is committed. Because of the interest payable over time on the invested capital, duration is shorter than -> maturity. This version of duration is used in DWS Top Reporting and refers to invested assets (without "Cash and other holdings").

## Information ratio

The information ratio measures the difference between the annualized average return of the fund and that of the benchmark, divided by the Tracking error. The higher this value is, the more the investor pays for the risk in the fund. The figure is calculated on a 3-yearly basis.

## Maturity (in years/in months)

The amount of time until the maturity of an obligation, such as a bond. Refers to invested fund assets (without "Cash and other holdings").

## Maximum drawdown

The maximum drawdown is the largest percentage drop in value in a given period of time. It measures the amount the fund falls from its highest point to its lowest point in the selected timeframe. The figure is calculated on a 3-yearly basis.

## Modified duration (in years/in months)

Serves as a measure of interest-rate sensitivity. Modified duration indicates the percentage change in price of a bond (in a portfolio) when the market interest rate changes by 1%. In order to calculate the percentage change in the bond price, the modified duration of the bond is multiplied by the percentage change in the interest rate. This figure helps investors assess the risks and opportunities of a bond at a glance.

## Sharpe ratio

A measure of risk developed by William F. Sharpe, defined as the excess return on an investment over that of a risk-free investment in relation to the risk of the investment. The higher the Sharpe ratio, the higher the yield the investor receives for the risk the investment carries (expressed in volatility). The Sharpe ratio can be used to compare multiple funds. The figure is calculated on a 3-yearly basis.

## Tracking error

The tracking error is the standard deviation of the yield differential between a fund and its benchmark. This makes it a measure of how well the fund manager tracks the benchmark. The figure is calculated on a 3-yearly basis.

## VaR (Value at Risk)

A measure of risk that indicates the maximum fund losses with a given probability for a given period of time (holding period). VaR is calculated on the basis of the daily prices of the individual securities contained in the portfolio for a year.

## Yield

The yield is the annual return on a capital investment, measured as the actual interest earned (effective yield) on the capital invested. It is based on the fund's income (e.g., interest, dividends, realized capital gains) and change in the price of the assets held in the fund. The yield of a fund is

derived from the invested assets (without "Cash and other holdings") and is presented as a "gross" figure, i.e., before the deduction of total expenses/fee.

**Volatility**  
Volatility expresses the degree to which the yield on an investment (the price performance of a fund, for example) varies from a mean value in a specific period of time. This makes it a measure of fund risk. The greater the variation from the mean, the higher the volatility. Knowing the volatility allows investors to assess the profit and loss potential of an investment. The figure is calculated on a 3-yearly basis.