

DWS Investment GmbH

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# DWS Deutschland

Sales Prospectus  
including Terms and Conditions of Investment  
September 1, 2018



**DWS Investment GmbH currently manages the following investment undertakings  
(As of September 1, 2018):**

**Investment undertakings compliant with the UCITS Directive**

Albatros Fonds	DWS Euroland Strategie (Renten)	DWS Top World
Barmenia Renditefonds DWS	DWS Europe Dynamic	DWS TRC Deutschland
Basler-Aktienfonds DWS	DWS European Opportunities	DWS TRC Global Growth
Basler-International DWS	DWS Eurovesta	DWS TRC Top Asien
Basler-Rentenfonds DWS	DWS Financials Typ O	DWS TRC Top Dividende
Best Managers Concept I	DWS Flexizins Plus	DWS US Equities Typ O
Bethmann Aktien Nachhaltigkeit	DWS German Equities Typ O	DWS US Growth
Bethmann Nachhaltigkeit	DWS German Small/Mid Cap	DWS Vermögensbildungsfonds I
Bethmann Nachhaltigkeit Defensiv Ausgew.	DWS Global Growth	DWS Vermögensbildungsfonds R
Bethmann Stiftungsfonds	DWS Global Hybrid Bond Fund	DWS Zürich Invest Aktien Schweiz
CD Capital Global	DWS Global Natural Resources Equity Typ O	DWS Zukunftsfonds
CSR Bond Plus	DWS Global Small/Mid Cap	Dynamic Europe Balance
DeAM-Fonds BKN-HR	DWS Global Water	E.ON Aktienfonds DWS
DeAM-Fonds PVZ 1	DWS Health Care Typ O	E.ON Rentenfonds DWS
DeAM-Fonds STRATAV European Strategy 1	DWS Internationale Renten Typ O	Euro Agg One
DeAM-Fonds WOP 2	DWS Inter-Renta	FOS Performance und Sicherheit
DEGEF-Bayer-Mitarbeiter-Fonds	DWS Investa	FOS Rendite und Nachhaltigkeit
DWS Akkumula	DWS-Merkur-Fonds 1	FOS Strategie-Fonds Nr. 1
DWS Aktien Schweiz	DWS Nomura Japan Growth	Fürst Fugger Privatbank Wachstum
DWS Aktien Strategie Deutschland	DWS Qi Europa Balanced	Global Agg One
DWS Balance	DWS Qi European Equity	Gottlieb Daimler Aktienfonds DWS
DWS Balance Portfolio E	DWS Qi Eurozone Equity	LEA-Fonds DWS
DWS Biotech	DWS Qi Exklusiv Renten Chance	Löwen-Aktienfonds
DWS BondEuroPlus	DWS Qi Extra Bond Total Return	Multi-Index Equity Fund
DWS Concept DJE Globale Aktien	DWS Qi LowVol Europe	Noris-Fonds
DWS Concept GS&P Food	DWS Qi NonEuroQualitätsanleihen	Noris-Rendite-Fonds
DWS Convertibles	DWS Smart Industrial Technologies	Renten Strategie K
DWS Covered Bond Fund	DWS Stiftungsfonds	Strategiekonzept I
DWS Defensiv	DWS Technology Typ O	
DWS Defensiv Portfolio 1	DWS Telemedia Typ O	
DWS Deutschland	DWS Top Asien	
DWS Dynamic	DWS Top Dividende	
DWS Dynamik Opportunities	DWS Top Europe	
DWS Emerging Markets Typ O	DWS Top Portfolio Offensiv	

**Alternative Investment Funds (AIFs)**

Argentos Sauren Dynamik-Portfolio	DWS Strategieportfolio IV	PWM US Dynamic Growth (USD)
Argentos Sauren Stabilitäts-Portfolio	DWS Vorsorge AS (Dynamik)	Vermögensmanagement Chance
Capital Growth Fund	DWS Vorsorge AS (Flex)	Vermögensmanagement Rendite
DWS Sachwerte	FFPB Substanz	ZinsPlus

In addition, the Company currently manages 189 investment undertakings for institutional investors.

# Contents

<b>2</b>	<b>Sales Prospectus – General Section</b>
2	Notice regarding the sales prospectus
2	Selling restrictions
2	Most important legal implications of the contractual relationship
3	General principles
4	Management Company
4	Depository
8	Risk warnings
13	Investment principles and limits
17	Securities lending transactions
17	Repurchase agreements
17	Choice of counterparty
18	Collateral strategy
19	Borrowing
19	Leverage
19	Valuation
20	Sub-funds
20	Units
21	Costs
22	Determination of income
23	Liquidation, transfer and merger of the fund
24	Outsourcing
26	Fair treatment of investors / Handling of conflicts of interest
27	Auditor
27	Payments to investors / Distribution of reports and other information
27	Service providers
<b>28</b>	<b>Sales Prospectus – Special Section</b>
<b>35</b>	<b>Terms and Conditions of Investment</b>
35	General Terms and Conditions of Investment
40	Special Terms and Conditions of Investment DWS Deutschland
<b>43</b>	<b>Summary of tax regulations of importance to investors</b>

# Sales Prospectus – General section

## Notice regarding the sales prospectus

**The purchase and sale of units of investment funds discussed in this sales prospectus takes place on the basis of the respective applicable versions of the sales prospectus, the key investor information document and the General Terms and Conditions of Investment in conjunction with the Special Terms and Conditions of Investment. The General Terms and Conditions of Investment and the Special Terms and Conditions of Investment are annexed to this sales prospectus.**

**The sales prospectus, together with the key investor information document, the most recently published annual report and any semiannual report published after the annual report, must be provided free of charge to persons interested in purchasing a unit of this investment fund. Such interested persons must additionally be informed about the most recent net asset value of the investment fund.**

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

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

## Selling restrictions

The units of this investment fund that have been issued may be offered for sale or sold to the public only in countries where such an offer or such a sale is permissible. Unless the Company, or a third party authorized by it, has obtained permission to do so from the local regulatory authorities, this sales prospectus does not constitute a solicitation to purchase investment fund units, nor may this sales prospectus be used for the purpose of soliciting the purchase of investment fund units.

DWS Investment GmbH and/or this investment fund are not, and will not be, registered under the United States Investment Company Act of 1940, as amended. The units of this investment fund are not, and will not be, registered under the United States Securities Act of 1933, as amended, or under the securities laws of any state of the United States of America. Accordingly, units will

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

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

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

This sales prospectus may be used for sales purposes only by persons who have express written authorization from the Company (granted directly or indirectly via authorized sales agents) to do so. Declarations or representations by third parties that are not contained in this sales prospectus or in the documentation have not been authorized by the Company.

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

## Foreign Account Tax Compliance Act – "FATCA"

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

In principle, non-U.S. funds such as this fund have FFI status and must conclude an FFI agreement with the IRS if they are not classified as "FATCA-compliant" or, provided an applicable Model 1 intergovernmental agreement ("IGA") is in effect, do not meet the requirements of the IGA applicable to their home country either as a

"reporting financial institution" or as a "non-reporting financial institution." IGAs are agreements between the United States of America and other countries regarding the implementation of FATCA requirements. The Federal Republic of Germany signed a Model 1 agreement with the United States on May 31, 2013. The associated implementing regulation came into force on July 29, 2014. The fund must therefore comply with the provisions of such a German IGA from that date forward.

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

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

## Most important legal implications of the contractual relationship

By purchasing units, the investor becomes a joint owner, on a fractional basis, of the assets held by this fund. The investor has no control over the assets. The units do not convey voting rights.

The contractual relationship and all pre-contractual relationships between DWS Investment GmbH and the investor are governed by German law. The location of the registered office of DWS Investment GmbH shall be the place of jurisdiction for any legal claims on the part of the investor against DWS Investment GmbH arising from this contractual relationship. Investors who are consumers (see definition below) and who reside in another EU country may also bring a legal claim before a competent court in their country of residence. All publications and advertising documentation must be prepared in German or accompanied by a translation into German. DWS Investment GmbH may declare translations of the sales prospectus into the languages of those countries where units of the fund may be offered for sale to the public to be binding. Otherwise, in the event of discrepancies between the German version of



the sales prospectus and any translation, the German version shall always prevail. In addition, DWS Investment GmbH will communicate with its investors entirely in German. In the case of disputes, consumers may contact the investment funds ombudsman's office ("Ombudsstelle für Investmentfonds") at BVI Bundesverband Investment und Asset Management e.V., the responsible consumer arbitration office. DWS Investment GmbH participates in dispute resolution proceedings before this arbitration office.

The office can be contacted at:  
Büro der Ombudsstelle des BVI  
(Office of the Ombudsman)  
Bundesverband Investment und  
Asset Management e.V.  
Unter den Linden 42  
10117 Berlin, Germany  
Tel.: +49 (0)30 - 6449046-0  
Fax: +49 (0)30 - 6449046-29  
E-mail: [info@ombudsstelle-investmentfonds.de](mailto:info@ombudsstelle-investmentfonds.de)  
[www.ombudsstelle-investmentfonds.de](http://www.ombudsstelle-investmentfonds.de)

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

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

The office can be contacted at:  
Deutsche Bundesbank  
Schlichtungsstelle (Arbitration Office)  
PO. Box 11 12 32  
60047 Frankfurt/Main, Germany  
E-mail: [schlichtung@bundesbank.de](mailto:schlichtung@bundesbank.de)  
[www.bundesbank.de](http://www.bundesbank.de)

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

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

## General principles

### The investment fund (the fund)

This investment fund (hereinafter "fund") is a collective investment undertaking (hereinafter "investment undertaking"), which collects capital from a number of investors in order to invest it according to a defined investment policy for the benefit of those investors. The fund is an investment undertaking pursuant to Directive 2009/65/EC of the European Parliament and of the Council of July 13, 2009, on the coordination of laws, regulations and administrative provisions relating to Undertakings for Collective Investment in Transferable Securities as regards depositary functions, remuneration policies and sanctions, (hereinafter "UCITS") as defined by the German Investment Code (hereinafter "KAGB"). It is managed by DWS Investment GmbH (hereinafter the "Company"). The Company invests the capital deposited with it in its own name for the collective account of the investors in the form of investment funds pursuant to the principle of risk-spreading in assets permitted under the KAGB, but separate from its own assets.

The assets in which the Company may invest investor monies, and the provisions to be complied with when so doing, are stated in the KAGB and associated regulations, and in the Terms and Conditions of Investment, which govern the legal relationship between the investors and the Company. The Terms and Conditions of Investment contain a general section and a special section ("General Terms and Conditions of Investment" and "Special Terms and Conditions of Investment"). Terms and Conditions of Investment for an investment undertaking must be approved by the German Federal Financial Supervisory Authority (hereinafter "BaFin") prior to their application. The fund is not part of the Company's insolvency assets.

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

The sales prospectus, the key investor information document and the Terms and Conditions of Investment, as well as the most recent annual and semiannual reports, are available free of charge from the Company. The text of the Terms and Conditions of Investment is annexed to this sales prospectus. They can also be viewed on the Internet at [deutscheam.com](http://deutscheam.com).

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

Moreover, investors may obtain supplementary information on what is known as the "target market" and on the product costs arising from implementation of the provisions 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 (hereinafter "MiFID II Directive" or "MiFID II"), and that the Company provides to the sales agents. These are also available in writing from the Company.

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

### Terms and Conditions of Investment and amendments thereto

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

Any proposed amendments shall be announced in the Bundesanzeiger (Federal Gazette) and, in addition, in a business publication or daily newspaper with sufficient circulation, or on the Internet at [deutscheam.com](http://deutscheam.com). If the amendments relate to fees and expense reimbursements that may be charged to the fund or if they involve the investment principles of the fund or significant investor rights, investors shall additionally be informed on paper or in electronic format (so-called "durable medium") by the institutions maintaining their custody accounts. This information shall include the material content of the proposed amendments and their background, the rights of investors in connection with the amendments, as well as a notice indicating where and how more information can be obtained.

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

## Management Company

### Company name, legal form and registered office

The Company is an asset management company as defined by the KAGB founded on May 22, 1956, in the legal form of a company with limited liability (Gesellschaft mit beschränkter Haftung; GmbH). The Company's name is DWS Investment GmbH (prior to September 2018: Deutsche Asset Management Investment GmbH). The Company has its registered office at Mainzer Landstraße 11–17, 60329 Frankfurt/Main, Germany, and is registered in Part B of the Commercial Register of the Frankfurt/Main Local Court under the number HRB 9135.

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

### Management and supervisory board

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

### Equity capital and additional own funds

The Company has capital stock in the amount of EUR 115 million (as of: December 31, 2017). The liable equity capital of the Company amounts to EUR 183,2 million (as of December 31, 2017).

The Company has accounted for the professional liability risks that arise from the management of investment undertakings that do not comply with the UCITS Directive, so-called Alternative Investment Funds (hereinafter "AIFs"), and which are due to professional negligence by its governing bodies or employees, with own funds in the amount of at least 0.01% of the value of all AIF portfolios under management; this amount shall be reviewed and adjusted annually. These own funds are included in the disclosed liable equity capital.

## Depository

### Identity of the Depository

The credit institution State Street Bank International GmbH, whose registered office is located at Brienner Straße 59, 80333 Munich, Germany, has assumed the function of Depository for the fund. The Depository is a credit institution under German law. Its principal activities consist of depository and custodial services.

### Functions of the Depository

The KAGB provides for a separation of the duties of management and custody for investment funds. The Depository is a credit institution and keeps the fund's assets in blocked custody and cash accounts. For assets that cannot be held in custody, the Depository checks whether these assets belong to the investment fund or whether the Management Company has acquired ownership of these assets and keeps records on this. The Depository monitors whether the Company's use of the assets is in compliance with the provisions of the KAGB and the Terms and Conditions of Investment. The investment of assets in bank balances at another credit institution, as well as the use of such bank balances, are permissible only with the consent of the Depository. The Depository must grant its consent if such investment or use of assets is consistent with the Terms and Conditions of Investment and the provisions of the KAGB.

The Depository additionally has the following duties, in particular:

- Issuing and redeeming units of the fund;
- Ensuring that the issue and redemption of units, as well as the determination of the net asset value per unit, comply with the provisions of the KAGB and the Terms and Conditions of Investment;
- Ensuring that, for transactions conducted for the collective account of the investors, custody of the equivalent value is taken within the customary time limits, and that the income of the fund is used in accordance with the provisions of the KAGB and the Terms and Conditions of Investment. The Depository must further review whether the use of blocked cash accounts or blocked custody accounts at another credit institution, a securities firm or another depository is

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

- Ensuring that the income of the fund is used as provided for by the KAGB and Terms and Conditions of Investment,
- Monitoring borrowing by the Company for the account of the fund and, where required, consenting to such borrowing in cases other than short-term overdrafts that resulted solely from delayed credits of incoming payments,
- Ensuring that collateral for securities loans has been provided in a legally valid manner and is available at all times.

### Sub-custody and conflicts of interest

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

The Depository has appointed State Street Bank & Trust Company, with its registered office at Copley Place 100, Huntington Avenue, Boston, Massachusetts 02116, United States, as its global depository (hereinafter "Global Depository") to hold foreign assets in custody. The Global Depository in turn has delegated the custody duties to various sub-depositaries domiciled in the countries listed below so that the foreign assets may be held in custody in the relevant countries.

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

Name of sub-depositary	Country	Registered office	Conflicts of interest*
HSBC Bank Egypt S.A.E.	Egypt	Cairo	Variant 1
Raiffeisen Bank sh.a.	Albania	Tirana	Variant 1
Citibank N.A.	Argentina	Buenos Aires	Variant 1
The Hongkong and Shanghai Banking Corporation Ltd.	Australia	Sydney	Variant 1
HSBC Bank Middle East Ltd.	Bahrain	Al Seef	Variant 1
Standard Chartered Bank	Bangladesh	Dhaka	Variant 1
Deutsche Bank AG, Netherlands (operated by the Amsterdam branch with support from the Brussels branch)	Belgium	Amsterdam	Variant 2
via Standard Chartered Bank Côte d'Ivoire SA	Benin	Abidjan (Côte d'Ivoire)	Variant 1
HSBC Bank Bermuda Ltd.	Bermuda	Hamilton	Variant 1
UniCredit Bank d.d.	Bosnia and Herzegovina	Sarajevo	Variant 1
Standard Chartered Bank Botswana Ltd.	Botswana	Gaborone	Variant 1
Citibank, N.A.	Brazil	São Paulo	Variant 1
Citibank Europe plc, Bulgaria branch	Bulgaria	Sofia	Variant 1
UniCredit Bulbank AD	Bulgaria	Sofia	Variant 1
via Standard Chartered Bank Côte d'Ivoire S.A.	Burkina Faso	Abidjan (Côte d'Ivoire)	Variant 1
Itaú CorpBanca S.A.	Chile	Santiago de Chile	Variant 1
HSBC Bank (China) Company Ltd.	China	Shanghai	Variant 1
China Construction Bank Corporation	China	Beijing	Variant 1
The Hongkong and Shanghai Banking Corporation Ltd.	China	Hong Kong	Variant 1
Citibank N.A.	China	Hong Kong	Variant 1
Standard Chartered Bank (Hong Kong) Ltd.	China	Hong Kong	Variant 1
Clearstream Banking S.A.	Clearstream	Luxembourg	Variant 1
Banco BCT S.A.	Costa Rica	San José	Variant 1
Skandinaviska Enskilda Banken AB (publ), Sweden	Denmark	Copenhagen	Variant 1
Nordea Bank AB (publ) (operated by Nordea Bank Danmark AB (publ) branch, Sweden)	Denmark	Copenhagen	Variant 1
Deutsche Bank AG	Germany	Eschborn	Variant 2
State Street Bank International GmbH	Germany	Munich	Variant 1
Standard Chartered Bank Côte d'Ivoire S.A.	Côte d'Ivoire	Abidjan (Côte d'Ivoire)	Variant 1
AS SEB Pank	Estonia	Tallinn	Variant 1
Euroclear Bank S.A./N.V.	Euroclear	Brussels	Variant 1
Skandinaviska Enskilda Banken AB (publ), Sweden (operated by the Helsinki branch)	Finland	Helsinki	Variant 1
Nordea Bank AB (publ) Sweden (operated by Nordea Bank AB (publ) branch, Finland)	Finland	Helsinki	Variant 1
Deutsche Bank AG (operated by the Amsterdam branch)	France	Amsterdam	Variant 2
JSC Bank of Georgia	Georgia	Tbilisi	Variant 1
Standard Chartered Bank Ghana Ltd.	Ghana	Accra	Variant 1
BNP Paribas Securities Services S.C.A.	Greece	Athens	Variant 1
via Standard Chartered Bank Côte d'Ivoire S.A.	Guinea-Bissau	Abidjan (Côte d'Ivoire)	Variant 1
Standard Chartered Bank (Hong Kong) Ltd.	Hong Kong	Hong Kong	Variant 1
Deutsche Bank AG	India	Mumbai	Variant 2
The Hongkong and Shanghai Banking Corporation Ltd.	India	Mumbai	Variant 1
Deutsche Bank AG	Indonesia	Jakarta	Variant 2
State Street Bank and Trust Company, United Kingdom branch	Ireland	Edinburgh	Variant 1
Landsbankinn hf.	Iceland	Reykjavik	Variant 1
Bank Hapoalim B.M.	Israel	Tel Aviv	Variant 1
Deutsche Bank S.p.A.	Italy	Milan	Variant 2
Scotia Investments Jamaica Ltd.	Jamaica	Kingston	Variant 1
Mizuho Bank Ltd.	Japan	Tokyo	Variant 1
The Hongkong and Shanghai Banking Corporation Ltd.	Japan	Tokyo	Variant 1
Standard Chartered Bank	Jordan	Amman	Variant 1
State Street Trust Company Canada	Canada	Toronto	Variant 1
HSBC Bank Middle East Ltd.	Qatar	Doha	Variant 1
JSC Citibank Kazakhstan	Kazakhstan	Almaty	Variant 1
Standard Chartered Bank Kenya Ltd.	Kenya	Nairobi	Variant 1
Cititrust Colombia S.A. Sociedad Fiduciaria	Colombia	Bogotá, D.C.	Variant 1
Deutsche Bank AG	Korea (Republic of Korea)	Seoul	Variant 2

Name of sub-depositary	Country	Registered office	Conflicts of interest*
The Hongkong and Shanghai Banking Corporation Ltd.	Korea (Republic of Korea)	Seoul	Variant 1
Privredna Banka Zagreb d.d.	Croatia	Zagreb	Variant 1
Zagrebacka Banka d.d.	Croatia	Zagreb	Variant 1
HSBC Bank Middle East Ltd.	Kuwait	Safat	Variant 1
AS SEB banka	Latvia	Riga	Variant 1
AB SEB bankas	Lithuania	Vilnius	Variant 1
Standard Bank Ltd.	Malawi	Blantyre	Variant 1
Deutsche Bank (Malaysia) Berhad	Malaysia	Kuala Lumpur	Variant 2
Standard Chartered Bank Malaysia Berhad	Malaysia	Kuala Lumpur	Variant 1
via Standard Chartered Bank	Mali	Abidjan	Variant 1
Côte d'Ivoire S.A.		(Côte d'Ivoire)	
Citibank Maghreb	Morocco	Casablanca	Variant 1
The Hongkong and Shanghai Banking Corporation Ltd.	Mauritius	Ebène (CyberCity)	Variant 1
Banco Nacional de México S.A.	Mexico	Mexico City	Variant 1
Standard Bank Namibia Ltd.	Namibia	Windhoek	Variant 1
The Hongkong and Shanghai Banking Corporation Ltd.	New Zealand	Auckland	Variant 1
Deutsche Bank AG	Netherlands	Amsterdam	Variant 2
via Standard Chartered Bank	Niger	Abidjan	Variant 1
Côte d'Ivoire S.A.		(Côte d'Ivoire)	
Stanbic IBTC Bank Plc.	Nigeria	Lagos	Variant 1
Skandinaviska Enskilda Banken AB (publ) Sweden	Norway	Oslo	Variant 1
Nordea Bank AB (publ) Sweden (operated by	Norway	Oslo	Variant 1
Nordea Bank AB (publ) branch, Norway)			
HSBC Bank Oman S.A.O.G.	Oman	Seeb	Variant 1
UniCredit Bank Austria AG	Austria	Vienna	Variant 1
Deutsche Bank AG	Austria	Vienna	Variant 2
Citibank N.A.	Panama	Panama City	Variant 1
Deutsche Bank AG	Pakistan	Karachi	Variant 2
Citibank del Perú S.A.	Peru	Lima	Variant 1
Deutsche Bank AG	Philippines	Makati City	Variant 2
Bank Handlowy w Warszawie S.A.	Poland	Warsaw	Variant 1
Bank Polska Kasa Opieki SA	Poland	Warsaw	Variant 1
Deutsche Bank AG (operated by	Portugal	Amsterdam	Variant 2
the Amsterdam branch with support			
from the Lisbon branch)			
Citibank, N.A.	Puerto Rico	San Juan	Variant 1
Citibank Europe plc, Dublin – Romania branch	Romania	Bucharest	Variant 1
AO Citibank	Russia	Moscow	Variant 1
Standard Chartered Bank Zambia Plc	Zambia	Lusaka	Variant 1
HSBC Saudi Arabia Ltd.	Saudi Arabia	Riyadh	Variant 1
Skandinaviska Enskilda Banken AB (publ)	Sweden	Stockholm	Variant 1
Nordea Bank AB (publ)	Sweden	Stockholm	Variant 1
UBS Switzerland AG	Switzerland	Zurich	Variant 1
Credit Suisse (Switzerland) Ltd.	Switzerland	Zurich	Variant 1
via Standard Chartered Bank	Senegal	Abidjan	Variant 1
Côte d'Ivoire S.A.		(Côte d'Ivoire)	
UniCredit Bank Serbia JSC	Serbia	Belgrade	Variant 1
Stanbic Bank Zimbabwe Ltd.	Zimbabwe	Harare	Variant 1
Citibank N.A.	Singapore	Singapore	Variant 1
United Overseas Bank Ltd.	Singapore	Singapore	Variant 1
UniCredit Bank Czech Republic and Slovakia, a.s.	Slovak Republic	Bratislava	Variant 1
UniCredit Banka Slovenija d.d.	Slovenia	Ljubljana	Variant 1
Deutsche Bank S.A.E.	Spain	Madrid	Variant 2
The Hongkong and Shanghai Banking Corporation Ltd.	Sri Lanka	Colombo	Variant 1
UniCredit Bank d.d.	Republika Srpska (Bosnia)	Sarajevo	Variant 1
FirstRand Bank Ltd.	South Africa	Johannesburg	Variant 1
Standard Bank of South Africa Ltd.	South Africa	Johannesburg	Variant 1
Standard Bank Swaziland Ltd.	Swaziland	Mbabane	Variant 1
Deutsche Bank AG	Taiwan	Taipei	Variant 2
Standard Chartered Bank (Taiwan) Ltd.	Taiwan	Taipei	Variant 1
Standard Chartered Bank Tanzania Ltd.	Tanzania	Dar es Salaam	Variant 1
Standard Chartered Bank (Thai)	Thailand	Bangkok	Variant 1
Public Company Ltd.			
via Standard Chartered Bank	Togo	Abidjan	Variant 1
Côte d'Ivoire S.A.		(Côte d'Ivoire)	
Československá obchodní banka, a.s.	Czech Republic	Prague	Variant 1



Name of sub-depositary	Country	Registered office	Conflicts of interest*
UniCredit Bank Czech Republic and Slovakia, a.s.	Czech Republic	Prague	Variant 1
Union Internationale de Banques	Tunisia	Tunis	Variant 1
Citibank A.Ş.	Turkey	Istanbul	Variant 1
Deutsche Bank, A.Ş.	Turkey	Istanbul	Variant 2
Standard Chartered Bank Uganda Ltd.	Uganda	Kampala	Variant 1
PJSC Citibank	Ukraine	Kiev	Variant 1
UniCredit Bank Hungary Zrt.	Hungary	Budapest	Variant 1
Citibank Europe plc Magyarországi Fióktelepe	Hungary	Budapest	Variant 1
Banco Itaú Uruguay S.A.	Uruguay	Montevideo	Variant 1
State Street Bank and Trust Company	United States	Boston	Variant 1
Citibank N.A.	Venezuela	Caracas	Variant 1
HSBC Bank Middle East Ltd.	United Arab Emirates – (ADX)	Dubai	Variant 1
State Street Bank and Trust Company, United Kingdom branch	United Kingdom	Edinburgh	Variant 1
HSBC Bank (Vietnam) Ltd.	Vietnam	Ho Chi Minh City	Variant 1
BNP Paribas Securities Services S.C.A. (operated by the Athens branch)	Cyprus	Athens	Variant 1

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

#### Additional information

The list of sub-depositaries is current as of the date indicated on the title page of this sales prospectus. Upon request, the Company will provide investors with the most up-to-date information on the Depositary and its obligations, as well as on the sub-depositaries and on any possible and actual conflicts of interest in connection with the activity of the Depositary or the sub-depositaries. An updated list of sub-depositaries can also be found on the Internet at <http://www.deutscheam.com/Legal-Resources>.

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

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

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

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

The schedule of responsibilities and the organizational structure of the Depositary comply with the statutory and regulatory requirements according to information provided to the Company and, in particular, satisfy the requirement for preventing conflicts of interest. The division that initiates lending transactions and has a vote in lending decisions ("Front Office") and the "Trading" division up to and including the management level

are therefore kept separate from the division that has an additional vote in lending decisions ("Back Office"). This separation also applies to the functions that monitor and communicate risks ("Risk Controlling") and the functions responsible for settlement and control of lending transactions and settlement and control of trading transactions. According to information disclosed to the Company, depositary operations are also completely separate from the business units that provide services associated with collateral management, for example for securities lending transactions ("Collateral Management Services"), and carrying out fund administration insourcing activities ("KVG Backoffice Insourcing"). In cases where the duties of the asset management company are insourced, the "division solution" as defined in BaFin Circular 08/2015 (WA) on the Tasks and Duties of the Depositary or BaFin Circular 01/2017 (WA) on the Minimum Requirements on Risk Management for Investment Companies (KAMaRisk) has been implemented with regard to spatial and personnel as well as functional and hierarchical separation, according to the Depositary.

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

1. Control of information flow:
  - Guidelines for Chinese Walls and their management

- Transfer of information within the company on a strict "need to know" basis
  - Access rights to information and physical access rights to company departments For instance, the technical systems in place currently ensure that the provision of fund administration insourcing services is completely separate from depositary services.
  - Guidelines on wall crossing
2. Separate monitoring of relevant persons
  3. No detrimental dependencies in the compensation system
  4. No detrimental influence by employees on other employees
  5. Avoidance of giving an employee responsibility for various activities which, if carried out simultaneously, may give rise to conflicts of interest
  6. As a last resort, notification of the affected clients of conflicts of interest not sufficiently avoidable or controllable.

#### Liability of the Depositary

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

## Risk warnings

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

**The investor could lose part or even all of the capital invested in the fund. Appreciation of capital cannot be guaranteed. The investor's risk is limited to the sum invested. There is no obligation to make subsequent payments in addition to the capital invested by the investor. Aside from the risks and uncertainties described in what follows, or elsewhere in the sales prospectus, the performance of the fund might also be adversely affected by various other risks and uncertainties that are currently unknown. The order in which the following risks are listed shall not be construed as an indication either of the probability of their occurrence or of the scope or significance of the occurrence of particular risks.**

### Risks of investing in the fund

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

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

The net asset value per unit is calculated as the value of the fund divided by the number of units in circulation. The value of the fund is equal to the sum of the market values of all assets held in the fund, less the market values of all liabilities of the fund. The fund's net asset value per unit is thus dependent on the assets held in the fund and on the amount of the fund's liabilities. If the value of these assets declines, or if the value of the liabilities rises, the fund's net asset value per unit falls.

#### *Impact of tax aspects on individual results*

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

#### *Suspension of the redemption of units*

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

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

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

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

#### *Liquidation of the fund*

The Company has the right to terminate its management of the fund. After termination of management, the Company can completely liquidate the fund. After a six-month period of notice, the right to manage and dispose of the fund passes to the Depositary. For the investor, this entails the risk that the holding period planned by the investor will not be realized. When the fund passes to the Depositary, taxes other than German income taxes may be imposed on the fund. Income taxes may be imposed on the investor when the fund

units are removed from the investor's custody account after completion of the liquidation proceedings.

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

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

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

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

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

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

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

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

#### *Risk of change in value*

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

#### *Risk of negative interest on deposits*

The Company invests liquid assets of the fund with the Depositary or other banks for the account of the fund, whereby the deposits earn interest at customary market rates. Depending on the development of the interest rate policy of the respective central banks – in particular of the European Central Bank, the Federal Reserve (“Fed”), the Bank of England and/or the Swiss National Bank – and depending on the respective currency of the fund or of the unit class, short-term, medium-term and even long-term deposits can attract negative interest.

#### *Capital-market risk*

The price or market performance of financial instruments depends, in particular, on the performance of the capital markets, which in turn are affected by the overall economic situation worldwide and by the general economic and political environment in individual countries. Risks relating to general economic conditions can be posed by uncertainty about economic growth in the most important industrial and emerging-market countries and its impact on the global economy, as well as by the sovereign debt. Capital market risks can arise from the interest rate levels prevailing in an investment environment and their potential impact (on bond yields, for example). The capital markets are directly and indirectly influenced by the measures taken by different central banks (e.g., interest rate adjustments, expansive or restrictive monetary policy, programs for purchases and sales of securities) and their interactions. This can affect the liquidity, return and market risks of the fund.

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

Irrational factors such as sentiment, opinions and rumors can also have an effect on general price performance, particularly on an exchange. Fluctuations of market prices and values can also be attributable to changes in interest rates, the price of commodities such as oil, exchange rates or the creditworthiness of an issuer of financial instruments.

#### *Risk of price changes in equities*

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

#### **Tax law applicable through December 31, 2017**

On July 26, 2016, the Investment Tax Reform Act was promulgated, which, among other things, amended the Investment Tax Act and the Income Tax Act. In order to avoid tax arrangements (so-called cum/cum transactions), a regulation under this law provides that a definitive capital gains tax is charged on dividends of German shares and income from German dividend rights similar to equities. In contrast to the main body of this law, this regulation entered into force retroactively on January 1, 2016. It can be summarized as follows: In a change from previous regulations, under certain conditions the gross dividends of German funds are to be charged a definitive German investment income tax of 15% on the fund entry side. This is to be the case if German equities and German dividend rights similar to equities are not held by the fund for 45 days without interruption within a period of 45 days before and after the investment income was payable (= 91-day period) and the minimum risk of changes in value was not at 70% throughout that entire 45-day period (“45-day rule”). An obligation to directly or indirectly pay the investment income to another person (e.g., through swaps, securities lending transactions, repurchase agreements) also results in the levy of the investment income tax.

In this context, hedging or forward transactions that directly or indirectly hedge the risk arising from German equities or German dividend rights similar to equities may be detrimental. Hedging transactions on value and price indices are considered to be indirect hedges. The hedging transactions may also be detrimental if related parties participate in the fund.

This can give rise to various risks. It cannot be ruled out that the unit price of a fund turns out to be relatively lower if provisions are created for a possible tax liability of the fund. Even if the tax liability does not arise and therefore provisions are reversed, a relatively higher unit price may not benefit investors who participated in the fund

at the time the provision was created. Secondly, the new rule about the dividend date could lead to a sharper divergence between the buying and selling prices of the equities concerned than would otherwise been the case, which may result in more unfavorable market conditions overall.

#### **Tax law applicable beginning January 1, 2018**

From January 1, 2018, onward, the fund is partially subject to corporate income tax on its domestic income from equity investments and on other domestic income, in the sense of the limited income tax liability, not including gains on the sale of ownership interests in corporations. The tax rate is 15%. Therefore, the 45-day rule described above is no longer required to be observed from this date forward. An exception applies to unit classes for tax-privileged investors and in the context of the procedure for reimbursing certain investor groups for corporate income tax incurred at fund level (additional details in II. 1. under “Tax law applicable beginning January 1, 2018” in the summary of tax regulations of importance to investors (with unlimited tax liability in Germany)). In the aforementioned cases, if the 45-day rule is not observed, the tax exemption or reimbursement of tax on domestic income from equity investments is not granted. For tax-privileged investors, such cases result in a definitive tax liability of 15% on the German gross dividend.

#### *Risk of changes in interest rates*

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

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

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

*Risks associated with derivative transactions*

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

- Price changes in the underlying can cause a decrease in the value of the option or future. If the value decreases to a total loss, the Company may be forced to allow the rights acquired to expire. Changes in the value of the asset underlying a swap can also result in losses for the fund.
- The leverage effect of options may alter the value of the fund's assets more strongly than the direct purchase of underlyings would. The risk of loss may not be determinable when entering into the transaction.
- There may be no liquid secondary market for a specific instrument at a particular point in time. In that case, it may not be possible to close a derivative position under certain circumstances.
- The purchase of options entails the risk that the call options are not exercised because the prices of the underlyings do not change as expected, meaning that the fund loses the option premium it paid. If options are sold, there is the risk that the fund may be obligated to buy assets at a price that is higher than the current market price, or obliged to deliver assets at a price that is lower than the current market price. In that case, the fund suffers a loss amounting to the price difference less the option premium received.
- In futures contracts, there is a risk that the Company will be obligated, for the account of the fund, to bear the difference between the price underlying the contract when it was entered into and the market price when the transaction is closed or matures. That would result in losses for the fund. The risk of loss is not determinable when entering into the futures contract.
- Any necessary back-to-back transactions (closing of position) incur costs.
- Forecasts made by the Company about the future development of underlying assets, interest rates, prices and currency markets may turn out to be incorrect in retrospect.

- It may not be possible to buy or sell the assets underlying the derivatives at a favorable time; conversely, it may be necessary to buy or sell them at an unfavorable time.
- Using derivatives can result in potential losses that are not foreseeable under certain circumstances and which may even exceed the initial margins paid.

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

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

*Risks in securities lending transactions*

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

*Risks in repurchase agreements*

If the Company sells securities under a repurchase agreement, it undertakes to buy them back at the end of the agreement term in return for a premium. The repurchase price and the premium to be paid by the seller at the end of the term is set when the agreement is entered into. If the securities sold under a repurchase agreement should lose value during the term of the agreement, and if the Company wanted to sell them to limit the losses of value, it can do so only by exercising the right of early termination. Early termination of the agreement can entail financial losses for the fund. It is also possible that the premium payable at the end of the term will turn out to be higher than the income the Company generated through reinvestment of the cash received.

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

*Risks associated with the acceptance of collateral*

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

*Risk in securitization positions with no retention*

The fund may acquire securities backed by loans (loan securitization positions) issued after January 1, 2011, only if the lender retains an interest in the securitization of at least 5% and complies with other requirements. The Company is therefore obligated to initiate corrective measures in the interests of the investors if loan securitizations issued after this date fail to meet these EU standards. As part of these corrective measures, the Company may be forced to sell such loan securitization positions. Given the legal requirements for banks, fund companies and possibly insurance companies in the future as well, there is a risk that the Company will not be able to sell such loan securitization positions held in the fund, or will be able to do so only with deep discounts or after very long delays.

*Inflation risk*

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

*Currency risk*

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

*Concentration risk*

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

*Risks associated with investment in investment fund units*

The risks entailed in investment undertakings whose units are acquired for the fund (so-called "target funds") are closely linked to the risks inherent in the individual assets contained in these target funds, and in the investment strategies pursued by these target funds. However, since the managers of the individual target funds operate independently of one another, it is also possible that several target funds will be engaged in similar or mutually opposing investment strategies. This can result in a cumulative effect of

existing risks, and any opportunities might be offset. It is generally not possible for the Company to control the management of the target funds. Their investment decisions do not necessarily have to concur with the Company's assumptions or expectations. The Company often will not have timely knowledge of the current composition of target funds. If the composition does not match the Company's assumptions or expectations, it may not be able to react without a considerable delay by returning target fund units.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

#### c) Risk of a change of coupon (coupon resetting risk)

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

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

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

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

the investor, depending on the national conditions and the sole judgment of the respective competent supervisory authority. Moreover, the opinion of the respective competent supervisory authority, as well as the criteria of relevance for the opinion in the individual case, cannot be conclusively assessed in advance.

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

CoCos are long-term debt securities, often perpetual, that are callable by the issuer at certain call dates defined in the issue prospectus. The decision to call is made at the discretion of the issuer, but it does require the approval of the issuer's competent supervisory authority. The supervisory authority makes its decision in accordance with applicable regulatory law. The CoCo investor can only resell the CoCo on a secondary market, which entails corresponding market and liquidity risks if the issuer does not effectively call the CoCo on one or more of the defined call dates. If there is no sufficiently liquid secondary market in the event of a lack of demand, a CoCo cannot be sold.

#### f) Equity capital and subordination risk (risk of a reversal of the capital structure)

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

#### g) Risk of concentration on a sector

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

#### h) Liquidity risk

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

#### i) Income valuation risk

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

#### j) Unknown risk

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



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

### Risks of restricted or elevated liquidity of the fund (liquidity risk)

In the following, the risks that may adversely affect the liquidity of the fund are presented. This may result in the fund being temporarily or permanently unable to meet its payment obligations, and in the Company being temporarily or permanently unable to meet the redemption requests of investors. The investor might not be able to realize a potentially planned holding period, and some or all of the capital invested might not be available to the investor for an indefinite period of time. The realization of the liquidity risks could also cause the net asset value of the fund, and thus the net asset value per unit, to decline in cases where, for instance, the Company is forced, with appropriate legal permissibility, to sell assets for the fund at less than market value.

#### *Risk from investing in assets*

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

#### *Risk from funding liquidity*

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

#### *Risks from increased redemptions or issues*

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

In the case of inflows, an increased fund liquidity can diminish the performance of the fund if the Company cannot invest the funds under adequate conditions.

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

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

### Counterparty risk including credit and receivable risk

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

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

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

#### *Risk from central counterparties*

A central counterparty ("CCP") acts as an intermediary institution in particular transactions for the fund, especially transactions in derivative financial instruments. In this case, the CCP acts as the buyer toward the seller, and as the seller toward the buyer. A CCP hedges its counterparty default risks by means of a series of protective measures, including initial margins (e.g., collateralizations), that enable it to offset losses from transactions entered into at any time. These protective measures notwithstanding, it cannot be ruled out that a CCP might default, which would also affect claims of the Company for the fund. This can result in losses for the fund that are not hedged.

#### *Risks of default in repurchase agreements*

In repurchase agreements, the collateral is provided as consideration by the counterparty. In the event of a default of the counterparty during the term of the repurchase agreement, the Company has a right of use with respect to the securities purchased or to the cash received under the agreement. A risk of loss to the fund can ensue from the fact that the collateral provided is no longer sufficient to cover the Company's retransfer claim in full because of the temporary deterioration in the creditworthiness of the issuer, or because the prices of the securities sold have risen.

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

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

### Operational and other risks of the fund

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

#### *Risks from criminal acts, shortcomings or natural disasters*

The fund may become a victim of fraud or other criminal acts. It may suffer losses due to misunderstandings or errors by employees of the Company or of external third parties, or be damaged by outside events such as natural disasters.

#### *Country or transfer risk*

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

restrictions on currency exchange, or may be in another currency. If the borrower pays in another currency, this position is subject to the currency risk presented above.

#### *Legal and political risks*

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

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

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

In the case of a correction with tax consequences that are essentially unfavorable for the investor, changes to the fund's taxation bases for preceding fiscal years made because these bases are found to be incorrect (e.g., based on external tax audits) can result in the investor having to bear the tax burden resulting from the correction for preceding fiscal years, even though he may not have held an investment in the fund at the time. Conversely, the investor may fail to benefit from an essentially favorable correction for the current or preceding fiscal years during which he held an investment in the fund because he redeemed or sold his units 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 for the individual investor.

#### *Key individual risk*

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

#### *Custody risk*

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

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

In the settlement of securities transactions through an electronic system, there is a risk that one of the contracting parties is late or fails to pay, or fails to deliver securities on time.

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

Implementation of the MiFID II Directive requires the competent authorities to specify for each commodity derivative that is traded on an exchange in a member state of the European Union or in another state that is a party to the Agreement on the European Economic Area a quantitative threshold for the maximum size of a position in that derivative a person is permitted to hold (position limit). The position limits apply to the fund as well. The operator of an exchange on which commodity derivatives are traded must set up procedures for monitoring compliance with the specified position limits (position management controls). Due to the specified position limits and the rights of the operator of the exchange in question with respect to position management controls, there is a risk that commodity derivative positions may not be entered into at all, or only partially, or that existing positions must be closed or reduced. This may result in the Company being unable to pursue the investment strategy for commodity derivatives as planned and thus being required to amend it. Under certain circumstances, this can also affect the risk profile and the performance of the fund.

## Investment principles and limits

### Assets

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

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

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

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

## Securities

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

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

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

Securities by this definition also include:

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

The securities may only be acquired under the following conditions:

- The potential loss that might arise for the fund may not exceed the purchase price of the security. There must be no obligation to make subsequent payments.
- The liquidity of the security acquired by the fund must not result in the fund no longer being able to meet the legal requirements on the redemption of units. This applies taking into account the possibility provided for by law of suspending the redemption of units in

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

special cases (see sections "Units – Issue and redemption of units – Issue of units," "Units – Issue and redemption of units – Redemption of units" and "Units – Issue and redemption of units – Suspension of the redemption of units").

- A reliable valuation of the security by means of accurate, reliable and regular prices must be available; these must be either market prices or prices made available by valuation systems independent from the issuer of the security.
- Appropriate information about the security must exist, either in the form of regular, accurate and comprehensive information on the security to the market or, where relevant, in the form of an associated portfolio.
- The security is negotiable.
- The acquisition of the security is consistent with the investment objectives or the investment policy, or both, of the fund.
- The risks of the security are adequately captured by the risk management process of the fund.

Securities may additionally be acquired in the following form:

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

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

## Money market instruments

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

- have a (residual) term to maturity not exceeding 397 days at the time of their acquisition for the fund;
- have a (residual) term to maturity of more than 397 days at the time of their acquisition for the fund, but whose interest payments are adjusted to market rates regularly, at least once every 397 days, pursuant to the terms and conditions of issue;
- have a risk profile corresponding to the risk profile of securities that meet the criterion for residual term to maturity or interest payment adjustment.

Money market instruments may be acquired for the fund if

1. they are admitted for trading on an exchange in a member state of the EU or in another state that is a party to the Agreement on the EEA or are admitted for trading or included in another organized market in one of these states;

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

All of the money market instruments mentioned may be acquired only if they are liquid and their value can be accurately determined at any time. Money market instruments are liquid if they can be sold at limited cost within an adequately short time frame. Here the obligation of the Company to redeem units of the fund at the request of investors and, to that end, to be able to sell such money market instruments correspondingly quickly, must be taken into account. In addition, an accurate and reliable valuation system must exist for money market instruments that enables the determination of the net asset value of the money market instrument and is based on market data or on valuation models such as systems that determine amortized costs. The liquidity requirement for money market instruments is deemed met if they are admitted for trading or included in an organized market within the EEA, or if they are

admitted for trading or included in an organized market outside the EEA, insofar as BaFin has approved the choice of this market.

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

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

- If issued or guaranteed by the following institutions (mentioned under no. 3 above):
  - the EU,
  - the German federal government,
  - a special-purpose vehicle of the German federal government,
  - a German federal state,
  - another member state,
  - another central government authority,
  - the European Investment Bank,
  - a third country or, in the case of a federal state, one of the members making up the federation,
  - a public international body of which one or more member states of the EU are members,
 appropriate information on the issue or the issuance program, or on the legal and financial situation of the issuer prior to the issue of the money market instrument, must be available.
- If issued or guaranteed by a credit institution supervised within the EEA (see no. 5 above), appropriate information on the issue or the issuance program, or on the legal and financial situation of the issuer prior to the issue of the money market instrument, must be available and updated on a regular basis and whenever a significant event occurs. In addition, data (e.g., statistics) enabling an appropriate assessment of the credit risks associated with an investment must be available on the issue or the issuance program.
- If issued by a credit institution subject to supervision outside of the EEA that is considered by BaFin to be equivalent to the requirements on a credit institution within the EEA, one of the following conditions must be met:
  - The credit institution has its registered office in one of the so-called "Group of Ten" ("G10") grouping of leading member countries of the Organisation for Economic Co-operation and Development (hereinafter "OECD").

- The credit institution has at least an investment-grade rating. An investment-grade rating is a rating of “BBB-” or “Baa” or better assigned by a rating agency as part of credit assessment.
- It can be demonstrated on the basis of an in-depth analysis of the issuer that the prudential rules applicable to that issuer are at least as stringent as those laid down by EU law.
- For the remaining money market instruments that are not listed on an exchange or admitted for trading in a regulated market (see above under nos. 4 and 6, as well as those remaining under no. 3), appropriate information on the issue or the issuance program, and on the legal and financial situation of the issuer prior to the issue of the money market instrument, must be available and updated on a regular basis and whenever a significant event occurs, and reviewed by third parties not subject to instructions from the issuer. In addition, data (e.g., statistics) enabling an appropriate assessment of the credit risks associated with an investment must be available on the issue or the issuance program.

### Bank balances

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

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

#### General investment limits

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

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

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

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

#### Investment limits for public sector issuers

The Company may invest up to 35% of the fund's assets respectively in bonds, promissory note loans and money market instruments of special national and supranational public sector issuers. These public sector issuers include the German federal government, the German federal states, member states of the EU or their local authorities, third countries and public supranational bodies of which one or more member states of the EU are members. This limit can be exceeded for bonds, promissory note loans and money market instruments if that is provided for in the Terms and Conditions of Investment and the issuers are specified there. If this option is availed of, the securities and money market instruments of these issuers in the fund must originate from at least six different issues; no more than 30% of the fund's assets may be invested in one issue. Securities purchased under repurchase agreements shall be attributed to this investment limit.

#### Combination of investment limits

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

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

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

The respective individual upper limits shall remain unaffected.

#### Investment limits when derivatives are used

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

#### Investment limits for tax purposes

To the extent that the fund was structured as an equity fund or mixed fund for tax purposes, this fact is disclosed in the “Investment strategy” section of the special section.

### Other assets and their investment limits

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

1. Securities that are not admitted for trading on an exchange or included in another organized market, but which generally fulfill the criteria for securities.  
In contrast to traded and admitted securities, reliable valuation for these securities must be available in the form of a valuation conducted on a periodic basis that is derived from information from the issuer or from competent investment research. Appropriate information about the non-admitted or non-included security must exist in the form of regular, accurate information from the fund or, where relevant, the associated portfolio must be available.
2. Money market instruments of issuers that do not meet the requirements mentioned above, provided they are liquid and their value can be accurately determined at any time. Money market instruments are liquid if they can be sold at limited cost within an adequately short time frame. Here the obligation of the Company to redeem units of the fund at the request of investors and, to that end, to be able to sell such money market instruments correspondingly quickly, must be taken into account. In addition, an accurate and reliable valuation system must exist for money market instruments that enables the determination of the net asset value of the money market instrument or is based on market data or on valuation models (including systems that determine amortized costs). The liquidity requirement for money market instruments is deemed met if they are admitted for trading or included in an organized market within the EEA, or if they are admitted for trading or included in an organized market outside the EEA, insofar as BaFin has approved the choice of this market.

3. Newly issued equities if, according to their terms of issue, their admission for trading on an exchange in a member state of the EU or in another state that is a party to the Agreement on the EEA or their admission to an organized market or their inclusion in such a market in a member state of the EU or in another state that is a party to the Agreement on the EEA must be applied for under the terms of issue,
  - their admission for trading on an exchange or in an organized market, or their inclusion in such a market, outside the member states of the EU or outside the other states that are parties to the Agreement on the EEA must be applied for under the terms of issue, insofar as BaFin has approved of the choice of exchange or organized market and
  - the admission or inclusion takes place within one year of their issue.
4. Promissory note loans (“Schuldscheindarlehen”) that can be assigned at least twice following acquisition for the fund and which were granted to one of the following institutions:
  - the German federal government or a special-purpose vehicle thereof, an EU country or an OECD member country,
  - another domestic authority, regional government or local authority of another member state of the EU or another state that is a party to the Agreement on the EEA, provided that the receivable can be treated, according to the regulation on prudential requirements for credit institutions and investment firms, in the same manner as a receivable from the central government on whose sovereign territory the regional government or local authority is located,
  - other corporate bodies or institutions under public law domiciled in Germany or in another member state of the EU, or in another state that is a party to the Agreement on the EEA,
  - companies that have issued securities that have been admitted for trading in an organized market within the EEA or which have been admitted for trading in another regulated market as defined by the directive on markets for financial instruments, as amended, or
  - other borrowers, provided that one of the bodies designated in (a) through (c) above has undertaken to guarantee the payment of interest and repayment of principal.

### Investment fund units

In the section “Investment objective and strategy – Investment strategy” in the special section and in the Terms and Conditions of Investment, the extent to which the Company can invest for the account of the fund in units of target funds that are open-ended domestic and foreign target funds is presented. The Company predominantly acquires units in all states that are parties to the Agreement on the European Economic Area and the G20 for the fund.

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

1. The target fund shall have been authorized under legal provisions that make it subject to effective public supervision for the protection of investors, and there must be sufficient assurance of satisfactory cooperation between competent supervisory authorities.
2. The level of protection for investors must be equivalent to that provided for investors in a domestic UCITS, especially as regards separation of management and custody of assets, borrowing, lending and short sales of securities and money market instruments.
3. The business activity of the target fund must be reported in annual and semiannual reports and allow investors to make their own assessment of the assets and liabilities, income and operations over the reporting period.
4. The target fund must be a retail fund in which the number of units is not limited and where investors have the right to redeem units at any time.

No more than 20% of the fund’s assets may be invested in a single target fund. No more than 30% of the fund’s assets in total may be invested in AIFs. The Company may acquire for the account of the fund no more than 25% of the issued units of a target fund.

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

Target funds can temporarily suspend the redemption of units to the extent permitted by law. In that case, the Company will not be able to return the target fund units to the management company or depositary of the target fund against payment of the redemption price (see also the section “Risk warnings – Risk of negative performance of the fund (market risk) – Risks associated with investment in investment fund units”). The extent to which the fund holds units of target funds that have currently suspended redemptions, if any, is posted on the Company’s Web site at [deutscheam.com](http://deutscheam.com).

### Derivatives

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

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

The market risk of the fund may not be more than doubled through the use of derivatives (“market risk limit”). Market risk is the risk of loss arising from fluctuations in the market values of assets held in the fund that are attributable to changes in variable market prices and rates such as interest rates, exchange rates and the prices of equities and commodities, or to changes in the creditworthiness of an issuer. The Company must comply with the market risk limit on an ongoing basis. It must determine on a daily basis the extent to which the market risk limit has been reached as provided for by law, specifically the Regulation on Risk Management and Risk Measurement when using Derivatives, Securities Loans and Repurchase Agreements in Investment Undertakings according to the German Investment Code (hereinafter “Derivatives Regulation”).

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

### *Futures contracts*

Futures contracts are agreements that unconditionally bind both parties to buy or sell a particular amount of a certain underlying at a predetermined price at a certain point in time, at maturity or within a certain period. The Company may, within the scope of the investment principles, enter into futures contracts for the account of the fund on assets acquirable for the fund, as well as on interest rates, exchange rates, currencies and qualified financial indices. Futures contracts are entered into in the form of both futures and forwards. Counterparties to forwards must have a minimum rating of A-/A3.

### *Options*

In options transactions, a third party is granted, in exchange for a consideration (option premium), the right to demand delivery or acceptance of assets during a specific period of time or at the end of a specific period at a predetermined price (strike price), or to demand payment of a cash settlement, or to acquire corresponding options.



The Company may take part in options transactions for the account of the fund within the scope of the investment principles.

#### *Swaps*

Swaps are exchange contracts in which the parties swap the cash flows or risks underlying the respective transaction. The Company may enter into interest rate swaps, currency swaps, equity swaps and credit default swaps for the account of the fund within the scope of the investment principles.

#### *Swaptions*

Swaptions are options on swaps. A swaption is the right, but not the obligation, to conduct a swap transaction, the terms of which are precisely specified, at a certain point in time or within a certain period. In all other aspects, the principles established for options apply. The Company may only conclude swaptions for the account of the fund that consist of the options and swaps described above.

#### *Credit default swaps*

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

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

#### *Total return swaps*

A total return swap is a derivative in which one counterparty transfers to another counterparty the total return of a reference liability including income from interest and fees, gains and losses from price fluctuations, and credit losses. Total return swaps are entered into for the fund for efficient portfolio management. In principle, all of the assets of the fund may be the object of total return swaps. The Company reserves the right, depending on the respective market conditions, with the objective of efficient portfolio management and in the interests of the investors, to actually transfer all of the assets held in the fund by way of a total return swap. Both positive and negative income from total return swaps is fully taken into account in the fund's assets.

#### *Securitized financial instruments*

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

#### *OTC derivative transactions*

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

## Securities lending transactions

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

The borrower must additionally pay to the Depository, for the account of the fund, any interest received from lent securities at maturity. The value of all securities transferred to any one borrower may not exceed 10% of the fund's assets.

If external companies are involved in the execution of securities loans, this fact will be disclosed in the section "Service providers."

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

## Repurchase agreements

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

## Choice of counterparty

The conclusion of OTC derivative transactions, including total return swaps, securities lending transactions and repurchase agreements, is only permitted with credit institutions or financial services institutions on the basis of standardized master agreements. The counterparties must be subject to ongoing supervision by a public body, be financially sound and have an organizational structure and the resources they need to provide the services. In general, all counterparties have their headquarters in member countries of the Organisation for Economic Co-operation and

Development (OECD), the G20 or Singapore. In addition, either the counterparty itself or its parent company must have an investment grade rating by one of the leading rating agencies.

## Collateral strategy

As part of derivative transactions, securities lending and repurchase agreements, the Company accepts collateral for the account of the fund. The purpose of the collateral is to fully or partially reduce the risk of default of the counterparty to these contracts.

### Types of permissible collateral

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

1. This collateral shall have been received before or at the time of the transfer of the lent securities in the case of a securities lending transaction. If the securities are lent via intermediaries, the transfer of the securities can take place before receipt of the collateral as long as the respective intermediary ensures the orderly completion of the transaction. Such intermediary can provide collateral in place of the borrower.
2. In general, collateral for securities lending transactions, reverse repurchase agreements and transactions with OTC derivatives (not including currency futures) must be provided in one of the following forms:
  - liquid assets such as cash, short-term bank deposits, money market instruments according to the definition in Directive 2007/16/EC of March 19, 2007, letters of credit and first-demand guarantees that are issued by top-rated credit institutions not affiliated with the counterparty, or bonds issued by an OECD member country or its local authorities or by supranational institutions and authorities at local, regional or international level, irrespective of their residual term to maturity;
  - units of a collective investment undertaking (hereinafter "UCI") investing in money market instruments that calculates a net asset value daily and has a rating of AAA or an equivalent rating;
  - units of a UCITS that invests predominantly in the bonds and equities listed under the next two indents;
  - bonds, irrespective of their residual term to maturity, issued or guaranteed by top-rated issuers with appropriate liquidity; or
  - equities admitted to or trading in a regulated market in a member state of the European Union or on an exchange in an OECD member country, as long as these equities are contained in a major index.

3. Collateral that is not provided in the form of cash or units of UCIs/UCITS must have been issued by a legal entity that is not affiliated with the counterparty.

### Diversification of collateral

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

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

### Scope of collateralization

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

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

### General collateral valuation rules

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

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

### Strategy for discounting valuations (haircut strategy)

The Company has a strategy for applying valuation discounts on financial assets that are accepted as collateral (so-called "haircut strategy"). Haircuts on collateral are based on:

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

Collateral that is provided within the framework of OTC derivative transactions, e.g., short-term government bonds with first-class ratings, is generally subject to a minimum haircut of 2%. Consequently, the value of such collateral must exceed the value of the collateralized claim by at least 2% so that an overcollateralization of at least 102% is reached. A correspondingly higher haircut of currently 33% (and therefore a higher overcollateralization of 133%) applies for securities with longer maturities or securities of issuers with lower ratings. Overcollateralization for OTC derivative transactions is generally within the following ranges:

Overcollateralization ratio	102% to 133%
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For securities lending transactions, the application of a collateral-specific haircut can be waived if the credit quality of the counterparty and the collateral is excellent. However, for equities with lower ratings and other securities, higher haircuts may apply depending on the credit quality of the counterparty. Overcollateralization for securities lending transactions is generally within the following ranges:

Prescribed overcollateralization ratio for government bonds with first-class ratings	103% to 105%
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Prescribed overcollateralization ratio for government bonds with low investment-grade ratings	103% to 115%
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Prescribed overcollateralization ratio for corporate bonds with first-class ratings	105%
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Prescribed overcollateralization ratio for corporate bonds with low investment-grade ratings	107% to 115%
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Prescribed overcollateralization ratio for blue-chips and mid-caps	105%
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The discounts applied are reviewed for appropriateness on a regular basis, at least once each year, and are adjusted accordingly if necessary.

#### *Custody and reinvestment of collateral*

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

## Borrowing

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

## Leverage

Leverage is defined as any method by which the Company can increase the investment level of the fund. This can take place by entering into securities loans, repurchase agreements, through the use of derivatives or in other ways. The possibility of using derivatives and entry into securities lending transactions and repurchase agreements is presented in the sections "Investment principles and limits – Derivatives," "Special section – Derivatives" and "Securities lending transactions and repurchase agreements." The possibility of borrowing is explained in the section "Borrowing."

The market risk of the fund may generally not be more than doubled through the use of derivatives (see section "Investment principles and limits – Derivatives"). The market risk is measured using a VaR approach.

Leverage, on the other hand, is calculated through division of the gross total exposure of the fund by its net asset value. To calculate the gross total exposure, the gross exposures of the individual assets of the fund exposed to market risk are added together as an absolute figure. Individual derivative transactions or securities positions are generally not offset against each other, i.e., so-called netting and hedging agreements are not taken into account.

Any effects from the reinvestment of collateral in securities lending transactions and repurchase agreements are also taken into account.

Unless otherwise provided for in the "Derivatives" section of the special section, the Company expects that the risk for the fund calculated according to the gross method will not exceed five times the net asset value of the fund.

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

Derivatives can be used by the Company with differing objectives such as for hedging or to optimize return. However, the calculation of the gross total exposure does not distinguish between the differing objectives of derivative use. For that reason, the leverage determined using the gross method is not a measurement of loss and not an indicator of the fund's risk exposure.

## Valuation

### General asset valuation rules

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

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

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

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

### Special rules for the valuation of individual assets

#### *Unlisted bonds and promissory note loans*

For the purposes of valuing bonds that are neither admitted for trading on an exchange nor admitted to or included in another organized market (e.g., unlisted debt instruments, commercial papers and certificates of deposit) and for the valuation of promissory note loans ("Schuldscheindarlehen"), the market prices agreed for comparable bonds and note loans and, if applicable, the market prices of bonds of comparable issuers and with equivalent maturities and interest rates are used, less a discount to compensate for limited marketability, if necessary.

#### *Money market instruments*

Money market instruments are valued at the prevailing market rates.

#### *Options and futures contracts*

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

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

#### *Swaps*

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

#### *Bank balances, other assets, liabilities, time deposits, investment fund units and loans*

Bank balances and certain other assets (e.g., interest receivable), receivables (e.g., accrued interest receivable) and liabilities are generally measured at their nominal value plus accrued interest.

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

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

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

#### *Repurchase agreements*

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

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

#### *Assets denominated in foreign currency*

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

## Sub-funds

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

## Units

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

### Obligation to deposit actual securities

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

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

### Issue and redemption of units

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

### Issue of units

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

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

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

### Redemption of units

Investors can generally request the redemption of units unless the Company has temporarily suspended the redemption of units (see section "Units – Suspension of the redemption of units"). Redemption orders shall be placed with the Depository or with the Company itself. The Company is obligated to redeem units at the redemption price applicable on the settlement date, which corresponds to the net asset value per unit determined on that date less any applicable redemption fee. Redemption through an intermediary is also possible; additional costs may be incurred when so doing.

### Settlement when issuing and redeeming units

The Company complies with the principle of equal treatment of investors by ensuring that no investor can gain an advantage by buying or selling units at known net asset values per unit. It therefore imposes a daily order acceptance deadline. The settlement of issue and redemption orders received at the offices of the Depository or the Company by the order acceptance deadline takes place regularly at the net asset value per unit determined on the date the order is received (= the settlement date). Orders received by the Depository or the Company after the acceptance deadline are not settled until the next valuation date (= the settlement date) at the net asset value per unit determined on that date. The special section can provide otherwise in particular individual cases. The order acceptance deadline for this fund is published on the Company's Web site at [deutscheam.com](http://deutscheam.com). It can be changed by the Company at any time.

Third parties like the institution maintaining the custody account, for example, can additionally act as intermediaries in the issue and redemption of units. This can result in longer settlement periods. The Company has no influence on the different settlement arrangements of institutions maintaining custody accounts.

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

### Suspension of the redemption of units

The Company may suspend the redemption of units under exceptional circumstances that make a suspension appear necessary when taking into consideration the interests of investors. Such exceptional circumstances include, for example, the unscheduled closing of an exchange on which a significant portion of the securities of the fund is traded or that the assets of the fund cannot be valued. A temporary suspension of redemption is admissible particularly if the payment obligations resulting from the redemption cannot be met out of the liquid assets of the fund. As long as redemption is suspended, no new units may be issued. The Company shall, without delay, notify BaFin and the competent institutions of those other member states of the EU or those other states that are parties to the Agreement on the EEA in which it sells units of its decision to suspend redemption.

The Company reserves the right not to redeem or exchange units until it has disposed of assets of the fund without delay, but serving the interests of all investors, at the redemption price then applicable.

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

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

## Liquidity management

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

- The Company monitors the liquidity risks that may arise at the level of the fund or of the assets. It makes an assessment of the liquidity of the assets held in the fund in relation to the fund's assets and stipulates a liquidity ratio. The evaluation of liquidity includes, for example, an analysis of the trading volume, the complexity of the asset and the number of trading days that are required to dispose of the respective asset without influencing the market price. The Company also monitors the investments in target funds and their redemption policies, and any resulting impact on the liquidity of the fund.
- The Company monitors the liquidity risks that can result from elevated demand by investors for the redemption of units. Here it forms expectations about net changes in capital, taking into account available information on the investor structure and experience from historical net changes in capital. It takes into account the effects of large-scale call risks and other risks (such as reputational risks).
- The Company has established adequate liquidity risk limits for the fund. It monitors compliance with these limits and has specified procedures to follow if the limits are or might be exceeded.
- The procedures instituted by the Company ensure consistency between liquidity ratio, the liquidity risk limits and the net changes in capital to be expected.

The Company reviews these principles regularly and updates them accordingly.

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

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

## Fair treatment of investors and unit classes

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

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

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

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

## Issue and redemption prices

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

The result of dividing the net asset value thus determined by the number of units issued is the value of each unit (the "net asset value per unit").

All exchange trading days are days on which the net asset value per unit of the fund is determined. On public holidays within the jurisdiction of the KAGB that are exchange trading days, as well as on December 24 and December 31 of each year, the Company and the Depositary may refrain from calculating these prices. No calculation of the net asset value per unit currently takes place on New

Year's Day, Good Friday, Easter Monday, May Day, Ascension Day, Whit Monday, Corpus Christi, the Day of German Unity, Christmas Eve, Christmas Day, St. Stephen's Day and New Year's Eve. There are some additional days such as foreign holidays that can also be excluded as valuation days in the special section.

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

The Company will not publish issue or redemption prices during any suspension of the redemption of units (which is explained in more detail in the section "Units – Suspension of the redemption of units").

## Initial sales charge and redemption fee

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

## Publication of the issue and redemption prices

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

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

## Costs

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

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

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

### Administrative and other costs

Details on administrative and other costs are presented in the section "Issue and redemption prices – Administrative and other costs" in the special section.



**Circumstances particular to the acquisition of investment fund units**  
In addition to the fees for the management of the fund, a management fee is also assessed for the units of target funds held in the fund. These ongoing charges for the target fund units held in the fund are taken into consideration when calculating the total expense ratio (see section “Costs – Total expense ratio”).

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

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

Regulations governing the handling of any management fee or all-in fee charged on the acquisition of units of target funds that are directly or indirectly managed by the Company itself or by another company with which the Company is affiliated by virtue of joint management or control, or through a material direct or indirect equity interest amounting to more than 10% of the capital or voting rights, (hereinafter “affiliated investment funds”) can be found in the section “Circumstances particular to the acquisition of investment fund units” in the special section.

The annual and semiannual reports will contain a disclosure of the initial sales charges and redemption fees that have been charged to the fund during the reporting period for the acquisition and redemption of units of target funds. The Company or the other company may not charge initial sales charges or redemption fees when purchasing affiliated investment funds. Also disclosed in the annual and semiannual reports will be the fee that was charged to the fund as a management fee for the target fund units held in the fund by a domestic or foreign company, or by a company with which the Company is affiliated through a material direct or indirect equity interest. The same shall apply with respect to the all-in fee, if an all-in fee is charged to the fund and/or the affiliated investment fund.

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

The Company submits buy and sell orders for securities and financial instruments directly to brokers and traders for the account of the fund. It concludes agreements with these brokers and traders under customary market conditions that comply with first-rate execution standards. When selecting the broker or trader, the Company takes into account all relevant factors, such as the credit rating of the broker or trader and the execution capacities provided. The prerequisite is that the

Company shall always ensure that the transactions are executed while taking into account the appropriate market at the appropriate time for transactions of the appropriate type and size at the best possible conditions.

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

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

### Total expense ratio

In the annual report, the management costs accrued and charged to the fund during the fiscal year are disclosed and reported as a ratio of the fund's average net assets (total expense ratio). Management costs consist of fees for the management of the fund, the remuneration of the Depositary and the additional expenses that can be charged to the fund (see sections “Administrative and other costs” in the special section and “Costs – Circumstances particular to the acquisition of investment fund units”). If the fund invests a substantial portion of its assets in other open-ended investment undertakings, the total expense ratio of these target funds is additionally taken into account. The total expense ratio includes neither incidental costs nor costs incurred in the purchase and sale of assets (transaction costs). The total expense ratio is published in the key investor information document as so-called “ongoing charges.”

If the investor is advised on the acquisition of shares by third parties (particularly investment firms) or if they act as intermediaries for the purchase, they may charge the investor expenses or shares of expenses which are not identical to the expense information in this sales prospectus or the key investor information document and which may exceed the total expense ratio described here. This may be due in particular to new regulatory requirements for the determination, calculation and disclosure of costs by investment firms, which arise for these in the course of the national transposition of the MiFID II Directive. Deviations from the expense statement may arise on the one hand from the fact that these third parties additionally take into account the costs of their own services (e.g., a premium or also ongoing commissions for the brokerage or consulting activities, fees for custody account management, etc.). In addition, these investment firms are subject to sometimes differing requirements for the calculation of costs incurred at fund level, so that, for example, the transaction costs of the fund are included in the third party's expense statement, although they are not part of the

above-mentioned total expense ratio in accordance with the provisions currently applicable to the asset management company.

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

### Compensation policy

The Company is included in the compensation strategy of the Deutsche Bank Group. All matters related to compensation, as well as compliance with regulatory requirements, are monitored by the relevant governing bodies of the Deutsche Bank Group. The Deutsche Bank Group pursues a total compensation approach that comprises fixed and variable compensation components and contains portions of deferred compensation, which are linked both to individual future performance and the sustainable development of the Deutsche Bank Group. In order to determine the share of the deferred compensation and of 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.

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 compensation and bonuses to specific employee groups, as well as the specification of the persons responsible for the allocation, including members of the Compensation Committee. The Company shall provide this information free of charge in paper form upon request.

### Determination of income

#### Determination of income, income adjustment procedure

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

The Company uses a so-called “income adjustment procedure” for the fund. This prevents the share of distributable income in the unit price from fluctuating as a result of capital inflows and outflows. Otherwise, any inflows of capital into the fund during the fiscal year would lead to less income being available for distribution per unit at

the distribution dates than would be the case with a constant number of units in circulation. In contrast, any outflows of capital would lead to more income being available for distribution per unit than would be the case with a constant number of units in circulation. In order to prevent this, the distributable income over the fiscal year that the purchaser of units must pay as part of the issue price, and that the seller of units receives as part of the redemption price, is continually calculated and entered as a distributable item in the income statement.

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

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

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

## Liquidation, transfer and merger of the fund

### Conditions for the liquidation of the fund

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

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

### Procedure for the liquidation of the fund

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

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

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

### Settlement of the distribution of the liquidation proceeds

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

### Transfer of the fund

The Company may transfer the right to manage and dispose of the investment fund to another asset management company. The transfer requires the prior written approval of BaFin. The approved transfer shall be announced in the Bundesanzeiger (Federal Gazette) and, in addition, in the annual report or semiannual report for the fund. The institutions maintaining the custody accounts shall also inform investors about the planned transfer by means of a durable medium, such as on paper or in electronic format. The time at which the transfer becomes effective is determined by the contractual arrangements between the Company and the receiving asset management company. However, the transfer shall take place no sooner than three months after its announcement in the Bundesanzeiger. All rights and obligations of the Company in relation to the fund are then transferred to the receiving asset management company.

### Conditions for the merger of the fund

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

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

The institutions maintaining the custody accounts of the fund's investors will, no later than 37 days before the proposed key date of transfer, inform investors on paper or in electronic format about the reasons for the merger, the potential effects for investors and the rights of investors in connection with the merger, as well as on material procedural aspects. Investors will further receive the key investor information document for the investment undertaking to which the assets of the fund are to be transferred.

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

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

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

The Company will announce in the Bundesanzeiger, and additionally in a business publication and a daily newspaper with sufficient circulation, or on the Internet at [deutscheam.com](http://deutscheam.com), when the fund was merged into another investment undertaking managed by the Company and when

the merger took effect. If the fund is merged into an investment undertaking that is not managed by the Company, the management company that administers the receiving or newly established investment undertaking makes the announcement of the merger taking effect.

## Outsourcing

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

Seq. no.	Outsourcing company	Outsourcing measure	Conflicts of interest*
1	BlackRock Financial Management, Inc., New York (USA)	Use of IT software to support portfolio management and the monitoring of compliance with laws (investment limit compliance testing and risk management)	Variant 1
	<i>Sub-outsourced/Delegated to:</i>	<i>Part of outsourcing measure:</i>	
1a	Oracle Financial Services Software Inc, Bangalore and Mumbai (India)	Delegation of activities in connection with the preparation of the so-called "Green Package" reports (portfolio risk management and compliance reports)	Variant 1
1b	BlackRock Capital Management, Inc., Wilmington (USA)	Delegation of activities in connection with the use of the Aladdin IT platform to ensure global, cross-timezone IT and user support	Variant 1
1c	BlackRock Investment Management, LLC, Wilmington (USA)		
1d	BlackRock Institutional Services, Inc., Wilmington (USA)		
1e	BlackRock Institutional Trust Company, N.A., San Francisco (USA)		
1f	BlackRock Asset Management Investor Services Limited, London (UK)		
1g	BlackRock Investment Management (UK) Limited, German Branch, Frankfurt/Main		
1h	BlackRock Services India Pvt. Limited, Gurgaon (India)		
1i	BlackRock Japan Co., Limited, Tokyo (Japan)		
1j	BlackRock Advisors Singapore Pte Limited, Singapore (Singapore)		
1k	BlackRock Hungary Kft. (Hungary)		
2	DWS International GmbH, Frankfurt/Main	Support in the area of risk management	Variant 2
3	Deutsche Asset Management (Hong Kong), Hong Kong (China)	Execution of trades in securities, derivatives and currencies from the Asia-Pacific region. In exceptional situations, securities, derivatives and currencies from other regions may also be traded.	Variant 2
4	Deutsche Bank AG, Frankfurt/Main	Security measures to prevent money laundering and terrorist financing, as well as all other criminal activity	Variant 2
5	DWS International GmbH, Frankfurt/Main	Outsourcing of order execution implementation in securities, FX and derivatives trading	Variant 2
6	DWS Beteiligungs GmbH, Frankfurt/Main	Legal advisory and support in legal matters	Variant 2
	<i>Sub-outsourced/Delegated to:</i>	<i>Part of outsourcing measure:</i>	
6a	Deutsche Bank AG, Frankfurt/Main	General legal advisory	Variant 2
7	DWS Group GmbH & Co. KGaA	Compliance: Business Line Compliance, Compliance Testing Service	Variant 2
8	DWS International GmbH, Frankfurt/Main	Compliance: Trade Surveillance	Variant 2
9	Deutsche Bank AG, Frankfurt/Main	Compliance: Global, Regional & Country Management Services Compliance, Compliance Support of Infrastructure Entities, Regulatory Changes Management, Employee Compliance, Control Room, DB Group Guideline Structure, Position Reporting, Global Regulatory Risk Assessment Conduct Risk Compliance Framework	Variant 2
	<i>Sub-outsourced/Delegated to:</i>	<i>Part of outsourcing measure:</i>	
9a	DBOI Global Services Private Limited, Mumbai (India)	Compliance	Variant 2
9b	DBOI Global Services (UK) Limited (UK)	Compliance: Employee Compliance, Position Reporting, Conduct Risk Compliance Framework, Control Room	Variant 2
9c	DB USA Core Corporation, New Jersey (USA)	Compliance: Position Reporting, Control Room	Variant 2

Seq. no.	Outsourcing company	Outsourcing measure	Conflicts of interest*
10	DWS International GmbH, Frankfurt/Main	Support in monitoring of and compliance with investment guidelines	Variant 2
11	DWS Asset Management Americas Inc., New York Branch (USA)	Execution of trades in securities, derivatives and currencies for all regions, but with a focus on the American region.	Variant 2
12	DWS Beteiligungs GmbH, Frankfurt/Main	Product Platform contract management, including review and acceptance of clients (KYC)	Variant 2
	<i>Sub-outsourced/Delegated to:</i>	<i>Part of outsourcing measure:</i>	
12a	DWS International GmbH, Frankfurt/Main	Support of the Product Platform team in contract management and in the implementation of accounts, investment guidelines and tendering procedures	Variant 2
12b	DWS International GmbH, Frankfurt/Main	Support in the review and acceptance of clients (KYC)	Variant 2
13	Deutsche Bank AG, Frankfurt/Main	Internal auditing (IT)	Variant 2
14	DWS Beteiligungs GmbH, Frankfurt/Main	Finance (bookkeeping, accounting and reporting)	Variant 2
	<i>Sub-outsourced/Delegated to:</i>	<i>Part of outsourcing measure:</i>	
14a	Deutsche Bank AG, Frankfurt/Main	Finance: Accounting and bookkeeping services	Variant 2
15	Securities Class Action Services LLC, Rockville (USA)	Legal services in connection with class-action litigation	Variant 1
16	DWS International GmbH, Frankfurt/Main	Support for product-related activities, legal examinations of investment funds and associated fund documents and recording of trades, as well as support in the context of drawing up outsourcing and consulting contracts	Variant 2
17	DWS Beteiligungs GmbH, Frankfurt/Main	Operations, fund accounting and reporting	Variant 2
	<i>Sub-outsourced/Delegated to:</i>	<i>Part of outsourcing measure:</i>	
17a	DBOI Global Services Private Ltd., Mumbai (India)	Support in operations and fund accounting, particularly account and securities reconciliation, reporting, data synchronization	Variant 2
17b	IDS GmbH, Munich	Drawing up of Solvency II reports and analyses for insurance clients	Variant 1
17c	StatPro GmbH, Frankfurt/Main	Performance measurements	Variant 1
18	State Street Bank International GmbH, Munich	Collateral services for OTC transactions, securities lending transactions and securities repurchase agreements	Variant 1
19	Telefon-Servicegesellschaft der Deutschen Bank mbH, Frankfurt/Main	Client interaction	Variant 2
20	DWS International GmbH, Frankfurt/Main	Outsourcing client interaction (service center)	Variant 2
21	DWS International GmbH, Frankfurt/Main	Support for asset allocation, implementation, model portfolio analysis for the Active Portfolio Management department	Variant 2
22	The Bank of New York Mellon, London Branch (UK)	Management of collateral for securities lending transactions including, where appropriate, derivative transactions	Variant 1
	<i>Sub-outsourced/Delegated to:</i>	<i>Part of outsourcing measure:</i>	
22a	BNY Mellon International Operations (India) Private Limited, Pune (India)	Management of collateral for securities lending transactions including, where appropriate, derivative transactions	Variant 1
22b	The Bank of New York Mellon, New York Branch (USA)	Management of collateral for securities lending transactions including, where appropriate, derivative transactions	Variant 1
	<i>Sub-outsourced/Delegated by the entity named in 22b to:</i>	<i>Part of the outsourcing measure:</i>	
22ba	The Bank of New York Mellon, Singapore branch (Singapore)	Management of collateral for securities lending transactions including, where appropriate, derivative transactions	Variant 1
22bb	The Bank of New York Mellon SA/NV, Brussels Branch (Belgium)	Management of collateral for securities lending transactions including, where appropriate, derivative transactions	Variant 1

\* Conflicts of interest in relation to outsourcing:

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

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

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

### Guiding principle

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

### Introduction

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

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

The Company has appropriate procedures in place to identify, handle and monitor actual or potential conflicts of interest on a division-specific basis. The Company has established principles for handling conflicts of interest; they are available on the DeAM Web site – <https://www.db.com/company/en/conflicts-of-interest-policy.htm> – in their respective current version.

### Objective

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

### Fair treatment of investors

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

The Company is aware that conflicts of interest may arise based on the functions that employees of the Company and companies affiliated with the Company perform as members of the Deutsche Bank Group. In respect of such eventualities, each Deutsche Bank Group member has undertaken to endeavor, to a reasonable extent, to resolve such conflicts of interest equitably (with regard to the members' respective duties and responsibilities), and to ensure that the interests of the investors are not adversely affected. The Company is of the view that Deutsche Bank Group members possess the required aptitude and competence to perform such duties.

### (Potential) Material conflicts of interest

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

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

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

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

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

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

The fund can invest in financial instruments (e.g., money market funds) whose underlyings are the companies of the Deutsche Bank Group and their subsidiaries, or Affiliated Entities. In some cases, such transactions, derivatives transactions,

derivatives contracts or similar items may have to be evaluated on the basis of information provided by the counterparties. Such information may constitute in these cases the basis for calculation of the value of particular assets of the respective fund by the Depositary. This can give rise to conflicts of interest.

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

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

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

### Non-exercise of voting rights

In order to avoid any potential conflicts of interest, the Company will not exercise voting rights arising from shares of Deutsche Bank AG.



2. Conflicts of interest at the level of the distributors

Because potential distributors receive a share of fee components or other payments from the Company, there is an added incentive for the distributor to generate sales.

3. Repayment and forwarding of management fees collected

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

With the exception of the TF unit classes, the Company grants brokerage fees, so-called “trail commissions,” to intermediaries such as credit institutions on a recurring basis, usually annually. These may be significant portions of the management fee of the Company. This is remuneration for sales services. At the request of an investor in the fund, the Company shall disclose further details to the investor. The Company pays no remuneration to the distributors for TF unit classes. This means that the investor’s expenses associated with an investment in the TF unit class may be lower than the expenses incurred for an investment in other unit classes of the same investment fund.

The Company may, at its discretion, agree with individual investors the partial repayment to them of the management fees collected. This can be a consideration especially in the case of institutional investors who directly invest large amounts for the long term.

## Auditor

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

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

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

The appointment of the Depositary ensures that investors will receive dividend distributions and that units will be redeemed. The investor information mentioned in this sales prospectus can be obtained in the manner indicated in the section “General principles – Sales documentation and disclosure of information.” The documentation can also be obtained at the Depositary.

## Service providers

Companies that are assuming functions outsourced by the Company are presented in the section “Outsourcing.” The Company has additionally appointed the following service providers:

- KPMG AG Wirtschaftsprüfungsgesellschaft, THE SQUIRE, Am Flughafen, 60549 Frankfurt/Main, Germany, as the auditor of the fund and of the annual report.
- Institutional Shareholder Services, Ten Bishops Square, London E1 6EG, United Kingdom, for the preparation of proposals on exercising voting rights.
- WM Datenservice, Düsseldorf Straße 16, 60329 Frankfurt/Main, Germany, as service provider for publications.
- Bloomberg, Neue Mainzer Straße 75, 60311 Frankfurt/Main, Germany, as service provider for publications.
- Smarthouse Media GmbH, Hirschstraße 2, 76133 Karlsruhe, Germany, for hosting and operating the Web site.

The appointment of the service providers does not give rise to conflicts of interest.

If an investment advisor is being used, this fact is disclosed in the special section. DWS Investment GmbH will gladly provide the names of further service providers (e.g., the law firms and tax firms engaged) on request.

# Sales Prospectus – Special Section

## DWS Deutschland

### Fund, sub-funds and unit classes

The fund DWS Deutschland was launched on October 20, 1993, for an indeterminate period. The investors are joint owners or creditors, on a fractional basis, of the assets of the fund in proportion to the number of units they hold. Units are made out to bearer and embody the bearer's claims against the Company. The fund is not a sub-fund of an umbrella structure.

The following unit classes are being formed for the fund: LC, LD, FC, FD, IC, GLC, GTFC, TFC and TFD.

The existing investment fund was merged into the LC unit class on January 19, 2016.

### Investment objective and strategy

#### Investment objective

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

**The benchmark for the fund is the CDAX. The benchmark index is not replicated; it merely serves as a starting point for investment decisions. The fund management seeks to outperform the benchmark index. The composition of the fund and its performance may positively or negatively deviate significantly or completely (and over the long term) from the benchmark index.**

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

#### Investment strategy

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

**At least 51% of the fund's assets must be invested in equities of German issuers that are admitted for official trading on an exchange or admitted to or included in another organized market, and which are not units of investment undertakings. At the same time, there must be an emphasis placed on a broad market investment in blue chips as well as in selected small- and mid-caps. The value of securities denominated in a currency other than that of the Federal Republic of Germany shall not exceed 20% of the fund's assets.**

**Up to 20% of the fund's assets may be invested in interest-bearing securities. Promissory note loans (Schuldscheindarlehen) shall be attributed to the investment limit applicable for interest-bearing securities. Convertible bonds and warrant-linked bonds do not constitute interest-bearing securities in this respect.**

**Up to 49% of the fund's assets may be invested in money market instruments and bank balances, respectively.**

**The Company may invest up to 10% of the fund's assets in units of other funds (investment fund units). The proportion of such investment fund units in excess of 5% of the fund's assets may consist only of money market fund units.**

**The fund may not invest in contingent convertibles.**

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

### Performance

A meaningful performance history is not yet available for unit classes that were launched recently.

#### DWS Deutschland Performance of unit classes vs. benchmark (in euro)

Unit class	ISIN	1 year	3 years	5 years
Class LC	DE0008490962	27.8%	54.3%	110.6%
Class FC	DE000DWS2F23	28.6%	42.3% <sup>1</sup>	–
Class IC	DE000DWS2GT0	28.9%	31.5% <sup>2</sup>	–
Class LD	DE000DWS2F15	5.0% <sup>3</sup>	–	–
CDAX		22.5%	40.8%	87.2%

<sup>1</sup> Launched on January 29, 2016

<sup>2</sup> Launched on August 1, 2016

<sup>3</sup> Launched on June 30, 2017

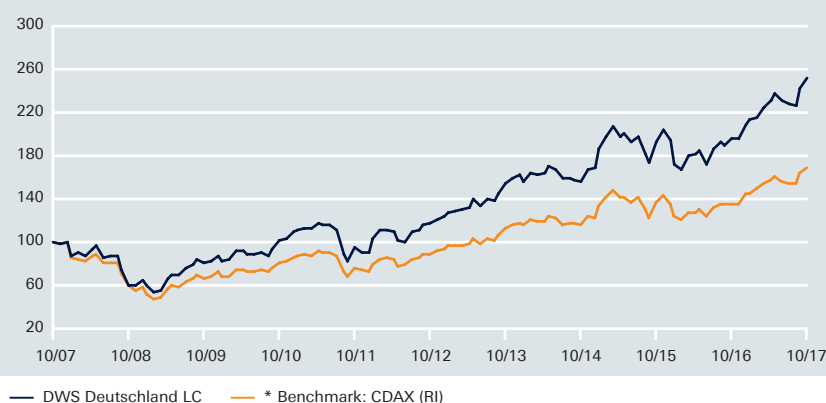
"BVI method" performance, i.e., excluding the initial sales charge. Past performance is no guide to future results.

As of: September 30, 2017

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

#### Performance

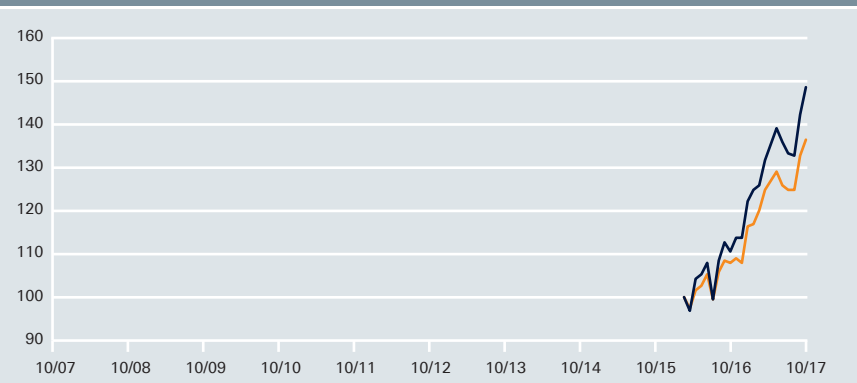
##### Performance – DWS Deutschland LC vs. benchmark\*



Data on euro basis

As of: October 31, 2017

Performance – DWS Deutschland FC vs. benchmark\*

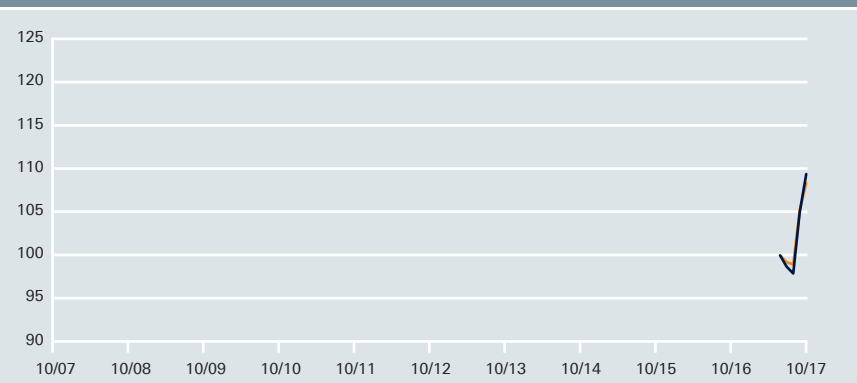


(launched on January 29, 2016=100)

Data on euro basis

As of: October 31, 2017

Performance – DWS Deutschland LD vs. benchmark\*

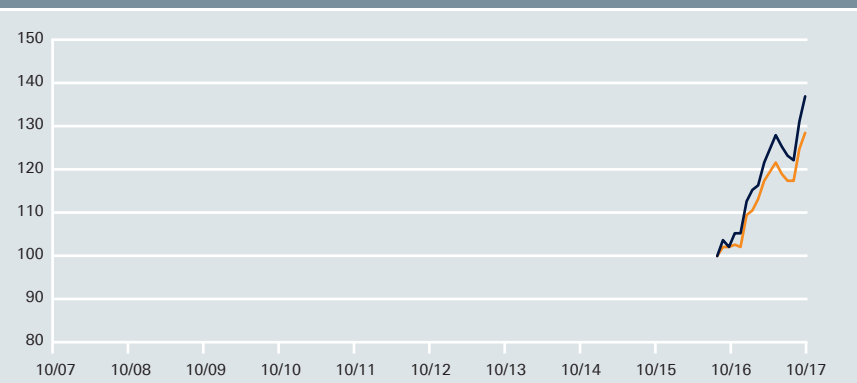


(launched on June 30, 2017=100)

Data on euro basis

As of: October 31, 2017

Performance – DWS Deutschland IC vs. benchmark\*



(launched on August 1, 2016=100)

Data on euro basis

As of: October 31, 2017

## Specific risk warnings

### Increased volatility

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

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

- Risk of price changes in equities
- Concentration risk

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

## Derivatives

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

To determine the extent to which the market risk limit has been reached, the Company applies the so-called "qualified approach" as defined by the Derivatives Regulation.

To this end, the Company compares the market risk of the fund with the market risk of an associated reference portfolio that fundamentally does not contain any derivatives and fundamentally does not use leverage. The market value of the reference portfolio always corresponds to the current value of the fund. The composition of the reference portfolio must essentially correspond to the investment objectives and investment strategy applicable to the fund.

The reference portfolio with no derivatives for the fund comprises an equity index whose composition essentially corresponds to the investment objectives and investment strategy of the fund.

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

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

The market risk of the fund and of the associated reference portfolio is calculated using the value-at-risk (VaR) method. The Company uses historical simulation as its modeling method. The main parameters are: a confidence interval of 99% and an historical observation period of at least one year. The VaR is the highest possible loss that, with 99% probability, will not be exceeded within the specified holding period. The VaR therefore does not indicate the maximum possible loss.

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

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

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

## Profile of a typical investor

The fund is intended for the growth-oriented investor seeking capital appreciation primarily from equity gains and exchange rate fluctuations. Expectations of returns are counterbalanced by high risks in the equity, interest rate and currency area as well as creditworthiness 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.

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

## Units

### Issue of units

1. Units can be purchased from the Depositary, the Company or through an intermediary. All orders are submitted on the basis of an unknown net asset value per unit. Orders received by the Company or the Depositary at or before 1:30 PM CET (the order acceptance deadline) on a valuation date are processed on the basis of the net asset value per unit on that valuation date. Orders received by the Company or the Depositary after 1:30 PM CET are processed on the basis of the net asset value per unit on the next valuation date. Deutsche Bank AG and Deutsche Bank Privat- und Geschäftskunden AG will additionally act as secondary paying agents in Germany; in this capacity, they too will accept buy orders up until the order acceptance deadline.

2. Subject to paragraph 3, units of the GLC and GTFC unit classes may only be acquired and held by

- domestic corporate entities, associations of persons or estates that, according to their respective articles of association, foundation deed of trust or other founding instrument, solely and directly serve non-profit, charitable or religious purposes, and are actually administered accordingly, as defined by articles 51 through 68 of the German Fiscal Code and that do not hold the units in a for-profit business operation;
- domestic foundations under public law that solely and directly serve non-profit or charitable purposes;
- domestic legal entities under public law that solely and directly serve religious purposes; and
- foreign investors that are comparable to the above three indents that have registered offices and administrations in a foreign country that provides official legal and recovery assistance.

To prove compliance with the aforementioned requirements, the investor must provide the Company with a valid certificate according to article 9 (1), no. 1 or 2, InvStG. If the aforementioned requirements are no longer fulfilled by an investor, the investor must inform the Company of this within one month of the time when the requirements ceased to be fulfilled.

Tax exemption amounts that the Company receives in connection with the administration of the fund and that are attributable to income from the GLC and GTFC unit classes must generally be paid out to investors in the GLC and GTFC unit classes. Notwithstanding the preceding, the Company shall be entitled to transfer exemption amounts directly to the fund for the benefit of the investors in the GLC and GTFC unit classes; new units will not be issued on the basis of this transfer.

3. Notwithstanding the restrictions in paragraph 2, units of the GLC and GTFC unit classes may also be acquired and held if this takes place only within the framework of contracts for an individual retirement arrangement or basic pension and these contracts have been certified according to articles 5 and 5a of the German Pension Contracts Certification Act. To prove compliance with the aforementioned requirement, the provider of the contract for an individual retirement arrangement or basic pension must inform the Company that it is acquiring the units solely within the framework of contracts for an individual retirement arrangement and basic pension. If the aforementioned requirement is no longer fulfilled, the investor must inform the Company of this within one month of the time when the requirement ceased to be fulfilled.

Tax exemption amounts that the Company receives in connection with the administration of the fund and that are attributable to income from the GLC and GTFC unit classes must generally be paid out to the provider of the contract for an individual retirement arrangement or basic pension. The provider must reinvest these monies for the benefit of the beneficiary of the respective contract for individual retirement arrangements or basic pensions. Notwithstanding the preceding, the Company shall be entitled to transfer exemption amounts directly to the fund for the benefit of the investors in the GLC and GTFC unit classes; new units will not be issued on the basis of this transfer.

Notwithstanding article 16 (3) of the General Terms and Conditions of Investment, units of the GLC and GTFC unit classes must not be transferred. If an investor nevertheless transfers units, the investor must inform the Company of this within one month of the transfer. The right to redeem units only to the Company for the account of the fund in accordance with article 17 (3) of the General Terms and Conditions of Investment remains unaffected.

4. Units of the unit class with the suffix "TF" ("trailer-free") are available exclusively

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

The Company pays no trailing commission for the unit class with the suffix "TF". Accordingly, the costs of the TF unit class are lower than the costs of other unit classes within the same investment fund.

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

- (i) acquire the units through distributors not established in Spain;
- (ii) acquire the units through distributors established in Spain and are professional investors within the meaning of Article 1 (19)(32) KAGB.

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

### Redemption of units

Units are redeemed by the Depositary. All orders are submitted on the basis of an unknown net asset value per unit. Orders received by the Company or the Depositary at or before 1:30 PM CET (the order acceptance deadline) on a valuation date are processed on the basis of the net asset value per unit on that valuation date. Orders received by the Company or the Depositary after 1:30 PM CET are processed on the basis of the net asset value per unit on the next valuation date. Deutsche Bank AG and Deutsche Bank Privat- und Geschäftskunden AG will additionally act as secondary paying agents in Germany; in this capacity, they too will accept sell orders up until the order acceptance deadline.

### Minimum investment

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

## Issue and redemption prices

### Initial sales charge

When determining the issue price, an initial sales charge may be added to the net asset value per unit. Information on whether an initial sales charge is levied and in what amount can be found in the table below. The initial sales charge may reduce or even completely consume the performance of the fund, particularly in the case of a short investment period. The initial sales charge is basically a fee for the distribution of the units of the fund. The Company may pass on the initial sales charge to intermediaries as remuneration for sales services.

### Redemption fee

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

## Administrative and other costs

### All-in fee

For the unit classes, the Company shall receive from the fund an all-in fee that is based on the net asset value calculated each exchange trading day (see article 18 of the General Terms and Conditions of Investment). The exact amount of this fee can be found in the table below.

The following fees and expenses are included in the all-in fee, and will not be charged separately to the fund:

- management fee (includes fund management, administration, cost of distribution and a service fee for reporting and analysis);
- Depositary fees;
- cash and custody account fees in line with normal banking practice (including, where applicable, normal costs for holding foreign assets in custody abroad);
- the costs incurred for printing and mailing the sales documentation intended for investors as required by law (annual and semiannual reports, sales prospectuses, key investor information document);
- the cost of announcing the annual and semiannual reports, the issue and redemption prices and (where applicable) distributions or reinvestments and the liquidation report;
- the cost of having the fund audited by the external auditor of the fund;
- the cost of publishing the information required for taxation and the certificate confirming that the tax information was prepared in compliance with German tax law.

The all-in fee may be withdrawn from the fund at any time.

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

- costs incurred in connection with the acquisition and sale of assets;
- taxes imposed in connection with the fees payable to the Company, the Depositary and third parties, as well as with the expenses mentioned hereinafter, including taxes arising in connection with administration and custody;
- the costs incurred by the Company for asserting and enforcing legal claims for the account of the fund, and for defending any claims asserted against the Company to the detriment of the fund;
- the cost of informing investors by durable medium, not including the cost of informing investors by durable medium in cases of
  - fund mergers and
  - measures taken in connection with computation errors in the determination of the net asset value per unit, or in cases of investment limit violations.



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

The fund is entitled to any net income from securities lending transactions and securities repurchase agreements.

The Company shall receive a fee for the initiation, preparation and execution of securities lending transactions and securities repurchase agreements. This fee is up to 40% of the income from these transactions.

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

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

These additional transaction costs are borne by the Company.

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

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

The aforementioned notwithstanding, no initial sales charges and redemption fees are charged to the fund for the acquisition or redemption of units of affiliated target funds.

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

### Approval requirement

Fees and reimbursements of expenses from the fund to the Company, the Depositary and third parties are subject to the approval of BaFin.

### Exchanges and markets

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

### Fiscal year

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

### Distribution policy

#### Reinvesting unit classes

The income from the reinvesting unit classes will not be distributed, but reinvested in the fund. The Company does, however, reserve the right to make a distribution in exceptional circumstances within two months after the close of the fiscal year in accordance with the legal regulations.

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

#### Distributing unit classes

In the case of distributing unit classes, the Company generally distributes to investors within four months after the end of each fiscal year – insofar as the investment strategy permits such an investment – the prorated interest, dividends and income from investment fund units, as well as considerations from lending transactions and repurchase agreements, that have accrued for the account of the fund during the fiscal year and have not been applied to cover costs. Realized capital gains and other income may also be included in the distribution. The Company may elect to pay out interim dividends for the fund in accordance with the law. Distributable pro rata income may be carried forward for distribution in future fiscal years, provided that the aggregate amount of the income carried forward does not exceed 15% of the fund's assets as of the end of the fiscal year. Income from shortened fiscal years can be transferred in full. If units are held in a custody account with the Depositary, the Depositary's branches will credit the distributions free of charge. If the custody account is maintained at banks or savings banks other than the preceding, additional costs may be incurred.

### Consulting firms

The Company has not engaged any consulting firms or investment advisors at this time.

Overview of the unit classes		
ISIN	LC	DE0008490962
	FC	DE000DWS2F23
	LD	DE000DWS2F15
	FD	DE000DWS2F31
	IC	DE000DWS2GT0
	GLC	DE000DWS2S28
	GTFC	DE000DWS2S36
	TFC	DE000DWS2R94
	TFD	DE000DWS2SA5
Security code (WKN)	LC	849096
	FC	DWS2F2
	LD	DWS2F1
	FD	DWS2F3
	IC	DWS2GT
	GLC	DWS2S2
	GTFC	DWS2S3
	TFC	DWS2R9
	TFD	DWS2SA
Fund currency		EUR
Unit class currency	LC	EUR
	FC	EUR
	LD	EUR
	FD	EUR
	IC	EUR
	GLC	EUR
	GTFC	EUR
	TFC	EUR
	TFD	EUR
Initial subscription and launch date	LC	October 20, 1993 (from January 19, 2016, as LC unit class)
	FC	January 29, 2016
	LD	June 30, 2017
	FD	Not yet launched. The sales prospectus will be updated immediately after inception of the unit class.
	IC	August 1, 2016
	GLC	January 2, 2018
	GTFC	January 2, 2018
	TFC	January 2, 2018
	TFD	January 2, 2018
Initial sales charge	LC	5%
	FC	None
	LD	5%
	FD	None
	IC	None
	GLC	5%
	GTFC	None
	TFC	None
	TFD	None
Distribution policy	LC	Reinvestment
	FC	Reinvestment
	LD	Distribution
	FD	Distribution
	IC	Reinvestment
	GLC	Reinvestment
	GTFC	Reinvestment
	TFC	Reinvestment
	TFD	Distribution

Overview of the unit classes (continued)		
All-in fee	LC	1.4% p.a.
	FC	0.8% p.a.
	LD	1.4% p.a.
	FD	0.8% p.a.
	IC	0.6% p.a.
	GLC	1.4% p.a.
	GTFC	0.8% p.a.
	TFC	0.8% p.a.
	TFD	0.8% p.a.
Minimum investment	LC	None
	FC	EUR 2,000,000
	LD	None
	FD	EUR 2,000,000
	IC	EUR 25,000,000
	GLC	None
	GTFC	None
	TFC	None
	TFD	None
Initial issue price	LC	DEM 80 (incl. initial sales charge)
	FC	Net asset value per unit of the DWS Deutschland LC unit class on the inception date of the FC unit class
	LD	Net asset value per unit of the DWS Deutschland LC unit class on the inception date of the LD unit class (plus initial sales charge)
	FD	Net asset value per unit of the DWS Deutschland LC unit class on the inception date of the FD unit class
	IC	Net asset value per unit of the DWS Deutschland LC unit class on the inception date of the IC unit class
	GLC	Net asset value per unit of the DWS Deutschland LC unit class on the inception date of the LD unit class (plus initial sales charge)
	GTFC	EUR 100
	TFC	EUR 100
	TFD	EUR 100

# Terms and Conditions of Investment

## General Terms and Conditions of Investment

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

### Article 1 General principles

1. The Company is a UCITS asset management company subject to the provisions of the German Investment Code (Kapitalanlagegesetzbuch, "KAGB").

2. The Company invests the money deposited with it in its own name for the collective account of the investors in the form of a UCITS fund pursuant to the principle of risk-spreading in assets permitted under the KAGB, but separate from its own assets. Global certificates are issued concerning the rights of the investors.

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

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

### Article 2 Depositary

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

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

3. The Depositary can outsource custody duties to another entity ("sub-depositary") as provided for by article 73 KAGB. Additional details are contained in the sales prospectus.

4. The Depositary shall be liable to the UCITS fund or to the investors for the loss of a financial instrument held in custody by the Depositary as defined in article 72 (1), no. 1, KAGB, or by a sub-depositary to which the custody of financial instruments was delegated in accordance with article 73 (1) KAGB. The Depositary shall not be liable if it can prove that the loss is attributable to external events the consequences of which would

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

### Article 3 Fund management

1. The Company purchases and manages the assets in its own name for the collective account of the investors with due skill, honesty, care and diligence. In performing its functions, the Company shall act independently of the Depositary and solely in the interests of the investors.

2. The Company has the right to use the money deposited with it by the investors to purchase assets, resell them and invest the proceeds in other assets; the Company is furthermore authorized to carry out all other legal transactions arising out of the management of the assets.

3. The Company may neither extend money loans nor enter into any obligations in connection with a contract of surety or guarantee for the collective account of the investors. It may not sell assets as defined by articles 193, 194 and 196 KAGB that are not held by the UCITS fund at the time of conclusion of the transaction. Article 197 KAGB shall remain unaffected.

### Article 4 Investment principles

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

### Article 5 Securities

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

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

is approved by the German Federal Financial Supervisory Authority (Bundesanstalt für Finanzdienstleistungsaufsicht, "BaFin")<sup>1</sup>;

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

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

### Article 6 Money market instruments

1. Unless the Special Terms provide for additional restrictions, the Company may, subject to article 198 KAGB, acquire for the account of the UCITS fund instruments that are usually traded in the money market, as well as interest-bearing securities that have a residual term not exceeding 397 days at the time of acquisition for the UCITS fund, or whose interest payments are adjusted to market circumstances regularly, although at least once every 397 days, throughout their entire term, pursuant to the terms and conditions of issue or whose risk profile corresponds to the risk profile of such securities (money market instruments).

<sup>1</sup> The list of exchanges is published on the BaFin Web site (<http://www.bafin.de>).

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

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

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

## Article 7 Bank balances

The Company may, for the account of the UCITS fund, hold bank balances having a term not exceeding twelve months. Such balances shall be kept in blocked accounts at a credit institution having its registered office in a member state of the European Union or in another state that is a party to the Agreement on the European Economic Area, or else in a third country whose prudential rules are considered by BaFin as equivalent to those stipulated in European Union legislation. Unless the Special Terms provide otherwise, the bank balances may also be denominated in foreign currencies.

## Article 8 Investment fund units

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

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

## Article 9 Derivatives

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

2. If the Company uses the simple approach, it may employ regularly only standard forms of derivatives and financial instruments with derivative components or combinations of these derivatives, financial instruments with derivative components and underlyings permissible under article 197 (1), sentence 1, KAGB in the UCITS fund. Complex derivatives based on underlyings permissible under article 197 (1), sentence 1, KAGB may only be employed to a negligible extent. The attributable amount of the UCITS fund to be determined for the market risk in accordance with article 16 DerivateV may at no time exceed the value of the UCITS fund's assets.

The standard derivatives are:

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

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

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

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

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

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

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



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

## Article 10 Other investment instruments

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

## Article 11 Issuer limits and investment limits

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

2. Securities and money market instruments, including securities and money market instruments purchased under repurchase agreements, of the same issuer may be acquired in amounts exceeding 5% and up to 10% of the UCITS fund's assets; however, the total value of the securities and money market instruments of these issuers may not exceed 40% of the UCITS fund's assets.

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

4. The Company may invest up to 25% each of the UCITS fund's assets in mortgage bonds and municipal bonds, as well as in bonds and note loans issued by credit institutions having their registered offices in a member state of the European Union or in another state that is a party to the Agreement on the European Economic Area, if these credit institutions are legally subject to special public supervision intended to protect the holders of such bonds, and if the sums deriving from the issue of such bonds are invested in conformity with the law in assets that, during the whole period of validity of the bonds, are capable of covering claims attaching to the bonds and that, in the event of default of the issuer, would be used on a priority basis for the repayment of the principal and payment of the accrued interest. If the Company invests more than 5% of the UCITS fund's assets in bonds of the same issuer according to sentence 1, the total value of these bonds may not exceed 80% of the value of the assets of the UCITS fund.

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

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

7. The Company shall ensure that a combination of

- a) securities and money market instruments issued by one and the same institution,
- b) deposits at this institution,
- c) attributable amounts for the counterparty risk of the transactions conducted with this institution does not exceed 20% of the UCITS fund's assets. Sentence 1 shall apply to the issuers and guarantors stated in paragraphs 3 and 4 subject to the condition that the Company shall ensure that a combination of the assets and attributable amounts stated in sentence 1 does not exceed 35% of the UCITS fund's assets. The respective individual upper limits shall remain unaffected in both cases.

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

9. The Company may invest no more than 20% of the UCITS fund's assets in units of a single investment undertaking according to article 196 (1) KAGB. The Company may invest a total of no more than 30% of the UCITS fund's assets in units of investment undertakings according to article 196 (1), sentence 2, KAGB. The Company may acquire for the account of the UCITS fund no more than 25% of the issued units of another open-ended domestic, EU or foreign investment undertaking that is invested according to the principle of risk-spreading in assets as defined by articles 192 through 198 KAGB.

## Article 12 Merger

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

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

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

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

## Article 13 Securities loans

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

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

- a) in high-quality bonds that have been issued by the German federal government, a German federal state, the European Union, a member state of the European Union or its local authorities, another state that is a party to the Agreement on the European Economic Area or a third country;
- b) in money market funds with short-term maturity structures corresponding to guidelines issued by BaFin on the basis of article 4 (2);
- c) or by way of a reverse repurchase agreement with a credit institution that guarantees recovery of the accrued balance at all times.

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

3. The Company may also make use of an organized system for the brokerage and settlement of securities loans provided by a central depository for securities or by a different company designated in the Special Terms whose purpose is the handling of international securities transactions for others that does not meet the requirements of articles 200 and 201 KAGB, if protection of the investors' interests is assured through the facilities provided by the aforementioned system and there is no departure from the right to terminate at any time according to paragraph 1.

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

#### Article 14 Repurchase agreements

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

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

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

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

#### Article 15 Borrowing

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

#### Article 16 Units

1. The units to be embodied in a global certificate are made out to bearer.

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

3. The units are transferable unless the Special Terms provide otherwise. When a unit is transferred, the rights represented by it are transferred also. The Company shall in each case consider the bearer of a unit to be the entitled owner.

4. The rights of investors or the rights of investors in a unit class are represented by a global certificate. It shall carry at least the handwritten or facsimile signatures of the Company and the Depositary.

**There is no right to the issue of individual share certificates. If definitive securities were issued for the UCITS fund in the past and are not held in collective custody at one of the institutions named in article 97 (1), sentence 2, KAGB by December 31, 2016, these definitive securities will become null and void after December 31, 2016. The investors' units are instead represented by a global certificate and credited to a separate custody account at the Depositary. Upon submission to the Depositary of such null and void definitive security, the person submitting it can demand that a corresponding unit be credited to a custody account designated by and managed for that person. Definitive securities that are held in collective custody at one of the institutions named in article 97 (1), sentence 2, KAGB after December 31, 2016, can be transferred to a global certificate at any time.**

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

1. The number of units issued is generally unlimited. The Company reserves the right to suspend or permanently discontinue the issue of units. The issue of units may be temporarily suspended in whole or in part (such as by the introduction of upper limits). The Company shall inform investors of a suspension or permanent discontinuation of the issue of units on the Web site [dws.de](http://dws.de) or, if applicable, through other media.

2. Units can be purchased from the Company, the Depositary or through an intermediary. The Special Terms may stipulate that units are only permitted to be acquired and held by certain investors.

**3. Investors may request the redemption of units by the Company. The Company is obligated to redeem units at the applicable redemption price for the account of the UCITS fund. Units are redeemed by the Depositary.**

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

**5. The Company shall notify investors about the suspension of the redemption of the units according to paragraph 4 and its resumption by publishing notices in the Bundesanzeiger (Federal Gazette) and, in addition, in a business publication or daily newspaper with sufficient circulation, or in the electronic information media designated in the sales prospectus. Investors shall be informed of the suspension and resumption of the redemption of units by durable medium immediately after their respective publication in the Bundesanzeiger.**

#### Article 18 Issue and redemption prices

1. The issue and redemption prices of the units are based on the net asset value per unit, which is calculated from the sum of the market values of the assets owned by the UCITS fund less its borrowings and other liabilities (the net asset value), divided by the number of units outstanding. If different unit classes are introduced for the UCITS fund pursuant to article 16 (2), the net asset value per unit and the issue and redemption prices shall be calculated separately for each unit class. Assets are valued in accordance with articles 168 and 169 KAGB and with the Accounting and Valuation Regulation issued under the KAGB ("KARBV").

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

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

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

**4. The issue and redemption prices are calculated on each exchange trading day. Unless the Special Terms provide otherwise, the Company and the Depositary may refrain from calculating these prices on public holidays that are trading days, as well as on December 24 and December 31 of each year. The Special Terms for investment funds having a country-specific investment focus may provide for additional country-specific exceptions. Details concerning the calculation of the issue and redemption prices are specified in the sales prospectus.**

## Article 19 Costs

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

## Article 20 Reporting duties

1. No later than four months following the close of the UCITS fund's fiscal year, the Company shall publish an annual report, including a statement of income and expenses, according to article 101 (1), (2) and (4) KAGB.

2. No later than two months after the first half of the fiscal year, the Company shall publish a semiannual report according to article 103 KAGB.

3. If the right to manage the UCITS fund is transferred to another asset management company in the course of the fiscal year, or if the UCITS fund is merged into another UCITS fund, a UCITS investment stock corporation with variable capital, or an EU UCITS in the course of the fiscal year, the Company must draw up an interim report dated to the key date of transfer. This report must comply with the requirements of an annual report according to paragraph 1.

4. If the UCITS fund is liquidated, the Depositary shall prepare liquidation reports that meet the requirements of an annual report according to paragraph 1 annually and as of the date the liquidation is completed.

5. The reports are available from the Company and the Depositary and at other offices that must be specified in the sales prospectus and in the key investor information document; they are also announced in the Bundesanzeiger.

## Article 21 Termination and liquidation of the UCITS fund

1. The Company may terminate its management of the UCITS fund by giving at least six months' notice through an announcement in the Bundesanzeiger and in the annual or semiannual report. Investors shall be informed immediately by durable medium of a liquidation announced according to sentence 1.

2. Upon the effective termination of its management, the Company's right to manage the UCITS fund shall cease. In this case, the UCITS fund, or the right to dispose of the UCITS fund, shall pass to the Depositary, which shall liquidate it and distribute the proceeds to the investors. During the liquidation period, the Depositary is entitled to compensation for its liquidation activity and to reimbursement of expenses necessary for the liquidation. The Depositary may, with the approval of BaFin, refrain from such liquidation and distribution, and instead transfer the management of the

UCITS fund to another asset management company in accordance with the existing Terms and Conditions of Investment.

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

## Article 22 Change of asset management company and Depositary

1. The Company may, in accordance with article 100b (1) KAGB, transfer the right to manage and dispose of the UCITS fund to another asset management company. The transfer requires prior approval by BaFin.

2. The approved transfer shall be announced in the Bundesanzeiger (Federal Gazette) and also in the annual or semiannual report. Investors shall be informed immediately by durable medium of a transfer announced according to sentence 1. The transfer shall take effect no earlier than three months after its announcement in the Bundesanzeiger.

3. The Company may change the Depositary for the UCITS fund. Such a change requires the approval of BaFin.

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

1. The Company may amend the Terms and Conditions of Investment.

2. Amendments to the Terms and Conditions of Investment require prior approval by BaFin. To the extent that the amendments according to sentence 1 above involve the UCITS fund's investment principles, they require the prior consent of the Company's supervisory board.

3. All proposed amendments shall be announced in the Bundesanzeiger and, in addition, in a business publication or daily newspaper with sufficient circulation, or in the electronic information media designated in the sales prospectus. Reference to the proposed amendments and their coming into force must be made in a publication as defined in sentence 1. In the case of cost changes as defined by article 162 (2), no. 11, KAGB, of changes to the investment principles of the UCITS fund as defined by article 163 (3) KAGB or of changes relating to significant investor rights, investors shall, at the same time the announcement according to sentence 1 is published, be informed in an understandable way by durable medium in accordance with article 163 (4) KAGB about the material contents of the proposed amendments to the Terms and Conditions of Investment and their background, and be provided with a notice on investor rights in accordance with article 163 (3) KAGB.

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

## Article 24 Place of performance

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

## Special Terms and Conditions of Investment

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

### DWS Deutschland

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

## Investment principles and investment limits

### Article 25 Assets

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

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

### Article 26 Investment limits

1. At least 51% of the UCITS fund's assets must be invested in equities of German issuers. Securities purchased under repurchase agreements shall be attributed to the investment limits of article 206 (1) through (3) KAGB.
2. The value of securities denominated in a currency other than that of the Federal Republic of Germany shall not exceed 20% of the UCITS fund's assets.
3. Up to 20% of the UCITS fund's assets may be invested in interest-bearing securities. Promissory note loans (Schuldscheindarlehen) shall be attributed to the investment limit applicable for interest-bearing securities. Convertible bonds and warrant-linked bonds do not constitute interest-bearing securities as defined in sentence 1.
4. Derivatives relating to other currencies or interest-bearing securities and not intended for hedging shall be attributed to the limits according to paragraphs 2 and 3 hereof at their attributable value as defined in the DerivateV.
5. Up to 49% of the UCITS fund's assets may be invested in money market instruments. There are no restrictions regarding the money market instruments that may be purchased according to article 6 of the General Terms. Money market

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

6. Up to 49% of the UCITS fund's assets may be held in bank balances in accordance with article 7, sentence 1, of the General Terms.
7. Up to 10% of the UCITS fund's assets may be invested in all permissible investment fund units in accordance with article 8, no. 1, of the General Terms. The proportion of investment fund units in excess of 5% of the UCITS fund's assets may consist only of money market fund units. Investment fund units purchased under repurchase agreements shall be attributed to the investment limits of articles 207 and 210 (3) KAGB. Units of feeder funds according to article 1 (19), no. 11, KAGB are not acquired for the UCITS fund.

## Unit classes

### Article 27 Unit classes

1. Unit classes as defined in article 16 (2) of the General Terms that differ with respect to the investors that are permitted to acquire and hold units, to the investors that are permitted to acquire and hold units, to the distribution policy, the initial sales charge, the redemption fee, the currency of the net asset value per unit including the use of currency hedging transactions, the all-in fee, the minimum investment or a combination of these features may be formed for the UCITS fund. Unit classes may be formed at any time at the discretion of the Company.
2. The conclusion of currency hedging transactions exclusively in favor of each currency unit class is permitted. For currency unit classes hedged in favor of the currency of that unit class (the reference currency), the Company may also, irrespective of article 9 of the General Terms, employ derivatives as defined by article 197 (1) KAGB on exchange rates or currencies in order to prevent losses of net asset value through exchange rate losses on assets held by the UCITS fund that are not denominated in the reference currency of the unit class.
3. The net asset value per unit is calculated separately for each unit class by fully allocating to each specific unit class the launch costs for new unit classes, the distributions (including any taxes payable out of the assets), the all-in fee and the results of currency hedging transactions, including any income adjustments, that are attributable to that unit class.
4. The existing unit classes are enumerated individually in the sales prospectus, as well as in the annual and semiannual reports. The configuration characteristics of the unit classes (distribution policy, initial sales charge, currency of the net asset value per unit, all-in fee, minimum

investment or a combination of these features) are described in detail in the sales prospectus and in the annual and semiannual reports.

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

### Article 28 Units

1. The investors are joint owners, on a fractional basis, of each of the assets of the UCITS fund.
2. Subject to paragraph 3, units of the GLC and GTFC unit classes may only be acquired and held by
  - domestic corporate entities, associations of persons or estates that, according to their respective articles of association, foundation deed of trust or other founding instrument, solely and directly serve non-profit, charitable or religious purposes, and are actually administered accordingly, as defined by articles 51 through 68 of the German Fiscal Code and that do not hold the units in a for-profit business operation;
  - domestic foundations under public law that solely and directly serve non-profit or charitable purposes;
  - domestic legal entities under public law that solely and directly serve religious purposes; and
  - foreign investors that are comparable to the above three indents that have registered offices and administrations in a foreign country that provides official legal and recovery assistance.

To prove compliance with the aforementioned requirements, the investor must provide the Company with a valid certificate according to article 9 (1), no. 1 or 2, InvStG. If the aforementioned requirements are no longer fulfilled by an investor, the investor must inform the Company of this within one month of the time when the requirements ceased to be fulfilled.

Tax exemption amounts that the Company receives in connection with the administration of the investment fund and that are attributable to income from the GLC and GTFC unit classes must generally be paid out to investors in the GLC and GTFC unit classes. Notwithstanding the preceding, the Company shall be entitled to transfer exemption amounts directly to the investment fund for the benefit of the investors in the GLC and GTFC unit classes; new units will not be issued on the basis of this transfer. The procedure used is explained in the sales prospectus.

3. Notwithstanding the restrictions in paragraph 2, units of the GLC and GTFC unit classes may also be acquired and held if this takes place only within the framework of contracts for individual retirement arrangements or basic pensions and these contracts have been certified according

to articles 5 and 5a of the German Pension Provision Agreements Certification Act. To prove compliance with the aforementioned requirement, the provider of the contract for individual retirement arrangements or basic pensions must inform the Company that it is acquiring the units solely within the framework of contracts for individual retirement arrangements and basic pensions. If the aforementioned requirement is no longer fulfilled, the investor must inform the Company of this within one month of the time when the requirement ceased to be fulfilled.

Tax exemption amounts that the Company receives in connection with the administration of the UCITS fund and that are attributable to income from the GLC and GTFC unit classes must generally be paid out to the provider of the contract for an individual retirement arrangement or basic pension. The provider must reinvest these monies for the benefit of the beneficiary of the respective contract for individual retirement arrangements or basic pensions. Notwithstanding the preceding, the Company shall be entitled to transfer exemption amounts directly to the UCITS fund for the benefit of the investors in the GLC and GTFC unit classes; new units will not be issued on the basis of this transfer. The procedure used is explained in the sales prospectus.

Notwithstanding article 16 (3) of the General Terms and Conditions of Investment, units of the GLC and GTFC unit classes must not be transferred. If an investor nevertheless transfers units, the investor must inform the Company of this within one month of the transfer. The right to return units only to the Company for the account of the UCITS fund in accordance with article 17 (3) of the General Terms remains unaffected.

4. Units of the unit class with the suffix "TF" ("trailer-free") are available exclusively

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

The Company pays no trailing commission for the unit class with the suffix "TF". Accordingly, the costs of the TF unit class are lower than the costs of other unit classes within the same investment fund.

5. The units of the F unit class are available for investors

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

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

## Article 29 Issue and redemption prices

1. The initial sales charge for the LC, LD and GLC unit classes is 5% of the net asset value per unit. The Company is free to charge a lower initial sales charge. The initial sales charge for the FC, FD, IC, GTFC, TFC and TFD unit classes is 0% of the net asset value per unit.

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

## Article 30 Costs and services received

1. The Company shall receive from the assets of the UCITS fund an all-in fee of 1.4% p.a. for unit classes LC, LD and GLC, 0.8% p.a. for the FC, FD, GTFC, TFC and TFD unit classes and 0.6% p.a. for the IC unit class, based on the annual average net asset value calculated each exchange trading day (see article 18 of the General Terms). The following fees and expenses are included in the all-in fee, and will not be charged separately to the UCITS fund:

- a) fee for managing the UCITS fund (includes fund management, administration, cost of distribution and a service fee for reporting and analysis);
- b) Depositary fees;
- c) cash and custody account fees in line with normal banking practice (including, where applicable, normal costs for holding foreign assets in custody abroad);
- d) the costs incurred for printing and mailing the sales documentation intended for investors as required by law (annual and semiannual reports, sales prospectuses, key investor information document);
- e) the cost of announcing the annual and semiannual reports, the issue and redemption prices and (where applicable) distributions or reinvestments and the liquidation report;
- f) the cost of having the UCITS fund audited by the external auditor of the UCITS fund;
- g) the cost of publishing the information required for taxation and the certificate confirming that the tax information was prepared in compliance with German tax law.

The all-in fee may be withdrawn from the UCITS fund at any time.

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

- a) taxes imposed in connection with the fees payable to the Company, the Depositary and third parties, as well as with the expenses mentioned hereinafter, including taxes arising in connection with administration and custody;
- b) the costs incurred by the Company for asserting and enforcing legal claims for the account of the UCITS fund, and for defending any claims asserted against the Company to the detriment of the UCITS fund;
- c) the cost of informing investors by durable medium, not including the cost of informing investors by durable medium in cases of
  - fund mergers and
  - measures taken in connection with computation errors in the determination of the net asset value per unit, or in cases of investment limit violations.

3. The Company shall receive for the initiation, preparation and execution of securities lending transactions and securities repurchase agreements for the account of the UCITS fund a flat fee of up to 40% of the income from these transactions. The Company shall bear the costs incurred in connection with the preparation and the execution of such transactions, including any fees payable to third parties.

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

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



## Distribution policy and fiscal year

### Article 31 Reinvesting unit classes

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

2. The Company does, however, reserve the right to make a distribution in exceptional circumstances within two months after the close of the fiscal year. In such a case, the distribution shall be announced in the Bundesanzeiger at least three months before the distribution date.

### Article 32 Distributing unit classes

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

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

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

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

### Article 33 Fiscal year

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

# Summary of tax regulations of importance to investors (subject, without limitation, to taxation in Germany) (As of: September 30, 2017)

## Funds organized under German law

### General points

The statements on tax regulations only apply to investors who are subject, without limitation, to taxation in Germany. Investors subject, without limitation, to taxation in Germany are hereinafter also referred to as "German tax residents." We recommend that, prior to acquiring units of the fund described in this sales prospectus, the foreign investor individually discuss with his tax adviser any possible tax consequences in his country of residence arising from the acquisition of units. Foreign investors are investors not subject, without limitation, to taxation in Germany. They are hereinafter also referred to as "non-resident taxpayers."

### Tax law applicable through December 31, 2017

As a special-purpose asset, this fund is exempt from corporate income tax and trade tax. However, the taxable income of the fund is taxable for the individual investor as income from capital assets, which is subject to income tax, provided that it exceeds the saver's flat allowance of EUR 801 p.a. (for single persons or spouses assessed separately) or EUR 1,602 p.a. (for spouses assessed jointly) when added to any other investment income.

Income from capital assets is generally subject to a 25-percent withholding tax (plus solidarity surcharge and, where applicable, church tax). Income from capital assets also includes income distributed by the fund, income equivalent to distributions and interim profits, as well as any gains on the sale or purchase of fund units, provided the units were or are acquired after December 31, 2008.

In general, for the individual investor, the withholding of tax acts as a final payment (so-called "final withholding tax"), so that, as a rule, income from capital assets is not declared in the income tax return. For the individual investor, the domestic institution maintaining the custody account usually has already offset losses and creditable foreign withholding taxes when it withholds tax.

The withholding tax does not act as a final payment, however, if the investor's personal tax rate is lower than the final withholding tax of 25 percent. In this case, income from capital assets may be declared in the income tax return. The tax office then applies the lower personal tax rate and credits the tax withheld against the personal tax liability (so-called reduced rate test).

If income from capital assets was not subject to any withholding (because, for example, a capital gain on the redemption or sale of fund units was realized in a foreign custody account), such income must be declared in the tax return. Within the tax assessment, any income from capital assets is then also subject to the final withholding tax of 25 percent, or alternatively to the lower personal tax rate.

If units are held as business assets, the income is considered taxable as operating income. In this case, the withholding tax does not act as a final payment; the institution maintaining the custody account does not offset against any losses. In determining taxable income and income subject to investment income tax, tax legislation requires that certain distinctions be made with regard to the income components.

### I Units held as personal assets (German tax residents)

#### 1. Interest, dividends and other income

Interest, dividends and other income are generally taxable for the investor. This is true irrespective of whether such income is reinvested or distributed. They are generally subject to the 25-percent withholding tax (plus solidarity surcharge and, where applicable, church tax).

For the purpose of withholding tax in a fund that does not distribute its income, the fund provides the investment income tax, along with the maximum applicable surtaxes (solidarity surcharge and church tax), to the institutions maintaining custody accounts. The institutions maintaining custody accounts then withhold tax as in the case of distributions, taking into account the personal situations of the investors, so that any applicable church tax is also withheld. Where the fund has provided the institutions maintaining custody accounts with amounts that do not have to be withheld for taxes, refunds are issued.

#### 2. Gains on the sale of securities, gains from forward transactions and income from option writer premiums

Gains on the sale of equities, units of investment undertakings and dividend rights similar to equities, as well as gains from forward transactions and income from option writer premiums that are realized at the level of the fund do not affect the investor as long as they are not distributed. Nor shall any gains from the sale of the debt instruments (the so-called "good" debt instruments) listed in article 1 (3), sentence 3, no. 1 (a) through (f) of the German Investment Tax Act (hereinafter "InvStG") affect the investor if they are not distributed.

- a) debt instruments that have an issuing yield,
- b) "normal" bonds and non-securitized debt instruments with fixed coupons, as well as down-rating bonds, floaters and reverse floaters,
- c) risk certificates representing the price of an individual stock or the level of a published index for multiple equities at a 1:1 ratio,
- d) reverse convertible bonds, exchangeable bonds and convertible bonds,
- e) income bonds traded flat, i.e., without a separate recording of the accrued interest, and debt dividend rights, and
- f) cum-warrant bonds.

If gains on the sale of the securities and debt instruments, gains from forward transactions, and income from option writer premiums are distributed, such gains or income are generally taxable and subject to the 25-percent withholding tax (plus solidarity surcharge and, where applicable, church tax) when units are held in custody in Germany. However, distributed gains on the sale of securities and gains from forward transactions are tax-exempt if the securities were purchased at the level of the fund before January 1, 2009, or the forward transactions were executed before January 1, 2009, respectively. Investors acquiring units of a fund after December 31, 2008, receive a notional allocation of these untaxed distributed gains when capital gains are determined (see point I 5 below).

Gains on the sale of debt instruments not contained shall be treated as interest for tax purposes (see point I 1 above).

#### 3. Negative income for tax purposes

If negative income remains after offsetting with similar positive income at the level of the fund, that negative income is carried forward for tax purposes at the level of the fund. It may be offset at the level of the fund against future similar positive taxable income in subsequent years. Direct allocation of negative taxable income to the investor is not possible. In this way, these negative amounts only affect the investor for income tax purposes in the assessment period (tax year) in which the fiscal year of the fund ends, or in which the distribution for the fiscal year of the fund occurred for which the negative taxable income is offset at the level of the fund. Earlier consideration for the investor's income tax is not possible.

#### 4. Distributions of non-income assets

Distributions of non-income assets are not subject to taxation. However, distributions of non-income assets received by the investor during the investor's holding period must be added to the taxable gain from the redemption or sale of the fund units; the total taxable gain is thus increased.

#### 5. Capital gains at investor level

If units of a fund that were purchased after December 31, 2008, are sold or redeemed by an individual investor, any resulting capital gain is subject to the final withholding tax of 25 percent (plus solidarity surcharge and, where applicable, church tax) when units are held in custody in Germany. If such units are sold by an individual investor at a loss, that loss may be offset against other positive income from capital assets. If the units are held in a custody account at a domestic institution, and positive income from capital assets was generated at the same institution in the same calendar year, the institution maintaining the custody account will offset the loss.

The gain is not taxed for individual investors in the case of a redemption or sale of fund units purchased before January 1, 2009. Any interim profits contained in the sales proceeds are generally taxable even in these cases, and are usually subject to the 25 percent withholding tax (plus solidarity surcharge and, where applicable, church tax); see point IX below.

When determining the capital gain for final withholding tax purposes, the interim profits at the time of purchase must be subtracted from the cost of purchasing the units, and the interim profits at the time of redemption or sale of the units must be subtracted from the sales proceeds, in order to prevent the possibility of double income taxation of interim profits (see below). The sales proceeds must further be reduced by the amount of reinvested income the investor has already reported for taxes, so that double taxation is prevented in that respect also.

There may be further tax components that could increase or decrease the capital gain. The gain from the redemption or sale of fund units acquired after December 31, 2008, is tax-exempt insofar as it is attributable to DTC tax-exempt income (especially certain foreign income from real property) that was generated in the fund during the holding period but not yet recognized at investor level (so-called "pro-rata real property gain"). This requires that the asset management company publish the real property gain on each valuation date as a percentage of the net asset value per unit of the fund.

If a minimum investment of EUR 100,000 or more is required for investments in the fund (or, in the case of unit classes, in a particular unit class), or if the participation of natural persons is dependent on the knowledge of investors, the following applies to the sale or redemption of units acquired after November 9, 2007, and

before January 1, 2009: The gain from the redemption or sale of such units is generally subject to the final withholding tax of 25 percent. However, in this case the taxable capital gain from the sale or redemption of the units is limited to the amount of the gains reinvested at fund level from the sale of securities acquired after December 31, 2008, and the gains reinvested at fund level from forward transactions executed after December 31, 2008. Such limitation of taxable capital gain requires documentation of the corresponding amount.

In the opinion of the German Federal Ministry of Finance (ministerial letter of October 22, 2008), it can be assumed, for investors whose investment does in fact amount to at least EUR 100,000, that the EUR 100,000 minimum investment is a prerequisite and that particular investor knowledge is required whenever the major portion of the assets of an investment undertaking according to the InvG is deemed to be held by a small number of up to ten investors.

Irrespective of the fund's actual fiscal year-end, a (shortened) fiscal year is deemed to have ended on December 31, 2017, for tax purposes. As a result, income equivalent to distributions can be deemed to have accrued on December 31, 2017. Moreover, the units are deemed sold as of December 31, 2017. The deemed sales price is the final redemption price determined in the 2017 calendar year. The gain is generally tax-exempt pursuant to the above rules if the units were acquired before January 1, 2009. Otherwise the gain is generally taxable and must be calculated pursuant to the above rules, but it is taken into account only once the units have actually been sold.

## II Units held as business assets (German tax residents)

### 1. Interest and income equivalent to interest

Interest and income equivalent to interest is generally taxable for the investor. This is true irrespective of whether such income is reinvested or distributed.

### 2. Gains on the sale of securities, gains from forward transactions and income from option writer premiums

Gains on the sale of equities, units of investment undertakings and dividend rights similar to equities, as well as gains from forward transactions and income from option writer premiums that are realized at the level of the fund do not affect the investor as long as they are not distributed. Nor shall any gains from the sale of the debt instruments (the so-called "good" debt instruments) listed in article 1 (3), sentence 3, no. 1 (a) through (f) of the German Investment Tax Act (hereinafter "InvStG") affect the investor if they are not distributed.

- a) debt instruments that have an issuing yield,
- b) "normal" bonds and non-securitized debt instruments with fixed coupons, as well as down-rating bonds, floaters and reverse floaters,
- c) risk certificates representing the price of an individual stock or the level of a published index for multiple equities at a 1:1 ratio,
- d) reverse convertible bonds, exchangeable bonds and convertible bonds,
- e) income bonds traded flat, i.e., without a separate recording of the accrued interest, and debt dividend rights, and
- f) cum-warrant bonds.

If these gains are distributed, they have to be considered at investor level for tax purposes. For investors that are corporate entities, capital gains on equities are generally tax-exempt, but 5 percent constitutes non-deductible operating expenses. In the case of other business investors (e.g., sole proprietorships), 40 percent of capital gains on equities are tax-exempt (partial-income procedure). Capital gains from bonds and debt instruments, as well as gains from forward transactions and option writer premiums, on the other hand, are fully taxable.

Gains on the sale of debt instruments not contained in the list shall be treated as interest for tax purposes (see point II 1 above).

Distributed capital gains on the sale of securities, distributed gains from forward transactions and distributed gains from option writer premiums are generally subject to withholding (25 percent investment income tax, plus solidarity surcharge). This does not apply to gains on the sale of securities purchased before January 1, 2009, and gains from forward transactions entered into before January 1, 2009.

### 3. Domestic and foreign dividends

Except for those governed by the German statute on real-estate corporations with exchange-listed shares (hereinafter "REITG"), dividends from domestic and foreign stock corporations that are distributed on or reinvested in units held as business assets and have accrued or are deemed to have accrued to the fund prior to March 1, 2013, are generally tax-exempt for corporate entities (5 percent of the dividends constitutes non-deductible operating expenses for corporate entities, and is thus ultimately taxable). Because of the revised taxation of free-float dividends, dividends from domestic and foreign corporations that have accrued or are deemed to have accrued to the fund through direct investment after February 28, 2013, are taxable for corporate entities. 60 percent of this income – not including dividend income under the REITG – is taxable for sole proprietorships (partial-income procedure).

Domestic and foreign dividends are generally subject to withholding tax plus 25-percent capital gains tax plus solidarity surcharge). For investors subject to trade tax, this dividend income partially exempted from individual or corporate income tax must be added back when determining income for trade-tax purposes, and not deducted again. In the view of the tax authorities, dividends from foreign corporations are fully tax-exempt as so-called “intragroup dividends” (“Schachteldividenden”) only if the investor is an incorporated or other company as defined in the corresponding DTC and a sufficiently high (intragroup) holding percentage is attributable to the investor.

#### 4. Negative income for tax purposes

If negative income remains after offsetting with similar positive income at the level of the fund, that negative income is carried forward for tax purposes at the level of the fund. It may be offset at the level of the fund against future similar positive taxable income in subsequent years. Direct allocation of negative taxable income to the investor is not possible. In this way, these negative amounts only affect the investor for with respect to income tax or corporate tax in the assessment period (tax year) in which the fiscal year of the fund ends, or in which the distribution for the fiscal year of the fund occurred for which the negative taxable income is offset at the level of the fund. Earlier consideration for the investor’s individual or corporate income tax is not possible.

#### 5. Distributions of non-income assets

Distributions of non-income assets are not subject to tax. For corporate investors, this means that distributions of non-income assets are recognized as income in the commercial accounts and an adjustment item is recognized as an expense in the tax accounts, which technically provides for a tax-neutral reduction of the historical acquisition cost. Alternatively, the amortized acquisition cost can be reduced by the prorated non-income distribution amount.

#### 6. Capital gains at investor level

Gains from the redemption or sale of units held as business assets are generally tax-exempt for corporate entities (5 percent of the tax-exempt capital gains constitutes non-deductible operating expenses for corporate entities, and is thus ultimately taxable) insofar as the gains originate from dividends that have not yet accrued or are deemed to have not yet accrued and from realized and unrealized gains of the fund from domestic and foreign equities and insofar those dividends and gains are tax-exempt on allocation to the investor (so-called “equity gain”). 60 percent of these capital gains are taxable for sole proprietorships. This requires that the asset management company publish the equity gain (since March 1, 2013, two separate equity gains for corporate entities and sole proprietorships in light of the change in the law mentioned above – where applicable, separate publication will take place

only subsequently) on each valuation date as a percentage of the net asset value per unit of the fund.

The gain from the redemption or sale of the units is additionally tax-exempt insofar as it is attributable to DTC tax-exempt income (especially certain foreign income from real property) that was generated in the fund during the holding period but not yet recognized at investor level (so-called “pro-rata real property gain”).

This requires that the asset management company publish the real property gain on each valuation date as a percentage of the net asset value per unit of the fund.

Any interim profits contained in the sales proceeds are generally taxable even, and are usually subject to the 25-percent withholding tax (plus solidarity surcharge and, where applicable, church tax); see point IX below.

Irrespective of the fund’s actual fiscal year-end, a (shortened) fiscal year is deemed to have ended on December 31, 2017, for tax purposes. As a result, income equivalent to distributions can be deemed to have accrued on December 31, 2017. Moreover, the units are deemed sold as of December 31, 2017. The deemed sales price is the final redemption price determined in the 2017 calendar year. The gain is generally taxable and must be calculated pursuant to the rules, but it is taken into account only once the units have actually been sold.

#### 7. Simplified overview for regular business investor groups

Please note the following: It is assumed that units are held in custody in Germany. A surtax called the “solidarity surcharge” is levied on investment income tax, individual income tax and corporate income tax. Creditable foreign withholding tax can be deducted as income-related expenses at the level of the investment fund; in such a case, foreign withholding tax is not creditable at investor level. Exemption from withholding of investment income tax depends on a variety of prerequisites (see point III below). To obtain exemption from withholding of investment income tax, it may be necessary to submit non-assessment certificates to the institution maintaining the custody account in sufficient time. For simplification purposes, “No withholding” is used in this overview to indicate both exemptions and cases in which no withholding takes place.

Reinvested or distributed	Interest, capital gains on the sale of “bad” debt instruments and other income	German dividends	Foreign dividends
GERMAN INVESTORS			
Sole proprietorships	<u>Investment income tax:</u> 25%		<u>Investment income tax:</u> No withholding
	<u>Substantive taxation:</u> Income tax and trade tax; trade tax is offset against income tax; any foreign withholding taxes can be offset or deducted.	<u>Substantive taxation:</u> Trade tax on 100% of dividends; income tax on 60% of dividends, unless they are REIT dividends or dividends from capital investment companies taxed at low rates; trade tax is offset against income tax.	
Regularly taxed corporations (typically industrial companies; banks, unless units are held in their trading portfolio; property insurers)	<u>Investment income tax:</u> No withholding for banks, otherwise 25%	<u>Investment income tax:</u> 25%	<u>Investment income tax:</u> No withholding
	<u>Substantive taxation:</u> Corporate income tax and trade tax; in addition, foreign withholding tax can be offset or deducted.	<u>Substantive taxation:</u> Corporate income tax and trade tax	<u>Substantive taxation:</u> Corporate income tax and trade tax; foreign withholding tax can be offset up to the DTC maximum rate or deducted in the determination of income.
Life and health insurance companies and pension funds in which the fund units are attributable to investments	<u>Investment income tax:</u> No withholding		
	<u>Substantive taxation:</u> Corporate income tax and trade tax, unless the commercial balance sheet contains a provision for premium refunds that is also recognized for tax purposes; in addition, foreign withholding tax can be offset or deducted.		
Banks that hold the fund units for trading	<u>Investment income tax:</u> No withholding	<u>Investment income tax:</u> 25%	<u>Investment income tax:</u> No withholding
	<u>Substantive taxation:</u> Corporate income tax and trade tax; in addition, foreign withholding tax can be offset or deducted.		<u>Substantive taxation:</u> Corporate income tax and trade tax; foreign withholding tax can be offset up to the DTC maximum rate or deducted in the determination of income.
Tax-exempt charitable, benevolent or religious investors (esp. churches and charitable foundations)	<u>Investment income tax:</u> No withholding		
	<u>Substantive taxation:</u> Tax-exempt		
Other tax-exempt investors (esp. pension funds, burial funds and provident funds, provided that the requirements provided for in the Corporate Tax Act are met)	<u>Investment income tax:</u> No withholding	<u>Investment income tax:</u> 15%	<u>Investment income tax:</u> No withholding
	<u>Substantive taxation:</u> Tax-exempt	<u>Substantive taxation:</u> Tax is deducted with definitive impact	<u>Substantive taxation:</u> Tax-exempt
Trading partnerships	<u>Investment income tax:</u> 25%		<u>Investment income tax:</u> No withholding
	<u>Substantive taxation:</u> Partnerships may be subject to trade tax. In this respect, trade tax is generally not imposed at the level of the partners. The partnership’s income is determined uniformly and separately for individual and corporate income tax purposes. Partners have to pay tax on this income under the rules that would apply if they were directly invested in the fund. For partners not subject to the Corporate Tax Act, the trade tax attributable to the partner is offset against income tax on a pro-rata basis.		



Reinvested or distributed	Interest, capital gains on the sale of “bad” debt instruments and other income	German dividends	Foreign dividends
Asset management partnerships	<u>Investment income tax:</u> 25%		
	<u>Substantive taxation:</u> Partnerships are not subject to trade tax. Income from the partnership is subject to individual or corporate income tax, and possibly to trade tax at the level of the investor, with the same tax consequences that would have ensued had the partners invested directly in the fund.		
FOREIGN INVESTORS	<u>Investment income tax:</u> No withholding	<u>Investment income tax:</u> 25%; reduction to DTC maximum rate may be possible through a request for withholding tax refund, which must be filed with the Federal Tax Office; if no withholding tax refund is achieved, the tax is deducted with definitive impact.	<u>Investment income tax:</u> No withholding
	<u>Substantive taxation:</u> The investor has a limited tax obligation for German dividends, German rental income and profits from the sale of German real estate within the 10-year period. By filing a tax return in Germany, such an investor may receive a refund with respect to any investment income tax charged on German rents and profits from the sale of German real estate (the investment income tax represents an advance payment; the corporate tax rate in Germany is only 15%). Otherwise, substantive taxation is governed by the regulations of the investor’s country of residence.		

Distributed	Capital gains on the sale of “good” debt instruments and gains from forward transactions	Capital gains on the sale of equities
GERMAN INVESTORS		
Sole proprietorships	<u>Investment income tax:</u> No withholding	
	<u>Substantive taxation:</u> Income tax and trade tax; trade tax is offset against income tax.	<u>Substantive taxation:</u> Income tax on 60% of capital gains, unless they are gains on the sale of REIT shares or on the sale of capital investment companies taxed at low rates; exempt from trade tax.
Regularly taxed corporations (typically industrial companies; banks, unless units are held in their trading portfolio; property insurers)	<u>Investment income tax:</u> No withholding	
	<u>Substantive taxation:</u> Corporate income tax and trade tax; in addition, foreign withholding tax can be offset or deducted.	<u>Substantive taxation:</u> Tax exempt, unless they are gains on the sale of REIT shares or on the sale of capital investment companies taxed at low rates; for corporate income tax purposes, 5% of the tax-exempt gains constitutes non-deductible operating expenses.
Life and health insurance companies and pension funds in which the fund units are attributable to investments	<u>Investment income tax:</u> No withholding	
	<u>Substantive taxation:</u> Corporate income tax and trade tax, unless the commercial balance sheet contains a provision for premium refunds that is also recognized for tax purposes; in addition, foreign withholding tax can be offset or deducted.	
Banks that hold the fund units for trading	<u>Investment income tax:</u> No withholding	
	<u>Substantive taxation:</u> Corporate income tax and trade tax; in addition, foreign withholding tax can be offset or deducted.	
Tax-exempt charitable, benevolent or religious investors (esp. churches and charitable foundations)	<u>Investment income tax:</u> No withholding	
	<u>Substantive taxation:</u> Tax-exempt	
Other tax-exempt investors (esp. pension funds, burial funds and provident funds, provided that the requirements provided for in the Corporate Tax Act are met)	<u>Investment income tax:</u> No withholding	
	<u>Substantive taxation:</u> Tax-exempt	
Trading partnerships	<u>Investment income tax:</u> No withholding	
	<u>Substantive taxation:</u> Partnerships may be subject to trade tax. In this respect, trade tax is generally not imposed at the level of the partners. The partnership's income is determined uniformly and separately for individual and corporate income tax purposes. Partners have to pay tax on this income under the rules that would apply if they were directly invested in the fund. For partners not subject to the Corporate Tax Act, the trade tax attributable to the partner is offset against income tax on a pro-rata basis.	
Asset management partnerships	<u>Investment income tax:</u> 25%	
	<u>Substantive taxation:</u> Partnerships are not subject to trade tax. Income from the partnership is subject to individual or corporate income tax, and possibly to trade tax at the level of the investor, with the same tax consequences that would have ensued had the partners invested directly in the fund.	
FOREIGN INVESTORS	<u>Investment income tax:</u> No withholding	
	<u>Substantive taxation:</u> Substantive taxation is governed by the regulations of the investor's country of residence.	

### III Exemption from withholding and refund of investment income tax withheld

#### 1. German tax residents

If a resident individual investor has units of a fund held in domestic custody, and if the individual investor submits an exemption form conforming to the official sample document and covering an adequate amount, or a certificate for persons not expected to be assessed for income tax (so-called “non-assessment certificate”), in sufficient time, the following applies:

- In the case of a (partially) distributing fund, the credit institution maintaining the custody account will, as paying agent, refrain from withholding. In this case, the investor will be credited the full amount of the distribution.
- In the case of a fund that does not distribute its income, the investor will be credited the amount made available to the institution maintaining its custody account.
- The institution maintaining the custody account will refrain from withholding tax on the interim profits contained in the sales proceeds/redemption price and on the gains on the sale or redemption of the investment fund units.

If a resident investor holding units of a fund as business assets has them held in domestic custody, the credit institution maintaining the custody account will, as paying agent, refrain from withholding in the following cases:

- if the investor submits an appropriate non-assessment certificate in sufficient time (total or partial exemption from withholding will depend on the type of the respective non-assessment certificate);
- for gains from the sale of securities, gains from forward transactions, income from option writer premiums, foreign dividends, as well as gains from the sale of the investment fund units, even without a non-assessment certificate if the investor is a corporate entity subject, without limitation, to taxation in Germany or if the investment income constitutes the operating income of a domestic business and the creditor informs the paying agent accordingly, using the official form.
- In the case of a fund that does not distribute its income, the investor will, for non-withholdable amounts, generally be credited the amount made available to the institution maintaining its custody account in the following cases:
  - (i) if the investor submits an appropriate non-assessment certificate in sufficient time (total or partial exemption from withholding will depend on the type of the respective non-assessment certificate)

- (ii) in the case of foreign dividends, even without a non-assessment certificate if the investor is a corporate entity subject, without limitation, to taxation in Germany or if the investment income constitutes the operating income of a domestic business and the creditor informs the paying agent accordingly, using the official form.

Certain entities (article 1 (1), nos. 4 and 5, of the German Corporate Tax Act) must submit to the paying agent a statement from their tax office certifying that they are subject, without limitation, to taxation in Germany. These are unincorporated associations, institutions, foundations and other special-purpose assets under private law, as well as legal entities under private law that are not stock corporations, cooperative societies or mutual insurance and pension-fund associations.

If the exemption form or non-assessment certificate is not submitted, or not submitted in time, the investor will, on request, receive from the institution maintaining the custody account a tax statement on the tax and solidarity surcharge withheld and not refunded. The investor may then have the tax withheld offset against the investor's individual or corporate income tax assessment.

#### 2. Non-resident taxpayers

If a non-resident taxpayer has units of distributing funds held in custody by a domestic credit institution, tax will not be withheld on interest and income equivalent to interest, on gains on the sale of securities, on gains from forward transactions and on foreign dividends, as well as on the interim profits contained in the sales proceeds and on gains on the redemption or sale of the investment fund units, provided that the taxpayer submits proof of non-resident status. If the institution maintaining the custody account is not aware of the investor's non-resident status, or if such status is not verified in time, the foreign investor has no option but to apply for a refund of the tax withheld in accordance with article 37 (2) of the German Fiscal Code (hereinafter “AO”). The tax office of the institution maintaining the custody account will be responsible for processing such a refund application.

If a non-resident investor has units of reinvesting funds held in custody by a domestic credit institution, no tax will be withheld upon verification of the investor's non-resident status for tax purposes, provided the reinvestment does not relate to domestic dividends or domestic rental income. If verification is delayed, a refund can be applied for in accordance with article 37 (2) AO even after the date of reinvestment, as in the case of delayed verification of non-resident status with distributing funds.

Tax is, however, withheld on domestic dividends and domestic rental income. The extent to which the offsetting or refunding of this withholding tax is possible for the non-resident investor depends on the DTC in place between the tax residence of the investor and the Federal Republic of Germany. Claims for DTC refunds of investment income tax on domestic dividends and domestic rental income are processed by the Federal Tax Office in Bonn.

### IV Solidarity surcharge

A solidarity surcharge of 5.5 percent is levied on the amount of tax to be withheld in the case of distributions or reinvestment. The solidarity surcharge can be offset against income tax and corporate income tax.

If no tax is withheld or if there is a credit of tax withheld on reinvestment in cases including, for example, submission of an adequate exemption form, a non-assessment certificate or proof of non-resident status, no solidarity surcharge shall be withheld or, in the case of a reinvestment, the solidarity surcharge withheld is credited.

### V Church tax

Provided that income tax is already being withheld by a domestic institution maintaining the custody account (withholding agent), the attributable church tax is regularly levied as a surcharge on the tax withheld at the church tax rate of the religious group to which the church tax payer belongs. The deductibility of the church tax as a special expense is taken into account and used to reduce withholding.

To ensure compliance with church tax withholding, credit institutions are required to request the necessary data from the Federal Tax Office (“BZSt”) every year between September 1 and October 31. Clients have until June 30 of every year (initially June 30, 2014) to file an objection with the BZSt, which must conform to the official sample document. Further information can be obtained from the BZSt, 53221 Bonn, Germany, or online at [www.bzst.de](http://www.bzst.de). The consequence of an objection is that the BZSt will not transmit church tax data to the credit institutions, but the BZSt will send a notification to the competent local tax office. The bank does not withhold church tax in such cases, and the client may therefore be required to submit to a tax assessment.

### VI Foreign withholding tax

Local withholding tax is in some cases retained at source on fund income generated abroad.

The asset management company can deduct such creditable withholding tax as income-related expenses at the level of the fund. In such a case, foreign withholding tax is neither creditable nor deductible at investor level. If the asset management company chooses not to exercise its option to deduct foreign withholding tax at fund level, the creditable withholding tax will be used to reduce withholding.

## VII Income adjustment

Portions of the issue price for issued units attributable to income that may be included in the distribution (income adjustment procedure) must be treated for tax purposes in the same way as the income to which these portions of the issue price are attributable.

## VIII Separate assessment, external audits

The bases of taxation determined at the level of the fund are to be assessed separately. For this purpose, the asset management company must submit a separate declarative statement to the relevant tax office. Modifications of declarative statements, e.g., due to an external audit (article 11 (3) InvStG) by the tax authorities, become effective for the fiscal year in which the modified determination of taxation bases becomes incontestable. The tax allocation of this modified determination of taxation bases for the investor then takes place at the end of the relevant fiscal year or on the distribution date for the distribution of the relevant fiscal year.

The modifications thus have a financial impact on those investors who are invested in the fund at the time of the modification. The tax implications may be either positive or negative.

## IX Taxation of interim profits

Interim profits consist of income from interest received or accrued and of gains on the sale of “bad” debt instruments that are included in the issue or redemption price but have not yet been distributed or reinvested by the fund and have therefore not yet become taxable for the investor (somewhat comparable to accrued interest from fixed-rate securities). The interim profits earned by the fund are subject to income tax if the units are redeemed or sold by German tax residents. The withholding tax on interim profits is 25 percent (plus solidarity surcharge and, where applicable, church tax).

Interim profits paid when purchasing units may be deducted by the individual investor in the year of payment for income tax purposes as negative income if an income adjustment is performed and reference to such income adjustment is made both upon publication of the interim profits and as part of the tax data to be certified by the

professionals. Interim profits are taken into account to reduce withholding for the individual investor. If actual interim profits are not published, 6 percent (pro rata temporis) of the amount paid for the redemption or sale of the investment fund unit must be assessed each year as interim profits. For business investors, the interim profits paid are an inseparable part of acquisition costs, which are not corrected. When the fund unit is redeemed or sold, the interim profits received form an inseparable part of the sales proceeds. No correction is made.

## X Consequences of merging investment funds

In cases where a domestic investment fund is merged into another domestic investment fund, unrealized gains will not be disclosed either at the level of the investors or at the level of investment funds involved, i.e., such a transaction is tax-neutral. The same applies to the transfer of all the assets of a domestic investment fund to a domestic investment stock corporation with variable capital or a sub-fund of a domestic investment stock corporation with variable capital. If the investors in the transferring investment fund receive a cash payment as defined by article 190 (2), no. 2, KAGB provided for in the merger plan, such payment shall be treated like an “other income” distribution. Income earned by the transferring investment fund and not yet distributed shall be allocated to the investors as so-called “income equivalent to distributions” on the key date of transfer.

A distributing investment fund in its final fiscal year before the amalgamation shall be treated like a reinvesting investment fund for tax purposes.

Tax-neutral cross-border mergers are not possible. If a merger of investment funds is not tax-neutral, what takes place for tax purposes is a sale of the units of the transferring investment fund and a purchase of the units of the receiving investment fund.

## XI Transparent, semi-transparent and non-transparent taxation as an investment fund

The above taxation principles (so-called “transparent taxation for investment funds within the meaning of the InvStG”) apply only if the fund is subject to the grandfathering provisions of article 22 (2) InvStG. To qualify for grandfathering, the fund must have been launched before December 24, 2013, and meet the investment provisions and borrowing limits stipulated by the former German Investment Act. If that is not the case, the fund must meet the tax-related investment provisions of the InvStG – these are the principles according to which the fund may invest in order to be treated as an investment fund for tax purposes. Furthermore, all taxation bases must in both cases be published in accordance

with the tax notification obligation as provided for in article 5 (1) InvStG. Alternatively, it is possible for the investor to provide documentation of taxation bases. If the fund has acquired units of other investment undertakings, the above taxation principles likewise apply only if (i) the respective fund either is subject to the InvStG grandfathering provisions or meets the tax-related investment provisions of the InvStG and (ii) the management company fulfills the tax notification obligations for these target funds.

If the information pursuant to article 5 (1), no. 1 (c) or (f) InvStG is not provided, all income is taxable in its entirety (so-called “semi-transparent taxation”).

If the notification obligation pursuant to article 5 (1) InvStG is violated and such violation is not a case of semi-transparent taxation, all distributions and the interim profit, as well as, pursuant to article 6 InvStG, 70 percent of the appreciation recorded in the last calendar year based on the relative interests held in the investment undertaking, (but at least 6 percent of the redemption price) shall be assessed as the taxable income at the level of the fund. If another investment undertaking in which the fund has acquired units does not comply with its tax notification obligations pursuant to article 5 (1) InvStG, a taxable income amount, to be determined according to the principles described in the preceding, must be assessed for the respective other investment undertaking at the level of the fund. Flat-rate taxation can, however, be avoided by means of documentation provided by investors.

## XII Automatic exchange of information in tax matters

The importance of automatic exchange of information as a means to combat cross-border tax fraud and tax evasion has greatly increased in recent years at international level. In response, the OECD, on behalf of the G20 countries, published its Common Reporting Standard (hereinafter “CRS”), a global standard for automatic exchange of financial account information in tax matters, in 2014. The CRS has been adopted by over 90 countries (participating jurisdictions) in a multilateral agreement. It was additionally integrated into EU law at the end of 2014 by way of Council Directive 2014/107/EU of December 9, 2014, amending Directive 2011/16/EU as regards mandatory automatic exchange of information in the field of taxation. The participating jurisdictions (all EU member states and a number of third countries) are generally applying the CRS beginning in 2016, with reporting requirements commencing in 2017. Only a few individual countries (e.g., Austria and Switzerland) have been allowed to apply the CRS one year later. Germany has transposed the CRS into German law with the Financial Account Information Exchange Act of December 21, 2015, and thus applies the CRS beginning in 2016.

Under the CRS, reporting financial institutions (primarily credit institutions) are required to collect specific information about their clients. If these clients (natural persons or legal entities) are reportable persons (not including, for example, corporations or financial institutions listed on an exchange) resident in other participating jurisdictions, their cash and custody accounts are classified as reportable accounts. Reporting financial institutions will then communicate certain information to their home tax authorities for each reportable account. These then communicate the information to the home tax authority of the client.

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

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

### **XIII EU Savings Tax Directive/ Interest Information Regulation**

The German Interest Information Regulation (hereinafter "ZIV"), which is the regulation implementing Council Directive 2003/48/EC of June 3, 2003, Official Journal EU no. L 157, p. 38, in the area of taxation of interest payments in Germany, is intended to ensure effective cross-border taxation of interest payments to natural persons within the territory of the EU. The EU has agreements in place with certain third countries (most notably Switzerland, Liechtenstein, the Channel Islands, Monaco and Andorra) that are largely consistent with the EU Savings Tax Directive.

The introduction and implementation of the CRS (see above) will gradually render obsolete the EU Savings Tax Directive and the ZIV. Agreements with certain third countries will similarly be terminated and replaced with agreements on the implementation of the CRS. The following principles will therefore only apply transitionally to individual countries until they begin reporting in accordance with the CRS (e.g., Austria and Switzerland).

Under the ZIV, interest payments credited to a natural person resident in another European country or in certain third countries by a German credit institution (acting as the paying agent in this respect) are reported by the German credit institution to the Federal Tax Office and by that office ultimately to the respective foreign tax office of the recipient's country of residence.

Conversely, interest payments credited to a natural person resident in Germany by a foreign credit institution in another European country or in certain third countries are ultimately reported by the foreign credit institution to the tax office of the recipient's German residence. Alternatively, some foreign countries retain withholding taxes that are creditable in Germany.

Specifically affected, therefore, are individual investors resident within the European Union and in the associated third countries that maintain their cash or custody accounts and earn interest in another EU country. Switzerland in particular has undertaken to retain a withholding tax of 35 percent on interest payments. As part of his tax documentation, the investor receives a tax certificate enabling him to have that withholding tax credited in his income tax return.

Alternatively, the individual investor can avoid foreign withholding by authorizing the foreign bank to make voluntary disclosures of interest payments to the investor, thereby allowing the institution to refrain from withholding and instead report the payments to the tax authorities designated in the legislation.

The general procedure on retaining withholding tax applied for Luxembourg until December 31, 2014. Since January 1, 2015, the reporting procedure described above is being applied.

If the assets of the fund consist of no more than 15 percent in claims as defined by the ZIV, the paying agents that ultimately make use of the data disclosed by the asset management company need not file reports with the Federal Tax Office. Crossing the 15-percent threshold obligates the paying agents to report to the German Federal Tax Office the EU interest portion contained in the distribution.

When the 25-percent threshold is crossed, the sales proceeds must be reported when fund units are redeemed or sold. If the fund is a distributing fund, the EU interest portion contained in any distribution must additionally be reported to the Federal Tax Office. In the case of a reinvesting fund, reports are naturally only filed when fund units are redeemed or sold.



## Notes:

### a) General note

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

### b) Note on investment tax reform

The Investment Tax Reform Act took effect in Germany on July 26, 2016 (see also the presentation of tax law applicable beginning January 1, 2018). Its provisions include, among other things, that certain domestic income (particularly dividends/rents/capital gains from real estate) shall be taxed at the level of the fund beginning in 2018. An exception is provided only where certain tax-advantaged institutions are investors, or where the units are held under contracts for individual retirement arrangements or basic pensions (Riester/Rürup contracts). The transparency principle, under which taxes are only imposed at the level of investor, has generally applied to date.

To compensate, the new law provides that investors will, under certain circumstances, receive a standard portion of the income generated by the fund on a tax-exempt basis (a so-called "partial exemption") to offset the imposition of tax at fund level. However, this mechanism does not guarantee that full offsetting will be achieved in each individual case.

## Legal and tax risk

**In the case of a correction with tax consequences that are essentially unfavorable for the investor, changes to the fund's taxation bases for preceding fiscal years made because these bases are found to be incorrect (e.g., based on external tax audits) can result in the investor having to bear the tax burden resulting from the correction for preceding fiscal years, even though he may not have held an investment in the fund at the time. Conversely, the investor may fail to benefit from an essentially favorable correction for the current or preceding fiscal years during which he held an investment in the fund if the units 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 for the individual investor.**

## Tax law applicable beginning January 1, 2018

As a special-purpose asset, this fund is generally exempt from corporate income tax and trade tax. It is, however, partially subject to corporate income tax on its domestic income from equity investments and on other domestic income, in the sense of the limited income tax liability, not including gains on the sale of ownership interests in corporations. The tax rate is 15 percent. To the extent that tax is imposed on the taxable income through withholding of investment income tax, the tax rate of 15 percent already includes the solidarity surcharge.

However, the investment income is taxable for the individual investor as income from capital assets, which is subject to income tax, provided that it exceeds the saver's flat allowance of EUR 801 p.a. (for single persons or spouses assessed separately) or EUR 1,602 p.a. (for spouses assessed jointly) when added to any other capital gains.

Income from capital assets is generally subject to a 25-percent withholding tax (plus solidarity surcharge and, where applicable, church tax). Income from capital assets also includes the income from investment funds (investment fund income), i.e., the fund's distributions, the advance income estimates and the gains on the sale of the units. Under certain conditions, investors can receive a lump sum portion of this investment income tax-free (so-called partial exemption).

In general, for the individual investor, the withholding of tax acts as a final payment (so-called "final withholding tax"), so that, as a rule, income from capital assets is not declared in the income tax return. The institution maintaining the custody account usually offsets income subject to withholding against losses and foreign withholding taxes arising from direct investment.

The withholding tax does not act as a final payment, however, if the investor's personal tax rate is lower than the final withholding rate of 25 percent. In this case, income from capital assets may be declared in the income tax return. The tax office then applies the lower personal tax rate and credits the tax withheld against the personal tax liability (so-called "reduced rate test").

If income from capital assets was not subject to any withholding (because, for example, a capital gain on the sale of fund units was realized in a foreign custody account), such income must be declared in the tax return. Within the tax assessment, any income from capital assets is then also subject to the final withholding tax rate of 25 percent, or alternatively to the lower personal tax rate.

If units are held as business assets, the income is considered taxable as operating income.

## I Units held as personal assets (German tax residents)

### 1. Distributions

Distributions of the fund are generally taxable.

If the fund fulfills the tax exemption prerequisites for an equity fund, 30 percent of the distributions are tax-exempt. Equity funds are investment funds that continuously invest at least 51 percent of their value in equity participations in accordance with the investment conditions.

If the fund fulfills the tax exemption prerequisites for a mixed fund, 15 percent of the distributions are tax-exempt. Mixed funds are investment funds that continuously invest at least 25 percent of their value in equity participations in accordance with the investment conditions.

If the fund does not meet the tax prerequisites for either an equity fund or a mixed fund, no partial exemption is applicable to the distributions.

A tax classification for the purpose of partial exemption of all of the fund or funds or sub-funds can be found in the Annex to this summary of the tax regulations relevant for German investors.

The taxable distributions are generally subject to the 25-percent withholding tax (plus solidarity surcharge and, where applicable, church tax).

Tax will not be withheld if the investor is a German tax resident and submits an exemption form, provided the taxable income components do not exceed EUR 801 for separate assessment or EUR 1,602 for joint assessment of spouses.

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

If a domestic investor has units held in domestic custody, the institution maintaining the custody account, acting as the paying agent, will not withhold tax provided that, prior to the fixed distribution date, it is presented with either an exemption form conforming to the official sample document and covering an adequate amount or a non-assessment certificate issued by the tax office for a maximum of three years. In this case, the investor is credited the full amount of the distribution.

### 2. Advance income estimates

The advance income estimate ("Vorabpauschale") is the amount by which the fund's distributions within a calendar year fall short of the baseline return for that calendar year. The baseline return is determined by multiplying the redemption price of the unit at the beginning of a calendar year by 70 percent of the baseline interest rate according to the German Valuation Act, which in turn is derived from long-term government bond market yields. The baseline return is limited to the amount exceeding the difference between the first and last redemption prices determined in the calendar year plus the distributions paid during the calendar year. For the year in which the units were acquired, the advance income estimate is reduced by one-twelfth for each full month preceding the month of acquisition. The advance income estimate is deemed to have accrued on the first workday of the following calendar year.

Advance income estimates are generally taxable.

If, however, the fund fulfills the tax exemption prerequisites for an equity fund, 30 percent of the advance income estimate is tax-exempt. Equity funds are investment funds that continuously invest at least 51 percent of their value in equity participations in accordance with the investment conditions.

If the fund fulfills the tax exemption prerequisites for a mixed fund, 15 percent of the advance income estimate is tax-exempt. Mixed funds are investment funds that continuously invest at least 25 percent of their value in equity participations in accordance with the investment conditions.

If the fund does not meet the tax prerequisites for an equity fund or a mixed fund, no partial exemption applies to the distributions.

A tax classification for the purpose of partial exemption of the fund or funds or sub-funds can be found in the Annex to this summary of the tax regulations relevant for German investors. The taxable advance income estimates are generally subject to the 25-percent withholding tax (plus solidarity surcharge and, where applicable, church tax).

Tax will not be withheld if the investor is a German tax resident and submits an exemption form, provided the taxable income components do not exceed EUR 801 for separate assessment or EUR 1,602 for joint assessment of spouses.

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

If a domestic investor has units held in domestic custody, the institution maintaining the custody account, acting as the paying agent, will not withhold tax provided that, prior to the aforementioned receipt date, it is presented with either an exemption form conforming to the official sample document and covering an adequate amount or a non-assessment certificate issued by the tax office for a maximum of three years. No tax is withheld in this case. Otherwise, the investor must provide the domestic institution maintaining the custody account with the amount of tax to be withheld. For this purpose, the institution maintaining the custody account may withdraw the amount of tax to be withheld from a cash account held at the institution in the name of the investor without the consent of the investor. If the investor does not object before the advance income estimate is deemed received, the institution maintaining the custody account may withdraw the amount of tax to be withheld from a cash account in the name of the investor to the extent that an overdraft facility agreed with the investor for this account has not been utilized. If the investor fails to comply with its obligation to provide the domestic institution maintaining the custody account with the amount of tax to be withheld, the institution maintaining the custody account must inform its competent tax office accordingly. In this case, the unreported advance income estimate must be declared in the investor's income tax return.

### 3. Capital gains at investor level

If units of the fund are sold after December 31, 2017, the capital gain is subject to the final withholding rate of 25 percent. This applies both for units acquired before January 1, 2018, and deemed sold as of December 31, 2017, and repurchased as of January 1, 2018, and for units acquired after December 31, 2017.

If, however, the fund fulfills the tax exemption prerequisites for an equity fund, 30 percent of the capital gains are tax-exempt. Equity funds are investment funds that continuously invest at least 51 percent of their value in equity participations in accordance with the investment conditions.

If the fund fulfills the tax exemption prerequisites for a mixed fund, 15 percent of the capital gains are tax-exempt. Mixed funds are investment funds that continuously invest at least 25 percent of their value in equity participations in accordance with the investment conditions.

If the fund does not meet the tax prerequisites for either an equity fund or a mixed fund, no partial exemption is applicable to the capital gains.

A tax classification for the purpose of partial exemption of the fund or funds or sub-funds can be found in the Annex to this summary of the tax regulations relevant for German investors.

In the case of gains on the sale of units acquired before January 1, 2018, and deemed sold as of December 31, 2017, and repurchased as of January 1, 2018, it must be noted that, at the time of the actual sale, the gains on the notional sale that took place as of December 31, 2017, are also taxable if the units were in fact acquired after December 31, 2008. No partial exemption is applied to these gains resulting from the notional sale.

If the units are held in a domestic custody account, the institution maintaining the custody account withholds the tax, taking into account any applicable partial exemptions. The 25 percent withholding (plus solidarity surcharge and, where applicable, church tax) can be avoided by submitting an exemption form covering an adequate amount or a non-assessment certificate. If such units are sold by an individual investor at a loss, that loss may be offset against other positive income from capital assets. If the units are held in a custody account at a domestic institution, and positive income from capital assets was generated at the same institution in the same calendar year, the institution maintaining the custody account will offset the loss.

In the case of a sale after December 31, 2017, of fund units acquired before January 1, 2009, the gain generated after December 31, 2017, is generally tax-exempt for individual investors up to an amount of EUR 100,000. This exemption can only be claimed if these gains are declared to the investor's competent tax office.

When determining the capital gain for tax purposes, the gain must be reduced by the advance income estimates applied during the holding period.

### 4. Settlement taxation

During the winding-up of the fund, distributions are deemed to be income only to the extent that they include the appreciation of a calendar year.

## II Units held as business assets (German tax residents)

### 1. Refund of corporate income tax imposed on the fund

As explained above, the fund is partially subject to corporation tax on certain income.

However, a unit class is tax-exempt if the units in a unit class may only be acquired or held by such tax-privileged investors that are a domestic corporate entity, association of persons or estate that, according to its respective articles of incorporation and by-laws, foundation deed of trust or other founding instrument, solely and directly serves non-profit, charitable or religious purposes, and is actually administered accordingly, or if it is a foundation under public law that solely and directly serves non-profit or charitable purposes, or if it is a legal entity under public law that solely and directly serves religious interests; no such

refunding shall take place, however, if the units are held in a for-profit business operation. The same applies to comparable foreign investors with registered offices and administrations in a foreign country that provides official legal and recovery assistance.

A unit class is also tax-exempt if the units are held solely or in addition to the above-mentioned tax-privileged investors within the framework of individual retirement arrangements or basic pensions that have been certified in accordance with the retirement arrangements contract certification law.

The prerequisites for tax exemption of a unit class are that the investors furnish proof of their tax exemption to the fund and that the investment conditions only permit the redemption of investment units in such a unit class to the investment fund and that the transfer of investment units in such a unit class is excluded.

Furthermore, exemption from the corporate income tax paid at fund level on German dividends and on income from German dividend rights similar to equities also essentially requires that German equities and German dividend rights similar to equities were held by the fund as beneficial owner for 45 days without interruption within a period of 45 days before and after the investment income was payable, and that the minimum risk of changes in value was 70 percent throughout that entire 45-day period.

Tax exemption amounts that the Company receives in connection with the administration of the fund and that are attributable to income from the unit classes described above must generally be paid out to investors in those unit classes. Notwithstanding the preceding, the Company shall be entitled to transfer exemption amounts directly to the fund for the benefit of the investors in this unit class; new units will not be issued on the basis of this transfer.

The corporate income tax incurred at the fund level may be reimbursed to the fund for forwarding to an investor if the investor is a domestic corporate entity, association of persons or estate that, according to its respective articles of incorporation, foundation deed of trust or other founding instrument, solely and directly serves non-profit, charitable or religious purposes, and is actually administered accordingly, or if it is a foundation under public law that solely and directly serves non-profit or charitable purposes, or if it is a legal entity under public law that solely and directly serves religious interests, the investor is refunded by the fund; no such refunding shall take place, however, if the units are held in a for-profit business operation. The same applies to comparable foreign investors with registered offices and administrations in a foreign country that provides official legal and recovery assistance.

The prerequisite for this is that such an investor submits a corresponding application and that the corporation tax accrued is apportionable pro rata to the investor's holding period. In addition, the investor must be the legal and beneficial owner of the units for a period of at least three months before receiving the income of the fund subject to corporate income tax, and there must be no obligation to transfer the units to another person. Furthermore, with regard to the corporate income tax paid at fund level on German dividends and on income from German dividend rights similar to equities, such refunding also essentially requires that German equities and German dividend rights similar to equities were held by the fund as beneficial rights similar to equities were held by the fund as beneficial owner for 45 days without interruption within a period of 45 days before and after the investment income was payable, and that the minimum risk of changes in value was 70 percent throughout that entire 45-day period. The refund application must be accompanied by documentation of tax-exempt status and by a statement of investment fund unit holdings issued by the institution maintaining the custody account. The statement of investment fund unit holdings is a certificate conforming to the official sample document documenting the extent to which units were held by the investor during the entire calendar year, as well as the timing and extent of any purchases and sales of units during the calendar year.

The corporation tax incurred at the fund level may also be refunded to the fund for forwarding to an investor if the units in the fund are held within the framework of individual retirement arrangements or basic pensions that have been certified in accordance with the retirement arrangements contract certification law. This requires the provider of an individual retirement arrangement or basic pension contract to inform the fund within one month of the end of the fund's financial year at which points in time and in what amounts units were acquired or sold.

There is no obligation on the part of the fund or the Company to have the corresponding corporation tax refunded for forwarding to the investor.

Given the elevated complexity of this rule, it may be beneficial to consult with a tax adviser.

## 2. Distributions

Distributions of the fund are generally subject to individual or corporate income tax and to trade tax.

If, however, the fund fulfills the tax prerequisites for an equity fund for purposes of partial exemption, 60 percent of the distributions are tax-exempt for corporation tax purposes, and 30 percent for trade tax purposes, if the units are held by natural persons as business assets. For taxable corporate entities, 80 percent of the distributions is generally tax exempt for corporation tax purposes, and 40 percent for trade

tax purposes. For corporate entities that are life or health insurers and in which the units are attributable to investments, and for those that are credit institutions and in which the units are attributable to the trading book or were acquired with the objective of achieving a short-term gain from proprietary trading, 30 percent of the distributions is tax exempt for corporation tax purposes, and 15 percent for trade tax purposes. Equity funds are investment funds that continuously invest at least 51 percent of their value in equity participations in accordance with the investment conditions.

If the fund fulfills the tax prerequisites for a mixed fund for purposes of partial exemption, 30 percent of the distributions are tax-exempt for corporation tax purposes, and 15 percent for trade tax purposes, if the units are held by natural persons as business assets. For taxable corporate entities, 40 percent of the distributions is generally tax exempt for corporation tax purposes, and 20 percent for trade tax purposes. For corporate entities that are life or health insurers and in which the units are attributable to investments, and for those that are credit institutions and in which the units are attributable to the trading book or were acquired with the objective of achieving a short-term gain from proprietary trading, 15 percent of the distributions is tax exempt for corporation tax purposes, and 7.5 percent for trade tax purposes. Mixed funds are investment funds that continuously invest at least 25 percent of their value in equity participations in accordance with the investment conditions.

If the fund does not meet the tax prerequisites for either an equity fund or a mixed fund, no partial exemption is applicable to the distributions.

A tax classification for the purpose of partial exemption of the fund or funds or sub-funds can be found in the Annex to this summary of the tax regulations relevant for German investors. The distributions are generally subject to the 25-percent withholding tax (plus solidarity surcharge).

If the tax prerequisites for an equity or mixed fund are met, the partial-exemption rate applicable for individual investors, i.e., 30 percent in the case of an equity fund and 15 percent in the case of a balanced fund, is applied consistently for withholding purposes.

## 3. Advance income estimates

The advance income estimate ("Vorabpauschale") is the amount by which the fund's distributions within a calendar year fall short of the baseline return for that calendar year. The baseline return is determined by multiplying the redemption price of the unit at the beginning of a calendar year by 70 percent of the baseline interest rate according to the German Valuation Act, which in turn is derived from long-term government bond market yields. The baseline return is limited to the amount exceeding the difference between the first and last redemption

prices determined in the calendar year plus the distributions paid during the calendar year. For the year in which the units were acquired, the advance income estimate is reduced by one-twelfth for each full month preceding the month of acquisition. The advance income estimate is deemed to have accrued on the first workday of the following calendar year.

Advance income estimates are generally subject to individual or corporate income tax and to trade tax.

If, however, the fund fulfills the tax prerequisites for an equity fund for purposes of partial exemption, 60 percent of the advance income estimate is tax-exempt for corporation tax purposes, and 30 percent for trade tax purposes, if the units are held by natural persons as business assets. For taxable corporate entities, 80 percent of the advance income estimate is generally tax exempt for corporation tax purposes, and 40 percent for trade tax purposes. For corporate entities that are life or health insurers and in which the units are attributable to investments, and for those that are credit institutions and in which the units are attributable to the trading book or were acquired with the objective of achieving a short-term gain from proprietary trading, 30 percent of the advance income estimate is tax exempt for corporation tax purposes, and 15 percent for trade tax purposes. Equity funds are investment funds that continuously invest at least 51 percent of their value in equity participations in accordance with the investment conditions.

If the fund fulfills the tax prerequisites for a mixed fund for purposes of partial exemption, 30 percent of the advance income estimate is tax-exempt for corporation tax purposes, and 15 percent for trade tax purposes, if the units are held by natural persons as business assets. For taxable corporate entities, 40 percent of the advance income estimate is generally tax exempt for corporation tax purposes, and 20 percent for trade tax purposes. For corporate entities that are life or health insurers and in which the units are attributable to investments, and for those that are credit institutions and in which the units are attributable to the trading book or were acquired with the objective of achieving a short-term gain from proprietary trading, 15 percent of the advance income estimate is tax exempt for corporation tax purposes, and 7.5 percent for trade tax purposes. Mixed funds are investment funds that continuously invest at least 25 percent of their value in equity participations in accordance with the investment conditions.

If the fund does not meet the tax prerequisites for an equity fund or a mixed fund, no partial exemption applies to the distributions.

A tax classification for the purpose of partial exemption of the fund or funds or sub-funds can be found in the Annex to this summary of the tax regulations relevant for German investors.

The advance income estimates are generally subject to the 25-percent withholding tax (plus solidarity surcharge).

If the tax prerequisites for an equity or mixed fund are met, the partial-exemption rate applicable for individual investors, i.e., 30 percent in the case of an equity fund and 15 percent in the case of a balanced fund, is applied consistently for withholding purposes.

#### 4. Capital gains at investor level

Gains on the sale of the units are generally subject to individual or corporate income tax and to trade tax. When determining the capital gain for tax purposes, the gain must be reduced by the advance income estimates applied during the holding period.

If, however, the fund fulfills the tax prerequisites for an equity fund for purposes of partial exemption, 60 percent of the capital gains are tax-exempt for corporation tax purposes, and 30 percent for trade tax purposes, if the units are held by natural persons as business assets. For taxable corporate entities, 80 percent of the capital gains are generally tax exempt for corporation tax purposes, and 40 percent for trade tax purposes. For corporate entities that are life or health insurers and in which the units are attributable to investments, and for those that are credit institutions and in which the units are attributable to the trading book or were acquired with the objective of achieving a short-term gain from proprietary trading, 30 percent of the capital gains are tax exempt for corporation tax purposes, and 15 percent for trade tax purposes. Equity funds are investment funds that continuously invest at least 51 percent of their value in equity participations in accordance with the investment conditions.

If the fund fulfills the tax prerequisites for a mixed fund for purposes of partial exemption, 30 percent of the capital gains tax-exempt for corporation tax purposes, and 15 percent for trade tax purposes, if the units are held by natural persons as business assets. For taxable corporate entities, 40 percent of the capital gains are generally tax exempt for corporation tax purposes, and 20 percent for trade tax purposes. For corporate entities that are life or health insurers and in which the units are attributable to investments, and for those that are credit institutions and in which the units are attributable to the trading book or were acquired with the objective of achieving a short-term gain from proprietary trading, 15 percent of the capital gains are tax exempt for corporation tax purposes, and 7.5 percent for trade tax purposes. Mixed funds are investment funds that continuously at least 25 percent of their value in equity participations in accordance with the investment conditions.

If the fund does not meet the tax prerequisites for either an equity fund or a mixed fund, no partial exemption is applicable to the capital gains.

A tax classification for the purpose of partial exemption of the fund or funds or sub-funds can be found in the Annex to this summary of the tax regulations relevant for German investors.

In the case of gains on the sale of units acquired before January 1, 2018, and deemed sold as of December 31, 2017, and repurchased as of January 1, 2018, it must be noted that, at the time of the actual sale, the gains on the notional sale that took place as of December 31, 2017, are also taxable. No partial exemption is applied to these gains resulting from the notional sale.

The gains on the sale of the units are usually not subject to any withholding.

#### 5. Settlement taxation

During the winding-up of the fund, distributions are deemed to be income only to the extent that they include the appreciation of a calendar year.



## 6. Simplified overview for the taxation of regular business investor groups

It is assumed that units are held in custody in Germany. A surtax called the "solidarity surcharge" is levied on investment income tax, individual income tax and corporate income tax. To obtain exemption from withholding of investment income tax, it may be necessary to submit certificates to the institution maintaining the custody account in sufficient time.

	Distributions	Advance income estimates	Capital gains
<b>GERMAN INVESTORS</b>			
Sole proprietorships	<u>Investment income tax:</u> 25% (the partial exemption for equity funds of 30%, or 15% for balanced funds, is taken into account)		<u>Investment income tax:</u> No withholding
	<u>Substantive taxation:</u> Individual income tax and trade tax, taking into account partial exemptions where applicable (equity funds: 60% for individual income tax/30% for trade tax; balanced funds: 30% for individual income tax/15% for trade tax)		
Regularly taxed corporations (typically industrial companies; banks, unless units are held in their trading portfolio; property insurers)	<u>Investment income tax:</u> No withholding for banks, otherwise 25% (the partial exemption for equity funds of 30%, or 15% for balanced funds, is taken into account)		<u>Investment income tax:</u> No withholding
	<u>Substantive taxation:</u> Corporate income tax and trade tax, taking into account partial exemptions where applicable (equity funds: 80% for corporate income tax/40% for trade tax; balanced funds: 40% for corporate income tax/20% for trade tax)		
Life and health insurance companies and pension funds in which the fund units are attributable to investments	<u>Investment income tax:</u> No withholding		
	<u>Substantive taxation:</u> Corporate income tax and trade tax, unless the commercial accounts contain a provision for premium refunds that is also recognized for tax purposes, taking into account partial exemptions where applicable (equity funds: 30% for corporate income tax/15% for trade tax; balanced funds: 15% for corporate income tax/7.5% for trade tax)		
Banks that hold the fund units for trading	<u>Investment income tax:</u> No withholding		
	<u>Substantive taxation:</u> Corporate income tax and trade tax, taking into account partial exemptions where applicable (equity funds: 30% for corporate income tax/15% for trade tax; balanced funds: 15% for corporate income tax/7.5% for trade tax)		
Tax-exempt charitable, benevolent or religious investors (esp. churches and charitable foundations)	<u>Investment income tax:</u> No withholding		
	<u>Substantive taxation:</u> Tax-exempt – in addition, the corporate income tax paid at fund level can be refunded on request		
Other tax-exempt investors (esp. pension funds, burial funds and provident funds, provided that the requirements provided for in the Corporate Tax Act are met)	<u>Investment income tax:</u> No withholding		
	<u>Substantive taxation:</u> Tax-exempt		

### III Non-resident taxpayers

If a non-resident taxpayer has the fund units held in custody by a domestic institution, no tax will be withheld on distributions, advance income estimates and the from the sale of the units, provided that the taxpayer submits proof of non-resident status. If the institution maintaining the custody account is not aware of the investor's non-resident status, or if such status is not verified in time, the foreign investor has no option but to apply for a refund of the tax withheld as provided for by article 37 (2) of the German Fiscal Code. The tax office of the institution maintaining the custody account will be responsible for processing such a refund application.

### IV Solidarity surcharge

A solidarity surcharge of 5.5 percent is levied on the amount of tax to be withheld from distributions, advance income estimates and gains on the sale of units. The solidarity surcharge can be offset against income tax and corporate income tax.

### V Church tax

Provided that income tax is already being withheld by a domestic institution maintaining the custody account (withholding agent), the attributable church tax is regularly levied as a surcharge on the tax withheld at the church tax rate of the religious group to which the church tax payer belongs. The deductibility of the church tax as a special expense is taken into account and used to reduce withholding.

### VI Foreign withholding tax

Local withholding tax is in some cases retained at source on fund income generated abroad. Such withholding tax cannot be taken into account to reduce the tax liability of investors.

### VII Consequences of merging investment funds

In cases where a domestic investment fund is merged with another domestic investment fund, unrealized gains will not be disclosed either at the level of the investors or at the level of investment funds involved, i.e., such a transaction is tax-neutral. The same applies to the transfer of all the assets of a domestic investment fund to a domestic investment stock corporation with variable capital or a sub-fund of a domestic investment stock corporation with variable capital. If the investors in the transferring investment fund receive a cash payment (cf. article 190 (2), no. 2 KAGB) provided for in the merger plan, such payment shall be treated like a distribution.

### VIII Automatic exchange of information in tax matters

The importance of automatic exchange of information as a means to combat cross-border tax fraud and tax evasion has greatly increased in recent years at international level. In response, the OECD, on behalf of the G20 countries, published its Common Reporting Standard (hereinafter "CRS"), a global standard for automatic exchange of financial account information in tax matters, in 2014. The CRS has been adopted by over 90 countries (participating jurisdictions) in a multilateral agreement. It was additionally integrated into EU law at the end of 2014 by way of Council Directive 2014/107/EU of December 9, 2014, amending Directive 2011/16/EU as regards mandatory automatic exchange of information in the field of taxation. The participating jurisdictions (all EU member states and a number of third countries) are generally applying the CRS beginning in 2016, with reporting requirements commencing in 2017. Only a few individual countries (e.g., Austria and Switzerland) have been allowed to apply the CRS one year later. Germany has transposed the CRS into German law with the Financial Account Information Exchange Act of December 21, 2015, and thus applies the CRS beginning in 2016.

Under the CRS, reporting financial institutions (primarily credit institutions) are required to collect specific information about their clients. If these clients (natural persons or legal entities) are reportable persons (not including, for example, corporations or financial institutions listed on an exchange) resident in other participating jurisdictions, their cash and custody accounts are classified as reportable accounts. Reporting financial institutions will then communicate certain information to their home tax authorities for each reportable account. These then communicate the information to the home tax authority of the client.

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

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

authority, which in turn will forward the information to the Federal Tax Office. It is ultimately conceivable that credit institutions established in other participating jurisdictions will report information about investors that are resident in still other participating jurisdictions to their respective home tax authority, which in turn will forward the information to the respective tax authorities of the investors' jurisdictions of residence.

# ANNEX – Tax classification overview of all German funds for partial tax exemption purposes

Fund	Classification for partial tax exemption purposes
Albatros Fonds	Mischfonds
Argentos Sauren Dynamik-Portfolio	Fonds ohne Teilfreistellung
Argentos Sauren Stabilitäts-Portfolio	Fonds ohne Teilfreistellung
Barmenia Renditefonds DWS	Fonds ohne Teilfreistellung
Basler-Aktienfonds DWS	Aktienfonds
Basler-International DWS	Mischfonds
Basler-Rentenfonds DWS	Fonds ohne Teilfreistellung
Best Managers Concept I	Fonds ohne Teilfreistellung
Bethmann Aktien Nachhaltigkeit	Aktienfonds
Bethmann Nachhaltigkeit	Mischfonds
Bethmann Nachhaltigkeit Defensiv Ausgewogen	Mischfonds
Bethmann Stiftungsfonds	Fonds ohne Teilfreistellung
Capital Growth Fund	Aktienfonds
CD Capital Global	Fonds ohne Teilfreistellung
CSR Bond Plus	Fonds ohne Teilfreistellung
DeAM-Fonds BKN-HR	Fonds ohne Teilfreistellung
DeAM-Fonds PVZ 1	Fonds ohne Teilfreistellung
DeAM-Fonds STRATAV European Strategy 1	Fonds ohne Teilfreistellung
DeAM-Fonds WOP 2	Fonds ohne Teilfreistellung
DEGEF-Bayer-Mitarbeiter-Fonds	Fonds ohne Teilfreistellung
DWS Akkumula	Aktienfonds
DWS Aktien Schweiz	Aktienfonds
DWS Aktien Strategie Deutschland	Aktienfonds
DWS Balance	Mischfonds
DWS Balance Portfolio E	Fonds ohne Teilfreistellung
DWS Biotech	Aktienfonds
DWS BondEuroPlus	Fonds ohne Teilfreistellung
DWS Concept DJE Globale Aktien	Aktienfonds
DWS Concept GS&P Food	Aktienfonds
DWS Convertibles	Fonds ohne Teilfreistellung
DWS Covered Bond Fund	Fonds ohne Teilfreistellung
DWS Defensiv	Fonds ohne Teilfreistellung
DWS Defensiv Portfolio 1	Fonds ohne Teilfreistellung
DWS Deutschland	Aktienfonds
DWS Dynamic	Aktienfonds
DWS Dynamik Opportunities	Aktienfonds
DWS Emerging Markets Typ O	Aktienfonds
DWS Euroland Strategie (Renten)	Fonds ohne Teilfreistellung
DWS Europe Dynamic	Aktienfonds
DWS European Opportunities	Aktienfonds
DWS Eurovesta	Aktienfonds
DWS Financials Typ O	Aktienfonds
DWS Flexizins Plus	Fonds ohne Teilfreistellung
DWS German Equities Typ O	Aktienfonds
DWS German Small/Mid Cap	Aktienfonds
DWS Global Growth	Aktienfonds
DWS Global Hybrid Bond Fund	Fonds ohne Teilfreistellung
DWS Global Natural Resources Equity Typ O	Aktienfonds
DWS Global Small/Mid Cap	Aktienfonds
DWS Global Water	Aktienfonds
DWS Health Care Typ O	Aktienfonds
DWS Internationale Renten Typ O	Fonds ohne Teilfreistellung
DWS Inter-Renta	Fonds ohne Teilfreistellung
DWS Investa	Aktienfonds
DWS-Merkur-Fonds 1	Aktienfonds

Fund	Classification for partial tax exemption purposes
DWS Nomura Japan Growth	Aktienfonds
DWS Qi Europa Balanced	Fonds ohne Teilfreistellung
DWS Qi European Equity	Aktienfonds
DWS Qi Eurozone Equity	Aktienfonds
DWS Qi Exklusiv Renten Chance	Fonds ohne Teilfreistellung
DWS Qi Extra Bond Total Return	Fonds ohne Teilfreistellung
DWS Qi LowVol Europe	Aktienfonds
DWS Qi NonEuroQualitätsanleihen	Fonds ohne Teilfreistellung
DWS Sachwerte	Mischfonds
DWS Smart Industrial Technologies	Aktienfonds
DWS Stiftungsfonds	Fonds ohne Teilfreistellung
DWS Strategieportfolio IV	Aktienfonds
DWS Technology Typ O	Aktienfonds
DWS Telemedia Typ O	Aktienfonds
DWS Top Asien	Aktienfonds
DWS Top Dividende	Aktienfonds
DWS Top Europe	Aktienfonds
DWS Top Portfolio Offensiv	Aktienfonds
DWS Top World	Aktienfonds
DWS TRC Deutschland	Mischfonds
DWS TRC Global Growth	Mischfonds
DWS TRC Top Asien	Aktienfonds
DWS TRC Top Dividende	Aktienfonds
DWS US Equities Typ O	Aktienfonds
DWS US Growth	Aktienfonds
DWS Vermögensbildungsfonds I	Aktienfonds
DWS Vermögensbildungsfonds R	Fonds ohne Teilfreistellung
DWS Vorsorge AS (Dynamik)	Aktienfonds
DWS Vorsorge AS (Flex)	Aktienfonds
DWS Zürich Invest Aktien Schweiz	Aktienfonds
DWS Zukunftsressourcen	Aktienfonds
Dynamic Europe Balance	Mischfonds
E.ON Aktienfonds DWS	Aktienfonds
E.ON Rentenfonds DWS	Fonds ohne Teilfreistellung
Euro Agg One	Fonds ohne Teilfreistellung
FFPB Substanz	Fonds ohne Teilfreistellung
FOS Performance und Sicherheit	Fonds ohne Teilfreistellung
FOS Rendite und Nachhaltigkeit	Fonds ohne Teilfreistellung
FOS Strategie-Fonds Nr. 1	Mischfonds
Fürst Fugger Privatbank Wachstum	Fonds ohne Teilfreistellung
Global Agg One	Fonds ohne Teilfreistellung
Gottlieb Daimler Aktienfonds DWS	Aktienfonds
LEA-Fonds DWS	Aktienfonds
Löwen-Aktienfonds	Aktienfonds
Multi-Index Equity Fund	Fonds ohne Teilfreistellung
Noris-Fonds	Aktienfonds
Noris-Rendite-Fonds	Fonds ohne Teilfreistellung
PWM US Dynamic Growth (USD)	Aktienfonds
Renten Strategie K	Fonds ohne Teilfreistellung
Strategiekonzept I	Fonds ohne Teilfreistellung
Vermögensmanagement Chance	Mischfonds
Vermögensmanagement Rendite	Mischfonds
ZinsPlus	Fonds ohne Teilfreistellung

# Management and Administration

## Asset Management Company

DWS Investment GmbH  
60612 Frankfurt/Main, Germany  
Liable equity capital as of  
December 31, 2017: EUR 183.2 million  
Subscribed and paid-in capital as of  
December 31, 2017: EUR 115 million

## Supervisory Board

Nicolas Moreau  
Chairman  
Deutsche Bank AG,  
Frankfurt/Main  
DWS Management GmbH  
Frankfurt/Main

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

Hans-Theo Franken  
Deutsche Vermögensberatung AG,  
Frankfurt/Main

Dr. Alexander Ilgen  
Deutsche Bank AG,  
Frankfurt/Main

Dr. Stefan Marcinowski  
Ludwigshafen

Friedrich von Metzler  
Partner of Bankhaus  
B. Metzler seel. Sohn & Co. KGaA,  
Frankfurt/Main

Alain Moreau  
Deutsche Bank AG,  
Frankfurt/Main

Claire Peel  
DWS Group GmbH & Co. KGaA,  
Frankfurt/Main

Prof. Christian Strenger  
Frankfurt/Main

## Management

Holger Naumann  
Speaker of the Management  
Member of the Executive Board of  
DWS Beteiligungs GmbH,  
Frankfurt/Main  
Chairman of the Supervisory Board of  
Deutsche Asset Management S.A.,  
Luxembourg  
Member of the Supervisory Board of  
Sal. Oppenheim jr. & Cie. AG & Co. KGaA,  
Cologne  
Member of the Supervisory Board of  
Sal. Oppenheim jr. & Cie. Komplementär AG,  
Cologne  
Chairman of the Board of Directors of  
DWS CH AG, Zurich

Stefan Kreuzkamp  
Member of the Executive Board of  
DWS Management GmbH,  
Frankfurt/Main  
Member of the Executive Board of  
DWS Beteiligungs GmbH,  
Frankfurt/Main  
Member of the Supervisory Board of  
Deutsche Asset Management S.A.,  
Luxembourg

Dr. Matthias Liermann  
Member of the Executive Board of  
DWS Beteiligungs GmbH,  
Frankfurt/Main  
Member of the Supervisory Board of  
Deutsche Asset Management S.A.,  
Luxembourg  
Member of the Supervisory Board of  
Deutsche Treuinvest Stiftung,  
Frankfurt/Main

Thorsten Michalik  
Member of the Executive Board of  
DWS Management GmbH,  
Frankfurt/Main  
Member of the Executive Board of  
DWS Beteiligungs GmbH,  
Frankfurt/Main

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

## Depository

State Street Bank International GmbH  
Brienner Straße 59  
80333 Munich, Germany  
Own funds as of  
December 31, 2017: EUR 2,166.4 million  
(As defined by article 72 of Regulation (EU)  
No. 575/2013 (CRR I))  
Subscribed and paid-in capital as of  
December 31, 2017: EUR 109.3 million

## Shareholder of DWS Investment GmbH

DWS Beteiligungs GmbH,  
Frankfurt/Main





DWS Investment GmbH  
60612 Frankfurt/Main, Germany  
Tel.: +49 (0) 69-910-12371  
Fax: +49 (0) 69-910-19090  
[www.dws.com](http://www.dws.com)